

**MINUTES OF A SPECIAL COUNCIL MEETING, HELD IN THE COUNCIL CHAMBERS, ON TUESDAY, 29 SEPTEMBER, 2009 COMMENCING AT 7.40PM.**

**292. DECLARATION OF OPENING OF MEETING**

The Mayor (Presiding Member) declared the meeting open.

**292.1 Present**

Mayor A Ferris	Presiding Member
Cr B de Jong	
Cr D Nardi	
Cr M Rico	
Cr A Wilson	
Mr S Wearne	Chief Executive Officer

**293. ACKNOWLEDGEMENT OF COUNTRY**

Mayor Ferris made the following acknowledgement:

*"On behalf of the Council I would like to acknowledge the Nyoongar people as the traditional custodians of the land on which this meeting is taking place."*

**294. WELCOME TO GALLERY AND INTRODUCTION OF ELECTED MEMBERS AND STAFF**

The Mayor welcomed the members of the public in the gallery and introduced Council members and staff.

**295. PUBLIC QUESTION TIME**

Nil.

**296. RECORD OF APPROVED LEAVE OF ABSENCE**

Nil.

**297. RECORD OF APOLOGIES**

Cr C Collinson  
Cr S Dobro  
Cr R Olson

**298. BUSINESS**

***Reform Submission to Minister for Local Government***

The following proposed letter to the Minister and accompanying report, prepared by the Chief Executive Officer were tabled.

**Letter to Hon Minister**

29 September 2009

Hon GM (John) Castrilli, MLA  
Minister for Local Government; Heritage;  
Citizenship & Multicultural Interests  
Level 12  
Dumas House  
2 Havelock Street  
WEST PERTH WA 6005

Dear Minister

***Structural Reform Submission***

*You wrote to the Town of East Fremantle on 5 February 2009, firstly inviting Council to voluntarily amalgamate with one or more other local governments and secondly to voluntarily reduce the*



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number of elected members involved.

You stated that these requests were part of a “package” of reform strategies “aimed at achieving greater capacities for local governments to better plan, manage and deliver services to their communities with a focus on social, environmental and economic sustainability”.

You wrote that you “looked forward to receiving advice of your Council’s clear intention on these matters within a period of six months”, which you later extended by a month.

At the outset I advise that Council has given both matters serious consideration, albeit in the relatively limited time frame available, following which it has been resolved:

- (i) to not amalgamate with any other local government, at this time.
- (ii) to not reduce the number of elected members, at this time.
- (iii) to continue to work collaboratively within a regional grouping comprising the local governments of East Fremantle, Cockburn, Fremantle, Kwinana, Melville and Rockingham.

With respect to the amalgamation issue, “at this time” refers in part to Council’s view that insufficient time has been provided to local governments to properly research the advantages, disadvantages and other potential outcomes of an amalgamation with one or more other specific local governments.

In other words, Council does not feel it is in a position to conclude, with respect to any particular amalgamation option, that an amalgamation would be of benefit to the East Fremantle community.

“At this time” also refers to the fact that Council concludes the Town is currently socially, environmentally and economically sustainable and whilst there are no indications this will not continue to be the case (in fact the indications are that the situation is only likely to continue to improve), if for any reason in the future Council were to conclude there were concerns in regard to its continued sustainability, based on any of the three criteria, it would review the situation at that time.

“At this time” also refers to the fact that in their response to Council’s community consultation on this issue, the great majority of members of the East Fremantle community have clearly indicated they wish to remain part of an independent East Fremantle and do not want the Town to amalgamate with any other local government.

“At this time” also refers to the situation whereby the South West Group; the Voluntary Regional Organisation of the Councils comprising the Town of East Fremantle, City of Melville, City of Fremantle, City of Cockburn, Town of Kwinana and City of Rockingham, had, in early 2008 and well prior to your February 2009 announcement, commenced formulating a shared services proposal involving the entire region.

The proposal was the subject of a successful grant application to the Department of Local Government and Regional Development.

This proposal, which is discussed further in the report, is progressing well and given the large amount of research (also discussed further in the report) which suggests regionally based shared service and like models of Council cooperation, are generally more effective models in terms of achieving optimal efficiencies and positive community outcomes than amalgamations, Council believes an appropriate period should be allowed to progress the project and review outcomes, before reviewing the issue of amalgamation as an alternative.

With respect to the issue of the number of elected members, “at this time” refers to the fact that the Town is presently considered to be operating very well with the current number of elected members and with respect to any reduction in numbers, no advantages, other than a minor reduction in governance costs, have been identified. On the other hand a number of disadvantages, which are considered to far outweigh the minor cost benefit referred to above, have been identified.

These are discussed in the report.

Nevertheless Council has resolved to keep the matter under review and if the situation were to change, will reconsider the matter at that time. Council notes it is, of course, a statutory requirement, pursuant to Schedule 2.2 (6)(1)(6) of the Act, to review the issue every 8 years in any event. Council’s last review took place in 2005 and Council resolved to retain the number of offices of Councillor for each ward. This was supported by the Advisory Board.



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*At the preceding review however, Council resolved to reduce the number of offices of Councillor from 12 to 8.*

*Finally on this issue, Council notes the current number of elected members serving the Town of East Fremantle is within the range (6-9) which you have stipulated.*

*With respect to both issues, Council appreciates your stated view "that local governments themselves are best placed to determine their appropriate size, at the local and regional level, to deliver services to our communities in the most efficient and effective manner".*

*This is exactly what Council has done, based on available information, careful consideration of the issues and significant community consultation.*

*Council's formal resolution was as follows:*

*"Having considered the Reform Submission prepared by the Chief Executive Officer, the Town of East Fremantle endorses the report and resolves to advise the Minister for Local Government of its intention*

- (i) To not amalgamate with any other local government, at this time.*
- (ii) To not reduce the total number of elected members, at this time.*
- (iii) To continue to work collaboratively within a regional grouping comprising the local governments of East Fremantle, Cockburn, Fremantle, Kwinana, Melville and Rockingham".*

*This resolution was carried unanimously.*

*Council's Reform Submission is attached.*

*It is noted you have advised that upon receipt of the Reform Submission that if the Reform Steering Committee concludes further information from a local government is needed, they will request this.*

*In that event Council will be only too pleased to assist.*

*It is also expected, that in accordance with principles of procedural fairness, should the Steering Committee or Advisory Board reach a different conclusion to that of Council and propose to recommend a different outcome, that the Committee or Board would advise Council and seek Council's comments in the first instance, as opposed to proceeding unilaterally.*

*Council acknowledges the stated intent your reform agenda and places on record its support for positive local government reforms which benefit local communities and have the support of those communities.*

*In the latter regard, Council's position has always been that any amalgamation proposal should be decided by East Fremantle residents and ratepayers, not the government and in that respect, the pre-election commitments, by both your party and the Nationals, of opposition to forced local government amalgamations, is applauded.*

*In the above context, Council wishes you well in your reform endeavours.*

*Yours sincerely*

*ALAN FERRIS  
Mayor  
Town of East Fremantle*

**The Reform Submission - Amalgamation**

**Preamble**

*As suggested, the following Reform Submission with respect to the above is in accordance with the criteria set out in Schedule 2.1(5)(2) of the Act.*

*At the outset however, it must be said that Council does not consider anywhere near sufficient time was provided to carry out a proper assessment of the impact of an amalgamation of the Town of East Fremantle with the City of Fremantle, or the City of Melville, and even less so in the event of an amalgamation with more than one other local government.*

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*Amalgamation of local governments is recognised as a very complex issue with a vast number of issues needing proper research and consideration before the matter can be put before elected members and the local community, in an informed manner.*

*As the Department's own handbook on amalgamations states "Amalgamations are a complex issue and demand meticulous planning to ensure that service delivery is maintained and employees are treated in a fair and equivalent manner.*

*Issues include a range of financial, statutory and operational arrangements; including IT systems, Council financial systems, asset management systems, record systems, communication systems, rating issues, local laws, town planning scheme and policies, the disposition of various property and assets; bank accounts, investments and borrowings; insurance; contracts, leases and other legal instruments, creditors; advice to residents and ratepayers; the future of existing services and existing resource sharing agreements (eg SMRC), the future of capital works projects in progress; the fate of employees and other industrial issues.*

*Council believes that at least 2 years of comprehensive research and assessment would be needed in order to be able to arrive at an informed view on the likely financial and other outcomes of an amalgamation, sufficient for meaningful community consultation and for the matter to appropriately be put before elected members for a decision. In this case it was effectively more like 2 months.*

*It is noted that in other States eg Queensland, New South Wales and South Australia their governments made significant funding commitments to assist their local governments investigate and pursue structural reform, whereas in WA there were only the minimal \$10,000 grants. The bigger issue however is that in the other States much greater time frames for the respective reviews had also been allowed.*

*Whilst Town of East Fremantle representatives met formally with representatives from the City of Melville and informally with representatives from the City of Fremantle, the representatives of both of those local governments*

- (i) provided no business case whatsoever with respect to the issue of amalgamation.*
- (ii) clearly indicated they had no wish for their Councils to amalgamate with the Town of East Fremantle.*
- (iii) were meeting essentially only because they had been directed to, in accordance with the Minister's stipulation.*

*In the case of the City of Fremantle, one informal meeting only was held, which involved the CEO of the Town of East Fremantle and the CEO of the City of Fremantle, together with a consultant, who had already been employed by the City of Fremantle to consider boundary issues with Cockburn, prior to the Minister's reform announcement. The City simply changed the consultant's terms of reference following the Minister's announcement.*

*Council has little idea of what information the consultant's subsequent report, at least insofar as it involved the Town of East Fremantle, was based on, particularly given that the Town's "meeting" with the consultant was little more than a relatively brief informal discussion between the two Chief Executive Officers, with the consultant more of an observer. No data from the Town was sought, or provided at that meeting. It is thus of little surprise that there are, in Council's view, significant flaws in the references to East Fremantle in the City of Fremantle's consultant's report.*

*It is also of little surprise that in the section on "Community Consultation" in the Reform Submission of the City of Fremantle, in the City of Fremantle CEO's letter to the Precinct Convenors, the CEO wrote "Unfortunately I can't provide you with a lot of financial or economic data because the information is simply not available because the research has not been undertaken".*

*It is also not surprising that with respect to amalgamation the alleged position of the Mayor of the Town of East Fremantle, who was not at the meeting, is described in the consultant's report merely and wholly by way of a reference to the Mayor's purported comments in a newspaper article.*

*The City of Fremantle had advised that if an amalgamation with the Town of East Fremantle was to be pursued, a formal meeting, involving their Project Team (which at that time had not been appointed and possibly never was) would be arranged. However the City of Fremantle did not subsequently approach the Town of East Fremantle to seek such a meeting.*

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*This is consistent with the fact the City of Fremantle have not voted to amalgamate with the Town of East Fremantle, but rather have expressed a highly conditional resolution involving State funding and (laudably) the support of the East Fremantle community which, in the circumstances described in this report, is effectively a vote for no amalgamation.*

*None of the above is intended to suggest any criticism of the City of Fremantle, who were equally handicapped by the limited time provided for this exercise. That limited time has resulted in a report from the City of Fremantle which is more about boundary change than amalgamation, a reflection of the fact, perhaps, that this was the original brief of the consultant whom they engaged.*

*In the case of the City of Melville, a proper and formal meeting, between the two duly constituted Project Teams, did take place, however the City of Melville made it clear at the outset they had no wish to pursue an amalgamation with East Fremantle. There was a relatively brief discussion on some peripheral issues and no subsequent contact from the City of Melville.*

*In the case of the City of Cockburn, whilst the City of Cockburn included the Town of East Fremantle in some of its options for consideration, it made no approach whatsoever to the Town of East Fremantle and in any event by their own report it was an unpopular option.*

**Community of Interests**

*In the Steering Committee's assessment of Council Reform Checklist with respect to the criteria "Optimal Community of Interest", the Committee concluded as follows:*

*"it is noted that the Town comprises an area of 3.2 square kilometres, where discrete communities of interest are defined for which service delivery and planning is provided; however access to major services, amenities and facilities would lie in surrounding local government areas".*

*No explanation is given as to how "major services, amenities and facilities" are defined", nor is it explained in the Steering Committee's Assessment Methodology.*

*The Town however rejects the suggestion that residents must generally access services outside the district and provides the following advice in regard to this issue.*

*The Town of East Fremantle is a longstanding local government, which split from Fremantle in 1897 following the petitioning of the government by it's residents, who felt a separate identity and community of interest. Ever since, the Town has had its own history and further developed its own identity and character. The result, for the Town's residents, is a deep sense of community.*

*Originally (to some extent like South Fremantle and North Fremantle) East Fremantle was a residential area of the adjacent port of Fremantle.*

*However unlike South Fremantle and North Fremantle, where there also existed a heavy development of light industry, warehouses, commerce etc (notwithstanding many of these developments have now disappeared under those suburbs' "gentrification" processes), East Fremantle has always been almost entirely residential. Its main non residential aspects are parks on reserves, river based facilities and sporting amenities.*

*Furthermore the City of Fremantle's residential areas are well separated from East Fremantle and thus there is no community of interest between East Fremantle residents and residents of these areas.*

*Whilst this geographical separation aspect does not apply to the City of Melville's suburb of Palmyra, situated on East Fremantle's eastern boundary, there is nevertheless little community of interest between East Fremantle and Palmyra – Palmyra being largely a much newer suburb and containing housing based in the main on quite different approaches to town planning in terms of design, densities, streetscape and neighbour amenity.*

*The Town of East Fremantle incorporates one suburb, East Fremantle. It contains a primary school and two pre-schools, each of which was built by the Council. Council assists in the operations of all three facilities, in a variety of ways. A local church operated "3/4 year old kindy" is about to open after Council offered much support in the planning approval process. A large child care facility operates in the Town and there is currently an application before Council for an even larger facility. The Town contains a general (public) hospital ("Kaleeya") and until recently had its "own" maternity hospital, "Woodside" (where many of the Town's residents were born). Whilst still operating as a health facility, the future use of Woodside is currently under review. A number of*

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facilities (both residential and day service based) for psychiatric patients, the intellectually disabled and the physically disabled operate in the Town, with some provided by the State and some by the non-government sector.

