City of Nedlands

Minutes

Special Council Meeting

7 July 2011

ATTENTION

These minutes are subject to confirmation.

Prior to acting on any resolution of the Council contained in these minutes, a check should be made of the Ordinary Council Meeting next following this meeting to ensure that there has not been a correction made to any resolution.

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City of Nedlands

Minutes of a special meeting of Council held in the Council Chambers, Nedlands on Thursday 7 July 2011 at 6.01 pm for the purpose of discussing and making a determination on a proposed merger of the City of Nedlands and the City of Subiaco.

Declaration of Opening

The Presiding Member declared the meeting open at 6.01 pm and drew attention to the disclaimer below.

(NOTE: Council at its meeting on 24 August 2004 resolved that should the meeting time reach 11.00 p.m. the meeting is to consider an adjournment motion to reconvene the next day).

Present and Apologies and Leave Of Absence (Previously Approved)

Councillors	Her Worship the Mayor, S A Froese	(Presiding Member)
	Councillor K E Collins	Coastal Districts Ward
	Councillor N B J Horley	Coastal Districts Ward
	Councillor K A Smyth	Coastal Districts Ward
	Councillor I S Argyle	Dalkeith Ward
	Councillor R M Hipkins	Dalkeith Ward
	Councillor M S Negus	Dalkeith Ward
	Councillor J D Bell (from 6.02 pm)	Hollywood Ward
	Councillor R M Binks	Hollywood Ward
	Councillor B G Hodsdon	Hollywood Ward
	Councillor M L Somerville-Brown	Melvista Ward
	Councillor I Tan	Melvista Ward
	Councillor B Tyson	Melvista Ward
Staff	Mr GT Foster	Chief Executive Officer
	Ms C Eldridge	Director Development Services
	Mr M Cole	Director Corporate Services
	Mr I Hamilton	Director Technical Services
	Ms D Blake	Director Community & Strategy
	Ms S Love	Executive Assistant
	Ms N Borowicz	Executive Assistant
Public	There were 32 members of the public present, including 6 members of staff.	
Press	The West, The Post Newspaper and Western Suburbs Weekly representatives.	
Leave of Absence (Previously Approved)	Nil.	

Apologies Nil.

Absent Nil

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1. Public Question Time

1.1 Ms T James – 4 Archdeacon Street, Nedlands - Proposed Merger with the City of Subiaco

The Presiding Member on behalf of Ms T James of 4 Archdeacon Street, Nedlands read aloud the following questions and answers in relation to Proposed Merger with the City of Subiaco.

Question 1

Clarification of what the post-merger cost savings are intended to be spent on.

Question 2

Clarification of what post-merger capital expenditure is envisaged.

Answer 1 and 2

Both questions are impossible to answer as they will be subject, in the normal fashion, to vigorous debate and decision by a future council.

Any savings identified in the KPMG report are as stated often within that report, based on current levels of service.

Councillor Bell joined the meeting at 6.02 pm

1.2 Mr B James – 4 Archdeacon Street, Nedlands - Proposed Merger with the City of Subiaco

The Presiding Member on behalf of Mr B James of 4 Archdeacon Street, Nedlands read aloud the following questions and answers in relation to Proposed Merger with the City of Subiaco.

Question 1
At what stage of development is the Regional Business Pan (RBP)?

Answer 1

The Regional Business Plan is the Draft Merger Feasibility Study as presented by KPMG. It follows exactly the same template and the name change was done with departmental concurrence.

Question 2
Will the RBP be made available for public comment before being approved by Council?

Answer 2

The Draft Merger Feasibility Study has been made available to the public.

Question 3
Why is the Council voting to recommend a merger before the Business Plan is prepared as per DLG requirements?

Answer 3

The Draft Merger Feasibility Study as presented by KPMG is the business plan as per DLG requirements. It follows exactly the same template as established by DLG and is accepted by them.

Question 4
Who are the "key stakeholders" referred to in this report?

