

LATE ITEM – COUNCIL 16 JUNE 2009

LOCAL GOVERNMENT REFORM – JUNE 2009 UPDATE [08144, 51577, 00033, 01139]

WARD: All

**RESPONSIBLE
DIRECTOR:** Mr Jamie Parry
Governance and Strategy

PURPOSE

The purpose of this report is to provide the Council with an update of the City's progress in relation to development of its Local Government Reform Submission to the Minister for Local Government.

EXECUTIVE SUMMARY

At the 21 April 2009 meeting, Council endorsed the Local Government Reform Checklist being submitted to the Local Government Reform Steering Committee, in accordance with the Minister for Local Government's requirements.

At the 19 May 2009 meeting, Council accepted the timeframe for Stages 2 - 4 for the City of Joondalup Reform Submission to the Minister for Local Government.

The timeframe for the project included development of a preliminary report to Council (for the purposes of community consultation). The Structural Reform Guidelines produced by the Local Government Reform Steering Committee suggest that local governments should consider the following for the purposes of community consultation:

- Preferred amalgamation structure or other types of boundary adjustments.
- Proposed number of Elected Members.
- Feasible regional sharing arrangements (if any).
- Transition timeline including estimated costs, if appropriate.

This report briefly examines the above matters together with a proposed position in relation to the more significant aspects of reform to take to the community for comment.

BACKGROUND

In February 2009, the Minister for Local Government; Heritage; Citizenship and Multicultural Interests, the Hon John Castrilli MLA, announced the State Government's package of local government reform strategies. These strategies were aimed at achieving greater capacity for local governments to better plan, manage and deliver services to their communities with a focus on social, environmental and economic sustainability.

The principal strategies are voluntary structural reform, with the main objective to reduce the number of local governments across the State, and reduce the total number of Elected Members to between six and nine.

The Minister established a Steering Committee to coordinate the review. The Steering Committee has issued a set of guidelines to assist local governments through the reform

process. The City has met the requirements of the timeframes established by the Minister to date.

DETAILS

Issues and options considered:

The next stage of the reform process is for the Council to examine principles upon which to release to the community in the form of a discussion paper. The discussion paper will be developed by the City in conjunction with its consultant employed for the purpose of assisting the City with its Reform Submission, however, is proposed to include the following philosophies, which are submitted to the Council for its consideration.

A copy of the community consultation report will be distributed to Elected Members for comment upon finalisation, and prior to release.

The following is proposed in relation to the community consultation strategy and discussion paper:

Community Consultation Strategy

Proposal: That the City of Joondalup:

- 1. Undertake a community consultation exercise inviting comment from the community on matters to be addressed by the City in its Reform Submission to the Minister.*
- 2. Develop its discussion paper utilising the content of this Council report.*

The Minister's reform process provides that there must be community consultation in order to assist the community in having meaningful and relevant input into the process. Whilst it is likely that the majority of the City of Joondalup's community are unaware of the Minister's proposed reform strategies, it remains important to inform the community why the City of Joondalup is undertaking an assessment of criteria related to reform, and the reasons for development of position statements, providing the community with the opportunity to have input into the City's Reform Submission to the Minister.

It is intended that the content of this report form the basis of the discussion paper to be released to the community for comment, and include the following matters to be addressed in the City's Reform Submission:

- An introduction from the Mayor providing a brief overview of the Minister's reform strategies and objectives of same, the City's ability to be sustainable as demonstrated through the review of the City of Joondalup's Checklist of April 2009, the City's general position regarding the reform proposals, and an invitation to comment on the proposal.
- Community of interest overview and how the preferred amalgamated structure (including any boundary adjustment proposal) will improve social, economic and environmental capacity on behalf of their communities.
- How community identity and representation will be preserved or improved.
- Membership of regional groupings.
- City of Joondalup's Checklist (April 2009) and how gaps identified will be addressed.