The Town recently assisted a new property owner to establish the L.E.A.R.N. Centre, which provides an extensive range of services for children with autism and related disorders, in a building which was previously occupied by a school.

A number of doctors, dentists, physiotherapists, speech pathologists, chiropractors, psychologists, counsellors and other health and allied professionals practice in the Town, to the point where there is something of a growth industry in such services.

Solicitors, accountants, veterinarians and other professionals also practice in the Town.

The Town has built and maintains a modern child health clinic, a playgroup centre and a midwifery centre.

The Town contains two large nursing homes, two frail aged hostels and a special purpose facility for dementia sufferers.

Council has greatly assisted in the development and growth of these facilities, just as it has with the expansion of Kaleeya Hospital.

The Town operates a large Home & Community Care Program, with a budget of almost \$600,000 and which provides a comprehensive range of services to frail aged and disabled persons (including persons living in Fremantle, Melville and Cockburn), to help maintain those persons in their own homes. Services include centre-based respite care which is offered at the Town's large Tricolore Centre and a holiday program for severely disabled teens.

The Town contains a major defence facility, "HMAS Leeuwin".

There is underground power throughout the Town, unlike each of its neighbouring councils.

It has a large shopping centre complex in the Town Centre, other shops and small businesses throughout the Town, a bank, a hotel, restaurants, café's, fast food outlets and convenience stores.

The Town contains the following sporting and recreational facilities, many of which were built by and are owned by the Council:

- A WAFL football oval (East Fremantle Oval) and clubrooms. This is the home of the "Sharks", formerly known for good reason as "Old Easts". In addition to the WAFL competition the Oval is made available and generally without charge, to schools and for related competitions from both within and outside the district (eg. Country week football).
- Junior football oval and clubrooms.
- Bowling Club and clubrooms.
- Croquet Club and clubrooms.
- Tennis Club and clubrooms.
- Combined Lacrosse and Cricket grounds (for both seniors and juniors) and shared clubrooms.
- Two soccer grounds and clubrooms (for both seniors and juniors).
- Two major yacht clubs and a range of other boating facilities.
- Rowing clubrooms.
- A private indoor heated swimming pool with an annual attendance of approximately 150,000.
- Its own boat launching ramp and associated parking facilities, with a Council owned café alongside.
- Its own jetties which it leases out.
- Two separate halls for sea scout troops
- Five Council owned houses, with priority use for lease to Council "works" employees.
- A Council owned community centre (Glyde-In) offering a large range of adult education and recreational activities.
- Extensive parks and reserves.
- Numerous playgrounds – nearly all remodelled over the last few years and generally recognised as so innovative they are often visited by representatives of a number of other local governments.

Until a few weeks ago, the Town operated its own Arts & Community Centre, located in the National Trust owned old Royal George Hotel. Until last month, the Council had, for many years,



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*offered low rent studio space for a range of artists, most of whom were from outside the Town, in addition to an art gallery. The building was recently vacated pending a major restoration. Negotiations with the Trust are currently proceeding regarding the future use of the building, which is likely to include short stay accommodation and restaurant functions.*

*The Town operates a shared lending book library and toy library with the City of Fremantle. The book library is located in the City of Fremantle (with services including home deliveries to house bound persons living in Fremantle and East Fremantle) and the toy library is currently in the process of being relocated to East Fremantle. Both libraries represent an excellent example of an efficient and effective shared local government service.*

*The Town has an extremely active Neighbourhood Watch Program – so successful the Town has been approached by a neighbouring local government to help introduce the program in their district.*

*The Town was instrumental in the establishment of a community radio station (Radio Fremantle) and a major employment service (Bridging the Gap).*

*The Town holds the East Fremantle Festival every year, which is attended by many thousands of locals and visitors and which many people report has a more genuine community flavour than those held by most other local governments.*

*Periodic suggestions regarding combining the East Fremantle and Fremantle Festivals have been resisted by the East Fremantle community, due to their sense of separate identity.*

*The Town Hall is frequently used by community groups for meeting and other purposes, for which it is made freely available, as is the large Council owned Tricolore Centre north of Canning Highway.*

*Future significant commercial development will in particular involve the Town Centre shopping complex, which will inevitably be redeveloped in the near future, as the overall economic climate improves. (An earlier development proposal, which, with Council support, was well advanced in planning terms did not proceed due to funding issues which developed due to of the global financial crisis).*

*Meanwhile the Town's other major shopping area, George Street, has developed markedly as an "upmarket" shopping and restaurant precinct which is frequented by numerous visitors from outside the Town.*

*All of the above facilities and services suggest a local government which understands the importance of "human connectedness" and social capital and through its actions is greatly contributing to the Town's social sustainability.*

*Many of East Fremantle's elderly residents have lived in the Town for all or most of their lives, went to school here, had their children at Woodside Hospital, and in some cases live out the remainder of their lives in one of a number of nursing homes or hostels located in the Town, when it is no longer possible to be maintained in their own homes.*

*The Town approach to town planning is another important factor with respect to the issue of "human connectedness".*

*The Town has a strong and resident amenity focussed approach to town planning issues, including a strong focus on heritage protection.*

*Concerns are often expressed by residents regarding new developments observed in neighbouring local governments, or referred to in the local press.*

*Council's resident amenity focussed approach may be illustrated by the approach which Council long took in relation to the "R" Codes.*

*Whilst adopted by the Cities of Melville and Fremantle many years ago, the Town of East Fremantle long resisted incorporating the "R Codes" in its Town Planning Scheme because they were viewed as highly flawed in many respects, particularly in terms of protecting resident amenity.*

*The Town's position was ultimately vindicated when, a substantial revision of the R Codes was carried out by the WA Planning Commission which addressed many of the concerns Council had raised with the Commission. Only then did Council adopt the R Codes.*



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*In short, the Council and the East Fremantle community are concerned to ensure the high standard of community amenity focussed town planning in East Fremantle is retained and for that reason would be very concerned if they were subjected to what they perceive are inadequate standards operating in some local government in the region which do not reflect the same values.*

*Under "The history of the area" (see below), reference is made to past forced amalgamation attempts, all of which failed, due to community opposition, stemming from that strong sense of separate identity held by East Fremantle residents. This identity involves a character and ethos which some commentators have likened to the friendly feel of a "country town" and others have referred to as an "urban village".*

*In 2006, the then Local Government Advisory Board made a significant and highly presumptuous error when, in recommending the Town's forced amalgamation with the City of Fremantle, the Board suggested the East Fremantle community merely identified with East Fremantle as a "suburb" (which they suggested would continue to be the case), rather than as an autonomous local authority. There was no justification given for this conclusion and the error of the claim became quickly apparent when there was immediate and significant community opposition to the Board's recommendation (see "the history of the area" below).*

*The Board was however well aware of a history of community opposition to amalgamation, citing "the history of opposition to any boundary change in these areas in response to previous inquiries" as a key reason for proposing the amalgamation be forced, rather than allowing the East Fremantle community to have any say on the matter.*

*The City of Fremantle now repeats the error in their report, when it is stated: "The consultant's report indicates a clear community of interest exists with the Town of East Fremantle".*

*However no justification whatsoever for this statement can be found in the consultant's report. If anything, the stated differences between the two local government areas, suggest just the opposite.*

*Further, if the Board had been correct, and if the City of Fremantle's report is correct, in their claims regarding a shared community of interest, it raises the issue of why the overwhelming number of East Fremantle residents have, on this occasion, and on the last occasion, and every other occasion in the past 112 years when the matter has arisen, opposed an amalgamation with the City of Fremantle.*

*Most residents know their Council well, generally view it as very helpful, responsive and accessible and wish it to remain. Most residents of East Fremantle simply do not wish East Fremantle to be relegated to the status of a suburb of Fremantle, or Melville or any other Council.*

*This is reflected in the results of two community surveys which were carried out in response to the Minister's request for local governments to consult with their community with respect to the amalgamation issue.*

*The first survey was carried out by the Edith Cowan University Survey Research Centre and involved a demographically based and statistically significant telephone survey of 342 adult residents.*

*The second survey involved a mail out survey to every elector of the Town i.e. all adult residents and non resident ratepayers.*

*Council was flooded with responses. At the time of this report approximately 1000 responses have been received, representing a response rate of approximately 20%.*

*The overall response has been overwhelmingly against amalgamation.*

- *A massive 86.53% oppose amalgamation and wish to Town to remain independent.*
- *Only 10.73% of respondents support amalgamation.*
- *2.74% have said they are unsure.*

*The decisive anti-amalgamation response was backed by the results of the earlier telephone survey.*

*Typical responses were:*





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- *"I have had experience of two small Councils being amalgamated – in Victoria and Queensland. In both cases there was an immediate increase in rates (In Queensland's case – approximately 30% across the board) a rapid decline in services and lack of personal service. Local government is meant to be local. Huge local Councils are too unaccountable and provide no economic efficiency".*
- *"Of the four Councils/Towns I have lived in (including Melville) East Fremantle is by far the best Council I have dealt with and lived in".*
- *"One can immediately see the difference in cleanliness, order and planning. Look at the verges, the weeds, the general unkempt appearance of Fremantle – we do not need that".*
- *"East Fremantle has shown all the evidence needed that it is more than capable of functioning well as a "stand-alone" local authority. As the government appears to be obsessed with economic outcomes the current rates increase for East Fremantle is ample proof that amalgamation (absorption!) into one or more larger Councils would be of no benefit to our residents and ratepayers whatsoever. We have lived in East Fremantle for 20 years, and greatly enjoyed the "small town" identity while approving the resource sharing which ensures wider community participation. We also, especially regarding our participation in "Friends of the Foreshore" realise how "small is beautiful" can assist with direct communication with Mayor and Councillors".*
- *"Having lived in a large Council before (City of Stirling) you were just another number. Small Councils like East Fremantle offer you more personal service, and your staff are always available to answer all kinds of queries e.g. building matters, Rangers, responses from Chief Executive Officer etc. I am happy to keep things as they are".*

*The response also indicated even stronger opposition to any forced amalgamation. In other words, even amongst the small minority supporting amalgamation, many of these respondents indicated they would still oppose a (government) forced amalgamation. In short, combined with even stronger figures in this regard from the respondents opposed to amalgamation, the overwhelmingly majority of respondents have expressed the view that amalgamation is an issue for the East Fremantle community to decide, not the government. In addition, the greater majority of respondents stated they preferred local government resource sharing to amalgamation.*

*In the Board's published "Guiding Principles", in reference to "Community of Interest", the Board writes:*

*"The external boundaries of a local government need to reflect distinct communities of interest where possible. Neighbourhoods, suburbs and towns are important units in the physical, historical and social infrastructure and often generate a feeling of community and belonging. The Board believes that wherever possible, it is inappropriate to divide these units between local governments."*

*The Town and the local community could not agree more. Were the Committee or Board to recommend an amalgamation of the Town with the City of Fremantle, or City of Melville, or both, it would be in breach of this Guiding Principle.*

*In summary the Town is the location of a very large number of community facilities and services, in fact a number which is disproportionate to its size.*

*Whilst many of the users of these facilities and services are from outside the Town (mentioned as a counterpoint to the Committee's suggestion in their Checklist Assessment that residents must travel outside of the Town for many services), large numbers of users are from the Town and it is this shared use which helps draw the local community together and helps cement their sense of community and community interest.*

*That very real sense of community was reflected in the results of the two community surveys referred to above, in which the overwhelming preference expressed by the community was for the Council to remain independent and not to amalgamate.*

#### **Physical and Topographic Features**

*Whilst there have been minor boundary adjustments, mainly in relation to road systems, the boundaries of the Town have changed little since 1897.*

*The primary basis for the original boundaries appear as follows:*



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- (a) *To the north, the river (the Town boundary goes to the middle of the river) serves as a natural physical boundary and feature.*
- (b) *Just further south the current southern boundary (Marmion Street) are the Fremantle Golf links which form a natural rise.*
- (c) *On its eastern boundary the land begins to decline steeply.*
- (d) *With respect to the western boundary (East Street) the land begins to rise towards the beginning of the Fremantle Harbour area.*

*In short the Town is circumscribed by the Swan River and major distributor roads Marmion Street, East Street and Petra Street.*

*In terms of East Fremantle's northern boundary, as indicated, this is the Swan River.*

*East Fremantle and North Fremantle are thus separated by the river, albeit connected by a bridge.*

*In the Board's "Guiding Principles", in reference to this criterion, the Board writes:  
"The Board supports local government structure.*

*In respect of any proposed amalgamation of the Town of East Fremantle with the City of Fremantle, and thus involving an amalgamation of the suburbs East Fremantle and North Fremantle, under the abovementioned Guiding Principle, North Fremantle should in fact be amalgamated with the Town of Mosman Park – not that the Town of East Fremantle is suggesting this.*

*The point is simply being made, in respect of this particular Guiding Principle, that part of the City of Fremantle is currently largely cut off from all of the Town of East Fremantle by a river and in this respect an amalgamation with the City of Fremantle, would be contrary to this Guiding Principle of the Board.*

**Demographic Trends**

*There are no particularly significant demographic trends to report which need to be taken into consideration.*

*Under the Guiding Principles for "Demographic Trends" the Board has written:*

*"Local Government should consider the following characteristics when determining the demographics within its locality:*

- *population size;*
- *population trends;*
- *distribution by age;*
- *gender; and*
- *occupation.*

*Current projected population factors will be relevant as well as similarities and differences between areas within the local government."*

*The Town, in submitting its Checklist, noted the minimal annual growth estimate of 0.4% p.a. over the next 5 years.*

*The Steering Committee accepted this in their comments:*

*"The Town's anticipation of continued population growth into the future is substantiated by the Western Australian Planning Commission's data, which projects slight growth for the district."*