Answer 4

Key stakeholders in the communities of Nedlands and Subiaco as identified by each City. Anonymity was promised.

Question 5
Results of responses from Community Comment with regard to Community support / opposition for merger is missing from the report. Why?

Answer 5

The results of responses from the community have been made available to all Councillors and posted on the City's website.

Question 6
Did any members of the Council or the CEO request Catalyse to make changes to the report before its publication?

Answer 6

No.

2. Addresses by Members of the Public

Addresses by the following members of the public who had completed Public Address Session Forms were made at this point.

Mr C Latchem, 2 Sherwood Road, Dalkeith — Item 6
(Spoke in opposition to the recommendation)

The Presiding Member granted Mr Latchem a further 2 minutes to conclude his address.

Mr M Webb, 102 Circe Circle, Dalkeith — Item 6
(Spoke in opposition to the recommendation)

Mr R Fernandez, 3 Loftus Street, Nedlands — Item 6
(Spoke in opposition to the recommendation)

3. Disclosures of Financial Interest

The Presiding Member reminded Councillors and Staff of the requirements of Section 5.65 of the *Local Government Act* to disclose any interest during the meeting when the matter was discussed.

There were no disclosures of financial interest.

4. Disclosures of Interests Affecting Impartiality

The Presiding Member reminded Councillors and Staff of the requirements of Council's Code of Conduct in accordance with Section 5.103 of the *Local Government Act*.

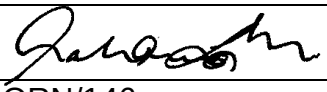
4.1 Councillor Collins - Item 6 - Proposed Merger with the City of Subiaco

Councillor Collins disclosed an impartiality interest in Item 6 - Proposed Merger with the City of Subiaco. He disclosed that with regard to the proposed merger with the City of Subiaco he has received a number of items of correspondence from electors, and as a consequence, there may be a perception that his impartiality on the matter may be affected. He declared that he would consider this matter on its merits and vote accordingly.

5. Declarations by Members That They Had Not Given Due Consideration to Papers

Nil.

6. Proposed Merger with the City of Subiaco

Applicant	City of Nedlands
Owner	City of Nedlands
Director	Michael Cole - Director Corporate Services
CEO	Graham Foster - Chief Executive Officer
CEO Signature	
File ref.	ORN/146
Previous Item No's	Nil
Disclosure of Interest	No officer involved in the preparation of this report had any interest which required it to be declared in accordance with the provisions of the Local Government Act (1995).

Regulation 11(da) – Council wanted to emphasise a major shortcoming in the process undertaken by the State Government so far which has affected both the Council and people of the City of Nedlands in that the process has not enabled Council to uphold one of the key issues of the City of Nedlands' 2030 Vision Statement which encourages Community consultation and involvement in matters affecting the City. The State Government has always envisaged this would be done through the Local Government Advisory Board's usual processes. Accordingly, full

public consultation and engagement and an ensuing poll of the Electors has been separated and added as a primary condition. Council also agreed to delete recommended clauses relating to phasing in of Elected Member representation and leave this matter to the LGAB. Council also deleted recommended clauses relating to existing local government reserve funds and land for a combined depot as matters beyond the Council's control; and chose instead to highlight the addressing of ongoing issues in the City of Nedlands such as the undergrounding of power, maintenance of the riverwall and provision of light rail and a high frequency shuttle bus link to service UWA and QEII sites. Finally, Council felt it was important to include a request that that all work undertaken and recommendations put forward by the City of Nedlands relating to structural reform is provided to, and taken into consideration by, any statutory bodies or panels that are tasked with reviewing any future structure of Local Government.