Whilst the timing of the consultation is yet to be finalised (July anticipated) is proposed that the consultation strategy will be undertaken in accordance with the City's guidelines on public participation/consultation, and include:

- Media releases.
- Advertisements in the local district newspaper and public notice boards inviting comment to the discussion paper.
- Articles in the City's publications.
- Corresponding with major stakeholders in the district including, but not limited to, local members of Parliament, Joondalup Business Association, and relevant resident and ratepayer groups within the district.
- Ensuring the discussion paper and feedback form is available on the City's website and hard copies are available on request from customer service areas.
- Public workshop(s) should it be deemed there is sufficient interest in the reform process.

It is considered important that employees also be consulted with regard to the reform process and as such, newsletters and information sessions will be used to disseminate relevant information. WALGA is also investigating the implementation of a support program for local government employees and Elected Members as they deal with the upheaval that may occur throughout reform of the sector. The program will offer assistance to all on an anonymous basis, primarily through a helpline staffed 24/7 by trained professionals and access to critical incident counselling. It is anticipated that this program will be in place approaching the August deadline for submissions to the Minister, and will be kept in place for approximately six months.

Discussion Paper:

Community of Interest Overview

Proposal: That a community of interest overview be included in the community consultation discussion paper providing an overview of the City's current economic, demographic and social structure and how it contributes to the City's shared common interests/values/characteristics/issues giving rise to a separate sense of identity or community.

The Minister has advised that should a local government find that amalgamation would not improve social, economic and environmental capacity of their local community, this should be expressed, with supporting evidence in their Reform Submission.

Community of Interest

It is considered that the division of the City of Wanneroo into two local governments only a decade ago provides sufficient evidence with regard the City of Joondalup's community of interest.

In the Local Government Advisory Board's (LGAB) report titled *Assessment of the Minister's Proposal to Divide the City of Wanneroo* (February 1998) the LGAB identified community of interest as one of the three main reasons for amending the local government's boundaries. The Board found that the proposed division of the City of Wanneroo into two local governments "allows for a split between the urban areas to the west of Wanneroo Road and the more mixed development to the east. In the eastern area, there are a number of different communities based on different land use and different patterns of urbanisations."

The Report further provided that "The Board found that residents within the City of Wanneroo see themselves as falling into different communities of interest. This was associated with a strong sense of identity with a place of residence and in perceived inequities between areas. This has been exacerbated by the focus on the development of Joondalup and a feeling by some residents that they are poorly represented on Council with

a reduction in the number of Councillors in some Wards. The Board also found a strong sense of differentiation between longer term residents around the Wanneroo townsite and residents of the newer suburbs and between those who live to the east of Wanneroo Road and those who live in coastal suburbs. Much of this is to do with lifestyle choices.”

Other differences related to communities interest between the Cities of Joondalup and Wanneroo identified in the LGAB Report included:

- The division would result in one local government that would have a relatively stable population likely to be ageing and another which will experience rapid population growth. This area would also be likely to attract younger families.
- The proposal recognised the differences in land use between the east and the west, however, given most residents were highly mobile and travel outside of the area for work, the economic interdependency of activities within the newly created local governments was not seen as a critical factor.
- The proposal allowed for a split between the urban areas to the west of Wanneroo Road and the more mixed development to the east.. In the east there are a number of different communities based on different land use and different patterns of urbanisation. The proposed division at the time assisted in maintaining the integrity of individual suburbs, which is not considered to have changed in the case of the City of Joondalup.