*However the Steering Committee then went on to say:*

*"The Town noted that demographic change is addressed through its strategic plan, however no examples were provided of developments undertaken relative to specific areas of demographic change."*

*It is fair to say the Town did not provide examples from the Strategic Plan, rather it referred to the Strategic Plan.*



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*Besides the fact it had not been appreciated that examples were required, it had not been thought to be a significant issue. A 0.4% per growth rate, equates to a population increase of approximately 28 persons per annum, or 7 persons per ward.*

*This is not a large influx which is required to be strategically managed.*

*Nevertheless, for the record, the Strategic Plan (which had been provided to the Committee however perhaps not read) has the following relevant references:*

- *Improving responsiveness to community needs through community consultation and participation.*
- *Community planning to help ensure community needs are identified and addressed.*
- *Employment of Community Development Officer.*
- *Develop a strategy for the ageing population (individuals and residents of Home and Community Care Services).*

*To conclude:*

*In terms of population size, the Town has had much the same sized population for about 50 years.*

*This is because the Town is predominantly residential, and has been virtually fully developed for many decades.*

*Whilst at one point about 25 years ago the population began to diminish in size and became characterised by a relatively high number of aged residents, due primarily to declining family sizes and older children leaving the family home to live outside the Town, this was soon largely counter balanced by population increases due to unit developments and infill housing.*

*More recently a combination of further infill housing and elderly residents being replaced by young couples with growing families, has contributed to further population growth, albeit limited.*

*The Town's population has also increased due to the development of Richmond Raceway from a large trotting ground complex to a fully residential development. Other major developments, such as the large Tingira development which has been carried out on an old Homeswest units site, had a similar effect.*

*There is little doubt the Defence Forces establishment "HMAS Leeuwin", which occupies an extremely large area in the Town, will eventually be sold and turned in large part into housing, and discussions are currently underway with respect to strategically planning for this, even though any physical development will be more than five years away.*

*Prior to this it is fully expected the impending redevelopment of the Town Centre, which was referred to above, will include a significant portion of residential unit development.*

*The main impact of recent demographic changes has been pressure of numbers on the local pre-primary and primary schools, however Council successfully worked with those schools to increase facilities and the situation has now stabilised.*

*There are no significant issues of demographic composition to address, nevertheless the development of a strategy with respect to Council services for the aged is referred to above.*

*There are no high growth or low growth areas within the Town.*

*It is concluded there is no aspect of "Demographic Trends" which would support an amalgamation argument. The population is not declining, thus there is no issue with respect to a declining rate base and whilst the population is increasing, the increase is in very gradual and manageable terms.*

**Economic Factors**

*According to the Advisory Board's "Guiding Principles":*

*"Economic factors can include any factor that reflects the character of economic activities and resources in the area including:*



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- industries within the local area;
- distribution of community assets; and
- infrastructure.”

*The relationship between this issue and issue of community of interest is understood.*

*East Fremantle is almost wholly residential. There are of course shops, cafes, hotels, restaurants and some small businesses such as petrol stations, however there are no “industries” (even light industries), or major commercial activities existing in the area.*

*This makes the Town quite distinct from the Cities of Fremantle and Melville. For example the City of Fremantle contains a Port and extensive industrial and commercial areas, unlike East Fremantle and thus has a quite different community of interest.*

*It is in fact very easy to visually discern the difference simply by travelling down Canning Highway from Canning Bridge to Fremantle. The City of Melville has allowed a large range of commercial uses to replace former homes along “its” stretch of Canning Highway, as has the City of Fremantle on “its” stretch.*

*If one compares Queen Victoria Street in Fremantle with Canning Highway in East Fremantle, two streets which were once similar, in Queen Victoria Street all houses have now disappeared and been replaced by car yards, warehouses, retail businesses and the like.*

*In fact the resulting unattractive appearance of this area has become an election issue in the current City of Fremantle election.*

*The Town of East Fremantle on the other hand has always sought to retain an attractive residential screen along “its” section of Canning Highway. It is a significant aspect of the Town’s identity and character, as a local government which is almost entirely residential.*

*Canning Highway between Stirling Bridge and East Street was in fact until very recently a local road, ie not under the control of Main Roads, as opposed to all of Canning Highway in the Cities of Fremantle and Melville.*

*It is noted there is a suggestion by the Committee that amalgamations can lead to “diversification of business mix” however as has already been indicated, the Town of East Fremantle is almost entirely comprised of residential areas and reserves and there is no prospect of new business or industrial zones coming into existence in East Fremantle, regardless of any amalgamation scenario.*

*In the response to the Council’s Checklist, the Steering Committee wrote:*

*“The Town provided multiple examples of funding sourced from State and Commonwealth Government to enhance community service provision.*

*The Town provided limited examples of successful partnerships negotiated with the private sector.*

*The Town provided limited demonstrable evidence to substantiate a corporate, strategic approach to attract investment and generate local economic growth for the district.*

*The Town provided demonstrable evidence of policies in place to coordinate community consultation and engagement for both project specific tasks and ongoing organisational requirements”.*

*It needs to be understood by the Committee that as an almost entirely residential area, which is fully developed, there are very limited opportunities for negotiating “successful partnerships ... with the private sector”.*

*Similarly there are very limited opportunities “to attract investment and generate local economic growth for the district”.*

*The main opportunities with regard to the private commercial sector arise with respect to planning applications and in that regard Council, a number of years ago, had what might be called a successful partnership with the developers who converted the old Richmond Raceway, a trotting*

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ground, to a residential development. The success of the partnership was largely demonstrated by the large amount of public open space which Council negotiated and the design and density standards which were agreed.

Council was successfully embarking on a similar exercise with the developers of the East Fremantle Shopping Centre, until the global downturn placed this project on hold.

Meanwhile Council's other main shopping centre, George Street, has been so successful, in large part arising from beautification and rejuvenation measures which Council has carried out in the street, that a range of new businesses have been established and there is considerable interest in further development.

In addition Council is currently in negotiations with the National Trust and relevant government agencies with respect to redevelopments of the Royal George Hotel and East Fremantle Oval precinct and in each case an element of investment and economic growth generation is involved.

Finally Council is significantly involved in generating investment and economic growth at a regional level, through membership, and the activities, of the South West Group. This is discussed later in this report.

### **History of the Area**

In relation to this aspect the Board has written in its "Guiding Principles":

*"The history of an area can be a relevant consideration, although the Board believes that in the majority of cases this will not be a primary justification for changing or retaining local governments and local government boundaries.*

*The nature of historical ties between communities is important to understand, irrespective of where the local government boundaries lie. A community within a local government may have a strong historical identity; alternatively there may be strong historical links between two or more communities in adjacent local governments. It is important to note that historical identity is not necessarily lessened if an area does not have its own local government."*

The Town's view is that the Town's history is inextricably linked with the Town's social identity, sense of community and community of interest. The Council strongly believes the fact East Fremantle has its own local government is very much part of its historical identity and an important element of the Town's social sustainability.

As already noted the area of what was to become the Municipality of East Fremantle in 1897, was originally part of the (then) Fremantle Municipal Council.

In 1897 a very large proportion of its residents petitioned the Premier, Sir John Forrest, for a separate municipality. This was granted.

(It might be noted that North Fremantle also broke away at this time, however, was compelled by the Government to re-amalgamate in 1961.)

East Fremantle residents have steadfastly indicated their wish to remain separate ever since.

The Municipal Chambers were built in 1899 and the building, opened by Sir John Forrest and listed on the State Heritage Register, still stands in its original form and serves as the Town Hall and Council offices.

Given the Board's "Guiding Principle" regarding the lack of weight given by the Board to a local government's history, no more will be written on this aspect, save for mention of some past amalgamation attempts, of which there have been at least six since 1897 – in 1918, 1944, 1953-1955, 1966, 1973-1974 and 2006.

As Jack Lee, in his history of the Town, "This is East Fremantle: The story of a Town and its people" has written:

*"No issue has stirred the minds of East Fremantle ratepayers... more than the successive attempts by Governments of both major parties to force amalgamation on East Fremantle."*



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*In 1918, following the end of WWI, the Municipality of Fremantle formally attempted to amalgamate East Fremantle within its boundaries, however the attempt failed due to a decisive rejection by the Town and its residents.*

*In 1944 the Fremantle City Council tried again, this time with a proposal to form the City of Greater Fremantle, which was to comprise Fremantle, East Fremantle, North Fremantle and Melville. They were strongly opposed by the East Fremantle Council, the North Fremantle Council and the Melville Road Board and proposal was ultimately rejected by the government.*

*In 1953 a more concerted and prolonged attempt by the City of Fremantle to take over East Fremantle commenced. In response, the Council voted to remain independent and if necessary, to take in part of Melville. In February 1954 a Town wide referendum was held, at which electors voted by a margin of 8 to 1 to oppose amalgamation with Fremantle.*

*Notwithstanding the referendum, in February 1955 Council was advised by the Minister for Local Government that East and North Fremantle were to be given no option, and would be forced by the government to amalgamate with Fremantle.*

*At a subsequent public meeting there was massive community opposition to this proposal.*

*Subsequent action by the Council and residents saw the proposal defeated in late 1955.*

*Pressure continued to be applied to North Fremantle however, which was eventually compelled to re-amalgamate with Fremantle in 1961. The differing outcome for North Fremantle is a significant indication of East Fremantle's strong sense of separate identity, the strength of its desire to remain independent and the strength of its resistance to concerted Government efforts to force an amalgamation of the Town.*

*Five years after successfully forcing North Fremantle to amalgamate, the Government tried again.*

*In 1966 the Department of Local Government formed a Boundaries Commission and empowered it to make an evaluation of the relevant resources of each municipality, such as its rates base and staffing resources, and to further enquire into each municipality's scope for development, special problems and financial needs.*

*Having evaluated the Town of East Fremantle's situation, the Commission concluded the Town of East Fremantle was economically viable and did not recommend an amalgamation.*

*Notwithstanding this outcome, a further series of proposals by the City of Fremantle to take over the Town followed and this led to another Boundaries Commission being formed in 1972 to re-examine the issue.*

*In February 1973, the Minister released a plan for proposed new boundaries which, among other changes, provided for East Fremantle, together with Mosman Park and parts of Cockburn and Melville, to be taken over by Fremantle.*

*In East Fremantle's case this led immediately to an extraordinarily vigorous and popular campaign, by the Council and East Fremantle residents, to oppose the proposed amalgamation.*

*Petitions were circulated which were signed by thousands of residents.*

*2000 car stickers, reading "Save East Fremantle – oppose amalgamation" were purchased and almost every vehicle in East Fremantle carried one.*

*Close to one half of the electors of the Town attended a special meeting of ratepayers which was held at East Fremantle Oval and unanimously carried the following resolutions:*

*"We emphatically oppose any action which has for its purpose the amalgamation of East Fremantle with any other local authority.*

*We seek an amendment to the Act giving electors the democratic right to make a decision before any amalgamation or major alteration to boundaries is made."*

*Subsequently the Government decided to appoint a Royal Commission into metropolitan municipal boundaries to adjudicate on matters arising from the Boundaries Commission's report. The Commissioner chosen was Judge LFJ Johnston, of South Australia.*

*When the Commissioner made his report in June 1974 he stated firstly that East Fremantle was a developed residential area which he found had no affinity with Fremantle.*



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Reference was made to the evidence provided by East Fremantle electors and the Town's extensive sporting and other public facilities. Commissioner Johnston also said he was greatly impressed by the very high attendance of electors at the special meeting held at the Oval and by the strong support the electors had given the Council in its opposition to amalgamation.

Whilst the Commissioner concluded the Town was viable, he recommended that its boundaries should be extended south of Marmion Street to take in portion of what was (and remains) part of the City of Fremantle, and eastwards to take in the Bicton and Palmyra areas of the City of Melville. (It is noted in the City of Fremantle's Reform Submission that in the accompanying consultant's report, whilst the Commissioner's recommendation that East Fremantle take over part of Melville was noted, the consultant omitted to mention the Commissioner had also recommended East Fremantle take over part of Fremantle).

This, the Commissioner said, "would be of great benefit of the people" and "very beneficial to local government generally".

In further commenting on the proposed excision of Bicton and Palmyra from Melville, Commissioner Johnston said it would not have a serious effect on Melville. He also stated "the loss of Fremantle East would in no way impair the viability of Fremantle."

As far as East Fremantle was concerned, the Commissioner concluded,

"I am satisfied that a strong community spirit exists, and I believe it would be most serious if this were allowed to wither or even to be in danger of doing so."

The Town of East Fremantle subsequently approached both Melville and Fremantle regarding the Commissioner's recommendations, as it was obliged to do.

Melville's response was that it did not agree with the Commissioner's report; it declined to join in a joint committee to study the feasibility of the Commissioner's proposals; and, finally, reported it could find "no common ground" on which discussions could even take place.

Fremantle also made it clear that it saw "no merit in discussing the report as far as it concerned Fremantle East". (Interestingly the Commissioner had recorded in his Report that the City of Fremantle had "showed no specific concern about the possible loss" of this area.)

In its subsequent report to the Minister for Local Government, the East Fremantle Council demonstrated, clearly, its democratic credentials and lack of self interest by resolving:

- (i) any move to amalgamate an area of a neighbouring local government with the Town of East Fremantle should only occur by way of a referendum of the people of that area.
- (ii) the Town of East Fremantle "would not seek to interfere with any other local authority".

The Minister subsequently advised that it was not his intention to submit the Commissioner's report to Cabinet – however that he had drafted a Bill to amend the Local Government Act to allow for a referendum of ratepayers to be held when an amalgamation or boundary change was proposed.

(This legislation was ultimately passed and has significantly protected the democratic rights of local governments, and in particular small local governments, ever since. Thus Council would consider any return to the previous legislative framework, which provided for forced amalgamations, to be highly retrograde, both in terms of the fundamental issue of local democracy involved and the issue of the current government's pre-election commitments in this regard.)