Moved – Councillor Tan
Seconded – Councillor Somerville-Brown

That:

1. The Minister for Local Government be advised that the City of Nedlands resolves to refer a proposal to the Local Government Advisory Board to assess the viability of a merger between the Cities of Nedlands and Subiaco under clause 2 of Schedule 2.1 of the *Local Government Act 1995*;

2. The Local Government Advisory Board be advised that any amalgamation with the City of Subiaco should be subject to the following conditions:

a) full public consultation and engagement and an ensuing poll of the Electors;

b) That, in developing the full business plan for the merged entity, there being no major errors or deviation from the substantive findings of the regional business plan prepared by KPMG;

c) Financial Assistance Grants being maintained to at least the minimum level of their existing combined levels for a period of 5 years;

d) The amalgamation process commences on 1st July 2012;

e) The costs of transitioning to a merged local government entity (not including capital expenditure) being met in a large part by the State Government;

f) The Minister being encouraged to appoint three commissioners following consultation with Council together with the establishment of a local advisory panel to the Commissioners consisting of one existing Councillor from each ward;

g) The Minister being encouraged to defer Council elections until such time as the Commissioners and panel are appointed and have established a business case for the amalgamated Cities;

h) The two local governments being quarantined from the recently announced Review of Perth Metropolitan Boundaries and Governance Models and the implementation of any recommendations arising from it;

i) The undergrounding of power be expedited and the funding arrangements for the maintenance of the City's River wall continue;

j) The State Government being encouraged to prepare an implementation plan for the provision of light rail for the area, and, in the interim, provide a high frequency shuttle bus link to service the UWA and QEII sites; and

3. The Local Government Advisory Board forwards all work undertaken and recommendations made to date by the City of Nedlands relating to structural reform, to the recently created Panel (and any subsequent panels) tasked with reviewing the structure of local government, for their information and due consideration.

Amendment
Moved - Councillor Hipkins
Seconded - Councillor Argyle

That clause 1 be amended with the words "refer a proposal to the Local Government Advisory Board to access the viability of a merger between the Cities of Nedlands and Subiaco" deleted and the words "support the proposal to amalgamate the Cities of Nedlands and Subiaco and refer it to the Local Government Advisory Board to progress" substituted as follows:

1. The Minister for Local Government be advised that the City of Nedlands resolves to support the proposal to amalgamate the Cities of Nedlands and Subiaco and refer it to the Local Government Advisory Board to progress under clause 2 of Schedule 2.1 of the *Local Government Act 1995*;

Councillor Bell left the meeting at 6.41 pm and returned at 6.42 pm

AMENDMENTLOST 3/10
(Against: Mayor Froese & Crs. Negus Bell Binks Hodsdon Somerville-Brown Tan Tyson Horley & Smyth)

Adoption – **The original motion was put and**

CARRIED 9/4
(Against: Crs. Argyle Hipkins Tyson & Collins)

Council Resolution

That:

1. The Minister for Local Government be advised that the City of Nedlands resolves to refer a proposal to the Local Government Advisory Board to assess the viability of a merger between the Cities of Nedlands and Subiaco under clause 2 of Schedule 2.1 of the *Local Government Act 1995*;

2. The Local Government Advisory Board be advised that any amalgamation with the City of Subiaco should be subject to the following conditions:

a) full public consultation and engagement and an ensuing poll of the Electors;

b) That, in developing the full business plan for the merged entity, there being no major errors or deviation from the substantive findings of the regional business plan prepared by KPMG;

c) Financial Assistance Grants being maintained to at least the minimum level of their existing combined levels for a period of 5 years;

d) The amalgamation process commences on 1st July 2012;

e) The costs of transitioning to a merged local government entity (not including capital expenditure) being met in a large part by the State Government;

f) The Minister being encouraged to appoint three commissioners following consultation with Council together with the establishment of a local advisory panel to the Commissioners consisting of one existing Councillor from each ward;

g) The Minister being encouraged to defer Council elections until such time as the Commissioners and panel are appointed and have established a business case for the amalgamated Cities;

h) The two local governments being quarantined from the recently announced Review of Perth Metropolitan Boundaries and Governance Models and the implementation of any recommendations arising from it;

i) The undergrounding of power be expedited and the funding arrangements for the maintenance of the City's River wall continue;

j) The State Government being encouraged to prepare an implementation plan for the provision of light rail for the area, and, in the interim, provide a high frequency shuttle bus link to service the UWA and QEII sites; and

3. The Local Government Advisory Board forwards all work undertaken and recommendations made to date by the City of Nedlands relating to structural reform, to the recently created Panel (and any subsequent panels) tasked with reviewing the structure of local government, for their information and due consideration.