In the City's Reform Submission further examination of how the City of Joondalup's community identity will be preserved or improved will be undertaken. This includes those parts of the district that share common interests/values/characteristics/issues giving rise to a separate sense of identity or community, whether of an economic, social or other interest. Whilst a snapshot community profile of the City of Joondalup from ABS and City data can be provided, other issues to be examined may include:

- The geographical pattern of human activities (where people live, work and engage in leisure activities) and the various linkages between local communities.
- Shared interests and shared use of community facilities. For example, sporting, leisure and library facilities create a focus for the community. The use of shopping areas and the location of schools also act to draw people together with similar interests. This can also give indications about the direction that people travel to access services and facilities.
- How neighbourhoods and suburbs are important in the physical, historical and social infrastructure and how they generate a feeling of community and belonging.
- The integration of land use, environmental and transport systems and water catchment areas.

Preferred Amalgamation Structure or Other Types of Boundary Adjustments

Proposal: That the City of Joondalup retain its current local government boundary alignment.

Local Government Boundary Principles

One of the LGAB's principles regarding boundaries relates to the physical and topographic features that may be either natural or man-made, and may include water features (such as rivers); catchment boundaries; coastal plain and foothills; parks and reserves; and man-made features (such as railway lines or freeways).

These features can form identifiable boundaries and can also act as barriers to movement between adjoining areas. In many cases physical and topographical features are appropriate district and ward boundaries.

The LGAB supports local government structures and boundaries that facilitate the integration of human activity and land use.

City of Wanneroo Division

In August 1996, the Minister for Local Government formally directed the LGAB to review the boundaries for the Cities of Stirling and Wanneroo, and "..... assess the options for division of the Cities of Wanneroo and Stirling into smaller units". A range of potential options was considered, and are outlined in more detail in the LGAB Report titled *Options for Stirling and Wanneroo – Final Report* (April 1997).

The City of Joondalup was established by virtue of the Joondalup and Wanneroo Order 1998 which came into operation as of 1 July 1998. The Order created two new local governments, the City of Joondalup and the Shire (now) City of Wanneroo.

In the LGAB Report titled *Assessment of the Minister's Proposal to Divide the City of Wanneroo* (February 1998) the LGAB identified that the physical and topographical features of the division of the former City of Wanneroo should be based on major roads as the basis for boundaries. The exception to this is Lake Joondalup, which is divided down the middle. The Board initially proposed that in order to effectively coordinate the management of this ecosystem, all of the lake and the surrounding open space fall within one local government, and as such it was suggested that the boundary between the two local governments run along the eastern edge of the open space to the east of the lake. It is important to note that the Cities of Wanneroo and Joondalup have jointly committed to the conservation of the ecosystem of Lake Joondalup as a shared facility.

It is considered that the City of Joondalup's boundaries concur with the LGAB's principles related to boundaries confirmed when the City was established in 1998, taking into consideration physical and topographical features and land use patterns, and as such it is proposed that the current boundaries be retained at this time.

Community Representation/Proposed Number of Elected Members

Proposal: That:

- 1. The Minister for Local Government's recommendation to reduce the number of Councillors to between six and nine for all local governments be rejected, and that local governments, having a residential population exceeding 100,000, be permitted to have a Council comprising not less than 5 nor more than 14 Councillors if the Mayor is elected by electors, as per the current arrangements permitted under Section 2.17 of the Local Government Act 1995.*
- 2. The City of Joondalup propose that its number of elected representatives be retained at 12 Councillors and a Mayor elected by electors.*
- 3. The Minister for Local Government be requested to research the ratios of Elected Members per population in other States both prior to and after local government reform, and the effect that this may have had on the community, prior to making any legislative amendments regarding Elected Member representation.*
- 4. The Minister for Local Government be requested to review the remuneration provided to Elected Members should the number of elected representatives be reduced.*

Elected Member Representation – General

The Local Government Reform Guidelines requires local governments to consider appropriate Elected Member representation and methods for ensuring appropriate community representation. The Minister's reform package includes a proposal to reduce the number of Elected Members to six to nine Councillors for each local government.