In 2005 the Minister for Local Government announced a study into local government Structural and Electoral Reform in Western Australia, to be carried out by the Local Government Advisory Board.

In the Boards subsequent report, of April 2006, the Board recommended:

"That the Minister legislate for the amalgamation of the City of Fremantle and Town of East Fremantle as soon as possible".

It is particularly significant to the Town that the reference to legislation was a reference to forced amalgamation, ie a reference to new legislation which removed any right of East Fremantle electors to have a say in the matter, particularly when, with respect to other recommended amalgamations (eg. amalgamations involving the City of Bunbury) were recommended to be returned to the Local Government Advisory Board for processing through "their" legislation, which, as indicated, incorporates poll provisions allowing local electors to vote on the issue.



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*In East Fremantle's case, the Board clearly indicated they did not wish local electors to vote on the issue, partly because, based on past local community opposition to amalgamation, they were aware that the likely outcome of a poll on amalgamation would be a resounding "no" vote.*

*As indicated above, the Board was highly dismissive of the community of interest argument which the Town had mounted, suggesting the East Fremantle community identified with East Fremantle as a "suburb", rather than as an autonomous local authority and saying that this aspect would not change if its proposed forced amalgamation of the Town with the City of Fremantle proceeded.*

*It is also worth noting that the amalgamation recommendation was made despite the report giving the rating of the Town of East Fremantle's financial viability the second highest level possible (classified as "substantial margin of comfort"), whereas the City of Fremantle was rated two levels lower as "minimum margin comfort". Further, within the region, the Town of Kwinana received the lowest possible rating of "financially unsustainable", yet the Board did not propose that local government be amalgamated.*

*The recommendation caused an outcry in the community, with approximately 1600 residents signing a petition to Parliament opposing the proposed amalgamation, in the following weeks.*

*The petition was ultimately never presented to Parliament because the entire report was subsequently effectively dismissed by the former Government. The Local Government Minister at that time, Ljiljana Ravlich stated:*

*"I am also of the view that the poll provisions in the Local Government Act 1995 ensure that the community has a direct opportunity to express its view about amalgamation proposals. Thus, I will not be implementing the Board's recommendation to remove the poll provisions".*

*The Local Government Advisory Board subsequently issued advice which stated, in part:*

*"Following consideration of the report and subsequent public comment the Minister for Local Government has responded to the recommendations. The response is in keeping with the Government's position that it will not forcibly amalgamate local governments, but rather continue to provide support to local governments considering voluntary amalgamation and resource sharing through actions such as the Connecting Local Governments initiative.*

*In addition the Government does not intend to introduce legislative changes associated with local government amalgamation and boundary reform. This recognises the considerable effort being made by the local government sector on improving its performance in this area. The Government's response also focuses on giving local government the opportunity to respond to sustainability issues and not imposing change through prescriptive legislation.*

*(The) Government does not intend to remove the poll provisions which ensure that the community has a direct opportunity to express its view about amalgamation proposals."*

*In summary, the history of the relationship between the Town of East Fremantle and the City of Fremantle, whilst generally harmonious, has been characterised and remains characterised, as one of separate identity and at times rivalry. That rivalry has at times been "serious", in particular when the City of Fremantle has made predatory attempts to takeover the Town, as discussed above. Generally however it has been a friendly rivalry, an example of which is the longstanding rivalry between the East Fremantle and South Fremantle Football Clubs.*

*It would thus be regrettable if an amalgamation with the City of Fremantle was attempted to be forced on an unwilling East Fremantle Council, because of the unnecessary disharmony this would cause between the two communities.*

**Transport & Communication**

*Under the Board's "Guiding Principles" the Board, in reference to this aspect, writes:*

*"The transport and communications linkages between towns and other areas may be a significant barrier to movement and therefore an appropriate boundary between local governments. Consideration of the following factors is important in any assessment of local government boundaries:*



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- port access;
- neighbouring towns;
- railways; and
- major roads.”

*Whilst there are no issues in respect of communication and no major issues in respect of transport, what issues there are in relation to transport, all support the non amalgamation case.*

*Other than the river, the Town is circumscribed by the distributor roads Marmion Street, East Street and Petra Street. Preston Point Road, another important distributor road, also links the Town with the City of Melville.*

*The Council offices are highly accessible to East Fremantle residents, with the City of Fremantle offices less so and the City of Melville far less so.*

*Reference was made earlier to the fact of North Fremantle being separated from East Fremantle by the Swan River.*

*In terms of regional transport issues, it should be noted East Fremantle contains two important transport routes (the east/west Canning Highway and north/south Stirling Highway extension) which have caused no issues with neighbouring local governments or indeed the State government.*

*In recent times Council has acceded to a request from Main Roads to alter the status of the section of Canning Highway between the Stirling Traffic Bridge and East Street from a local road to a main road.*

*The Town is represented on all relevant regional transport forums and also on Fremantle Ports consultative committees.*

**Matters Affecting the Viability of Local Governments**

**Introduction**

*The Board's "Guiding Principles" in respect of this criterion are as follows:*

*"Local government should have a sufficient resource base:*

- *to be able to efficiently and effectively exercise its proper functions and delegated powers and operate facilities and services;*
- *to be flexible and responsive in the exercise of its functions and powers and operation of its facilities and services;*
- *to employ appropriate professional expertise and skills; and*
- *to be capable of embracing micro-economic reform.*

*Each local government should have a diverse and sufficient rate base to ensure that general purpose grants do not represent the major revenue source."*

*In reviewing some previous assessments by the Advisory Board, it is clear that "viability" is essentially referring to "economic viability".*

*The "Guiding Principles" reflects this in its primary reference to a local government's "resource base".*

*It is also noted that:*

- *Whilst your original announcement referred to: "a focus on social, environmental and economic sustainability"*
- *Whilst the Checklist touched on social sustainability (for example in references to "optimal community of interest" and "optimal service delivery to community") and environmental issues ("Effective management of natural resources")*

*the "Reform Submission – Local Government Advisory Board Criteria" is clearly focussed on economic sustainability.*

*Nevertheless it is accepted the current Review has a much broader focus, this being the economic, environmental and social sustainability of local governments in the State and each criterion is addressed in the following.*

**Financial Viability/Economic Sustainability**

*The Town of East Fremantle separately engaged Access Economics Pty Ltd and Dominic Carbone and Associates (DCA) to individually undertake an independent analysis of the Town's finances.*

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The Access Economics report is attached as "A" and the Dominic Carbone and Associates (DCA) report is attached as "B".

The Access Economics report followed an earlier report, which was carried out by Access Economics in 2006.

The 2006 report was positive and the 2009 report also a very positive report, which concluded "overall our assessment is that currently the Town's finances are "sustainable" and comfortably so". The report also states the Town finances have generally improved over the last three years.

Essentially the only negative comment was that the infrastructure backlog of 6.8%, as assessed by Access Economics, was above the 4% maximum target suggested.

It should be noted that Access Economics report was based on roads only and also involved only 2007-2008, which, as can be seen from the more comprehensive DCA report, covering as it did the past four financial years, together with forecasts for the next four years, was a year when there was a lower than average percentage of funds available for asset renewal.

See Table 2 in the DCA report in this regard.

In any event, with respect to the Annual Renewals Gap, Access Economics wrote:

*By our estimates, the Town is now not only meeting annual renewals as they fall due but also undertaking rehabilitation of those assets where renewal was deferred some time in the past – hence its negative annual renewals gap. As a result, the Town's infrastructure backlog has been slowly trending down in recent times.*

Comment should also be made on claims made in the City of Fremantle's consultant's report which was included with the City of Fremantle's Reform Submission.

In that report it is stated:

*Of concern is the total estimated replacement cost (City of Fremantle estimate) for the Town of East Fremantle's asset classes ie \$57.5 million compared to a Balance Sheet figure of \$17.26m. East Fremantle would need to be allocating at least \$1.088 million per year on renewal to prevent asset deterioration past the set intervention levels, this compares to a total capital spend in 2007/08 of \$627k.*

The Town's comments to these claims are:

- (i) The analysis undertaken by the City of Fremantle relates to only one financial year, 2007-2008.
- (ii) The financial analysis undertaken by the Town, via the DCA report, is for an eight year period, from 2005-2006 to 2012-2013. This much longer period provides a far more reliable base for any analysis.
- (iii) Even if the City of Fremantle's figure of \$57.5 million is correct (there is no advice on the source of this figure) and even if the figure of \$1.088 million is accepted, the Town's financial analysis reveals that for the eight year period the Town will allocate an average of \$960,000 per annum for capital expenditure on infrastructure in addition to the annual recurrent maintenance expenditure involved.

With respect to roads, footpaths and drainage, the figures (excluding depreciation) are:

2005/06	2006/07	2007/08	2008/09	2009/10
Actual	Actual	Actual	Actual	Budget
\$343,528	\$405,808	\$437,209	\$547,064	\$424,620

(Average \$431,646)



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*With respect to recurrent expenditure on buildings, \$365,000 has been allocated for the next five years, which equates to \$73,000 per annum.*

*Combined, the average per annum capital expenditure on assets for the period 2005/06-2009/10 is \$1,464,646, which well exceeds the figure the City of Fremantle has estimated is required.*

- (iv) *The Town's eight year financial analysis concludes that funding allocations for the development of assets will exceed the depletion rate of assets over the period. Further, the Town will have the financial ability to inject additional funds of approximately \$166,000 per annum when it achieves debt free status in 2014-2015.*
- (v) *Again, whilst it is unclear of what the source of the City of Fremantle's asset deterioration figures were, it should be noted that the Town of East Fremantle Building Maintenance Inspection Summary Results for 2008, records the following:*

*41 buildings in total were inspected, of which*

- 3 were in excellent condition (8%)*
- 21 were in good condition (51%)*
- 12 were in average condition (29%)*
- 5 were in poor condition (12%).*

*A copy of the report is attached as "C".*

*With respect to the Steering Committees Checklist Assessment whilst the Committee had stated:*

*The Town provided demonstrable evidence of a five year strategic plan in place over a period of 2008-09 to 2012-13, with key focus areas and corresponding strategies to achieve the desired outcome.*

*The following concerns were raised*

*The Town provided limited demonstrable evidence of a 10 year long term financial plan, however limited linkages were evident of funding estimates incorporated from the Plan for the Future or strategic plan.*

*In response the Town firstly notes its financial planning process, as stated in its Business Plan 2008/09-2010/11, which was previously provided to the Committee. This is attached as "D".*

*Secondly the Town advises that the Committee's comments have been noted and future reviews of the Strategic Plan, Plan for the Future, 10 Year Financial Plan, Annual Budget and Business Plan will provide detailed linkages between the documents to ensure the strategic goals of the Town of East Fremantle are achieved and measured.*

*With respect Asset Management Planning the Committee wrote:*

*The Town provided limited demonstrable evidence of an inventory and conditional assessment for all major asset and infrastructure classes, with accompanying maintenance plans for plant, footpath and building.*

*The Committee noted however:*

*It was noted that the Town is not a participant of any structured asset and infrastructure management planning program such as the Western Australian Asset Management improvement program or the Institute of Public Works Engineering Australia program.*

*Councils response is that this is a useful comment and Council has commenced reviewing the issue of its participation with respect to one or the other of these programs.*

*Council also notes the following concern of the Committee:*

*The Town provided limited demonstrable evidence that maintenance and renewal gaps had been identified or that whole of life costs for assets had been planned and incorporated into its long term financial plan.*

*In response the Town advises that whilst it does not, currently, have a detailed Asset Management Plan, it has for many years undertaken condition inspections of its infrastructure assets and has allocated what it considers to be adequate funding to maintain its infrastructure assets to a satisfactory level.*

*The Town will undertake to consolidate the infrastructure data into an Asset Management Plan which will be linked to its 10 year Financial Plan by 2010-2011.*

#### *Environmental Sustainability*

*In the Reform Checklist provided by the Steering Committee, the only direct reference to Environmental Sustainability was as follows*

*“Effective management of natural resources.  
Your local government, by itself or in partnership, has resource management plans to address changing environmental conditions”.*

*Council’s response was as follows:*

- *Town of East Fremantle Environmental Management Strategy*
- *Town of East Fremantle Foreshore Policy, Policy Plan and Design Guidelines*
- *Locke Crescent Nature Reserve Policy*
- *A cooperative partnership of Cities of Fremantle, Transfield Services (Leeuwin Barracks) and Fremantle Port Authority obtained funding to control foxes on a regional basis and retain biodiversity*
- *Consultant GHD Engineering currently preparing Local Adaptation Action Plan and a Risk Assessment in relation to climate change.*

*The Checklist assessment outcome was as follows:*

*“The Town noted various plans and policies had been developed specific to environmental management, bushland, foreshore and climate change; however no demonstrable evidence of these was provided”.*

*Once again the comment is made that Council was not aware that it was required to provide “demonstrable evidence”. Council was simply asked to “provide details” and did this. Unlike the Strategic Plan, Financial Management Plan etc Council was not asked to attach “demonstrable evidence”.*

*Council reiterates the advice given in the “Explanatory Comment”, advises that if the “demonstrable evidence” is still required this can be provided and provides the following further information.*

*Council understands that enhancing environmental sustainability, at the local level, involves Council participating in and promoting measures which are designed to improve our natural resources so that ecological processes, on which life depends, are maintained and in the process the community’s total quality of life, now and in the future, is improved. Council understands it is about living within our means, to meet the needs (which are not necessarily the wants) of present and future generations.*

*Council is very active in regards to measures to enhance environmental sustainability and has been for many years. Because Council is economically sustainable, it is able to devote resources to this area. Initiatives include:*

- *Membership for over 10 years of the international body ICLEI Local Governments for Sustainability Cities for Climate Protection Program, which had an emphasis on, and framework for, reducing greenhouse gas emissions and, in the process, energy costs for Council, residents and businesses. Due to the recent Federal defunding of this body, Council is currently reviewing the alternative membership arrangements currently being put forward and other options, such as WALGA’s recently announced Greenhouse Gas Reporting and Abatement Platform for Local Governments.*
- *With respect to the above the Town of East Fremantle was the initiator of a proposal, which was subsequently implemented, to employ a (South West Group based) Cities for Climate Protection Coordinator to assist member councils meet the higher milestones of the abovementioned program, by working on those milestones on a regional basis. That work is continuing.*

As part of this work, the Town a number of programs in respect of business and domestic energy conservation measures have been carried out in the Town.

