

TOWN OF EAST FREMANTLE



ANNUAL REPORT



**FOR THE YEAR ENDED
30 JUNE 2010**

TOWN OF EAST FREMANTLE

The Municipality of East Fremantle was created in 1897, when it separated from the Town of Fremantle to become an independent local authority. The Town has a population of approximately 6,500 and is 3.2 square kilometres in area. It is bounded to the north and west by the Swan River, across which many properties enjoy expansive views. To the east it shares a common boundary with the City of Melville, to the south and west with the City of Fremantle. It is a few kilometres from the centre of Fremantle and other major retail areas and is well served by public transport.

The Town has a rich history. The local Aboriginal tribe known as Nyungar obtained food and drinking water from the river edges and open grassy areas. The track that linked the fledgling Swan River Colony based in Fremantle to the future city centre of Perth in 1831 is documented traversing along the East Fremantle cliff edge finishing at the river ferry crossing at Preston Point. Early settlement of the area consisted of large farm holdings, however as the colony prospered during the 1890s gold rush the nature of settlement altered dramatically, rapidly changing to a residential area.

The Plympton precinct today consists of charming worker's cottages which were established largely between 1890 and 1910. The annual East Fremantle Festival is held in historic George Street, the main street of Plympton. Riverside was established by the merchant elite of Fremantle and is perched high on the cliffs overlooking the River. Gracious homes of the goldrush era are dotted along the escarpment. Further northwards, the Preston Point area was developed in the 1950s with houses typical of the period also enjoying the expansive views over the river.

The Woodside and Richmond precincts contain many homes dating from 1900–1940. Described as 'sweetness and light' this area is characterised by its fine brick and tile bungalows on generous (quarter acre block or similar) sites with mature garden settings.

The Town of East Fremantle has strongly resisted the push for infill development and encouraged the retention of the many heritage homes, gardens and streetscapes in the municipality. Whilst pressure from various sources to increase densities may ultimately prevail, in East Fremantle the community and families currently enjoy the standard of amenity of their forebears, with space for children to play and a sense of history and community unparalleled elsewhere.

The Town At A Glance

THE TOWN AT A GLANCE

Established as a municipality:	2 April 1897
Population:	6,697 (2006 Bureau of Statistics)
Number of dwellings:	3,118
Number of rate assessments:	3,208
Area:	3.2km ²
Area of parks & gardens:	65ha
Location:	25km from Perth GPO
Length of roads:	40km
Annual Operating Expenditure (actual):	\$7.2m
Rate revenue (actual):	\$4.8m
Employees:	38
Principal Officers	
Chief Executive Officer	Stuart Wearne
Executive Manager Finance & Admin	John Roberts
Acting Town Planner	Gemma Basley
Environmental Health Officer	Shelley Cocks
Acting Operations Manager	Ken Dyer
Office location:	135 Canning Highway East Fremantle
Telephone:	(08) 9339 9339
Facsimile:	(08) 9339 3399
Email:	admin@eastfremantle.wa.gov.au
Office Hours:	8.30am-5.00pm Monday-Friday

Annual Report 2009/2010

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APPENDIX I

Financial Statements for the year ended 30 June 2010

Mayor & Councillors

Mayor & Councillors

(as at 30 June 2010)

Mayor:

2007-2011

Mayor Alan **Ferris**
1 Polo Way
East Fremantle WA 6158
mayor.ferris@eastfremantle.wa.gov.au
9339 0595

Councillors:

Plympton Ward

2007-2011

Cr Siân **Martin**
16 Sewell Street
East Fremantle WA 6158
cr.martin@eastfremantle.wa.gov.au
9339 3950

2009-2013

Cr Rob **Lilleyman**
4 Polo Way
East Fremantle WA 6158
cr.lilleyman@eastfremantle.wa.gov.au
9339 7846

Woodside Ward

2007-2011

Cr Maria **Rico**
11 Petra Street
East Fremantle WA 6158
9339 4413

2009-2013

Cr Dean **Nardi**
120 Marmion Street
East Fremantle WA 6158
cr.nardi@eastfremantle.wa.gov.au
9339 5632

Richmond Ward

2007-2011

Cr Cliff **Collinson**
48 King Street
East Fremantle WA 6158
9339 6452

2009-2013

Cr Richard **Olson**
4/46 Alexandra Road
East Fremantle WA 6158
cr.olson@eastfremantle.wa.gov.au
9339 6681

Preston Point Ward

2007-2011

Cr Barry **de Jong**
4 Chauncy Street
East Fremantle WA 6158
cr.dejong@eastfremantle.wa.gov.au
9438 1516

2009-2013

Cr Alex **Wilson**
46 Locke Crescent
East Fremantle WA 6158
cr.wilson@eastfremantle.wa.gov.au
9339 1156

Mayor's Report

Alan Ferris, Mayor

This financial year has again been a busy one for the Town with a number of key projects being progressed and with the Town responding to the local government reform agenda of the State Government.

During the year the Town provided a detailed submission as part of the State's reform agenda which continues to threaten the independence of the Town. Included in the submission were the results of the Town's survey of local residents in which nearly 1,000 ratepayers responded. Of these, over 90% of the respondents supported the Town remaining as an independent Council. This is a very strong statement from the people of this Town.

The survey and the reform submission showed that the Town is sustainable, financially sound and strong in community spirit. Despite this strong endorsement the State Government still supports the amalgamation of the Town.

As Mayor I have made it clear that the Town supports the SSS report which was commissioned by WALGA and was the result of four years of detailed research and collaboration by local governments across WA. This report amongst other things supports regional sharing models as a way to improving service delivery.

The Town is committed to this approach and indeed is already a partner in many shared service arrangements including library resources, waste management and recycling and back of house office functions.

Council does and will continue to identify ways to partner with other councils and key stakeholders in delivering the services to our community.

This year Council has made progress on some of the key projects with some visible results expected to flow through next year.

Projects such as the East Fremantle Oval Redevelopment and the Town Centre are big issues which require significant planning to ensure we get them right. I remain committed to working with the key stakeholders in progressing both of these projects.

It is also important to recognise the excellent service provided through some of the Council's community programs. Two in particular deserve special mention for the strong contribution they make to our community,

The Glyde-In Community Centre is an excellent community resource which continues to offer a high standard of educational and learning opportunities to our community. It is also a social hub for people providing many opportunities for the community to interact.

In a similar way the Home and Community Care program; run by Sue Limbert, provides much needed support and service to our elderly residents and also to those families who take part in the holiday respite program. These Council services are highly valued and very important in improving the lives of people in the community.

In East Fremantle we continue to enjoy excellent amenity and opportunity through our local sporting and yacht clubs. These facilities are very important community assets and they continue to play an integral role in the social fabric of the Town.

The facilities and amenity they offer to the residents are appreciated by everyone and again are run mostly by volunteers. On behalf of the Town I would like to thank the committees and club members for their hard work and contribution they make in providing opportunities for the community to enjoy. I would urge you to continue to support these clubs in our Town.

Mayor's Report

I would like to take this opportunity to thank my fellow Councillors for their support this year. The Town has a very committed and talented group of elected members who collectively are making a significant contribution to the community they serve.

To the CEO Mr Stuart Wearne and his assistant Ms Janine May thank you for your dedication and commitment to our Town. I would also like to recognise the work the various components of the Council including the works team, Mr Roberts and the finance and administration teams, the health and community services team led by Shelley Cocks and our hard working town planning team.

In closing I am extremely proud and privileged to be Mayor of this great Town and I would like to thank you for your continued support.

Chief Executive Officer's Report

Stuart Wearne, Chief Executive Officer

INTRODUCTION

The 2009-2010 financial year was a productive though challenging period for the Town.

This report deals mainly with the most critical issues which the Town faced during the year, including State and Federal issues impacting on the local government sector in general.

Despite these issues, Council officers and elected members continued to provide good governance and improved Council services. Much was accomplished during the year and as the Chief Executive Officer, I am proud of the achievements of the Town's staff and elected members for this period.

At officer level, the more noteworthy outcomes are reflected in the reports from the Departmental heads, which I commend to you.

LOCAL GOVERNMENT REFORM

This refers to the agenda, and ongoing processes, which have been initiated by the Minister for Local Government, Mr Castrilli, to "reform" local government in Western Australia.

The Minister's key objective is to significantly reduce the number of local governments in Western Australia.

The target originally given by both the Minister and the Premier was to reduce the number of local governments from 139 to less than 100. although at the time of this report, there is evidence the Minister is pursuing far more substantial reductions than this.

As the outcome of the Minister's program could well be that the Town ceases to exist, in the not too distant future, it is clearly the most critical issue facing the Town.

In my report for the 2008-09 financial year I gave a detailed account of the background of

this program, which the Minister had initiated in February 2009.

By way of explaining what occurred in 2009-2010, the lead up to this financial year was as follows:

On 5 February 2009 the Minister had made a number of pronouncements.

- (i) The number of local governments in Western Australia was "not sustainable" and he wanted "voluntary amalgamations" in order to "cut their numbers".
- (ii) Local governments would have six months to inform him of their decision regarding voluntarily amalgamating, otherwise he would *legislate* to force local government amalgamations.
- (iii) The remaining councils would be expected to reduce their total number of elected members to between six and nine.
- (iv) "The benefits of amalgamations across the state, *including metropolitan Perth*, will be very significant."
- (v) "Increased competition for" (the remaining) "staff positions within the sector will be a welcome change from the present situation".
- (vi) To oversee the implementation of the process the Minister would establish a Local Government Reform Steering Committee.

The Minister made specific reference in his announcement to the number of *small* local governments which currently operated in Western Australia and, as indicated above, made specific reference to "metropolitan Perth".

Mr Castrilli stated:

"If councils do not amalgamate there will be legislation. If you don't want to do it, I'll do it, as simple as that".

Chief Executive Officer's Report

In other comments the Minister clearly indicated that small local governments would be the primary target for amalgamations, regardless of financial viability and regardless of whether they wish to amalgamate or not.

The Minister's announcement was viewed by the local government sector generally, with widespread dismay.

There was not only the ethical issue of a broken commitment by the Government, which, prior to its election, had given a commitment of no forced amalgamations.

The Minister had not provided the basis of his claim that there are too many local governments in WA. If it was because he had identified some existing local governments as being financially unsustainable, the Minister should have stated the basis of that identification, if not *which* local governments and *why*. If it was because the Minister believed bigger local governments are *automatically* more sustainable, the Minister should have provided the basis for this view.

If it was because the Government believes extensive amalgamations will somehow save the government money, this Minister should have explained how.

In addition to clarifying the above matters, the Minister should have explained the basis of his conclusion that in respect of financial sustainability, "bigger is better", when extensive research, at both a national and international level, had concluded that there was no clear evidence that larger local governments were automatically more sustainable.

If the Minister believed otherwise, then the Minister should have explained why, despite large scale amalgamations in Victoria, South Australia, Tasmania and NSW, between 25% and 48% of local governments in those States; some big some small, some the result of amalgamations and some not, were classed at that time as financially unsustainable.

With respect to Victoria, where large scale amalgamations were imposed in the late 1990's, Professor Stephen Jones of the University of Queensland Business School, who had comprehensively reviewed the amalgamations process which had recently occurred in Queensland (see below), wrote that the Queensland Government should:

"...learn from Victorian amalgamations... 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...."