Recommendation to Council

That:

1. the Minister for Local Government be advised that the City of Nedlands resolves to refer a proposal to the Local Government Advisory Board to assess the viability of a merger between the Cities of Nedlands and Subiaco under clause 2 of Schedule 2.1 of the *Local Government Act 1995*. It is intended that this will include full public consultation and engagement, and should it be necessary, a poll of electors; and

2. any amalgamation with the City of Subiaco be subject to the following conditions:

   a) The quarantining of each existing local government's reserve funds for future expenditure within the current local government boundaries;

   b) That, in developing the full business plan for the merged entity, there being no major errors or deviation from the substantive findings of the regional business plan prepared by KPMG;

   c) Elected member representation being phased in over two election cycles (8 years) and initially consisting of 16 elected members comprising two from each ward as currently established in the existing Councils, and a popularly elected Mayor;

   d) Financial Assistance Grants being maintained to at least the minimum level of their existing combined levels for a period of 5 years;

   e) The amalgamation process commencing on 1st July, 2012;

   f) The costs of transitioning to a merged local government entity (not including capital expenditure) being met in a large part by the State Government;

   g) The two local governments being quarantined from the recently announced *Review of Perth Metropolitan Boundaries and Governance Models* and the implementation of any recommendations arising from it;

   h) The State Government making land available for a combined depot at valuation;

   i) The Minister being encouraged to appoint three Commissioners following consultation with Council together with the establishment of a local advisory panel to the Commissioners consisting of one existing Councillor from each ward;

   j) The Minister being encouraged to defer Council elections until such time as Commissioners are appointed;

   k) Existing funding arrangements in relation to the provision of underground power remaining the same within the existing boundaries of both local governments; and

l) The State Government being encouraged to prepare an implementation plan for the undergrounding of power and the provision of light rail for the area.

Purpose

The purpose of this report is to consider the proposed merger with the City of Subiaco and to consider options in light of recent announcements by the Premier and Minister for Local Government.

Strategic Plan

KFA 5: Governance
5.1 Manage the City's resources in a sustainable and responsible manner.
KFA 6: Community Engagement
6.2 Encourage community participation in the City's decision making processes.
KFA 7: Economic Development
7.3 Work collaboratively with WESROC and State Government agencies in developing and implementing regional strategies.

Background

The State Government initiated reform of the local government sector with the announcement on 6 February 2009 by the Minister for Local Government (the Minister) that local government would be asked to consider the potential for amalgamations over a period of six months and on 3 March 2009 released guidelines outlining the steps for Local Governments consideration of amalgamations.

The aim of the reform initiative is to:

1. amalgamate local government areas, where possible and appropriate;

2. reduce the number of councillors to no more than six to nine per council;

3. encourage a greater focus on regional long-term planning; and

4. strengthen the ability of local governments to deliver services to their communities.

From the above it can be seen that local government structural reform is not just about boundaries, it about the strengthening of local government.

The Minister sought advice from councils of its clear intentions for amalgamations and reductions in the total number of elected members.

The State Government's announcement on reform came after the Western Australian Local Government Association concluded it's own review of the sector that commenced in 2004 and concluded in 2007 with the release of the report "The Journey: Sustainability into the future". That report identified the need to improve the capacity and capability of local government but importantly noted that local government must take the initiative to reform. The interstate experience has shown no shortage of examples of State Governments acting to reform their local government sectors in the absence of timely, sector lead change.