- Council supports Local Agenda 21.
- Council is implementing a comprehensive Foreshore Restoration Program, with assistance from the Swan River Trust. This involves copious plantings, noxious weed removal, foreshore protection measures and measures designed to improve river water quality (for example gross pollutant traps which were installed in conjunction with Main Roads).
- Biodiversity enhancement measures eg creation and maintenance of Locke Crescent Nature Reserve (which ensured the survival of the rare and endangered Fremantle Mallee and is also used by local schools for environmental education purposes), bushland regeneration projects, and emphasis on plantings of local species of trees and plants (assisted by a good relationship with a local environmentally sustainable planting based organisation, Apace. Council subsidises resident purchases of native plants from Apace.
- Council is also a member of the Perth Biodiversity Project.
- Council was one of the first local governments in the State to adopt anti pesticide and anti herbicide measures and the first in the State to oppose the use of rainforest timbers in construction within the Town.
- Responsible waste management (including recycling) through membership of the Southern Metropolitan Regional Council. Council led the region in promoting recycling measures 20 years ago and the subsequent formation of the SMRC.
- Water conservation measures.
- Improved drainage and promotion of stormwater retention.
- Emphasis on public open space in the Town to assist with quality of life and air quality.
- Air quality improvement measures. Council was one of the first local governments in the State to ban backyard burning.
- Promotion of walking, cycling and increased public transport use, as opposed to private vehicle use, through participating in programs such as Travel Smart, building extensive cycle paths and participating in the Perth Bike Plan.
- Promotion of energy efficiency in development control to encourage thermal efficiency, solar orientation and other sustainable building practices.

#### *Social Sustainability*

Once again no definition or relevant criteria has been provided.

Nevertheless the Town of East Fremantle takes the social dimension of sustainability to encompass political, cultural and people-centred issues, other than economic issues. Social sustainability entails ensuring that the basic conditions for human life to flourish exist within society. These include:

- Food, shelter and clothing
- Health care
- Education
- Social interaction and sense of connection, identity and belonging.

These conditions cannot be adequately met without a healthy and sustainable natural environment and economy.

The Town of East Fremantle responds to those aspects of social sustainability which are most relevant to local government, either directly or in collaboration and partnership with others, through the provision of:

- a wide variety of community services, facilities and support.
- community information and consultation.
- community development and initiatives and opportunities.
- cultural development initiatives.

Many of these services and activities have been described above, particularly in the discussion on community of interest.

Other aspects of the Town's social sustainability include:

- Community advisory committees (eg Town Planning Advisory Panel, Neighbourhood Watch Committee, Community Safety Committee).
- A culture of community participation in Council decision making.
- Extensive volunteering opportunities eg HACC program, Neighbourhood Watch, Glyde-In.
- Promotion of health physical activity through participation in various programs eg former Premier's Physical Activity Taskforce and construction of nature and other pedestrian paths in addition to extensive cycle paths.

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- *Emphasis on heritage protection (buildings, townscapes, landscapes and culture) which contributes so much to the Town and its community's "sense of place".*
- *East Fremantle Art Awards and public sculptures.*
- *Low cost studios, workshop spaces and exhibition gallery for artists.*
- *Annual Pioneers' Lunch.*

*In the case of the East Fremantle, it is the "small village" size, identity and ethos of the Town, as referred to earlier which, is so integral to the issue of a healthy community spirit and sense of social inclusiveness which so characterises East Fremantle. (See also "Community of Interests" and "The History of the Area" above.)*

*Thus any recommendation of the Board to amalgamate the Town would not only have negative outcomes in this regard, which would be contrary to one of the Minister's stated aims of the Review, it would also be contrary to the Board's own "Guiding Principles" as they relate to the current statutory requirements.*

*Council and the great majority of the East Fremantle community have always held the view, in respect of the size of the Town, that the positive benefits for the East Fremantle community of a small responsive Council are considered to far outweigh any possible disadvantages associated with its size.*

*Most notably the size ensures elected members are able to be in touch with the aspirations and concerns of the community, in a way which is generally not possible with larger councils. The community has a chance to be heard. (In responding to the recent amalgamation surveys, as they have, they have indicated they want to be heard.) Council is thus in a position to more accurately and effectively respond to its citizens' aspirations and concerns.*

*In Council's view it is of concern that in the current reform process, with its strong focus on the purported economic benefits of amalgamation, little regard appears to be being given to the issues of community representation and participation or indeed any of the "non-economic" issues. Yet Council considers these issues are of fundamental importance. As Dollery, Crase & Johnson write in "Australian Local Government Economics":*

*"Councils often represent the focal point of small communities, and enhance people's 'sense of place' and identity with their towns and regions. Effective participatory democracy is facilitated through small councils, where citizens feel that they can influence local outcomes. Such councils capture the benefits of detailed local knowledge, improving the quality of decisions taken at the local level. They also involve people in their local communities and encourage socially beneficial behaviour such as volunteering."*

*In another publication, "Reshaping Australia's Local Government" (2003) Dollery, Marshall & Worthington write of the significant damage caused to local government's representative role by the continuous interventions by State Governments commencing in the 1990s. Referring to the "administrative management or ideological fashions" of the period the authors write that these concepts:*

*"...have not been beneficial for local governments. Rather, they have continued to weaken the democratic legitimacy of local governments and left them in a position where they cannot properly represent the people of their local areas".*

*Oliver in his book "Democracy in Suburbia" (2001) (quoted in Dollery, Marshall & Worthington) notes that local governments with large populations "make it more not less difficult to achieve participation and an active citizenry, notwithstanding efforts to practice 'community consultation' and to carry out satisfaction surveys".*

*This leads Dollery, Crase & Johnson to conclude that amalgamations can have a deleterious impact on the "vibrancy of local democracy" with "a higher ratio of elected representatives to voters 'distancing' councils from their citizens".*

*Further in this regard, Allan, cited earlier, concluded that small councils "provide better decision-making units in terms of the appropriateness and effectiveness of service provision, since they are closer to the people".*



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Similarly, Harvard Professor Robert Putman, generally recognised as the world's foremost authority on social capital, has suggested that small local governments, being closest to the people, were best placed to facilitate the development of a community identity and civic spirit, ie better placed to enhance social sustainability, which is one of the objectives of the current reform process.

Local Government researchers Dollery and Johnson also pointed out, in a paper entitled "Enhancing Efficiency in Australian Local Government: An Evaluation of Alternative Models of Municipal Governance"

*"A final critique of amalgamation emphasises the deleterious impact that it has on the vibrancy of local democracy, with a higher ratio of elected representatives to voters 'distancing' councils from their citizens."*

This conclusion is consistent with findings in the 1996 Report of the Local Government's Structural Reform Advisory Committee: "Advancing Local Government in Western Australia", which highlighted problems of unresponsiveness and a lack of local democracy pertaining to larger local governments and "came to the conclusion that representation of the community is enhanced in smaller councils".

Council agrees with the above arguments and feels that in comparison with larger local governments, it has a more prominent role in shaping and promoting values which are of importance to the community – for example values concerning community participation in Council decision making, environmental protection, the promotion of public amenity considerations in town planning decisions, appreciation and conservation of the Town's heritage, care for the frail aged, disabled and other disadvantaged persons in our community and finally a culture of robust political debate led by an active and democratic local government.

#### *The Effective Delivery of Local Government Services*

In respect of this criterion, the Board's "Guiding Principles" issue the following advice:

*"A broad range of factors can be relevant to the effective delivery of local government services and these are often directly relevant to those that also affect the viability of local governments. They include:*

- the size and geographical spread of the population;*
- management effectiveness and efficiency;*
- the availability of staff expertise;*
- appropriate infrastructure and equipment; and*
- customer satisfaction and feedback."*

The Board has advised it considers that the effective delivery of local government services is important in determining whether to support (an amalgamation) proposal or not.

The following responses are provided to each of the above dot points.

The Town's relatively small size is not a problematic issue for the Town – in fact the opposite is the case. It is the manageable size and homogeneous residential nature of the Town which promotes an effective and efficient delivery of local government services.

With respect to "management effectiveness and efficiency", whilst no criteria are suggested by the Board and Committee with respect to how this should be assessed it is noted that, whilst a crude measure, the ratio of the number of the Town's employees per population is on a par with local governments generally, although not on a par with the City of Fremantle, whose ratio is approximately three times greater.

In the Town of East Fremantle's case the ratio is 4.96 FTE per 1000 population. In the City of Fremantle's case the figure is 13.91 FTE per 1000 population.

With reference to the availability of staff expertise, Council in its Checklist response reported that:

*"The Town has had no significant difficulty in senior staff recruited even during the economic boom".*

Whilst the Steering Committee does not appear to query this statement, the Committee wrote:

*"The Town provided no demonstrable evidence to substantiate whether organisational policies or strategies were in place to attract and retain staff, or of a*



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*strategic human approach to employee training and professional development to build organisational capacity”.*

*Councils first response to that statement is to point out it was not understood such “demonstrable evidence” was required.*

*In the Checklist, some questions, e.g. questions 4 and 5 were accompanied by the statement “Comments required”. The question “(Does) (Your Local Government (have) an employee attraction and retention strategy (in place)” was not accompanied by any indication “demonstrable evidence” was required.*

*Council would have thought the fact that during the economic boom period all of the following positions were filled without difficulty constitutes a degree of demonstrable evidence in itself, of a successful attraction strategy:*

- *Executive Manager Finance and Administration*
- *Town Planner*
- *Operations Manager*
- *Principal Building Surveyor.*

*For the record, the Town’s successful attraction and retention strategy involves the provision of excellent salaries, family friendly/work-life balance responses to employee requests for job flexibility, rostered days off, 9 day fortnights and in appropriate circumstances, generous retention allowances.*

*The Town has as a result a very stable workforce, led by a Chief Executive Officer who has now served for over 10 years, during which every other local authority in the region has had a number of turnovers of Chief Executive Officers. Some employees of the Town of East Fremantle have been employed by the Council for over 30 years.*

*The Town currently has no vacancies. All Departments are fully staffed by experienced and professional staff.*

*In carrying out its range of services and functions, Council employs the following professional expertise and skills, in addition to the CEO:*

- *Dedicated and qualified financial accounting staff.*
- *Qualified and highly experienced professionals in areas of town planning, building and environmental health.*
- *A range of other accounting and administrative staff including a dedicated trained Records Management Officer, dedicated Rates Clerk and Human Resources staff.*
- *Staff trained in Council’s IT systems, backed by IT consultants.*
- *A number of community services staff, all appropriately qualified and trained.*
- *Qualified rangers.*
- *Experienced and appropriately qualified works and gardens staff.*

*The Town currently does not employ an Engineer, by choice, however has in the past. Council currently prefers an arrangement with a Consultant Engineer who is contracted for projects as required.*

*With respect to Town Planning, the Steering Committee wrote*

*“The Town provided evidence of adequate timeframes for processing building and development applications and met all statutory reporting requirements”*

*and this is appreciated.*

*With regard to appropriate infrastructure and equipment it should be noted:*

- *The Council has underground power throughout the Town (unlike each neighbouring local government).*
- *Every street in the Town has footpaths (in many of the streets of a neighbouring local government there are no footpaths at all) and almost without exception, footpaths on both sides of the street.*
- *A large proportion of the Town’s footpaths have been renewed or replaced in the past 8 years and the remainder which require renewal or replacement are all expected to be renewed or replaced in the next 15 years.*



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- *There are bus shelters throughout the Town.*
- *All of Council's roads are in a relatively good condition. Progressive resurfacing or reconstruction is being carried out in accordance with an adapted asset management program.*
- *In the past 5 years Council has carried out extensive drainage works, following a comprehensive review of its drainage infrastructure.*
- *Over the past 8 years Council has carried out comprehensive Swan River foreshore erosion protection works.*
- *All of the Town's parks have been converted from manual watering to automatic irrigation, which in addition to reducing the Town's labour requirements, has also allowed for significant water saving practices to be implemented.*
- *Over the past 10 years a number of traffic treatments have been installed and Council continues to progressively address outstanding traffic management issues.*
- *The Town has its own Works Depot, extensive plant and equipment and its own, well maintained, vehicle fleet.*

*With respect to customer satisfaction and feedback, as with any local government, Council receives its share of requests and complaints on a variety of issues, such as a request for a specific traffic treatment, an upgraded footpath, a comment on a planning decision, complaints about parking infringements etc.*

*However for the size of the Town's population and the size of the business it deals with, the number of complaints received is extremely small and largely counterbalanced by letters and phone calls expressing appreciation for Council's assistance in various matters.*

*Sitting members standing for re-election are almost invariably returned.*

*Referrals to the Department and other government agencies are rare, with no complaints being upheld which can be recalled and referrals to the Ombudsman occur on average once every 5-6 years, again with no complaints upheld.*

*With regard to services and facilities which the Town currently does not offer, in the last 10 years, other than a request for a skateboard park, which did not proceed due to resident concerns regarding all of the potentially suitable locations and all of which were investigated, there have been very few resident requests for a specific service or facility which the Town does not already have.*

*It should be noted that the Town, offers facilities not offered by its neighbouring local governments – eg the City of Fremantle, despite its coastal location, does not have a public boat ramp and the City of Melville has only a limited boat ramp facility. The majority of users of the boat ramp are from outside the Town.*

*As indicated earlier in this report (see "Community of Interests") Council provides a range of sporting, recreational and community facilities which are also used by persons from Melville, Fremantle, Cockburn and other local government areas. These users typically cite a lack of a similar service or facility, or a lack of a service or facility of such a high standard, as their reason for their joining the East Fremantle based organisation or using the East Fremantle based facility.*