In South Australia, 116 councils had recently been reduced by amalgamations to 68. 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 had been Queensland. Extensive forced amalgamations had resulted in 156 local governments being reduced by amalgamation to 72. Again the stated purpose was to achieve financially sustainable larger local governments. Yet in a subsequent report by the Queensland Treasury Corporation into the financial state of those 72 local governments, the Treasury Corporation 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.

Chief Executive Officer's Report

This should have come as no surprise as an earlier and highly respected report by Price Waterhouse Cooper, "The National Financial Sustainability Study of Local Government", 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."

The report went on to say there were frequently better approaches local government could take to improve economies of scale, such as forming or strengthening regional alliances for shared procurement and service delivery.

This is exactly what had occurred in East Fremantle's case, particularly by virtue of its participation in the South West Group, involving all local governments in the South West metropolitan region, which the Town had instigated over 25 years ago and which had quickly become a model for similar organisational structures across Australia.

Council's membership of the Southern Metropolitan Regional Council, which deals with waste management and recycling on a regional basis, is another example of shared service delivery, as is, for example the shared library between East Fremantle and Fremantle.

Professor Brian Dollery, Director of the Centre for Local Government at the University of New England and the most published academic on local government reform in Australia, had also concluded that the doctrine of "bigger is better" could not be sustained on conceptual or empirical grounds and that in most instances a *better* case could be made for local government to share the provision of services rather than to amalgamate.

In summary, following extensive research and in a range of published papers, numerous researchers have made a persuasive argument that shared service arrangements for selected local government services are generally a better option than council amalgamations. It has also been noted that the transformation costs are much lower. The research indicates 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.

Notwithstanding both the lack of research and the evidence to the contrary, the Minister proclaimed there would be significant savings produced by amalgamations. The Minister 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*".

Yet in South Australia for example, where it was originally claimed that the amalgamations in that State 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."

Whilst the Chief Executive Officer was researching the academic and other relevant

Chief Executive Officer's Report

literature for evidence with respect to the Minister's claims, the Minister was proceeding with imposing the first stage of his review process.

Under this process, every local government in the State was required to compile a comprehensive report, involving a complicated checklist, which was designed to demonstrate the degree of a local government's viability.

The report also involved local governments choosing their proposed amalgamation partners, regardless of whether the local government was concluded to be sustainable or not.

A substantial report was completed and submitted by the due date of 30 April 2009. In the CEO's report, which was endorsed by Council, it was concluded as follows:

- (i) There appeared no *obvious* need, or other reason, for East Fremantle to amalgamate. It was concluded the Town was *financially* sustainable in the long term (and had twice, relatively recently, been independently assessed as such), *socially* sustainable and whilst there were *environmental* sustainability issues, these would exist regardless of any local government boundary configuration.
- (ii) There was no *obvious* benefit to the East Fremantle community for East Fremantle to amalgamate.
- (iii) There *would* be a benefit to another local government to "take over" East Fremantle, if the objective was to divert the use of some of Council's rate income 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 disbenefit to the East Fremantle community. Nevertheless East Fremantle would be a

"high valuation/high value" prize in an acquisition environment.

- (iv) With respect to financial sustainability measures, the Town:
 - was on the "minimum grant"
 - had a debt servicing ratio below 3% (the State local government average is 5.21%)
 - raised revenue per employee which is on a par with other local governments in the region.
 - whilst not "needing" a development based solution for its long term financial sustainability, does expect:
 - (a) Leeuwin Barracks will eventually be sold, 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.

One of the key conclusions with respect to the Town's financial sustainability was that the Town was *not* reliant on the relatively small Federal and State government grants which it received and could in fact "manage" without them, unreasonable as that might be, however could do so if this was what it would take to avoid an unfair forced amalgamation.

In 2008-09 the Town received \$193,883 from the Federal Government (\$132,592 for General Purpose funding and \$61,291 for roads) and \$29,556 from the State (for roads).

The total of \$223,439 can be compared with rate revenue of \$4,539,469.

The grants thus represent only 4.92% of total revenues.

Chief Executive Officer's Report

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 particularly noteworthy how little government funding the Town of East Fremantle receives from the State.

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

There were no significant social problems in the community – for example there were 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 houses more than its share, on a per capita basis, of aged and disabled care services. In addition the Council exported its Home & Community Care services to surrounding local government areas.

Following the 30 April report, work began on the next body of information required by the Government. This was to be an equally comprehensive submission which addressed a number of further questions set by the Government, many of which needed to be considered in the context of the government's response to the earlier report by Council. Essentially the process continued to involve the Town justifying its ongoing existence.

Following the submission of the April report, there was no response from the Government until late July 2009, when the Town received the assessment by the Local Government Reform Steering Committee of the Town's report.

The Town was assessed as being a Category 2 Council, which was defined as:

“Structural reform including amalgamation/boundary adjustments and formalisation of regional groupings should be considered to enhance organisational and financial capacity to meet current and future community needs”.

Similar small sized local governments such as Cottesloe, Nedlands, Mosman Park and Peppermint Grove received the same rating.

In essence Category 2 was a “grey area” category, between Category 1 (amalgamation not considered required) and Category 3 (amalgamation required).

The basis of the rating was in many respects questionable. For example, according to the assessment, the Town had provided insufficient evidence that it was attracting investment and generating local economic growth. Leaving aside the booming businesses in George Street for example, such an assessment failed to take into account the Town was almost entirely residential. (Interestingly, on 10 March 2010, the “West Australian” ran an article, headed “East Fremantle leads the nation in rent increases” – suggesting real estate investments at least were doing very well in the Town.) Another claim in the assessment was that the Town had provided insufficient evidence of staff retention initiatives. Yet the Town has enjoyed a very stable workforce for many years, a product of good wages and conditions and a positive working environment.

Such unexplained conclusions drew attention to the fact the Department refused to reveal the methodology used to determine the various categorisations.

The Town originally had until 31 August 2009 to respond to the findings.

Expected to be included in the response was the outcome of community consultations, designed to gauge community views on

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amalgamation, which very much remained the Minister's primary agenda.

Rather than a limited public meeting approach which some councils adopted (if anything), the Town carried out two more comprehensive exercises to gauge public opinion with respect to the issue of amalgamations.

The first approach involved employing a highly respected and independent survey organisation, Catalyse, recognised for example as leaders in local government satisfaction surveys, which, in conjunction with the Chief Executive Officer, formulated a questionnaire which was then administered to a statistically significant number of randomly selected residents of the Town.

The second approach involved writing to every elector in the Town, ie every resident or absentee owner aged 18 or over, on the issue of amalgamation, seeking a response to a questionnaire drawn up by the Chief Executive Officer.

No other local government in the metropolitan area, and possibly the State, implemented such a comprehensive approach.

Meanwhile and prior to any community response, the Premier publicly stated in late July that East Fremantle should be absorbed by the City of Fremantle.

The 31 August 2009 deadline for the local government reform submission was later extended to 30 September 2009.

Meanwhile there was a massive response to the mailed survey, with approximately 1,000 responses being received. Almost 90% of respondents were opposed to amalgamation, about 8% in support and 2-3% were unsure.

This overwhelming rejection of amalgamation was backed up by results of the abovementioned telephone survey.

Council held a Special Meeting on 29 September 2009 to consider the Reform Submission prepared by the CEO.

In a report of some 40 pages, not including attachments, the Chief Executive Officer could find no sound rationale for amalgamation.

It was noted that in the process of compiling the report the Chief Executive Officer had separately engaged the nationally recognised financial analysts Access Economics Pty Ltd and, in addition, Dominic Carbone & Associates (DCA), who provide consulting services to local government throughout the State, to each independently assess the Town's financial situation.

The Access Economics report concluded:

"overall our assessment is that currently the Town's finances are sustainable and comfortably so".

The report also stated the Town's finances had generally improved over the last three years.

The Dominic Carbone report concluded:

"The financial ratios indicate that the Town meets all the benchmarks set."

"The findings reveal that the Town's current and future financial viability in the short to medium term is assured. The Town over the last four financial years has improved its financial position and projections to 2012-2013 will see this trend continue."

Elected members unanimously resolved 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:

Chief Executive Officer's Report

- (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."*

A response to the Council's submission was received from the Minister in December 2009.

In short, whilst the Minister, with respect to the submission, expressed appreciation for the "significant and commendable effort" which had been made, he concluded the "optimal reform option" for the Town was "to engage with neighbouring local governments to form a Regional Transition Group".

The Minister went on to explain:

"A Regional Transition Group will provide the structure for transitioning several local governments into a single entity by 2013. It is to be established under a formal no opt out provision between participating local governments and will facilitate the harmonisation of core functions and services across participating local governments. This process will enable a seamless transition to a new entity and a new start while allowing for the staging of key elements of structural reform.

These core functions and services include:

- *strategic and community planning;*
- *infrastructure planning and asset management;*
- *economic development;*
- *corporate services (IT, HR, records, finance, rating and other administrative functions);*
- *planning and management of natural resources;*

- *building and approval processes;*
- *statutory and strategic land use planning;*
- *environmental health; and*
- *waste management."*

In short, whilst forced amalgamations did not appear on the Minister's immediate agenda, a "transitional" process and structure had been designed to achieve an amalgamation outcome, for selected local governments, by 2013.

In East Fremantle's case, whilst the Minister referred to "neighbouring local governments" it was later clarified he was referring to an amalgamation between East Fremantle and Fremantle only.

The Minister's position on Regional Transition Groups caused considerable confusion for the local government sector.

It was not clear for example what would happen if Council did not take up the Minister's recommendations. Whilst the Regional Transition Group model was designed to be a means, through the completion of a joint Regional Business Plan, for local governments to consider whether an amalgamation would benefit their respective communities, it was noted it had a "no opt out" provision – suggesting the amalgamation process would continue regardless of what was concluded.

WALGA expressed a concern that if a local government which the Minister wanted to join a Regional Transition Group refused to do so, the Minister may initiate a Local Government Advisory Board inquiry in an effort to force an amalgamation by that means.

Whilst this confusion was taking place the Council received advice from the Department that it was planned that senior Departmental officers would contact the Council to discuss the next steps proposed in the process.

Chief Executive Officer's Report

In February 2010 a major local government forum, which was attended by over 400 delegates representing almost every local government in the State, and various invited speakers including the Minister, was held in response to the sector's concerns and to seek clarification on the issues.