It should be noted that Western Australia is the last State in Australia to reform local government and that some states such as Victoria and South Australia are now considering a second round of reform, building on the successes from earlier amalgamations. It should also be noted that the current boundaries are over 100 years old when the population of Perth was just 73,000 people and the type and level of service provided was significantly less and predominantly of a basic nature (Road Boards).

The Minister stated that the benefits from amalgamations across the state, including metropolitan Perth, will be very significant. Western Australia and in particular Perth needs to be more internationally competitive and there is a need to reduce bureaucratic red tape. Structural reform as envisaged by the Minister would achieve greater economies of scale, with elected members clearly focusing on governance and long-term strategic planning. Increased competition for staff positions within the sector would be a welcome change from the present situation. Fewer, yet larger, local governments would improve lobbying capacity to the State and Federal Government and this may lead to additional funding and partnerships from those levels of government and the private sector to further improve services to communities.

The Council's response to the Minister was considered by Council on 19 September 2009. Amongst a number of other matters, Council:

1. advised the Minister for Local Government of its preference to pursue amalgamation with the Town of Claremont.

2. advised the Minister for Local Government of its preference for minor amendments to the amalgamated boundaries as shown on the (updated) map at Attachment 1;

3. advised the Minister for Local Government of its preference for the total number of elected members to be 12 Elected Members plus the Mayor, rather than 9 or 6, effective from October 2011,

recognising the joint decision nature of this recommendation;

4. advised the Minister for Local Government of the intention to continue to work collaboratively within a regional grouping comprising the local governments of City of Subiaco, Town of Cottesloe, Shire of Peppermint Grove and Town of Mosman Park as they are currently constituted; and

5. agreed to examine additional amalgamation opportunities in the Western Suburbs in the future.

Responses from across local government were collated by the Department of Local Government in October 2009 and presented as an interim report to the Minister.

After considering these responses, the Minister announced the next stage in structural reform in February 2010 and re-affirmed the State Government's resolve to introduce local government reform in Western Australia. Two models were offered, being Regional Transition Groups and Regional Collaborative Groups.
Both models provided local governments with a clear direction to reform, with the initial focus on the production of a regional business plan. Local governments were asked to advise the Minister of their intention to join a regional group.

Participation in a regional transition group allows a local government to decide if they wish to participate in the reform process and to freely choose their future partners.

In making this announcement the Minster committed to reducing the number of local councils from 139 to less than 100 in five years and stated that local government reform will generate stronger and more efficient delivery of services throughout the State. He also stated that reform would assist in reducing unnecessary governance and bureaucracy within the local government sector and will provide improved focus on regional priorities and attracting funding and economic development, thus improving the outcomes for community.

Council agreed to participate in the Regional Transition Group process by absolute majority at a special council meeting on 2 March 2010. At the Special Council Meeting on 2 March 2010 Council resolved the following:
Council informs the Minister for Local Government:

1. The City is willing to participate in the Regional Transition Group (RTG) process; and

2. Council's preference is to have RTG partners from the Western Suburbs (WESROC) to explore all options which could result in

increased value and improved service provision to residents and ratepayers.

Following an initiative from the City of Nedlands, City of Subiaco made a strategic decision to join the City of Nedlands and entered into a Regional Transition Group Agreement. Council subsequently endorsed the Mayor and Councillor Negus as the City of Nedlands representatives on the Nedlands-Subiaco Regional Transition Group Board (RTG Board).

The RTG Board appointed KPMG to prepare the regional business plan, called “draft merger feasibility study” and hereafter referred to as the report. The report was published on 17 May 2011.

Under the terms of this agreement, the two local governments must act on the report by 17 July 2011.

Proposal Detail

The proposal is to consider a potential merger between the City of Nedlands and the City of Subiaco and a recommendation to proceed to the next step in the process.