The Western Australian Local Government Association's (WALGA) Systemic Sustainability Study (SSS) report process went through a number of stages of consideration on this issue. In the initial draft SSS report released in February 2008, there was a proposal for reducing the number of Elected Members. This related to another proposal for an enhanced Regional process. Some of the feedback during the submission process advised that there should be consideration to Elected Member numbers aligned to a population ratio as some of the larger local governments will require more members than smaller country local governments.

In considering feedback on the draft report, WALGA refined its position and the final SSS report endorsed in September 2008, recommended the following;

SSS Action 35:

That Local Governments be encouraged to undertake regular reviews of the number of Councillors required to conduct the governance functions required.

During the recent reform process, discussions amongst larger metropolitan local governments have raised concern at the proposal for a reduction in Elected Member representation. The argument against a reduction in Elected Members has been based around the following:

- Councils are not a board of directors but are an elected representative body.
- That it is a fundamental change to the nature of local government to unilaterally change the role of Councillors to remove the focus on community representation.

- There will be significant expense to replace the voluntary community connection role undertaken by Councillors. To give any semblance of connection, Councils may require community officers and citizen committees (which have to be serviced by paid officers).
- Future population growth of some metropolitan local governments needs to be considered.
- The possible effect of potential candidates being dissuaded from standing for election given the commitment required to fulfill Council duties and community expectations.
- The increase in Councillor representation ratios will be significant for those local governments with large populations.
- The proposal to reduce the number of Elected Members is not consistent with the State Government's position on Members of the Legislative Assembly who cannot represent more than 22,500 people.
- The level of community engagement a Council has with its constituents has an impact on the ability of elected representatives to sufficiently represent the community.

Arguments for reduced Elected Member representation include the following:

- Better governance provided by a reduced number and a greater focus on strategic direction.
- Fewer Elected Members are more readily identifiable to the community.
- Fewer positions on Council may lead to greater interest in elections with contested elections and those elected obtaining a greater level of support from the community.
- More scope for team spirit and cooperation amongst a smaller number of people.
- A reduction in the number of Elected Members may result in an increased commitment from those elected, reflected in greater interest and participation in Council affairs. It is suggested that should there be a reduced number of elected representatives the remuneration provided to Elected Members should be reviewed to attract quality candidates that are able to commit the time and resources to governing the district.
- Consultation with the community can be achieved through a variety of means in addition to individuals and groups contacting their local Elected Member.

WALGA has requested the DLGRD Reform Subcommittee look at this issue to research the ratios of Elected Members per population in other States both prior to and after local government reform, and the effect that this may have had on the community. The Minister has not given any undertaking at this time that the request will be examined.

It is of interest to note the suggestion of Hearfield and Dollery (January 2009) in their article 'Representative Democracy in Australian Local Government' (published in the Commonwealth Journal of Local Governance), that each Elected Member represents a much larger number of electors than ever before. This varies considerably from State to State with those more heavily populated having a far greater ratio of population per elected representative. Figures again taken from the 2006 *Local Government National Report* (DOTARS 2006:14) show that in Victoria, which has experienced the greatest fall in the number of local government representatives, this ratio recently stood at 1:8,053. In New South Wales, where the population is almost 40 per cent higher, but where there has been a less dramatic drop in the number of Councillors, the ratio was 1:4,432. For Queensland (before the recent halving of the number of councils), South Australia and Tasmania, these ratios came in at 1:3,079, 1:2,046, and 1:1,710 respectively. In Western Australia, with only a very slight decline in the numbers of Councils and representatives, the ratio stood at 1:1,475.

Elected Member Representation – City of Joondalup

Australian Bureau of Statistics data provides that the estimated resident population of the City of Joondalup at 30 June 2008 was 159,986, making it the second largest local government by population in Western Australia, and one of the largest local governments by population in Australia.