The Chief Executive Officer spoke at that Forum and addressed comments and queries directly to the Minister. After he invited questions. The issues raised included:

- After submitting two comprehensive reports, as per the Minister's inquiry process, including financial advice commissioned from two independent financial consultants, each of which backed Council's position that the Town was sustainable and should remain independent, the Minister had written to the Town in early December and with no reference to any of the advice in the reports, in what was clearly a pro forma letter, said he had determined the "optimal reform option" for the Town of East Fremantle was to amalgamate, via the Regional Transition Group process, with (unnamed) "neighbouring local governments". No basis for the decision was given. No reference was made to the alternative model of reform which Council had proposed, involving a regionally based resource sharing/shared services approach and which the Town had already embarked on, or the demonstrated benefits and efficacy of that model, which was backed by substantial academic research which had been detailed in the CEO's submission. This research had also found the supposed financial and other benefits of amalgamations were, generally speaking, illusory. No reference was made by the Minister to the analysis of Council's submission by the Local Government Reform Steering Committee and it is noted the Steering Committee's interim and final reports remained secret.
- Not only was the Minister's decision a slap in the face for the Council, it was also a slap in the face for the very large number of East Fremantle residents who had written to Council expressing their opposition to amalgamation, yet their views were completely ignored by the Minister in his letter.
- The outcome suggested a pre-determined, essentially ideologically driven decision and lacked any transparency or accountability.
- Whilst the Minister had clarified at the forum that his proposal was voluntarily based, the Minister had declined to say what would happen to a local government which refused to support an amalgamation under the Regional Transition Group process proposed by the Minister - specifically, would the Minister then invoke the statutory provisions open to him with respect to achieving amalgamated local governments?
- Can the sector be assured this process continues to be voluntary and specifically, if a local government determines not to participate in a Regional Transition Group, will the Minister respect that decision, or will he take further action such as referring a proposal involving that local government to the Local Government Advisory Board for processing under their amalgamation provisions?
- The Minister needed to appreciate that his unclear statements and lack of clarification were not just causing confusion throughout the local government sector - the whole process is continuing to cost local governments much time and energy - resources which could be better spent on service provision - and making any forward planning uncertain.

These questions and comments were met with widespread applause, indicating they represented the shared view of many of the delegates present.

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In responding to the first point, the Minister indicated that the Departmental officers, whom Council was shortly to meet with, would hopefully address those concerns.

With respect to the survey of the Town's electors, the Minister, speaking generally, said that in his view many such surveys "lacked integrity" – suggesting he was discounting all of them.

With respect to the voluntary nature of the exercise, or otherwise, the Minister stated there would be no forced amalgamations and reiterated he had agreed to remove the "no opt out" clause with respect to Regional Transition Groups.

Following the Forum a meeting was held at the Town of East Fremantle on 25 February 2010 which was attended by Jenny Matthews, the Director General of the Department of Local Government; Dr Chris Berry, the Manager of the Department's Structural Reform Program; Mayor Alan Ferris; Fremantle Mayor Brad Pettit; Fremantle CEO Graeme Mackenzie and myself.

The primary purpose of the meeting had been to provide further information on the Minister's Regional Transition Group proposal.

Whilst this occurred, it was disappointing that the Departmental representatives failed to deliver on the expectation which the Minister had given rise to, namely that they would better explain the basis for the Minister's decision.

The Departmental representatives were also disinterested in discussing alternative approaches to amalgamation (which is the intended ultimate outcome of the Regional Transition Group process) or the findings of extensive research which has indicated significant issues with the efficacy of the amalgamation based model of local government "reform".

City of Fremantle representatives made it clear this Council was not interested in amalgamation unless it had the full support of the Town of East Fremantle.

At this point the Town had until March 26 2010 to advise the Minister whether it intended to enter into a Regional Transition Group with Fremantle or not. There was at that stage, essentially three possible responses to the Minister's request.

Response 1

Agree, with the City of Fremantle, to participate in Regional Transition Group. If Council were to sign up to a Regional Transition Group – it would primarily be agreeing to spend approximately 9 months drawing up a Regional Business Plan, between the Town and the City of Fremantle, which scoped the means of "the harmonisation of core functions and services" (which were referred to earlier in this report), as a prelude to amalgamation. Council could do this, in the knowledge that it could always opt out, particularly if the Business Plan ultimately produced did not suggest an amalgamation would be in the interests of the East Fremantle community. This response would give rise to three main issues:

- (i) participation in any process which had the ultimate objective of amalgamation could be seen as ignoring the expressed views of the large number of East Fremantle residents who have indicated they are opposed to amalgamation, representing about 90% of the large number of written responses received.
- (ii) the process would require significant staff resources, in particular involving the CEO's time, at the expense of "normal" Council business and competing tasks.
- (iii) Council has expressed the view to the Minister that they believe the resource sharing/shared services model considered is a better approach than amalgamation in the Town's case – thus why support any approach designed to lead to amalgamation?

Chief Executive Officer's Report

Response 2

Decline to participate in a Regional Transition Group – essentially for the three reasons given above.

Response 3

Seek an extension. The rationale would be to allow a more informed decision by Council, following a further meeting with the City of Fremantle and further discussions by elected members.

On March 16 elected members considered the issue.

Ultimately the decision of the elected members was as follows:

Council advises the Minister that it declines the Minister's proposal that the Town form a Regional Transition Group with the City of Fremantle and in so doing notes the Town's earlier comprehensive submission to the Minister which:

- *demonstrated (through independent, expert advice) that it was financially sustainable*
- *proposed an alternative model of reform, involving a regionally based resource sharing/shared services approach, which the Town had already embarked on (with this initiative partly funded by the Department).*
- *demonstrated the benefits and efficacy of the above model was backed by substantial academic research, which had also found the supposed financial and other benefits of amalgamations were, generally speaking, illusory.*
- *indicated the overwhelming majority of the East Fremantle community opposed amalgamation.*

and notes that in the Minister's and Department's response it has received no advice sufficient to cause the Town to modify its views.

The Minister was duly advised of the decision and responded in April 2010 by noting Council's position and thanking elected members for their consideration of the matter.

Despite the Minister's courteous and accepting tone, by May 2010 the Minister began making statements which essentially portrayed local governments such as East Fremantle as "bad guys" in his reform agenda, in a simplistic "good guys/bad buys" assessment of the situation.

For example the Minister referred in one media release to "22 local governments"... "which support reform, however are blocked from doing so due to a lack of support from neighbouring local governments".

Elsewhere the Minister writes "I commend those local governments that have displayed leadership and long term visions on behalf of their communities", obviously referring to the "good guys".

Amongst other local governments, the Minister was referring to the City of Fremantle, as a "good guy" reform supporter and the Town of East Fremantle as a reform blocker. Despite comments indicating a contrary position at the meeting held with Departmental representatives in February, the City of Fremantle had in fact gone on to express support for the Regional Transition Group as proposed by the Minister, for understood reasons which are discussed later in this report. At this point it should nevertheless be reiterated that the Town of East Fremantle *does* support local government reform, however not the Minister's amalgamation based model and that, as amalgamation was the intended outcome of the Regional Transition Group, and noting widespread community opposition to amalgamation, Council had also rejected the Regional Transition Group proposal.

CARRIED UNANIMOUSLY

Chief Executive Officer's Report

The Local Government Reform Steering Committee Report was issued in May 2010 (although not released at that time).

The report also reflected the “good guys/bad guys” labelling, referring for example to

- “local governments (which) were impeded by a lack of support from neighbouring councils.”
- “local governments willing to reform (which) are prevented from acting by adjacent councils opposing reform.”
- “small local governments opposed to reform that are adjacent to larger local governments who wish to participate in structural reform.”
- “councils that support structural reform, but are being blocked by their neighbours”.

Such comments were made in the context of the implied suggestion that as a result of this lack of cooperation, forced amalgamations would be necessary.

Thus the first two recommendations were:

1. *That the Minister note that the voluntary reform process has not yielded the scale of reform required to deliver meaningful benefits to the State.*
2. *That the Minister consider options for targeted Government intervention, including through proposals to the Local Government Advisory Board for major boundary adjustments, and/or legislation to trigger reform activity in critical areas for reform including, but not limited to, the following areas...*”(with the “Fremantle area” then being specifically mentioned).

One of the suggestions for “facilitating the implementation of Recommendation 2” was to remove the poll provisions from the Local Government Act. These are the provisions which, subject to strict and rather onerous criteria being met (for example sufficient members of electors voting, failing which the Minister is unimpeded from proceeding with

an amalgamation) give the local community a power of veto as to whether a local government should be amalgamated or not.

There was no real assessment as to why, despite the Minister’s intense efforts, relatively few local governments had embraced the Minister’s pro amalgamation vision.

The facts were that by May 2010, only 10 local governments (all in the country and with one exception, all very small) had resolved to merge. This would be into 4 new entities, meaning a net reduction of 6 local governments (assuming all of the amalgamations proceeded), far short of the Minister’s and Premier’s benchmark of a minimum of 40.

Even if the 11 local governments (only) which had agreed to form Regional Transition Groups were to eventually amalgamate, this would only represent a reduction of a further 7.

Even if the 22 councils which had expressed support for reform, however were allegedly impeded in that regard by their neighbours, were eventually able to convince their neighbours to amalgamate, at best, based on each amalgamation involving only one other council, which would almost certainly be an under estimate, this would only result in a reduction of another 11 local governments at the most (total 24).

Hence it was expected other strategies to achieve significantly greater numbers of amalgamations would now be considered.

In mid May 2010 the Minister advised he was still reviewing the report however said financial support would be provided to local governments that were committed to undertaking reform.

In the subsequent State budget \$10.3 million over 2 years was allocated to carry out the Minister’s reform program, far short of what

Chief Executive Officer's Report

was required to carry out even modest reforms, suggesting ratepayers would be expected to carry most of the burden. For example the cost of a single amalgamation alone is estimated at \$4 million.

On 25 June 2010 the Minister announced the establishment of a committee which was to drive his reform agenda, the Local Government Reform Implementation Committee.

Thus as the financial year came to a close, considerable uncertainty abounded with regard to the Government's next move.

There is an informed view that it is only the opposition of the Nationals to forced amalgamations which had prevented the Minister and Premier from moving down that path, now that it is clear their vision is not being embraced by most of the local government sector.

Accordingly it is suggested forced amalgamations will be quickly on the agenda if the Liberal Party secures government in its own right.

In the Chief Executive Officer's view this would be a serious mistake.

The Minister should recognise that his one-size-fits-all, "bigger is better", amalgamation based model of local government reform is not only a very limited and simplistic approach, but also that a range of other options, better options in most cases, are available.

This had been the conclusion of WALGA's, earlier and very comprehensive Systemic Sustainability Study (SSS), which led to a reform model which enjoyed the almost unanimous support of the local government sector, however was regrettably ditched by the Minister, without consultation and despite his initial expressions of support, and replaced by his own model of reform.

Amongst other attributes, the SSS approach recognised the significance of community differences (for example what might be a community concern or priority in one community, may not be so in a neighbouring community) and it accordingly valued the views of local communities.

Fundamental to the Model was the aim of maintaining effective local political representation, whilst delivering improved efficiencies of service delivery, through various means including through a range of regional cooperation based options.

In contrast for example the Minister had sought to reduce the number of elected members throughout the State and thus reducing the potential for effective political representation.

In noting the Minister's self congratulation on reducing the number of elected members by 100 to date, it must be said that it has never been clear why the Minister considered reducing the opportunity for citizens to continue to serve their local communities as an elected member, to be such a worthy objective.

In his purported concern for financial efficiencies in order to improve local government service delivery, which the Minister, with almost no tabled research to justify the claim, believes can best be effected by widespread amalgamations, the Minister ignores far more critical issues affecting local government service delivery – in particular the serious underfunding of local government at a Federal and State level. Whilst the Minister repeatedly suggests the likelihood of increased Federal grants flowing to the State's local governments if they are larger, there is no real evidence of this and even if there was the occasional additional grant, no amount of amalgamations will change the fact of the significant underfunding of local government, which is discussed further below in this report.