As mentioned in the background to this report, both Councils resolved to enter into a Regional Transition Group Agreement with the State Government that established an Regional Transition Group Board (RTG Board) to oversee the preparation of the report following a process developed by the State Government in accordance with the Minister’s February 2010 announcement on structural reform of local government.

The RTG Board consisted of the 2 Mayors from each Council plus an Elected Member from each Council appointed by their respective Councils.

The RTG Board engaged the services of KMPG to assist in completing the necessary RTG template document developed by the Department of Local Government. While a number of amalgamation proposals had commenced throughout the State, this proposal is the first voluntary proposal involving metropolitan councils and as such is considered by the Minister and the Department of Local Government as a pilot case.

Accordingly, some of the work undertaken by the RTG Board, such as linking into the 2030 Visioning Work and more recently community consultation, was not envisaged by the State Government as part of the initial RTG process. Instead, consultation was envisaged to be undertaken later if the proposal was to proceed.

The report was released for comment in May 2011. In summary, the study identified that a merger of the Cities of Nedlands and Subiaco has the potential to:

- enhance the quality and/or number of services
- improve the management of community assets and infrastructure
- increase the ability to represent community needs at federal and state government levels
- retain each neighbourhood's unique characteristics, such as suburbs' names, parks, streetscapes and playgrounds
- increase the capacity and capability of the local government to meet future challenges
- improve efficiency and effectiveness of service levels and obtain better economies of scale
- provide a more strategic focus to operations, projects and services
- provide savings of between $3.1 million to $4.4 million a year
- decrease average household rates, based on current service levels
- provide greater access to state and federal government grants.

Consultation

Required by legislation: Yes ☐ No ☒

Required by City of Nedlands policy: Yes ☒ No ☐

The City as a separate exercise, agreed to undertake a community visioning and engagement program and this linked into the RTG process. Under the requirements of the State Government's recently released Integrated Strategic Planning and Reporting Framework, all local governments will be required to adopt a Community Strategic Plan by 2013. Because it also could form a valuable contribution in informing the RTG process, Council was successful in attracting State funds for this exercise.

In addition, the RTG Board agreed to engage Catalyse to undertake further survey of opinion following the release of the draft feasibility study.

Elected Members have had presentations on both reports and an opportunity to raise issues or seek clarification.

Catayse was commissioned by the RTG Board in order to address what would have been a request from each Council for a survey of the level of support or otherwise for the proposal. The State Government did not envisage this level of community engagement as part of this

stage. Instead, such consultation would form part of the next stage under the normal processes to be undertaken by the Local Government Advisory Board.

Budget/financial implications

Budget:

Within current approved budget: Yes ☐ No ☒

Requires further budget consideration: Yes ☐ No ☒

Financial:

Funding for the joint RTG and community engagement has been made available by the Department of Local Government.

Discussion

The Nedlands-Subiaco RTG agreement was the first RTG agreement to be signed in Western Australia and the first to deliver a report that was acceptable to the Department of Local Government.

The final report prepared by KPMG predicts savings of $3.1m and these savings can be validated. Further savings of $1.3m are anticipated and are based on experience elsewhere. As stated in the report, "...further work will be done during detailed implementation planning to review savings in areas which have not yet been considered in detail."

As part of the Transitional Considerations contained within the draft merger feasibility study, "high level transition project costs" of $4.1m are identified. These transitioning costs are intended to be met by the State Government should the merger proceed.

The report indicates that on the balance of probabilities, the merger of the two local governments is highly likely to generate significant and real savings that will quickly cover the cost of transitioning, regardless of whether the cost of transitioning is paid in full or not by the State.

While the report suggests rates will go down, experience of the amalgamation of other local governments has shown that any savings made are more likely to be applied to the provision of an increased range of works and services. It could then be argued that at very least, based on the findings in the draft merger feasibility study, an amalgamation will generate savings of $3.1 million to be applied to the provision of an increased range of works and services.