With twelve Councillor positions there is a ratio of 1:13,332 (where one Councillor represents 13,332 residents). If an elector ratio were to be examined, the City, at October 2007, had 102,563 electors, providing for a Councillor/elector ratio of 1:8,547, with Ward Councillor/elector representation (October 2007) as follows:

Ward	Electors	Councillor/Elector Ratio
North	17,706	1:8,853
Central	16,896	1:8,848
North Central	17,099	1:8,550
South	15,738	1:7,869
South East	16,797	1:8,399
South West	18,327	1:9,164

The LGAB may consider deviations greater than plus or minus 10% of the average ratio of Councillors to electors if the City is able to justify exceptional circumstances and presents arguments accordingly.

As required by the Local Government Act 1995, local governments must review their ward boundaries and Elected Member representation every eight years. The City of Joondalup undertook a comprehensive review in 2005, and at the Council meeting held on 13 December 2005 (C73-12/05) resolved to reduce the number of elected members and wards to the current arrangement of 12 Councillors representing six wards plus a Mayor elected at large by the community.

If the City of Joondalup were to reduce its Elected Member representation in accordance with the Minister's proposal the following ratios would occur:

- Average Councillor/resident ratio with six Councillors – 1:26,684.
- Average Councillor/resident ratio with nine Councillors – 1:17,776.
- Average Councillor/elector ratio with six Councillors – 1:17,093.
- Average Councillor/elector ratio with nine Councillors – 1:11,395.

The significant change in Councillor/resident and Councillor/elector ratios is considered to be unsustainable given the voluntary nature of the Elected Member role and the significant level of community engagement the City of Joondalup Council has with its constituents, and as such it is suggested that the Minister's recommendation to reduce the number of Councillors to between six and nine for all local governments be rejected. Instead, it is proposed that local governments having a residential population exceeding 100,000 be permitted to have a Council comprising not less than 5 nor more than 14 Councillors if the Mayor is elected by electors, as per the current arrangements permitted under Section 2.17 of the Local Government Act 1995.

Regional Sharing Arrangements

Proposal: That the City of Joondalup commits to continuing to liaise with the Cities of Stirling and Wanneroo to examine future service and infrastructure obligations that lead to more efficient and effective service delivery to the shared communities of interest.

In the City of Joondalup's Local Government Reform Checklist (adopted by the Council at its April 2009 meeting), the City indicated that it currently worked effectively as part of a group of local governments, comprising the north-west corridor of metropolitan Perth, delivering services regionally.

The City has the following formal regional sharing arrangements in place:

- Mindarie Regional Council (recycling).
- Tamala Pak Regional Council (recycling and land development).
- WALGA North Metropolitan Zone.

The City was an integral member of the North West Corridor Coordinating Committee, which considered the future growth need of the corridor, including regional governance models for economic development.

The north-west corridor of local governments retain similar interests and utilise both formal and informal networks/agreements to benefit the group through projects including, though not limited to:

- Regional resource sharing with the objective of enhancing economic, tourism and employment development opportunities within the region (including employment of shared officers).
- Lake Yellagonga Integrated Catchment Management Plan (included employment of a shared officer in 2008/09).
- Local Emergency Management Plan established with the City of Wanneroo.
- Joint funding of the Small Business Centre North West Metro in association with the City of Wanneroo.
- Regional infrastructure planning needs.
- Benchmarking.
- Australia Day activities (with the 2009 function being the largest ever held in Australia).
- Refuse collection contract with the City of Wanneroo.

It is considered that the north metropolitan corridor of local governments work cooperatively and efficiently taking into account the others' interests when strategically planning for the future, and working together for the mutual benefit of those communities involved.

The community consultation report will provide further detail of the types of activities the Cities of Joondalup, Stirling and Wanneroo work cooperatively on, and invite comment regarding further opportunities for regional development and collaboration.

Transition Timeline Including Estimated Costs (if appropriate)

In relation to any transition timeline this matter is not required relevant at this time given there is no immediate proposal to amalgamate. This may alter when the Council develops its final position and can be examined at that time.