*The results of two recent surveys which were discussed above, indicate a high level of resident satisfaction and confirmation that Council's priorities are community priorities.*

*Related to the issue of the effective delivery of local government services, is the Advisory Board's past expressed concern that*

*"Due to the current structure, local governments are not always best placed to respond to issues that extend beyond their boundaries, and overlap with other local governments and levels of government, for example such as environmental issues..."*

*The Town's response is that whilst there is obviously some truth in this, just as it is true that a similar argument also applies in the case of State governments when dealing with cross border or national issues, no one is suggesting a change of State boundaries for this reason. The Town is addressing the issue to a significant extent, firstly through various regional forums which it is a member of such as the South West Group, the Southern Metropolitan Regional Council, regional transport committees, district planning committees, regionally based community development committees etc.*

*More comment on such regional involvement is given later in the report.*

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*With respect to the area of "Optimal Service Delivery to Community", as stated in the Checklist, Council's response to the question*

*"Are these elements in place at your organisation?"*

*with respect to the Guiding Principle of:*

*"Your local government has the capacity to improve/increase service delivery in response to community expectation and associated demand"*

*was "yes".*

*No explanatory comment is given because 1) it was not requested and 2) the question appeared so open ended (akin to the "how long is a piece of string" metaphor) that only a general answer could appropriately be given.*

*For example, if posed at a State level, whilst the government would probably also answer "yes", in a whole range of areas eg hospital waiting times, numbers of police, insufficient public housing etc it could be said the government is failing to meet "community expectations and associated demand".*

*This will always be the case.*

*As the Premier stated recently in response to a request for assistance from the Chief Justice, "we can't do everything at once".*

*Like the State, local governments also must prioritise, budget, and consider the critical difference between "needs" and "wants" (or "demand") in determining whether to provide a particular service or not, and if so, how and when.*

*Council's response was predicated on a knowledge of what service delivery already exists and what additional services, or improvements to existing services, are being requested.*

*Under "The Effective Delivery of Local Government Services" above in the report, it was stated there have been very few resident requests for a specific service or facility which the Town does not already have".*

*The response was also predicated on Council's assessed financial situation, which Access Economics and Dominic Carbone and Associates independently concluded was improving.*

*Hence Council considers it has the capacity to improve service delivery still further.*

*Given all of the above factors, hence Council's response.*

*Perhaps it would have been helpful if Council had explained it's position on this issue, as above, particularly as in reply to Council's response the Checklist Assessment Outcome was "the Town provided no information in response to this principle (sic) area".*

*Notwithstanding the above, a review of the Local Government Reform Steering Committee, Checklist Assessment Methodology, which was of course not available at the time of Council's report, indicates that the optimal response was*

*"Clear links between financial plan, community infrastructure and services plan and HR Plan that demonstrate knowledge of future community needs and organisational and financial capacity to deliver".*

*Council's Strategic Plan, which was submitted to the Committee, was based on extensive community consultation on community needs.*

*The Plan is linked to other financial planning tools.*

*Council does not have a "community infrastructure and services plan" as such, or a "HR Plan", however will review the need for such plans.*

*It was noted earlier in this report that future reviews of the Strategic Plan, Plan for the Future, 10 Year Financial Plan, Annual Budget and Business Plan will provide detailed linkages between the*



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documents to ensure the strategic goals of the Town of East Fremantle are achieved and measured.

In addition to that commitment, which would appear to almost entirely address the Committee's concerns, Council will review its current measures in terms of assessing community needs.

It is concluded the Town of East Fremantle is effectively and efficiently delivering a broad range of local government services and facilities to its community and there is no logical reason as to why it cannot, and will not, continue to do so.

It is quite clear that Council has a sufficient economic base to be able to efficiently and effectively carry out its proper functions and delegated powers and operate all necessary and appropriate facilities and services.

The Town is not, however, complacent and in addition to engaging in an ongoing process of micro-economic/organisational reform, will embrace any opportunity to further improve Council's economic performance, including through outsourcing some functions to other local governments or the private sector where appropriate, resource sharing with other local governments or collectively negotiating services in partnership with other local governments, in addition to other forms of regional cooperation.

### **Discussion**

With regard to the above, Council advises it was one of those overwhelming number of W.A. local government (134 for, 5 against) which had endorsed the Systemic Sustainability Study (SSS) Final Report as the blueprint for a 10 year process of WA local government reform.

The SSS plan was based on the premise of participation, by those local governments which chose to do so, in regionally based organisational structures which were designed to achieve improved economic sustainability through resource sharing and other cooperative reform measures, whilst ensuring no loss of autonomy and local community engagement. Significantly the plan was underpinned by a strong position of no forced amalgamations. This was based on WALGA's research findings which indicated that amalgamations were frequently not "the answer" to improving the financial sustainability of local governments. Further, WALGA concluded forced amalgamations had even more deficiencies, including, as WALGA President Bill Mitchell stated:

*"For any sustainability improvements to be implemented and maintained in the longer term there has to be local community support, which requires a voluntary process."*

It is significant that the South West Group (Melville, East Fremantle, Fremantle, Cockburn, Kwinana and Rockingham), in supporting the SSS Plan, noted that the fundamental model and objectives matched those of the Group, which was at that time in the process of seeking a State Government grant with respect to commissioning research into a model of appropriately shared services with respect to member councils.

Council had also noted, prior to the 2008 State election, all of the major political parties in WA; including the Liberal Party, the Labor Party, the Nationals and the Greens, committed their support to the Plan and specifically declared their opposition to forced amalgamations.

This led to WALGA President Cr Bill Mitchell announcing:

*"Local Government in Western Australia now has the opportunity to pursue long term sustainability without the threat of forced amalgamation".*

Council also noted that following the election, the newly appointed and current Minister for Local Government, reiterated the government's commitment, stating "our position is of no forced amalgamations".

Council acknowledges that the SSS Study had concluded that 83 local governments in Western Australia appeared financially unsustainable in the long term. However East Fremantle was not one of them. Nevertheless Council notes there appeared to be a focus on amalgamating smaller local governments, regardless of their financial sustainability. In that event this should be explained, given extensive research, at both a national and international level, which has concluded that there was no clear evidence that larger local governments were automatically more sustainable.

For example, despite large scale amalgamations in Victoria, South Australia, Tasmania and NSW, which were meant to result in financially sustainable local governments, between 25% and 48% of

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local governments in those States; some big some small, some the result of amalgamations and some not, are currently classed as financially unsustainable.

In South Australia, 116 councils were reduced by amalgamations to 68, after the Government blankly stated it wanted numbers to be roughly halved. Yet when those 68 councils were subsequently subjected to the Government's own sustainability test, 33 of the 68 (48%) were concluded to be unsustainable in the long term.

The most recent State to undertake amalgamations has been Queensland, where 156 local governments were reduced by amalgamation to 72. Again the stated purpose was to achieve financially sustainable larger local governments. Yet in November 2008, a report by the Queensland Treasury Corporation into the financial state of those 72 local governments, found that simply amalgamating councils had little impact on long term financial sustainability outcomes and that financial performance was impacted more by a council's policy choices, decision making, degree of good governance and management oversight, than by its size or structure.

Council has noted that the most recent Community Satisfaction Tracking Study in Queensland found local government in Queensland was perceived by the community to be performing at its lowest level since the introduction of Community Satisfaction Tracking Studies in 1997.

The report indicates Council amalgamations have had a significant effect on the negative perception of overall performance. Thirty-four per cent of respondents from amalgamated councils believe their council is now performing worse than before and the survey suggests there is a need to "build bridges with those who opposed amalgamation".

The Executive Director of the Local Government Association of Queensland stated there has been a disconnect with the community because of the issues councils are still grappling with as a result of the amalgamations.

In W.A. WALGA President Bill Mitchell has written:

*"In all our research there was no evidence that the simplistic option of making larger councils was more efficient, rather that two small problems merged into one big problem."*

WALGA Chief Executive Officer Ricky Burges has written:

*"It is disappointing that the government has chosen to ignore the body of evidence presented in the various SSS reports regarding the problems with amalgamations as a reform strategy".*

Yet the focus on the amalgamation of small local governments (whilst acknowledging the Committees Checklist approach to assessing sustainability, which is certainly an improvement on the 2006 approach) appears predicated on a view that there is correlation between the size of a local government and the financial viability of the local government.

Yet Professor Brian Dollery, Australia's foremost academic researcher in the field of local government reform and Andrew Johnson have argued in their paper: "Enhancing Efficiency in Australian Local Government: An Evaluation of Alternative Models of Municipal Governance", there is no such correlation.

As Dollery and Johnson wrote in their paper:

- "...most of the claims made by advocates of municipal amalgamation are illusory, especially regarding purported economies of scale..."
- "Moreover, available empirical evidence on amalgamation, both in Australia and abroad, suggests that not only does municipal consolidation fail to yield any economic benefits, but that larger local governments are inherently less efficient and thus more expensive."
- "Since it is a relatively simple matter to identify very effective small councils and very ineffective large councils and vice versa, it would appear on prima facie grounds at least that size and efficiency are not synonymous in Australian local governance."
- "There is no functionally optimal size for municipal government because different municipal activities have quite different optimal areas."
- "...small councils typically produce services at lower per capita costs."



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*Dollery and Johnson conclude:*

*“Given the arguments both for and against amalgamation, it seems fair to that the burden of evidence strongly favours opponents of municipal consolidation. Moreover, the recent pattern of local government failures in Australia appears to support the contention that there is no systematic relationship between council size and council efficiency.”*

*In their final remarks the authors write:*

*“Not only has this emphasis on amalgamation been misplaced, but the stress on administrative efficiency to the exclusion of effective representation and robust participation has also served to obscure the fact that representation and participation play a critical role in the economic efficiency of municipal service delivery. Moreover, complex trade-offs exist between administration, representation and participation that decisively influence both local democracy and council efficiency. For instance, it has been argued that ‘the shorter the line of communication between electorate, bureaucracy and elected representative, the greater the capacity for programs and purposes of a government to remain focused and cost effective’ (Thornton 1995: 12). Similarly, the flat management structures associated with small councils bring decision makers into direct contact with those people affected by their decisions and thus reduce the propensity for large bureaucracies to ‘depersonalise’ policy outcomes, with positive results for efficient service delivery.*

*This paper has thus sought to demonstrate that numerous viable alternatives exist to the blunt instrument of municipal amalgamation in the quest for greater local government efficiency in Australia.”*

*Professor Greg Craven, an East Fremantle resident and recognised as one of Australia’s foremost experts on constitutional issues and administrative law, and who worked closely with Jeff Kennett during his amalgamation based “reforms”, has also concluded that resource sharing, rather than amalgamations, was the optimal approach. Professor Craven has written, in part:*

*“The problem with amalgamation of councils is the trade-off between two things that are genuinely good: community closeness and cohesion of feeling versus economies of scale and services.”*

*and strongly recommended a resource sharing approach instead.*

*Western Australian sustainability authority (and former City of Fremantle councillor) Dr Peter Newman agrees with Professor Craven’s position.*

*Dr Newman has noted:*

*“The idea that bigger is better for the economies of local government doesn’t mean that community and environmental issues will be better off.”*

*Dr Newman suggests regional approaches to sustainability “while preserving the smaller local government structures. This will achieve economies of scale while recognising the importance of local community identity and needs.”*

*Further with respect to the issue of amalgamation and financial sustainability, Dollery has written:*

*“Since councils in all jurisdictions still have acute financial problems, it is obvious that amalgamation has not proved to be a “cure-all” for the financial ills of local governments. Quite the opposite is true. WA local councils are in no worse shape than their amalgamated counterparts in other States. Indeed, the Price Waterhouse Coopers report could find no systematic differences in financial sustainability between the States, regardless of the degree of council amalgamations which had taken place. We must thus question the proposition that “bigger is always better” in local government since it cannot account for observed trends in local government finances. Put differently, why has amalgamation failed to improve financial sustainability where it has been tried?”*

*And, Scott Lennon, the author of the highly respected and influential 2006 Price Waterhouse Cooper National Financial Sustainability Study of Local Government, which was referred to in*

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*Dollery's comments above, warned that amalgamations were generally not the answer to problems of local government financial sustainability and noted:*

*"Mergers are fairly painful for communities and they often don't yield savings of any huge significance.*

*Putting two unviable councils together, particularly in rural and remote parts, can just make one larger, even less viable council."*

*Mr Lennon went on to say there were other approaches local government could take to improve economies of scale, such as forming or strengthening regional alliances for shared procurement and service delivery.*

*It is difficult to understand, with respect to the current pro-amalgamation agenda, why continuing to support the SSS model, which involved promoting regional groupings of councils, was no longer considered to be an acceptable approach by the Minister when, at the same time, the Minister has called for those local governments remaining after the amalgamations process, to "form appropriate regional groupings of councils to assist with the efficient delivery of services".*

*In the Town of East Fremantle's case it should be noted the Town was a key instigator of the formation of the South West Group "regional grouping of councils" 25 years ago, which became a model for similar organisational structures across Australia. The South West Group's response to the SSS Report (and the amalgamation situation) is discussed later in this report.*

*Professor Dollery has concluded not only that the doctrine of "bigger is cheaper" could not be sustained on conceptual or empirical grounds, as indicated above, but that a better case could be made for local government to share the provision of services rather than to amalgamate.*

*Professor Dollery, who has had published over 220 papers on local government reform, both in Australia and overseas and is the author of a number of recognised publications on the issue, writes in one paper:*

*"An important foundation for the view that bigger is better rests on the belief that economies of scale exist in local government service provision. It is argued that bigger councils can thus provide services at lower costs than their smaller counterparts.*

*But modern local councils provide a large number of different services. Some of these services exhibit significant scale economies, most notably domestic water provision, IT services and regional economic development activities. However, many other services, especially human services, do not have economies of scale. In fact, there is evidence that most local services show diseconomies of scale at relatively low levels...*