The KPMG report has attracted some criticism. It also became apparent as a result of the survey work undertaken by Catalyse that

little reliance had been placed on the KPMG report or the newsletter produced by the RTG Board. Instead, the overwhelming majority of information about the proposal was obtained from the local press, which has almost exclusively reported negative views of the proposed merger. It is interesting to note that even with reliance on the local press for their information, a significant number of respondents in both Nedlands and Subiaco still support the merger.

The draft merger feasibility report was compiled by KPMG using audited annual financial reports and annual budgets adopted by each Council. The report was not, as has been suggested, based on unquestioned data handed to the consultants by the two administrations. To suggest anything of the sought is an affront to the professional integrity of KPMG, one of the major international consultancy firms.

State Government Position

The Minister for Local Government's recent announcement of a Review of Perth Metropolitan Boundaries and Governance Models reinforces the view that structural reform will be imposed on local government, regardless of the political persuasion of the next State Government and that this is likely to happen sooner rather than later.

The State Government has also looked at the introduction of new governance models in relation to town planning matters, such as:

- Development Assessment Panels
- Metropolitan Development Authority
- Directions 2031 and the allocation of population increase quotas for each local government
- Directions 2031 and the identification of 'specialised centres' such as UWA/QE II
- Proposed Local Planning Scheme amendments being driven by the Minister for Planning

Notwithstanding the Review of Perth Metropolitan Boundaries and Governance Models, the Minister for Local Government has encouraged Nedlands and Subiaco to continue with the merger process under the voluntary RTG.

Both local governments now have knowledge at a 'high level' of what each local government has to offer. By merging at this point in time it is possible that both communities could insulate themselves from the reform agenda and get on with the business of providing good governance for their communities.

The Case against Amalgamation

The case against amalgamation is perceived to be largely a resistance to change from the community and based on the perceived differences between Nedlands and Subiaco. In this regard:

- The recent community survey undertaken by Catalyse showed residents in Nedlands felt largely uninformed and minorities were split for and against amalgamation.
- The survey was undertaken in the face of vigorous and public negative campaign and prior to any announcement by the Minister and the Premier of a review of local government boundaries in the metropolitan area.
- There is a perception that there are no guarantees in the level of savings to residents
- There is a perceived reduction in the representation and access to Councillors

- There is a perception the amalgamation is being driven by Administration
- There is a perception that reform has failed in other states.

The Case for Amalgamation

The report identified that a merger of the Cities of Nedlands and Subiaco has the potential to:

- enhance the quality and/or number of services
- improve the management of community assets and infrastructure
- increase the ability to represent community needs at federal and state government levels
- retain each neighbourhood's unique characteristics, such as suburbs' names, parks, streetscapes and playgrounds
- increase the capacity and capability of the local government to meet future challenges
- improve efficiency and effectiveness of service levels and obtain better economies of scale
- provide a more strategic focus to operations, projects and services
- provide savings of between $3.1 million to $4.4 million a year
- decrease average household rates, based on current service levels
- provide greater access to state and federal government grants.

Conclusion

Council has 2 options to consider as follows:

Option 1 – Do nothing

Council can resolve to not pursue an amalgamation any further. That will effectively end this exercise and will defer any action for at least twelve months. While it may give more time to consult and educate the Community, there are several risks associated with this option and extensive costs likely to be incurred to the ratepayers of both Municipalities.

The Minister and the Premier have both indicated Cabinet support and commitment to Local Government Structural Reform in the Metropolitan area at least. This arises out of a perceived need to make Perth a more internationally competitive city and one which can deliver services and programs to residents and businesses alike, in a more effective and efficient manner.

In a recent speech to an audience of Mayors and CEOs, the Premier made statements that Perth and WA need leadership at a time when it is facing increasing competition internationally and local government faces those same challenges. The State currently has $300,000,000,000 worth of investment either approved or awaiting approval and, with 70% of the state's population in Perth, a major reassessment of the role of Local government for the next 50 years, is fundamental to its future.