Chief Executive Officer's Report

The point has already been made that if the panacea for local government sustainability is fewer and bigger local governments, why are so many large local governments in other States, which resulted from large scale amalgamation in those States, in financial crisis?

The Minister stated that he provided the local government sector with the opportunity for "industry led reform" however "the sector failed to produce the results which I believe the majority of stakeholders know is essential".

It is not clear what "stakeholders" the Minister was referring to in his statement however in the Town's view, the most important stakeholders are East Fremantle residents and ratepayers and they have strongly indicated their opposition to amalgamation.

It is highly regrettable there was not a single word in the report about factoring in the wishes of local communities (which local governments are obviously meant to be serving) other than the shameful suggestion, discussed above, that one option needing consideration is for the poll provisions of the Local Government Act to be removed. Another suggestion was legislating forced amalgamations, which would have the same effect of denying local communities a say in the matter.

If the Minister is confident "the majority of stakeholders" support his amalgamation based approach to reform, what does he have to fear from a poll of electors?

Meanwhile, despite the lack of any justification for amalgamation in the Town's case, including the lack of any business case for amalgamation and despite the strong wishes of the East Fremantle community, the Minister's endorsement of the report indicates the Town remains on the Minister's hit list for a forced takeover by the City of Fremantle.

The recommendation describes this as a "targeted Government intervention".

It needs to be made clear that the City of Fremantle is not seeking this and has always indicated its opposition to the City doing anything without the support of the Town of East Fremantle. Further their own consultant had concluded, with respect to an amalgamation with East Fremantle, "*there is little benefit to the Fremantle community in a merger scenario*". Elsewhere CEO Graeme Mackenzie is quoted in the local press as saying "*any forced amalgamation involving Fremantle would show no benefit, and a lot of cost*".

In a report to his Council in September 2009, Graeme Mackenzie stated, in part, "*...an amalgamation with East Fremantle...is considered detrimental financially in that it would not improve Fremantle's capacity to deliver services, - in fact in would likely reduce that capacity or be neutral at best*".

Nevertheless, based on the City of Fremantle agreement to the Minister's proposal to form a Regional Transition Group with the Town of East Fremantle, the City of Fremantle is described in the Report as "support reform but have no partner/s" and "willing to reform, but partners remain unresolved".

However it is clearly understood the City of Fremantle's reasons for indicating agreement to a Regional Transition Group essentially involved tactical considerations, rather than any conclusion that a merger with East Fremantle would be a beneficial outcome for the respective communities.

The tactical aspect essentially involves a view that if the City of Fremantle does nothing, an amalgamation involving an area much greater than East Fremantle, may be forced upon them.

Essentially the East Fremantle option is seen as the lesser of two evils.

Chief Executive Officer's Report

This is quite clear from City of Fremantle CEO Graeme Mackenzie's own report to his Council, in which he recommended participation in the Regional Transition Group.

That report reads, in part:

"To some extent, if forced amalgamations become part of the government agenda, it is less likely to be imposed where a 'friendly' amalgamation has occurred....."

The strategic decision here then is whether we believe the government has a broader agenda and will eventually force amalgamations – and if they do what might that look like. Our reform submission found that the greater communities of interest lie beyond our current boundaries, but not to the extent of taking in the whole of Melville or Cockburn – only some portions of those local government areas. In a forced amalgamation scenario is it likely that Fremantle will amalgamate with either or both of those authorities? If so what are the benefits or threats to Fremantle's future in such a scenario? On the other hand, if we proceed with East Fremantle, with their agreement, would that avoid a larger amalgamation in the future?

On balance, officers believe there is a greater benefit to the City of Fremantle in proceeding to participate in a RTG with East Fremantle. However, without East Fremantle's willingness to participate this cannot happen."

In short, the City of Fremantle's position is clearly one based on fear (of a larger amalgamation being forced on them) rather than believing an amalgamation with East Fremantle is in the City's interests. In other words, the City of Fremantle's position does not signify support for the Minister's reform program, notwithstanding this is how the Minister has sought to portray their position.

In short, as at 30 June 2010, the Town was essentially awaiting the Minister's next move.

LEFT BANK LEGAL ACTION

In my last report I provided a comprehensive report on this issue, which began in 1987 and culminated in litigation which commenced in 2000 and which became increasingly extensive and complex, both in relation to the legal issues and the number of parties involved.

Council was the first defendant in an action brought by Lowmond Pty Ltd and the WAPC the second defendant.

Council's view was that the dispute primarily involved Lowmond and the WAPC, with Council the "meat in the sandwich".

Council was significantly financially exposed, reliably estimated at about \$10 million. Such an outcome would have placed Council at serious risk of bankruptcy. There was also the potential outcome of further legal action, which Lowmond had already foreshadowed. .

It is no exaggeration to say that beyond periodic amalgamation attempts during the Town's existence, the situation represented the gravest threat to Council's survival in its 112 year history.

An extensive effort on the part of the CEO and Council's solicitors was thus expended on efforts to settle the matter before trial.

Settlement was finally achieved less than 48 hours before the trial, which had been listed for 11 days in the Supreme Court, commenced.

The terms of settlement (which included any form of future litigation) are confidential and must remain so, nevertheless it can be said the Town was very happy with the outcome, which came at no cost to ratepayers.

Chief Executive Officer's Report

However the comprehensive terms of settlement gave rise to a number of other legal issues and complex administrative tasks, which continued to be progressed by the CEO and Council's solicitors including during 2009-2010.

I am pleased to report the Left Bank dispute was finally "signed off" early in 2010.

The "Left Bank" case was the last of three significant legal matters which the CEO inherited when he commenced with Council, the other two being the Cornell case and the Aldgate case, which have been dealt with in previous annual reports.

FINANCIAL REFORM IN LOCAL GOVERNMENT

I have written on this matter in previous annual reports. It is logical for this issue to be raised following the discussion on amalgamation because it is a far more critical issue for the future of local government, than the number or size of local governments in the State. In fact it is extraordinary it is an issue which the Minister has ignored in his "reform" program.

I have previously referred to the findings of the earlier Federal "Fair Share" inquiry into local government financing and cost shifting, which concluded there was an Australia wide financial sustainability crisis in the local government sector and recommended significant improvements in regard to local government financing.

The "Fair Share" Inquiry had found the infrastructure backlog alone to be a time bomb for local governments across Australia.

In financial terms, the backlog of unmet but essential local government infrastructure works was estimated to be \$14.5 billion nationally, of which an estimated \$1.75 billion involved Western Australia.

Yet, I advised in my last report that as at 30 June 2009, change had been very slow to occur.

However this year I am pleased to report there were some positive outcomes for local government and communities contained in the 2009-10 Federal Budget, in particular:

- financial support to enable local government to address renewals gaps affecting local community infrastructure. This includes renewing, upgrading and establishing important regional and local community infrastructure
- a new four year program to promote Healthy Communities in conjunction with local government; and
- various energy efficiency programs aimed at reducing carbon emissions and providing capacity to households to adjust to a carbon-constrained economy.

Without in any way detracting from the positive nature of these outcomes, it is recognised that these initiatives by the Federal Government had more to do with a response to the Global Financial Crisis (GFC) than signalling a shift in Federal-local government financial relations.

Under this funding, which was received pursuant to the Regional and Local Community Infrastructure Program, Council carried out a number of projects, such as:

- Building renovations at Glyde-In
- Refurbishment of the Tricolore changerooms and stormwater control
- Roof refurbishment of the Tricolore Centre
- Refurbishment of the Raceway Park Pavilion
- Refurbishment of the Locke Park Rotunda
- Lee Park upgrade.

Chief Executive Officer's Report

However these were relatively minor projects and two much larger applications, one involving over a million dollars for the restoration of the Town Hall and Old Police Station and the other involving a similar amount for the restoration of the Royal George Hotel, were not successful.

In part this was because the rushed nature of the funding meant that the larger projects almost needed to be ready to proceed, if they were to be successful in obtaining funding.

Although the Rudd government's additional support for local government has been appreciated, much more needs to be achieved with respect to reforming the funding of local government.

It is critical to note the following:

- On top of a long term growth trend, growth in demand for local government services has increased rapidly during the past decade, corresponding to substantial growth in the national economy. In addition, local government is called upon to meet new challenges, such as the impact of population ageing and associated health care needs, disease and obesity, crime and community safety, environmental protection and climate change. To respond adequately, local government revenues must increase in a way that truly reflects the cost of delivering local government services and community infrastructure.
- In addition to the increasing community demand for services, local government must devote a growing level of its resources to capital formation and depreciation liabilities. The "Fair Share" report referred to above found that, in general terms, local government is struggling to meet community demand for more intensive 'human services to the people', whilst maintaining its increasingly ageing local community assets. As indicated the backlog is estimated to be \$14.5 billion nationally.
- In addition cost shifting by the Commonwealth and State governments was found to have a negative impact on councils of between \$500 million and \$1.1 billion annually. The effects of years of cost shifting to local government from other levels of government (mainly state government), for which the sector remains uncompensated, have magnified over recent years, and present as a genuine threat to the ongoing financial sustainability of the sector. This is because other levels of government continue, whether indirectly or directly, to assign additional responsibilities to councils. These include increased emergency and disaster management, environmental programs, community education, business development, management of certain land and the transfer of roads. Compulsory amalgamations in some jurisdictions over recent years, coupled with state-prescribed responsibilities, have also increased opportunities to cost shift onto the local government sector.
- Despite this dramatic increase in Council responsibilities, property rates generally continued to remain the principal source of revenue. Nationally, rates in local government have for many years increased by a lesser amount than Commonwealth taxation revenue. Despite this increase in Commonwealth taxation and Commonwealth grants to the States, Federal and State grants to local government have, in relative terms, declined whilst, as indicated, services shifted to local government have increased.
- As a result of the abovementioned pressures, local government faces the choice of reducing services, ignoring its deteriorating physical infrastructure and/or increasing its already well-utilised revenue base. Each of these options presents social, environmental and political costs. Although funding from the Australian Government of around \$1.1 billion in 2008-09 and 2009-10 to assist local government to modernise local community

Chief Executive Officer's Report

infrastructure is a positive step, the gap cannot be adequately or sustainably corrected in the absence of further ongoing funding support to the sector.

- Given the demands upon local government and its limited capacity to raise further additional own-source revenue, adequate revenue growth for general purposes can only be achieved through an increase in the quantum of intergovernmental financial transfers.

In short Council believes structural reforms to Commonwealth-local government financial relations must be implemented to secure financially sustainable local government. Such reforms should encompass:

- Local government to receive a guaranteed real terms share of Commonwealth tax revenues, equivalent to a minimum of 1% of Commonwealth general taxation revenue and paid directly by the Commonwealth.
- Increased Financial Assistance Grants and an improved growth/escalation methodology
- Permanent funding for Roads to Recovery
- Continuation of the Regional and Local Community Infrastructure Program
- Prevention of further cost and responsibility shifting onto local government by other levels of government, particularly the states and territories
- Progress on constitutional reform.