*Hard-won experience in other states has demonstrated that amalgamation is not only expensive to implement but that it also typically robs small communities of effective representation. This means that small communities often suffer in terms of service provision relative to their bigger cousins with larger populations.*

*A much better alternative is to select local services that can be provided more cheaply through shared service arrangements, outsourcing, statewide networks and the like. This avoids the costs of diseconomies of scale in other service areas and preserves vital political representation for people living in smaller communities."*

*In an interview last year Professor Dollery stated, in part:*

*"Amalgamation has always been the favoured policy instrument for improving the operational efficiency of local authorities by Australian policymakers (except in Western Australia).*

*Underlying these structural reform programs has been the universal assumption that 'bigger is better'. Population size has become a proxy for scale economies in policy making.*

*However the doctrine of "bigger is cheaper" cannot be sustained on conceptual or empirical grounds.*



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*Research here and in Canada had demonstrated that different scale characteristics apply to different services. As a general rule, labour-intensive, customer-orientated services, such as municipal rangers and health inspectors, generate few scale economies. By contrast, capital-intensive services such as sewage disposal and domestic water supply typically generate substantial economies of scale.*

*Over the past three decades, local government had shifted away from capital-intensive "services to property" towards labour-intensive "services to people". Many "non-discretionary" factors can affect the aggregate costs of services apart from the number of residents...*

*A better case can be made for councils to share the provision of services rather than to amalgamate....regional service provision should focus on services where there are economies of scale or scope and not on the full range of municipal activities.*

*Regional and rural councils could share fire protection and emergency services, health administration and inspection, noxious plants control, museums, water and sewage, tourism promotion and some front and back office activities."*

*In another paper Professor Dollery notes:*

*"The feasibility of resource-sharing arrangements in Australian local government does not have to be demonstrated: a long history of cooperative action already exists. Examples include regional libraries, regional waste operations, bulk purchasing agreements, and sharing specialist and technical staff amongst adjacent councils."*

*In their co-authored book "Australian Local Government Economics" (Dollery, Crase & Johnson) the authors' write:*

*"For instance, while the belief in NSW and Australian municipal policy circles that 'bigger is better' may make some intuitive sense, it certainly does not enjoy much empirical support. As we shall see, both the international and the Australian theoretical and empirical literature on the relationship between municipal size (in terms of population) and efficient service delivery (in service costs per capita) suggests precisely the opposite; smaller local councils typically produce many, but not all, services more efficiently."*

*"...there is every reason to expect that no uniform pattern of economies of scale will emerge across the range of good and services produced by Australian councils. For example it is highly unlikely that the optimal service district for building inspections will coincide with, or even resemble, optimal service districts for, say, garbage collection, public parks, or sewage treatment services (Dollery 1997). It follows that whereas amalgamation may capture economies of scale in some outputs, it could reap diseconomies of scale in others. Sancton's summary (2000, p74) is worth repeating: 'There is no functionally optimal size for municipal governments because different municipal activities have quite different optimal areas.'"*

*"...When it is argued that centralisation will reduce administrative costs, this is analogous to arguing that there are economies of scale in the administration of government, just as there may be such economies in the production of public services. However, there is no guarantee that such economies will always, or even usually, exist. It could just as easily be argued that administrators become less effective the further removed they are from their constituents and the operations they are supposed to coordinate. If this is the case, diseconomies of scale could result, with larger governments requiring proportionately more administrators (perhaps with more layers in the administrative hierarchy)."*

*"...In the light of their analysis of both international and Australian evidence, Byrnes and Dollery draw three main conclusions. In the first place, given the mixed results that emerge from the international evidence, it seems reasonable to conclude that considerable uncertainty exists as to whether economies of scale do or do not exist. Second, Australian work was almost uniformly misspecified, and thus did not measure scale economies at all.*



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*Finally, from a policy perspective, the lack of rigorous evidence of significant economies of scale in municipal service provision 'casts considerable doubt on using this as the basis for amalgamations'. Moreover, while advocates of amalgamation have premised their arguments on the proposition that substantial efficiency gains would flow from the formation of larger local authorities, [it appears that] research on economies of scale in local government does not support this proposition."*

*The authors also cite the work of Andrew Sancton ("Merger Mania", 2000) who, after assessing the outcome of Council amalgamation programs in New Zealand, Australia, Britain and Canada, concluded that the efficient delivery of municipal services did not require large municipalities or indeed local governments of any particular size, because:*

*"there is no functionally optimal size for municipal government because different municipal activities have quite different optimal areas."*

*In addition they refer to the strong case presented by Percy Allan ("Why Smaller Councils Make Sense, 2003") that in Australia:*

*"at the administrative level the efficiency and effectiveness of a local council is not a function of size [and] all the empirical evidence suggests that big is not better when it comes to local government."*

*Dollery, Crase & Johnson conclude that:*

*"there is now widespread recognition that one size does not fit all in local governance, and that the tremendous diversity evident among Australian local authorities...demands a range of solutions to ongoing problems of inefficiency in service delivery rather than continued confidence in amalgamations with its misplaced belief that "bigger is always better".*

*Elsewhere the authors, in referring to the diversity amongst Australian local governments, write:*

*"What works in one community may well fail in another, given the substantial divergence in available resources, physical area, population and other salient characteristics. Particular municipalities also have different requirements, different levels of services, different abilities to implement policies, different skills, different organisational cultures, different revenue-raising opportunities, different cost structures, and different levels of service expectations from their residents...In essence, because decisions affect different municipal authorities in different ways, it is critical that local voices shape these decisions."*

*The authors then outline several alternative models "aimed at enhancing the efficiency of municipal service delivery that avoid the heavy hand of amalgamation with all its divisive and disruptive effects".*

*These alternative models include urban parish models, joint board arrangements, ad hoc resource sharing models, regional organisations of councils, virtual local governments, strategic alliance arrangements and agency models.*

*All are essentially variations of shared administrative/service arrangements.*

*In summary, following extensive research and in a range of published papers, Professor Dollery makes a persuasive argument that shared service arrangements for selected local government services are generally a better option than council amalgamations. He also notes the transformation costs are much lower. He believes that issues such as how a local government uses its land, the partnerships which it forms and the decisions it makes with respect to what services it will or won't provide, are far more critical to good community and financial outcomes than the mere size of the council.*

*Further, these represent only examples of the economic argument.*

*Professor Dollery (not to mention a number of other researchers) is also very conscious of the wider social issues, ie that resource sharing approaches enable local governments to realise economic efficiencies in selected services, whilst still maintaining their autonomy and current degree of community representation.*



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*Elsewhere Dollery has noted that the regionally based shared services model also appears better able to accommodate the varied needs of different communities.*

*Thus, in Dollery, Crase & Johnson (above) the authors conclude that Regional Organisations of Councils:*

*“based on voluntary and not compulsory arrangements, may not only capture any benefits that can flow from joint service delivery and coordination, as well as foster a spirit of cooperation between neighbouring councils, but also avoid the inevitable bitterness and expense of forced amalgamation. Where economies of scale and economies of scope can be identified, these could be harnessed much more effectively through voluntary cooperation and good neighbourliness than through forced mergers imposed by state governments.”*

*Professor Dollery has noted that almost no empirical research has been undertaken with respect to the economic effects of amalgamation in Australian local government and strongly suspects this is deliberate on the part of the state governments involved. He believes this was because the respective State governments had all claimed beforehand that significant financial benefits would result from their forced amalgamation policies however would be aware, following the amalgamations, of the highly likely possibility this has not eventuated.*

*Professor Dollery is backed by other academics, such as Professor Stephen Jones of the University of Queensland Business School, who has comprehensively reviewed the amalgamations process which occurred in Queensland in 2007 who writes that the Minister should:*

*“...learn from Victorian amalgamations in the late 1990s, where there have been no demonstrable improvements to service as a result of economies of scale.*

*Research had shown that there was no systematic relationship between the size of a council and its economic efficiency, (and) if councils were to be restructured it should be done so on the basis of performance, not size.*

*A rational argument would be one where councils that can show they work effectively, including on regional projects, should be left unscathed....”*

*Notwithstanding both the lack of resources and evidence to the contrary, it is being suggested, with respect to the pro-amalgamation agenda, there will be significant savings produced by amalgamations. The Minister has stated “a reduction in the number of councils coupled with a rationalisation in the number of elected councillors has the potential to save ratepayers millions of dollars per year”.*

*In that event, the state the basis of this claim needs to be indicated. This is particularly the case given that in another press comment the Minister admitted you have stated that “there has not been an estimate of the costs nor the savings that would result. Each Council would make that determination in their consideration of voluntary amalgamation”.*

*Proof of what the actual savings were in States where amalgamations have occurred, should also be provided.*

*For example, it was originally claimed that South Australian amalgamations would produce savings of 17.4%, whilst actual savings were found, at best, to be 2.3%.*

*In Victoria, the Kennet Government claimed their program of forced amalgamations would yield direct cost savings of 20%, yet the subsequent net result was only 8.5% and even then almost all of those savings were found to be due to other measures introduced at the same time, in particular competitive tendering and contracting out. Further as Dollery, Crase & Johnson have stated:*

*“these net cost savings do not take into account the indirect costs of forced amalgamation, such as increased unemployment, lower economic activity and a loss of services, which often threaten the very existence of small communities.”*

*Overseas the situation is little different.*

*In Britain an assessment of the economic benefits of forced amalgamations could find “little visible benefits” after more than a decade.*



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*Research in Canada (particularly involving Quebec and Ontario) has produced similar conclusions.*

*In the US, evidence suggested that “larger local government jurisdictions appear to be associated with proportionately higher spending than smaller ones”.*

*In WA, the Western Subregional Organisation of Councils (WESROC) – the western suburbs equivalent of the South West Group - commissioned a comprehensive study into the benefits of amalgamating the member councils last year, however the study found that any savings from such a move were doubtful.*

*However even if there were some savings, and leaving aside disadvantages such as losses of community representation and engagement, what of the cost of implementing amalgamations?*

*The Queensland State Government has already been forced to provide councils across the State with \$27.1m to meet the cost of its forced amalgamations, with the Local Government Association of Queensland currently estimating additional compensation of up to \$150,000,000 may be needed and the Opposition predicting the final figure might reach \$200 million.*

*Shortly after the Minister’s announcement, the CEO met with Ms Natalie Kent, Manager Finance, Governance & Community of the Local Government Association of Queensland, who explained and provided documentation regarding the highly complex process each of the amalgamated Queensland local governments is having to go through to be reimbursed by Treasury for each and every cost arising from the amalgamation, assuming the State Treasury decided to accept the claim in question.*

*Recently 12 of the amalgamated local governments submitted some additional claims which ranged from \$4.9m to \$12m per local government.*

*However the Minister has made it clear there is unlikely to be such support from the WA State Government.*

*The Minister has stated that because the process is “voluntary”:  
“Money spent on local government reform should be viewed as an investment not a cost, much in the same way as money spent on roads and other infrastructure...money being invested in this process will, in the long term, be returned many times over as increased efficiencies and reform is implemented.”*

*In short it appears it will be ratepayers who must meet the costs.*

*Council is concerned that if the financial sustainability of the local government sector is the key issue, that the aspect of the inadequate funding of local government by the Federal and State Governments, and cost shifting by government onto local government, is not also part of the “reform agenda”.*

*Several recent government inquiries, in particular the Commonwealth House of Representatives Inquiry into Local Government and Cost Shifting (the “Hawker Inquiry”) have concluded that major external factors, and notably cost shifting on to local government in particular by State governments, have had an extremely significant negative impact on the sustainability of the local government sector, to the point where many local governments now relied on government grants, and that a much fairer system of local government funding, of all local governments, was required.*

*In addition to the issue of cost shifting by Federal and State governments there are also these issues:*

- *inadequate financial assistance grants and the refusal of the Federal Government to replace the current system of financial assistance grants with a fairer mechanism, which would not only give councils access to increased funds, but funds which grow as the economy grows, such as a fixed percentage (which should be at least 1%) of Commonwealth taxation revenue.*
- *inadequate funding for the renewal and maintenance of ageing community infrastructure and in particular infrastructure which was originally installed by the State eg in East Fremantle’s case, river walls.*
- *inadequate funding for local governments to address environmental problems which are essentially not of their making eg measures to address climate change (including water reform) and to promote energy efficiency and sustainable energy sources.*

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*Notwithstanding the above issues and problems, it is Council's view (if only to make a point about the financial sustainability of the Town of East Fremantle) that the Town is not reliant on the relatively small government grants which it receives and could in fact "manage" without them, unfair as this might be, however something which Council would accept if this was what it would take to avoid an amalgamation being forced on the East Fremantle community.*

*In the current financial year the Town has received (Note 1):*

<i>Financial Assistance Grants (General Purpose Funding) (Federal)</i>	\$132,592
<i>Formula Local Road Grant Grants Commission (Federal)</i>	\$61,291
<i>Blackspot Funding (State) (Varies according to assessed need)</i>	\$19,455
<i>Direct Grant Main Roads (State)</i>	\$10,101
	\$223,439

*Note 1: HACC grants are not included because Council simply serves as a funding conduit. HACC monies could equally have been managed through a non government organisation as occurs for example in the City of Melville ("Melville CARES") and the City of Fremantle (all HACC services previously provided directly by the City of Fremantle were recently transferred to Silver Chain).*

*The total of \$223,439, of which only \$29,556 came from the State, can be compared with rate revenue of \$4,539,469.*

*The grants thus represent only 4.92% of total revenues.*

*In other words, without the grants, for the same income, rates would need to have been marginally increased, ie by 4.92%, meaning, in the case of current residential rate of 7.57 cents in the dollar, from 7.57 cents to 7.94 cents in the dollar.*

*It is noteworthy how little government funding the Town of East Fremantle receives from the State.*

**CONCLUSION**

*There appears no obvious need, or other justification, for East Fremantle to amalgamate. The Town is considered to be financially sustainable in the long term (and has, four times in recent years, been independently assessed as such), socially sustainable and whilst there are always environmental sustainability issues to progress, these in many cases involved state, if not national or global issues, which will exist regardless of any local government boundary configuration.*

*There is no obvious benefit to the East Fremantle community for East Fremantle to amalgamate.*

*The overwhelming majority of the East Fremantle community who have expressed a view on the issue, have opposed amalgamation.*

*There may be a benefit to another local government to "take over" East Fremantle, if the objective was simply to divert the use of rates received in East Fremantle away from the East Fremantle community. Because East Fremantle is almost entirely residential and almost entirely developed, this could be a significant attraction. However this in itself would obviously be a dis-benefit to the East Fremantle community.*

*Council's eastern neighbour, the City of Melville, has however expressed no interest in an amalgamation. It is noted the City of Melville received a Checklist rating of "1" indicating the City had "existing organisational and financial capacity to meet current and future community needs".*

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Council's western neighbour the City of Fremantle also received a "1" rating, also suggesting they had no "need" to amalgamate and indeed that City's submission with respect to the Town of East Fremantle was such that it was effectively a "no amalgamation" submission.