The current local government boundaries for the Perth metropolitan area were basically drawn up more than 100 years ago when the population was just 73,000 people and the type and level of service provided was significantly less and predominantly of a basic nature (Road Boards).

It is hard to imagine that they would still produce the most effective and efficient sized units for the delivery of an increasing range of services and programs in an increasingly technological age. Indeed, Perth Metro area has municipalities which vary in size from the Nation's smallest (by area) in Peppermint Grove (1700 people) to the City of Joondalup with approximately 150,000 or nearly 100 times larger.

Should Council decide to do nothing it runs the risk of a forced amalgamation in the very near future and this is not a threat which should be dismissed or taken lightly. Western Australia is the last state to undergo Local Government Structural reform and is generally regarded to have the weakest system in the country. This is reflected in major federally funded capital projects being delivered to Local Government areas in the eastern states with capacity to manage, coordinate and, most importantly, partner in these larger projects.

Both the Premier and Minister have consistently said that they will not guarantee that there will not be forced amalgamations past the life of the current Parliament, a point that was repeated and re-enforced by

both at the recent briefing. That briefing also announced the formation of a panel consisting of Professor Alan Robson, Dr Sue Van Leeuwin and Dr Peter Tannock to undertake a 12 month review of the boundaries and governance models of metropolitan Local Governments with a view to "substantially reducing their number". This panel must report to the Minster before July next year.

To attempt to ignore this development is to jeopardise funding and the opportunity to determine who a future amalgamation partner might be and to possibly financially disadvantage the Community. While this is a serious consideration for the City of Nedlands, it possibly has even more importance for Subiaco which would probably see no protection for its extensive financial reserves and moves from the City of Perth to take over some of its geographical territory. The City of Perth continues to suggest a 3km and 5 km radius from its centre and the "need" to have all of UWA and QE II within its boundaries.

Financial assistance is available now for the Cities of Nedlands and Subiaco to determine their own political and organisational future, based on due diligence that both Local Governments have undertaken. Both Local Governments have a mandate to provide leadership to their communities and not doing anything, in spite of the evidence of the Feasibility study, would possibly not be in the best interests of future residents or business.

Both Councils, too, would lose the opportunity to chose whom it may wish to join with in the future.

To summarise:

1. There are strong indications that local government boundaries will change sooner rather than later and probably within the next 18 months.
2. The Government is likely to enforce amalgamations and remove the requirement for a poll from the process.
3. Should Councils determine that they will wait for this eventuality – real or not – they will lose the opportunity to choose their "partners"
4. There will be no financial assistance given to parties in a forced amalgamation.
5. Financial assistance will be available to those who voluntarily amalgamate in the meantime.
6. The opportunity to voluntarily quarantine reserve funds will be lost in a forced amalgamation following the report by the recently announced Review Panel.
7. There is an opportunity to ensure that a voluntary amalgamation removes both Nedlands and Subiaco from the review process.

Option 2 - Continue the process

Should Council resolve to continue the process the following will occur:

1. The Minister will refer the matter to the WA Local Government Advisory Board to undertake an investigation and review. Part of that review will involve extensive public consultation and education. It will call for public submissions and will hold public meetings where those submissions can be put directly to the Advisory Board. It is anticipated that the review process could take as long as nine months at the end of which, a recommendation is made to the Minister.
2. If that recommendation is in the negative, the Minister must accept it.
3. A petition signed by 250 electors of one of the Municipalities may call for a poll on the matter at which time the WA Electoral Commission would be asked to prepare cases for and against and distribute those to all electors. A poll is conducted under the process set out in the Local Government Act which stipulates that a turnout of 50% of eligible electors must vote in the poll for it to be deemed valid. Should that occur and a majority of those who vote, vote against a proposed merger, that decision is binding upon the Minister. Should the poll not attract a turnout of 50% of eligible electors, the result – either way – is not binding upon the Minister.

Attachments

Nil.

Declaration of Closure

There being no further business, the Presiding Member declared the meeting closed at 7.27 pm.