In the foreseeable future, the ability of local government to meet the legitimate aspirations of its communities will significantly depend on how Federal and State Governments respond to the issues referred to above.

ROYAL GEORGE HOTEL RESTORATION

This matter is the responsibility of the National Trust, as the owners of the building.

As previously reported, at 30 June 2009 Council had (in June 2009), received a development application from the National Trust, which was proceeding to be assessed, with various matters arising from that assessment being clarified with the applicant or subject to further information being sought.

Unfortunately, between June 2009 and June 2010 Council officers were severely frustrated in dealing with this application due to a number of external factors which were completely at the behest of the applicant (architect Michael Dryka) or the owner (National Trust).

These factors included:

- insufficient plans;
- inadequate advice on proposed uses;
- constantly changing information with respect to the above;
- lack of a Parking & Traffic Study;
- obstruction, by the National Trust, of the Heritage Council's ability to assess the proposal, which is the normal process with all heritage listed buildings and considered a fundamental requirement in the case of a State listed building.

In the CEO's view the National Trust has dealt with this matter in an appalling manner and paid lip service to the supported "partnership" which it previously deemed to have with the Council ever since the building was gifted in the Trust by the government.

Ultimately the CEO commissioned renowned heritage architect Phillip Griffiths to assess the proposal. This had the support of the National Trust.

Unfortunately whilst the National Trust were well aware Mr Griffith's advice was about to be received, they (or the applicant) initiated an appeal to the State Administrative Tribunal (SAT) in June 2010 on the grounds of a "deemed refusal".

Chief Executive Officer's Report

The first SAT hear occurred on 25 June 2010. The ultimate outcome of this appeal, at the time of writing this report is not known and will be reported on in the next Annual Report.

At the time of writing this report the matter is subject to confidential mediation.

It can be said however that the CEO's/Councils' position with respect to why it had not concluded assessing the application prior to the deemed refusal based appeal has been completely vindicated by SAT hearings to date.

Whilst maintaining the confidentiality and integrity of the SAT process, I can say firstly that noting efforts of the Town of East Fremantle were instrumental in saving the Royal George Hotel from demolition in the first place, the Town would be delighted to see a quality re-development of the building that retains its heritage values and meets both the expectations of the community and the applicable planning requirements, and has always worked towards that end.

With respect to the applicable planning requirements, the information and plans that had been provided to the Town to the time the applicant referred the matter to SAT were not of a quality adequate to allow the proposal to be referred to the Council. Hopefully the SAT process will allow that to happen.

TOWN CENTRE

Together with many residents, and as indicated by the Mayor, Council is very keen for an improved Town Centre to be developed on the site of the existing ageing East Fremantle Shopping Centre, with the best possible public benefit. However Council is limited with respect to its influence on achieving this goal as none of the area involved is Council land.

No formal development applications were received in the 2009-10 financial year however discussions commenced with the major landowner with respect to a new

development application being received. It is hoped that an application will be received in the 2010-11 financial year.

SWAN RIVER FORESHORE EROSION CONTROL WORKS

Council has carried out a large amount of these works over the past several years. Whilst the assistance of Swan River Trust funding has been appreciated, there is a growing issue for those local governments which are spending considerable sums in this regard, despite the Swan River and surrounding area being under the control of the Swan River Trust. Many of the walls now being repaired or restored were originally built by the State Government, yet with no discussion or any form of compensation, this responsibility has been passed to local government.

Notwithstanding the above, the Town greatly values the role and work of the Swan River Trust in protecting the river and its environs and have been involved in a number of cooperative ventures.

TRAFFIC

Within Council's budget and subject to priorities, Council always does what it can to improve traffic and pedestrian safety in the Town.

The main project planned for the 2009-10 financial year, involving Preston Point Road, had to be deferred for a combination of technical and (external) funding reasons, all of which were beyond Council's control. As of 30 June 2010 work was proceeding on revising the project to address those issues.

It is expected the project will be implemented in 2010-11.

SAFETY & CRIME

Whilst crime is recognised as primarily a state government/police matter, Council does what it can to assist at a local level.

Chief Executive Officer's Report

Council acknowledges and supports the wonderful and longstanding work of Noel Nimmo, Council's Neighbourhood Watch Coordinator, and his team of volunteers.

East Fremantle was the first Council in the metropolitan area to establish a Neighbourhood Watch Scheme – over 30 years ago – and only the second in the State.

Council also supports the work of the Community Policing Committee led by longstanding local government stalwart Laurie Humphries.

To further enhance community safety, during 2009-10 the Town:

- was successful in receiving funding of \$20,000 to spend on new initiatives to implement recommendations made in East Fremantle's Community Safety and Crime Prevention Plan
- carried out work, pursuant to a graffiti grant provided by the Office of Crime and Safety in the previous financial year, which greatly reduced graffiti throughout the Town.
- applied for a further graffiti grant for 2010-2011

ACKNOWLEDGEMENTS

Firstly I wish to acknowledge the important role the various sporting clubs and community organisations play in the Town. Council enjoys excellent relations with all of the clubs and community based organisations in the Town.

The clubs and organisations include the East Fremantle Yacht Club, Swan Yacht Club, East Fremantle Lawn Tennis Club, East Fremantle Football Club, East Fremantle Junior Football Club, East Fremantle Tricolore Soccer Club, Fremantle Spirit Soccer Club, East Fremantle Bowling Club, East Fremantle Croquet Club, Fremantle Rowing Club, East Fremantle Cricket Club, East Fremantle Junior Cricket Club, East Fremantle Lacrosse Club, 1st Fremantle Scout Group, 1st Leeuwin Scout Group,

Neighbourhood Watch, Neighbourhood Link, East Fremantle Playgroup and Glyde-In.

I particularly wish to acknowledge the support I have received from elected members in my role as CEO.

The East Fremantle community should feel very fortunate to have such an able and dedicated group at its helm.

Council's Mayor Alan Ferris has continued to perform his role with much skill and enthusiasm and has welded an extraordinarily harmonious and hardworking team.

That team: Deputy Mayor Cr Barry de Jong, Cr Alex Wilson, Cr Richard Olson, Cr Maria Rico, Cr Cliff Collinson, Cr Dean Nardi, Cr Siân Martin and Cr Rob Lilleyman deserve to be applauded for their hard work, commitment, teamwork and vision over the past year.

Elected members are of course strongly supported by Council's employees.

As Chief Executive Officer, I am proud of what the staff have achieved this year and wish to thank all staff for their loyal service, dedication, hard work and professionalism throughout the year.

As always, and as always deserved, a special thank you to my Personal Assistant, Ms Janine May. Janine invariably exhibits the highest levels of commitment, loyalty and hard work and is an invaluable employee.

Janine, heartfelt thanks once again, for all your support, your tolerance and your good humour.

Finally and most importantly, East Fremantle residents and ratepayers are thanked for their strong support of Council over the past year.

With such support it has not only made it easier to face the various challenges, but also

Chief Executive Officer's Report

helped make Council's efforts feel all the more worthwhile.

Council will continue to meet its obligations to the community in developing an economically, socially and environmentally sustainable community. We are proud of our community. Long may East Fremantle continue!

Finance Report

John Roberts, Executive Manager Finance & Administration

The function of the Finance and Administration staff of the Town covers a broad range of activities including financial management and reporting, accounting, information technology (including the Town's website), rating, debt collection, asset management, records management, human resource management, creditor payments, payroll, Council support, Local Law compliance services including Ranger Services,

Its primary focus is on financial management and statutory compliance in terms of transparency and disclosure. To this end, the Town prepares a Plan for the Future of the district every 2 years and an Annual Budget and audited Annual Financial Statements each year. During the year monthly financial reporting assists the Council in its role of management of Council's financial and physical resources.

Financial Management

Plan for the Future of the District

The Town of East Fremantle updated its Plan for the Future in 2010 to cover a ten year period from 2010 to 2020. The highlights of the current Plan are as follows:

- elimination of all current debt by 2015;
- funding of initiatives to support the Town's Strategic Plan
- funding of future infrastructure works from Council's own resources;
- provision of a plant replacement program provided through annual cash reserve transfers from Council's own resource funding;
- annual funding allocations for:
 - road resurfacing
 - footpath improvements
 - kerbing replacement
 - drainage improvements
 - building upgrades

- parks and playground equipment improvements

A copy of the current plan can be obtained from the Council's website or Administration Centre.

2009/2010 Annual Budget

The Town of East Fremantle's 2009/2010 Budget was adopted at a Special Council meeting held on Tuesday 15 July 2009.

The 2009/2010 balanced budget provided for a number of significant items for the benefit of the community including:

- Preston Point Rd traffic management works \$463,693
- Road resurfacing works \$157,800
- Footpath upgrade works 181,700
- Stratford St drainage \$157,800
- Pier St limestone protection works \$50,000
- Council buildings upgrade \$390,500
- Upgrade of parks \$182,630

The budget also provided for the mowing of Council's parks and ovals. Provision was made for three (3) general verge mows and four (4) arterial roads verge mows.

In addition to Council's waste management and recycling services, one bulk rubbish and three green waste collections continue to be provided annually.

Support was continued to be provided for community services such as the Glyde-In Centre; Infant Health Clinic; Community Midwifery Program; Council's Home and Community Care services and the George Street Festival.

Council budgeted for an overall rate income increase of 6% for residential and commercial rates.

Finance Report

Annual Financial Statements

The Annual Financial Report for the year ended 30 June 2010 has been prepared in accordance with the Australian Accounting Standards and complies with the provisions of the Local Government Act 1995 and regulations under that Act. The audit was conducted by Macri Partners and their Audit Report was presented to the Audit Committee at its meeting held on the 10 November 2010. A copy of the Audited Financial Statement is included at the end of this document.

Operating Statement

The Operating Statement shows a surplus of \$1,188,353 compared with budgeted surplus of \$693,524. The increase in the operating surplus can be attributed to additional income from rates, fines and penalties and a number of projects deferred to 2009/2010.

Consolidated Surplus

The consolidated surplus consists of the Municipal and Reserve funds for the Town of East Fremantle. The Financial Position Statement for the year ended 30 June 2010 shows a surplus of \$4,493,118. This includes Restricted Cash and Reserves funds of \$3,017,128 held by Council (see note 3 of the Annual Financial Statement) for the future development of assets of the Town of East Fremantle.

Statement of Changes in Equity and Statement of Financial Position

This statement provides for the assets, liabilities and equity for the Town of East Fremantle. The net equity increase from the 2008/2009 financial year Financial Position Statement to the 2009/2010 year is represented by the operating surplus of \$1,188,353.

Council invests surplus funds in term deposits with banks, building societies and property trusts to provide a positive return on its investment. The interest received for the 2009/2010 year was \$223,891 and included \$78,545 transferred to Council's Reserve Funds.

Council continues to monitor its debt service level and maintains a reduction debt strategy. Council raised no new loans during the year.