With respect to financial sustainability measures, in addition to the measures discussed under "financial sustainability" the Town notes:

- it is on the "minimum grant"
- it has a debt servicing ratio of 2.95% (which is lower than that of the City of Fremantle and lower than the State local government average of 5.21%)
- it raises revenue per employee which is on a par with other local governments in the region (and roughly between that of Melville and Fremantle).
- whilst not "needing" a development based solution for its long term financial sustainability, does expect:
  - (a) Leeuwin Barracks will be sold within the next five years (at most), giving rise to significant development opportunities and financial benefits for the Town (Leeuwin Barracks of course currently pays no rates)
  - (b) Similar, if less significant outcomes will flow from the inevitable redevelopment of the Town Centre (currently stalled due to the global economic downturn however expected to resume shortly).

With respect to social sustainability, there is a long standing and stable community of interest with the prevailing community view long being one of opposition to amalgamation.

There are no significant social problems in the community – for example there is low unemployment and relatively low crime rates. The Town does not generate a high demand on State and Federal Government services. In fact (through church based providers, who pay no rates) the Town supports more than its share, on a per capita basis, of aged and disabled residential services and also exports its home care based HACCC services, which it provides directly, to surrounding local government areas.

With respect to environmental sustainability, the Town has always been an active player and whilst every local government in Australia could always do more in this regard, the Town of East Fremantle has been a leader in promoting regional based solutions.

The above outcomes were not achieved by chance. The above outcomes are the result of good governance by successive councils of elected members and staff over the last 112 years.

Land and property values in East Fremantle are high because the Town is recognised as having high amenity. In part this is due to natural attributes (eg proximity to the river) however in the main it is a result of good town planning and genuine community engagement with respect to community priorities and Council decision making.

In that regard the relatively small size of the Town has worked in its favour, by assisting elected members and Council officers to "know" their Town and genuinely engage with the community.

East Fremantle exists as a clearly identifiable community of interest, with a good sense of local identity and a high level of community cohesion. These are matters not easily surveyed in a Committee's Checklist.

The Town doesn't rely on its neighbours – it pays its way. Large numbers (often a majority) of the members of the numerous sporting clubs and other organisations which operate in the Town come from outside the Town of East Fremantle. The Town fully contributes to the joint East Fremantle/Fremantle library and the SMRC. It pays more than its share, on a per capita basis, to be a member of the South West Group.

In a world where global issues (for example economic and environmental) increasingly impact negatively on local communities, the right of citizens to have the opportunity to influence matters in their local neighbourhood becomes even more paramount and must be strongly protected.

This is a cornerstone of a democratic and healthy society. It is essential to community wellbeing.

Thus local governments not only provide physical services to their communities, they also provide important avenues of community participation and community representation.

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*It is appreciated that the Minister has indicated he will respect the views of individual local governments and their communities and not force unwanted amalgamations on their communities.*

*Council concludes that the public good of the East Fremantle community is best served by the Council continuing its current 112 year old existence, while always seeking to improve it's services and governance.*

**THE REFORM SUBMISSION – REPRESENTATION**

*The Minister has stated he wishes to reduce the number of elected members representing a local government to between six and nine members.*

*Council currently has 9 elected members: the Mayor and 8 Councillors.*

*The ratio of Councillors to electors is 8:4920 or 1:615, as per the following table*

WARD	NUMBER OF ELECTORS	NUMER OF COUNCILLORS
<i>Plympton</i>	1174	2
<i>Woodside</i>	1131	2
<i>Richmond</i>	1196	2
<i>Preston Point</i>	1239	2
TOTAL	4920	8

*The following issues are considered relevant:*

- (i) In 1995 the number of Councillors was reduced from 12 to 8.*
- (ii) As long as there are 4 wards, the current arrangement provides an effective means of ward representation (ie two elected members per ward), whereas 5 Councillors for example would mean 1.25 elected members per ward.*
- (iii) The current arrangement is working well.*
- (iv) There are no relevant demographic trends.*
- (v) There is consistency of representation between wards.*
- (vi) There are no community of interest issues.*

*There is thus considered to be no justification for seeking to reduce the level of elected member representation, particularly given the disadvantages this would cause.*

*The only advantage would be minor cost savings in sitting fees and other expenses related to elected members. The disadvantages would be an increased pressure on the remaining elected members to cover not only their direct Council responsibilities, but all of the other responsibilities taken on in respect of the broader community eg representation on*

- *Local Government Association Zone*
- *Southern Metropolitan Regional Council*
- *Town Planning Advisory Panel*
- *South West District Planning Committee*
- *South West Group Board*
- *South West Corridor Development & Employment Foundation*
- *South West Corridor Environment and Services Committee*
- *South West Corridor Planning & Infrastructure Committee*
- *Safer WA Committee*
- *Fremantle City Library Advisory Committee*
- *Fremantle Port Authority Inner Harbour Community Liaison Group*
- *Glyde-In Community Group*
- *Swan River Trust.*



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*Less elected members also means less varied (and potentially less balanced) input on matters such as development applications and strategic planning.*

*In short, to reduce the total number of elected members to six, the minimum figure stipulated by the Minister, could merely mean a reduction of 3 Councillors. The governance savings would be minimal, and certainly outweighed by the adverse outcomes.*

*It is also noted there has been no community call for less elected members.*

*Finally, if anything, Council believes opportunities for citizens to represent and serve their local communities, should be increased, not reduced.*

*In the circumstances, Council considers there is currently no justification for seeking to reduce the level of elected member representation and therefore wishes to maintain the status quo at this time.*

*In the letter to the Minister accompanying this submission were the following relevant comments:*

*Nevertheless Council has resolved to keep the matter under review and if the situation were to change, will reconsider the matter at that time. Council notes it is, of course, a statutory requirement, pursuant to Schedule 2.2 (6)(1)(6) of the Act, to review the issue every 8 years in any event. Council's last review took place in 2005 and Council resolved to retain the number of offices of Councillor for each ward. This was supported by the Advisory Board.*

*At the preceding review however, Council resolved to reduce the number of offices of Councillor from 12 to 8.*

*Finally on this issue, Council notes the current number of elected members serving the Town of East Fremantle is within the range (6-9) which you have stipulated.*

**THE REFORM SUBMISSION – REGIONAL GROUPING**

*As indicated above, the Town of East Fremantle is a member of the South West Group, a voluntary regional organisation of local governments in the South West metropolitan region, comprising the Cities of Cockburn, Fremantle, Melville and Rockingham and the Towns of East Fremantle and Kwinana.*

*The Group formed in 1983, with the Town of East Fremantle a primary instigator and with the Town Clerk from the Town of East Fremantle the initial Chair of the Group.*

*The South West Group is the longest existing and arguably strongest VROC in W.A.*

*The group employs a fulltime Director, with support staff and meets regularly at officer (all Chief Executive Officers) and Board (all Mayors and Chief Executive Officers) level.*

*East Fremantle's membership is testament to the fact that while the Town may be almost entirely residential, this does not mean it is not mindful of broader economic development issues involving the region which indirectly impact on the Town.*

*As a founding member of the Group, the Town of East Fremantle supports and is deeply involved in a regional approach to facilitating sustainable development in South West Metropolitan Perth.*

*Activities in the above regard include:*

- enhancing economic growth and employment in the region.*
- increasing local industry participation and content.*
- securing additional investment in tourism development and marketing.*
- promoting local industry capability.*
- public-private sector partnerships.*
- improving access to education and skills development.*
- improving training provisions in terms of an appropriately skilled, responsive and flexible workforce.*
- increasing resources for small business development.*

*It is a matter of record that in early 2008 the Group supported the WALGA Systemic Sustainability Study (SSS) plan for local government reform, as originally overwhelmingly adopted by WALGA member Councils, and in that context had commenced formulating the South West Group shared services model which was referred to earlier in this report.*

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*The initial stage was to commence formulating a shared services proposal which was to be subject to a grant application to the State Government under the WA Government "Connecting Local Governments and Structural Reform Grants for Feasibility Studies Program".*

*Subsequently in June 2008 the Group endorsed a tender for a Scoping Study for the "South West Corridor Collaboration Project". The indicative project budget was \$65,000.*

*The preliminary assessment of what "opportunities for collaboration" were considered to include are attached as Attachment "E".*

*Subsequently a grant application for \$50,000 was submitted to the Department of Local Government and Regional Development.*

*Ultimately the Department approved a grant of \$16,000.*

*Meanwhile, whilst this exercise was proceeding, all members of the Group signed a three year Memorandum of Understanding, which was designed to underpin and enhance member Council cooperation on projects, policies and shared services.*

*It was at the very point that appointments with respect to progressing the study were being made, that the Minister made his amalgamations announcement.*

*The group nevertheless continued with the Shared Services project, which is progressing well.*

*This work is being led by Mr Bob Searle, a former local government CEO and former local government manager of financial services.*

*Professor Brian Dollery, whose work has been referred to earlier in this report, has also been involved, and has provided advice on governance and how the Group should proceed with implementing a shared services model.*

*There is no doubt regarding the strength of Professor Dollery's belief, underpinned by extensive research, in the shared services approach, as opposed to the amalgamation model and in particular a forced amalgamation model.*

*Council is also a member of the South Metropolitan Regional Council.*

*The Council, established in 1998, is a statutory local government authority pursuant to the relevant provisions of the Local Government Act. It's membership comprises all of the member Councils of the South West Group, together with the City of Canning (although it is noted the City of Canning has advised the SMRC of its intention to withdraw from the Council, effective 01.07.2010).*

*The Council is responsible for developing and offering environmentally sustainable waste management solutions and climate change abatement measures for the member Council communities.*

*This involves a region of 654 square kilometres within Perth's southern metropolitan area and a combined population of 380,000 people, generating approximately 200,000 tonnes of household waste per year.*

*The SMRC has an operational role in the planning and coordination of the removal, processing, treatment and disposal of waste for the benefit of communities within its regional boundaries.*

*In 1998 the SMRC adopted a Regional Waste Management Strategy that led to the development and implementation of a regional waste collection system and a Regional Resource Recovery Centre (RRRC) which is the largest waste processing facility in Australia and designed to recover 85% of all household waste generated within its boundaries.*

*Western Australia's average recovery rate is 25%*

*In the past 4 years the RRRC has diverted almost 400,000 tonnes of waste from landfill and as a result saved 626,000 tonnes of greenhouse gases from entering the atmosphere.*

*It is Council's view that in assessing the Town's contribution to environmental sustainability, factors such as this should also be taken into account.*

*With respect to existing WALGA Zones, the membership of the South West Group is the same as the membership of WALGA's South Metropolitan Zone.*

*The South West Region has enjoyed relatively stable external and internal boundaries for over 100 years.*

*The main changes have been:*

- *One municipality abolished in 1923 (Jandakot Road District, which was apportioned, in parts, to Canning, Gosnells, Melville and Armadale-Kelmscott).*
- *One municipality created in 1954 (Town of Kwinana from an area of Rockingham).*
- *One municipality amalgamated in 1961 (Town of North Fremantle with the City of Fremantle).*

*Notwithstanding this stability of boundaries, each local government in the region has been quite prepared to participate in boundary adjustments where beneficial and in the region there have been over 60 such adjustments, including adjustments involving East Fremantle.*

*It is concluded the current regional groupings are effective and appropriate.*

*There are opportunities to develop both the role of the South West Group (particularly in relation to resource sharing) and the SMRC, and also to develop further linkages between the two organisations.*

The Mayor thanked the CEO for his report, which he described as comprehensive.

General discussion took place with respect to the report. Each Councillor thanked the CEO for his report and the CEO answered a number of questions.

At the invitation of the Mayor, members of the gallery were invited to speak. Mr Tony Paino, a long-term resident of the Town, endorsed the report and its recommendations and criticised the government for their handling of the amalgamation issue. Mr Robert Lilleyman, a recent Councillor elect for Plympton Ward, also endorsed the report and congratulated the CEO on the comprehensive nature of the report.

**Mayor Ferris – Cr de Jong**

**Having considered the Reform Submission prepared by the Chief Executive Officer, the Town of East Fremantle endorses the report and resolves to advise the Minister for Local Government of its intention:**

- (i) To not amalgamate with any other local government, at this time.**
  - (ii) To not reduce the total number of elected members, at this time.**
  - (iii) To continue to work collaboratively within a regional grouping comprising the local governments of East Fremantle, Cockburn, Fremantle, Kwinana, Melville and Rockingham.**
- CARRIED UNANIMOUSLY**

**299. CLOSURE OF MEETING**

There being no further business, the meeting closed at 8.55pm.

*I hereby certify that the Minutes of the special meeting of the **Council** of the Town of East Fremantle, held on **29 September 2009**, Minute Book reference **292. to 299** were confirmed at the meeting of the Council on*

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**Presiding Member**