The Minister, in his Guidelines, proposed that this section comprise the planned timing of the amalgamation including consideration of, though not limited to:

- Organisational change processes.
- Human resources management.
- Development of governance systems such as local laws and policies.
- Information technology and communication infrastructure.
- The impact on council elections.
- The impact on staff contracts.
- The impact on Council operations during the transition period.
- Details of estimated transition costs.

Much of the above information was provided to the Minister in the City of Joondalup's Checklist. It is of particular importance to demonstrate to the community that City of Joondalup has established efficient and effective management and governance structures since its division in 1998, and does not propose amalgamation at this time.

The gaps identified by the City at the time of completing the Reform Checklist have been incorporated into future plans to ensure the City is managed at an optimal level. The City was able to clearly demonstrate that it more than satisfactorily met the majority of requirements detailed in the Checklist.

Link to Strategic Plan:

This item has a general connection to the Strategic Plan.

Legislation – Statutory Provisions:

The Local Government Act 1995 sets out the requirements when a local government wishes to amend its boundaries and Elected Member representation and the role of the Local Government Advisory Board.

The language used in the guidelines clearly indicates that the process is voluntary. The Minister, through the CEO of the Department of Local Government and Regional Development (the Department), may require the City to provide the information requested by exercising powers under Section 8.2 of the Local Government Act 1995, but to date there is no suggestion that this power has or will be exercised.

On this basis, there does not appear any statutory obligation to complete the tasks leading to the submission of a Reform Submission, however, it is considered to be a useful exercise to demonstrate the Council's commitment to reform.

Risk Management considerations:

There are a number of risks involved if the Council does not comply with the guidelines:

- The CEO of the Department may request various information in accordance with Section 8.2 of the Local Government Act 1995;
- Other local governments may undertake a review which may impact on the City of Joondalup without it being involved in the process.
- The State Government may through legislation undertake structural reform of local government.

Legal advice circulating within the industry has cautioned local governments if they choose not to undertake a review.

Financial/Budget Implications:

There are no specific budgetary funds to undertake the review, nor for any boundary adjustments. Nominal costs will be incurred with the community consultation exercise required. A major concern expressed by WALGA is the issue relating to who is responsible for the costs associated with any structural reform.

Policy Implications:

Not Applicable.

Regional Significance:

Structural reform has significant implications for the region.

Sustainability Implications:

It has been acknowledged through the industry via WALGA's SSS Report that the current structure of local government needs to be reviewed to ensure it is sustainable.

Consultation:

Stage 2 requires community consultation, which will be undertaken in accordance with the City's guidelines on public participation/consultation.

All local governments have submitted a checklist to the Reform Committee, with the lists currently being reviewed by Department of Local Government staff. Once the checklists have been reviewed, the Reform Committee will provide feedback to individual Local Governments on the Committee's assessment of the information submitted. It is anticipated that Councils will need to address the Committee's feedback in their final Reform Submissions, together with supporting evidence.

COMMENT

It is proposed that the Council endorse the contents of this report to form the basis of the discussion paper to be released as part of the community consultation process required to meet the Minister's reform agenda.

It is to be noted that the City's administration will continue to work on matters related to the following, for inclusion in the final Reform Submission:

- The City's viability with regard to financial capacity.
- The City's ability to effectively deliver local government services, or capacity to meet community expectations.
- An assessment of the City's financial capacity to increase financial resources and derive long term cost efficiencies.
- The City of Joondalup's characteristics of economic factors and resources in the area.
- The City of Joondalup's demographic trends, and the appropriate planning for current and projected population characteristics.
- The City of Joondalup's transport and communication linkages to support connectivity between regions.

ATTACHMENTS

Not applicable.

VOTING REQUIREMENTS

Simple Majority

RECOMMENDATION

That Council ENDORSES the report dated 16 June 2009 regarding Local Government Reform and utilises the philosophies of the report to form the basis of the discussion paper to be released as part of the community consultation process required to meet the Minister's reform agenda.