Financial Ratios

In assessing the performance of the financial resources, Council statements include ratios which provide a comparison between the three financial years. This report details a comparison between the 2006/2007 financial year, 2007/2008 financial year and the 2008/2009 financial year. The ratios include:-

	2009/2010	2008/2009	2007/2008
Current Ratio equals Purpose: To assess adequacy of working capital and the ability to satisfy short term obligations. The figures shows an increase in the current equity	2.40	1.42	1.70
Debt Ratio equals Purpose: To identify exposure to debts by measuring the proportion of assets funded by creditors. The figures show a reduction in the debts outstanding.	10.24%	11.79%	12.27%
Debt Service Ratio equals Purpose: To assess the degree to which revenues are committed to the repayment of debt. The figures show a reduction in the amount of Loan repayments from income.	2.40%	2.80%	2.95%
Rate Coverage Ratio equals Purpose: To assess the degree of dependence upon revenue from rates The figures show a decrease in the income received from rates	64.70%	65.58%	62.96%
Outstanding Rates Ratio equals Purpose: To assess the impact of uncollected rates on liquidity and the adequacy of recovery efforts. The figures show an increase in outstanding rates and charges which have been levied	2.47%	2.44%	2.62%

Finance Report

Rating

The Town of East Fremantle levied \$5.50m of rates in 2009/2010 including the Emergency Services Levy of \$641,634. Of this \$5.47m was collected. \$86,485 was deferred under the Pensioner Deferred Rates scheme giving an effective collection rate of 99.5%. The Town continued its endeavour to provide excellent customer service in a cost effective manner.

To ensure Council's continued compliance rating legislation and procedures, Council is an active member of the Local Government Rates Officer Group. The group meets regularly to discuss compliance and clarification of current issues.

Records Management

The Town of East Fremantle has demonstrated its ongoing commitment to good and compliant record keeping practices by adhering to its Record Keeping Plan which was approved by the State Records Commission in December 2008.

As a component of the approval of the Town's Record Keeping Plan the Town is required by the State Records Office to remain compliant with the State Records Act 2000. A part of the actions necessary to maintain those requirements the Town adopted record keeping guidelines to assist elected members to manage the official records created or received by them in the course of their work for the Town of East Fremantle.

All correspondence is registered in Council's electronic document management system records system (ITVision Synergysoft) and stored electronically for distribution and archival purposes.

For the year ending 30 June 2010, 8,231 individual items of correspondence were recorded, scanned and processed through this system. This is an increase of 5.3% on last year.

To ensure Council's continued compliance with the State Records Act and procedures, Council is an active member of the Local Government Records Management Group which consists of member councils from the 144 councils within Western Australia. The group liaises with the State Records Office to ensure compliance and clarification of current issues.

Information Communication Technology

Council obtains statistics regarding usage of the website. On average the site receives 2000 hits a month, generally seeking information regarding building and planning requirements, waste & recycling information, and employment in addition to payment of rates. Hits have been received from such diverse locations as Jordan; Morocco, Ghana and India.

Council maintained its commitment to providing administration staff with up to date ICT equipment to support efficient and effective services to the community. Upgrades to the Town's ITVision Synergysoft Enterprise software took place during the year. Replacement of older computers hardware also occurred during the year.

Town Planning Public Domain

Ken Dyer, Operations Manager

CAPITAL EXPENDITURE PROJECTS

Road Resurfacing Program

- Clayton Street from Canning Highway to approximately 100 metres before Fraser Street
- Windsor Road
- Gordon Street
- Bedford Street
- Locke Crescent between Woodhouse Road and Habgood Street

The road resurfacing program for 2009/10 was undertaken during April and May of 2010. The works were carried out without profiling the existing pavement as has previously been the standard practice. The existing pavement was crack sealed and a 30mm asphalt overlay was installed. The installation process without profiling gave a saving of approximately \$5.00/m². The saving allowed the resurfacing program to extend to the overlaying of part of Locke Crescent and part of Stratford Street, in addition to the budgeted works. The deletion of the profiling process reduced the Town of East Fremantle's waste disposal tonnage by approximately 300 tonnes for the five road program. This reduction also has a positive effect on the Town's carbon footprint.

All roads resurfaced in the program were subject to installation of new kerbing. The old kerb was profiled down to road level and new kerbing was installed on the same alignment. Apart from the aesthetics, the installation of new kerbing allows for a further asphalt overlay to be installed when the roads become due for resurfacing in the future.

The additional asphalt overlay on Stratford Street was installed at the intersection of Canning Highway and Stratford Street to arrest pavement failure. The works were programmed to take advantage of the existing traffic management procedures which were in place for working at the intersection of

Clayton Street and Canning Highway. This was achieved by increasing the traffic management coverage which had already been put in place for works on Clayton Street and Windsor Road.

Footpath Program

- Locke Crescent
- View Terrace
- Irwin Street
- Angwin Street
- Petra Street

The footpath program commenced in November 2009 and was completed in March 2010. Petra Street, Locke Crescent between Woodhouse Road and Habgood Street and part of View Terrace were existing slab paths which were replaced with insitu concrete. Angwin Street footpath was installed in red asphalt with concrete kerbing to retain both edges. A section of Irwin Street footpath was replaced with a two coat laterite seal.

Drainage Upgrades

Irwin Street drainage upgrade was completed after being commenced in 2008/2009.

Drainage planning was completed and tenders were called for the upgrade of drainage for the Stratford Street Catchment, Stage 2A. This upgrade involves installation of drainage structures in Clayton Street and Stratford Street and commenced in June 2010. These works are due for completion September 2010. The completion of drainage upgrades in the Stratford Street Catchment is expected to be achieved in the 2010/11 period.

PARKS & RESERVES

Street verge tree planting

The annual planting of street trees was carried out in August with approximately 80 trees planted throughout the Town. Due to the large number of red flowering gums that died on Silas Street, due to a bacterial canker (a soil borne bacteria which only affects red flowering gums or marri trees) Council planted a different variety of eucalypt,

Town Planning Public Domain

eucalyptus leucoxylon or yellow gum; these seem to be doing very well. We are continuing to lose some mature Queensland box trees due to lack of rainfall, a situation we can do little about.

Tree pruning

We have continued to prune our street trees along footpaths and roads allocating one day per week to this practice. Widespread pruning was undertaken along Silas Street and Staton Road to accommodate the road resurfacing works.

East Fremantle Oval

The annual turf remedial works were carried out by Lovegrove Turf Services in October. This included the boxing out and laying of approx 1100m² of turf and some subsoil drainage in front of the race. The rest of the oval received a verti mow and sweep, was verti drained and top dressed, and also fertilised.

Wauhop Park

The lower soccer pitch had some major renovation work carried out in October. The centre corridor was stripped bare, levelled and returfed to approx 2000m². The remaining was verti mowed and fertilised, this area has held up well to the massive amount of usage.

Henry Jeffrey Oval

This oval was low mowed and verti mowed before returfing the goal squares and centre. Fertiliser was also applied throughout the growing season.

River Foreshore

After the removal of the spiny rush the area adjacent to John Tonkin Park was revegetated, with the work being carried out by Apace nurseries. Apart from some minor damage, due to high tides during winter storms, this area is doing well.

Memorial Rose Garden

Minor replanting work was carried out to the rose beds in time for the ANZAC Day service, and all micro irrigation was repaired.

GRANT FUNDING

Grants were applied for through a number of agencies for various works throughout the Town during 2009/2010. Funding applied for and acquitted includes:

- Erosion Control at John Tonkin Park Grant 10EF01 \$ 13,564.00
- Bus Shelter Grants Scheme 2009/2010 \$ 15,000.00
- Recreational Boating Facilities Scheme Round 14 \$ 17,725.67

Funding applied for in 2009/2010 but to be acquitted in 2010/2011 includes:

- Anti Hoon Speed Humps Program \$ 31,800.00
- Erosion Control at John Tonkin Park Grant 11EF01 \$ 33,250.00
- Recreational Boating Facilities Scheme Round 15 \$355,000.00

Bus Shelter Installations Grant

The Town of East Fremantle was successful in gaining grant funding to assist with the installation of two new shelters. Shelters were installed at the intersection of Canning Highway and Dalgety Street and on Canning Highway opposite the Town's administration building. The shelters were installed to the latest Public Transport Authority layout policy which has an emphasis on Disability Standards. All existing and new bus stops in Western Australia will be required to comply with the new Disability Standards by 2022. There are 33 bus stops within the Town of East Fremantle.

Erosion Control John Tonkin Park 10EF01 Grant

The Town of East Fremantle was successful in obtaining grant funding to install fencing, coir log protection and native plantings along the river foreshore at John Tonkin Park. The

Town Planning Public Domain

funding also included an allowance to remove and revegetate part of the car park located on the riverbank in John Tonkin Park. The fencing was installed using recycled plastic for fence posts, brace posts and strainer posts. Continued monitoring of the fence installation proves the fence to be of a robust design.

Recreational Boating Facilities Scheme Round 14 Grant

The Town of East Fremantle was successful in obtaining grant funding to provide planning and design for the renewal of the Leeuwin boat ramp and finger jetties. The grant funding was also used to work up a preliminary design for the upgrade of the boat trailer parking area including upgraded drainage, lighting, car parking areas, asphalt resurfacing, line marking and traffic flow design.

Black Spot Funding

During 2009/2010 the Town was successful in obtaining funding from the State Government in the form of Black Spot funding for works to Preston Point Road between Petra Street and Alcester Street. Planning and construction work on Preston Point Road will be undertaken during 2010/2011.

Health Services

HEALTH SERVICES

Shelley Cocks Principal Environmental Health Officer

The role of Principal Environmental Health Officer at the Town of East Fremantle encompasses the enforcement of legislation including Health Act 1911 (as amended), Environmental Protection Act 1986 (as amended), Food Act 2008, Disability Services Act 1993, Emergency Management Act 2005, Tobacco Products Control Act 2006 and regulations made pursuant to those Acts; and Health Local Laws.

The Tobacco Products Control Amendment Act 2009

On 22 September 2010 the *Tobacco Products Control Amendment Act 2009* comes into effect and will tighten restrictions on where people can smoke and on the promotion of tobacco in Western Australia. The laws will affect many in the community, such as tobacco retailers, hotel owners, café and food outlet proprietors, industry groups, and the general public. Under the legislation smoking will be banned:

- in outdoor eating areas
- in vehicles with children under 17 years of age
- within 10 metres of children's playground equipment in a public place
- between the flags at patrolled swimming areas on beaches

Liquor licensed premises that are not subject to a restaurant liquor licence may set aside up to 50 per cent of outdoor dining areas as smoking zones. The display of tobacco products, packages and smoking implements at point of sale will also be banned.

Food Premises & Food Surveillance

The Food Act 2008 came into effect on 23 October 2009. All existing food businesses in the Town of East Fremantle were advised of the changes to legislation which involves mandatory notification of all food businesses to their local government authority. There is

scope for councils to now register and charge fees for food premises, and approximately 50% of Councils are now charging food business registration fees.

Food premises inspections are undertaken periodically to ensure hygiene standards and cleanliness in food handling areas are maintained. During the period 30 June 2009 to 1 July 2010 a total of 30 routine food premises inspections were undertaken and Food safe audits of Pilgrim House, Braemar House and Little People's Place were also completed.

Food Hygiene and Safety

This year random bacteriological sampling of ready to eat foods was undertaken followed by targeted food safety and hygiene training of staff at those premises. Staff indicated a marked willingness to undertake training where bacteriological sampling indicated poor food handling techniques, inadequate temperature controls or evidence of cross contamination. In all cases foods which had been supplied from factories at other Councils had follow up sampling undertaken by their own environmental health officers, and the project helped to raise awareness of food safety within five premises at the Town of East Fremantle.

All staff at the Left Bank Bar and Café attended an on-site food hygiene and safety course following a salmonella food poisoning outbreak in January 2010.

Food Recalls

A total of 18 food product recalls were recorded for 2009/10.

Council's Principal Environmental Health Officer ensures all food recalls are brought to the attention of supermarkets and delis, and that foods are removed from sale, where required.

Food complaints

A total of two food complaints were received in 2009/10.

Health Services

All complaints are investigated and this may involve working closely with food handlers, retail outlets, food manufacturers, chemical analysts and entomologists. A number of incorrectly labelled imported foods were identified at a retail outlet and the necessary changes made to ensure compliance with the Food Act 2008.

Public Building Inspections

Ten follow up public building inspections were carried out at sporting clubs for compliance with the Health (Public Building) Regulations 1992. Council's building maintenance program has ensured that more of our sporting clubs and halls now comply with this legislation.

Public Swimming Pools

The Town of East Fremantle currently has five pools at four premises which constitute public swimming pool. All pools are sampled monthly, when open, to ensure compliance with bacteriological and amoebic standards.

This year saw the closure of the hydrotherapy pool at the Kaleeya Hospital to allow them more space for their physiotherapy department. This has had the positive unintended consequence of reducing parking congestion. Further the Stateswim Pool was closed for major repairs and resurfacing. This has improved their compliant sampling rates.

During 2009/10 a total of 51 samples were taken, of which five were non-compliant samples, resulting in re-sampling on a regular basis. Where non-compliance was detected, the pools were voluntarily closed for disinfection and superchlorination in accordance with Health Department of Western Australia policy. Council's Environmental Health Officer has been working closely with the Health Department of Western Australia when *Acanthamoeba* has been detected during routine sampling.

Environmental River Sampling

Regular samples are taken of river water near the Zephyr Café at John Tonkin Park. These

samples are taken to boost the Department of Health sampling schedule which comprises water samples being taken on a fortnightly basis during the summer season (November to April). The Department has asked for local government assistance to help achieve 100 samples within a five year period in accordance with the 2005 Guidelines for Managing Risks in Recreational Waters. The results of this sampling are utilised for the development of a website titled "Healthy Swimming in Western Australian Waterways" found at www.healthyswimming.health.wa.gov.au

Sites within the river are provided with a Grade of A,B,C or D (green, amber, red) denoting safety for swimming. The area in front of the Zephyr Café is currently graded green.

Environmental Management Plan

Council was obliged to have environmental consultants VDM Environmental write an Environmental Management Plan (EMP) for Council's mooring pens, as a condition of having a River Reserve Lease. The Plan is a tool to help the Town improve its environmental management of the mooring pens through minimising the potential for water pollution, as a result of the use of the mooring pens. Pen lessors are obliged to exercise their duty of care with regard to the Environmental Protection Act 1986 and minimise the risk of an environmental incident by implementing precautionary control measures. Council's current lease arrangements with pen users will be supplemented with further information so that conditions of the EMP are complied with. The Plan is subject to review by the Department of Environment and Conservation.

Bacteriological samples taken at the jetties have been satisfactory to date.

Notifiable Diseases

Department of Health no longer notify local governments of Notifiable Diseases in their area and the investigative process is now

Health Services

undertaken by the relevant Public Health Unit.

Pollution

Council's Principal Environmental Health Officer is available to provide advice in relation to most environmental matters, and can investigate complaints relating to noise, air and water borne pollution.

Noise Pollution

A total of 18 noise complaints were received (up from 11 last year) and can be classified as follows:

Noisy parties/loud music	9
Audible alarm	2
Hotel/function noise Left Bank Bar and Café Gigis on George East Fremantle Football Club	3
Air conditioner noise	4

There were also five telephone complaints in regard to early morning building noise which were "nipped in the bud" through advice to building companies.

It was hoped that a hard line approach such as writing to all alleged offenders notifying them of their obligations in regard to the Environmental Protection (Noise) Regulations, and the various penalties which may apply; and sending out infringements for early morning noise offences is having a positive impact on the level of noise pollution in East Fremantle. There were no noise complaints regarding pool pumps or early morning deliveries to commercial premises which is pleasing to note. However the number of complaints about noisy parties and loud music being played had increased over the last year. Air conditioner noise complaints are also on the rise, with complaints being received soon after the installation of new air conditioners.

Air Pollution

The burning of rubbish or the use of incinerators is not permitted within the Town of East Fremantle. Wood burning fires are a

major source of pollution during winter in Perth as smoke particles from wood smoke contribute up to 40-60% of winter haze. The Department of Environment distributes information in relation to the correct storage and fuel burning techniques to minimise smoke production. Smoky chimney complaints are investigated from the view point of education not enforcement.

Two smoke complaints were received and investigated during 2009/10.

Several enquiries regarding the safe removal and disposal of asbestos were received by Council.

Pest Control Services

Council's environmental health service provide Racumin sachets for the control of rodents in residential areas and Talon wax baits for the Town of East Fremantle rodent baiting program. A total of 387 residents collected free rat baits over the financial year compared with 431 the previous year. Advice and information is also given to the public in relation to pest control with most queries relating to rats, mice, ants, bees, paper wasps, European wasps, cockroaches, head lice, mosquitoes and white cedar moth. Information and advice is also available on a wide variety of garden pests, weeds and noxious plants.

Waste Management & Recycling

SMRC annual figures:

- Mixed Solid Waste – 2,195 tonnes
- Recycling – 1,010.5 tonnes - an increase from last year with 695 tonnes
- Green Waste Processing – 278 tonnes
- Hard waste collected from verge – 182 tonnes including 45 tonnes of steel (recycled)

Recycling initiatives which reduce the landfill of hazardous household wastes include drop off points at the Town Hall for:

- Mobile phones and associated batteries via the Mobile Muster,

Health Services

- Battery Recycling,
- Printer cartridges via the Planet Ark program, and
- Needles and syringes into dedicated sharps containers.

Climatewise Project

The Climatewise regional project has had another year of delivering programs and activities that have reduced GHG emissions throughout the Region by 328.5t CO₂ in 2009/10. Major projects undertaken included “Fostering Sustainable Energy Practices in Homes”, “Living Smart” and the “Local Adaptation Pathways Program”.

Climatewise has also been responsible for the production of Home Assessment Energy Toolkits which are available at the Fremantle – East Fremantle Library. There are three kits available, that have been loaned out 28 times.

Council has been addressed on two occasions by Climatewise staff and consultants –

- The first presentation was by Dr Chris Lund on the Climate Change Risk Assessment and Adaptation Planning Report. Council resolved to ensure that future budgets contain a contingency for the future to manage risks associated with climate change.
- The second presentation was by Tim Youe, Business Development Manager of the SMRC who gave a presentation entitled “Carbon Trading – where to now?” Council was given an international and national overview of GHG emissions, which assisted in putting local emissions into perspective. Tim then discussed the SMRC Greenhouse Friendly Offsets which can be purchased to assist in offsetting corporate emissions. However the scheme by which greenhouse friendly offsets were dealt with has now been terminated, and replaced by the National Carbon Offset Standard (NCOS). Council will utilise this information in the future, in the event Council decides to pursue carbon neutrality. In the interim, Council will pursue other actions to reduce

greenhouse gas emissions through the purchase of renewable energies.

Graffiti Removal Project

This project was finally acquitted in July 2010. It was felt to be a success both financially and from an amenity view point. Rapid graffiti removal had the effect of reducing further graffiti vandalism, although this phenomenon abated over time.

During the project period, a vandal was arrested and charged. This person’s parents have been invoiced for repairs to the damage he caused. I have included a table of graffiti removal costs for the 2008/09 and 2009/10 financial years.

Date	\$
July 2008	632.62
Aug 2008	2,482.66
Sept 2008	5,068.61
Oct 2008	4,589.95
Nov 2008	1,290.54
Dec 2008	1,869.11
Jan 2009	2,543.78
Feb 2009	2,485.36
March 2009	2,861.69
April 2009	1,576.85
May 2009	720.21
June 2009	1,387.99
TOTAL 08/09	\$ 27,509.37
July 2009	Contractor unavailable
Aug 2009	Contractor unavailable
Sept 2009	756.80
Oct 2009	1,907.57
	New Contractor
Nov 2009	948.84
Dec 2009	345.27
Jan 2010	542.19
Feb 2010	828.63
March 2010	1,196.91
April 2010	1,905.18
May 2010	109.98
June 2010	1,571.36
TOTAL 09/10	\$ 10,112.73
	(+Paint) 1,298.03

Child Health Centre

The Sumpton Green facility provided by Council hosts the East Fremantle Playgroup and the Child Health Clinic. In the last financial year there were 2,284 individual contacts and 734 group contacts.

Health Services

Clinic nurses deal with a number of issues including post natal depression, developmental screening and nutrition. Other services include:

- weekly new parent groups including adjustment to parenthood, baby massage, play and development and providing a safe environment,
- communication with a new baby including settling strategies and early communication,
- “Introduction to Family Foods” around the 6 months of age.
- “Toddler Workshops” including nutrition and eating patterns, bed time and sleep, toileting, development and behaviours.

These services are available on a regular basis through appointment by contacting the Community Nurse on 93192384. Home visits are also undertaken by the Nurse.

Library Services

Library membership is as follows:

	Residents, workers & students	Toy Library
As at 30/6/09		
Fremantle	9274	255
East Fremantle	1841	54
As at 30/6/10		
Fremantle	9692	253
East Fremantle	1892	97

Disability Access and Inclusion Plans

Council’s DAIP has been published on the web site and Council continues to maintain and uphold the following 6 desired outcomes:

1. People with disabilities have the same opportunities as other people to access the services of and any events organised by a public authority.
2. People with disabilities have the same opportunities as other people to access the buildings and other facilities of a public authority.
3. People with disabilities receive information from a public authority in a format that will enable them to access the information as readily as other people are able to access it.

4. People with disabilities receive the same level and quality of service from the staff of a public authority as other people receive from the staff of that public authority.
5. People with disabilities have the same opportunities as other people to make complaints to a public authority.
6. People with disabilities have the same opportunities as other people to participate in any public consultations by a public authority.

Emergency Management

I regularly attend Local Emergency Management meetings as required by the Emergency Management Act 2005, and have contributed to the production of shared Local Emergency Management Arrangements and Local Recovery Plans.

Specific local government responsibilities under the Act are:

- The establishment of an active Local Emergency Management Committee which meets on a regular basis.
- The formulation and establishment of Local Community Emergency Management Arrangements and a Local Recovery Plan.
- The management of recovery activities within their local government district and the appointment of a Local Recovery Coordinator.

Crime Prevention Partnership

The Town of East Fremantle has developed a Community Safety and Crime Prevention Plan in alignment with the State Community Safety and Crime Prevention Strategy (2004), local police and Neighbourhood Watch Groups, the local business community and residents.

The Plan has been endorsed by Council and Council has been awarded a grant of \$20,000 to spend on new initiatives to implement recommendations made in the Plan.

Health Services

East Fremantle Festival

On Sunday December 6 2009, the Town of East Fremantle presented its annual community festival on George Street from 1pm to 7pm.

George Street was filled with stalls selling handmade items, gourmet food vendors selling tasty treats, performances by local talent on stage and roving up and down the street, and businesses and local community groups promoting their products and services.

Glasson Park was abuzz with lots of colour and noise from the kids riding the chair-o-plane, surfing on the mechanical surfboard, testing their strength on the gladiator duel, climbing all over the play centre, bouncing to their hearts content on the bouncy castles, playing soccer on the human soccer table, putting on the mini golf course or scaling the climbing wall. The baby animals from Old MacDonalds Travelling Farm were continually being cuddled all day as well. The teenagers also had their own special place to 'hang out' this year in the comfy 'Chill Out Tent for Teens', which was sponsored by the Cottesloe Surf Life Saving Club.

The stage performances at the festival this year have been declared as the best ever! The Hubble Street stage played host to the shimmering and shaking hips of the Rosehips Bellydance Troupe, Prita Grealy with her folk melodies that were saturated in soul, Noel McClumpha's folk and root ballads with meaning, the Blue Celts who played a heady brew of Celtic rhythm and blues, Dilip and the Davs who performed their infectious melodies and got the crowd 'a groovin' and The Great Unwashed (featuring Jim Fisher from The Sensitive New Age Cowpersons) emerged from a local Freo basement and performed on stage for the first time in years. On the King Street stage the very cool DJ Gareth played easy listening world music in between performances by young musicians from the bands Blue Lucy – acoustic music for a sunny afternoon, King George – a

breezy alternate quartet and Dyonysis – an alternate rock band.

The George Street Artisan Market was appreciated by many festival goers, with many handmade items being purchased for unique Christmas presents. More than 90 art, craft and gourmet food stalls filled George Street, along with the many gift and clothing stores, cafes and restaurants that were open for business. The artisan market boasted a range of hand crafted items including jewellery, clothing and accessories, hand bags and purses, textiles, glassware, ceramics, cards, paintings, photography, soaps and candles, natural skincare, preserves, olive oils and much more.

The food this year was again expanded to cater for the large festival crowd and included homemade low fat ice cream and yoghurts, fruit slushies, warm edible nuts, cupcakes, gourmet coffee, Boost Juice, crepes, croissants, baked spuds, chicken satays, a sausage sizzle, salads and German and Latin American dishes and more.

This community festival was proudly presented by the Town of East Fremantle and was supported by major sponsors Lotterywest and the Fremantle Herald.

The festival this year was also supported by the Cottesloe Surf Life Saving Club and very local sponsors Hubble's Yard, the George Street Merchants, Concept 78, Northern Star Ocean Products, the Tradewinds Hotel and Councillor Alex Wilson.

NEIGHBOURHOOD LINK – HACC SERVICES

Sue Limbert, Community Services Officer

The Neighbourhood Link service commenced in 1989. Our purpose is to enhance the quality of life of frail aged and disabled community members. Our focus will remain on provision of basic support services and promotion of independence to our clients. The 'Wellness Approach' to client support, is an initiative under the Health Department of Western

Health Services

Australia's 'Way Forward' program. This program supports client independence through fostering the abilities of clients in their care regime and is now in operation with Neighbourhood Link in our services, assessment and review processes.

Services we provide assist our participants with everyday tasks many of us take for granted such as cleaning, shopping, respite, gardening, and social activities. The number of frail aged community members entering into residential care prematurely is reduced through the work of the Home and Community Care Program. The quality of life of frail aged and disabled community members is enhanced through the support provided. This allows the participant to remain living safely and independently within their own home. The services we provide, perform an important social support function, by encouraging participation from those who may be unable to complete all daily living tasks without assistance, but wish to remain and continue to be active in their community.

Key achievements for Neighbourhood Link included the following;

- All sections of Neighbourhood Link worked as an effective team towards achieving our purpose.
- 24,766 occasions of care was provided to 306 clients.
- Continued support was provided to Care-Options, Volunteer Home Support and Challenger TAFE by sitting on the various boards and committees.
- Continued links and networking with other agencies within the disability and frail aged sectors.
- Provided support, supervision and assessment for students on fieldwork placements from Central TAFE and Challenger TAFE.
- Formally implemented the 'Wellness Approach' into all programs.
- Implemented 'Unit Costing'

Neighbourhood Link's name has established itself as a highly regarded service provider, assisting participants from East Fremantle and surrounding precincts. Managing the services for clients requires not only skills but a strong commitment by those charged with this responsibility. We are very fortunate to have a team of outstanding support workers, volunteers and students, who are prepared to 'go the extra mile' in supporting our participants and our programs. I thank you all for your tremendous efforts and unfailing dedication.

I would also like to sincerely thank Council's CEO Stuart Wearne, the Mayor and Councillors on the support they have given me throughout the year. Thanks also to Donna Vincent our HACC Senior Contracts Officer.

The past year has been full of challenges for many people in the community, but thanks to those involved in supporting our services Neighbourhood Link has continued to provide a quality service to its participants.

NEIGHBOURHOOD WATCH & GRAFFITI PROGRAMS

Noel Nimmo, NHW Co-ordinator

Suburb Co-ordinator: Noel Nimmo
Area Suburb Manager: North Side Rod Francis
Area Suburb Manager: South Side Barrie Renouf
Street Reps & Members Delivering Newsletters & Crime Alerts: 41
Volunteers who help N H W: 33
Volunteers who help Graffiti: 38
Estimated NHW Members 2000. We class all in East Fremantle as N H W Members.

A monthly meeting is held at the East Fremantle Dovenby House at 2.30pm on the second Thursday of each month. This is attended by the East Fremantle Neighbourhood Watch committee, a member from the Council, a member from Roadwise, and volunteers, also when possible members

Health Services

from Community Police and Fremantle Police.

Our area is divided into two sections: north and south of Canning Highway. Three thousand NHW letters are delivered to all homes in East Fremantle every second month of the year. It is hoped that the newsletters help to alleviate the fear of crime by advising the community of what crime has happened in a particular locality. No names, addresses or personal details are revealed, only streets, day and time and a general description of the crime are recorded.

The objectives of the newsletters are to:

- Promote protection and security for seniors at risk.
- Assist in dealing with telephone solicitations and door to door salesman.
- Advise of current frauds and scams.
- Provide information on how to avoid becoming a victim of crime.
- Provide home security information and inspection by police
- Promote expanded involvement in NHW.
- Provide information on method of reporting crimes to the police
- Provide a phone number (not Council or police phone). This is very popular.

If a member advise NHW they are going away, other members will regularly check the front of their empty home.

Engraving of valuables can be arranged through NHW. Items that cannot be engraved can be photographed for members.

RANGER SERVICES

Andrew Driver, Senior Ranger

Overview

For the majority of the year ending 30 June 2010, Ranger Services were manned by one full time Senior Ranger and two casual Rangers working a total average of 26 hours per week.

Services and Responsibilities

Rangers are Authorised Officers under the following Acts and Regulations:

- Dog Act
- Animal Welfare Act
- Caravan Parks and Camping Grounds Act
- Litter Act
- Bush Fires Act
- Off Road Vehicles Act
- Local Government Act
- Local Government(Miscellaneous Provisions Act
- Metropolitan Water Supply, Sewerage and Drainage Act
- Fish Resources Management Act
- Town of East Fremantle's Local Laws

Council's Ranger Services are also responsible for:

- Assisting with road closures
- Assisting emergency services at traffic accidents
- Parking
- Mooring pens / Launching Ramp
- Cash collections and banking
- Courier duties
- Community education programs
- Insurance applications
- Safety and security of Council property
- Emergency management response
- Liaising with emergency services
- Liaising with school authorities
- Liaising with business holders
- Liaising with residents and community members
- Liaising with community youth groups
- Liaising with Defence Department

Dog Statistics

Infringement notices

From 1 July 2009 to 30 June 2010 Rangers issued a total of 21 infringement notices for contraventions of the West Australian Dog Act.

Health Services

Cautionary notices

From 1 July 2009 to 30 June 2010 Rangers issued 218 cautionary notices for contraventions of the West Australian Dog Act, 94% of cautionary notices were issued to non residents.

The face value of these cautionary notices had they been issued as infringements was \$21,800.

Attacks

From 1 July 2009 to 30 June 2010, there were two dog attacks involving injuries to humans, which have both been settled with all medical costs and lost earnings recovered to the satisfaction of the injured parties. Although minor injuries such as twisted ankles or fall abrasions were sustained in these cases no person suffered any bite injuries.

Both of the dogs involved in the attacks on humans were euthanised by veterinarians at the request of their owners.

There were three dog attacks involving injuries to other animals. These files have been closed with all veterinary costs covered by the attacking dogs' owners.

One of these dogs was euthanised at the request of the owner.

On average Rangers attended two minor dog incidents per week, with numbers increasing during the summer months. These minor incidents usually involve a dog's alleged or perceived intimidating and aggressive behaviour or general nuisances.

The majority of these cases occurred in off lead exercise areas and were the result of an owner throwing a ball/loved toy for their dog to chase and other off lead dogs chasing the same ball.

In all cases the dog's owner was identified and a Ranger was allocated to work with the owner to ensure that they were aware of their responsibilities under the Dog Act and to

assist the owner with advice on behavioural control techniques available to them to train their dog safely and correctly.

A significant number of these reported cases were in fact situations defined as lawful under the Dog Act (1976), such as a dog barking aggressively at pedestrians while lawfully contained behind satisfactory containment fencing or gates.

Education

Ranger Services have conducted an extensive "Dog Awareness" program in the Town of East Fremantle.

This included Rangers being rostered on duty between the hours of 6.30am and 8pm and working a substantial number of hours on a voluntary unpaid basis in areas of high dog usage (ie foreshore areas, Raceway Park, Preston Point Road, Silas Street reserve and Marmion Street).

Numerous dog owners were spoken to for various offences with verbal and written cautions being issued on each occasion. During the educational "dog owner awareness education programme" rangers suspended the issuance of infringement notices in general but were authorised to issue infringements to repeat offenders.

Also due to the educational programme the Ranger Services team distributed a total of 1,370 information brochures to dog owners to raise the levels of voluntary compliance with the Dog Act.

Barking Complaints

Rangers have investigated 112 official dog barking complaints, (an official complaint involves at least three complainants, two from different residences). All of these complaints have now been resolved to the satisfaction of both the complainant and the barking dog's owners.

However, Rangers receive on average four barking dog complaints a week with most

Health Services

resolved by verbal interaction between the owner and a Ranger Services team member. In general, most owners are not aware of their dog's nuisance barking before the Ranger brings the matter to their attention and these extra complaints do not form part of the above recorded figures.

Rangers endeavour to provide the owner of a barking dog with advice and practical help to successfully modify the animal's behaviour.

The number of barking dog complaints received by Ranger Services is expected to increase as larger blocks are subdivided and property lines are drawn closer together, and the number of small "house" dogs increase.

Stray/Impounded Dogs

Total dogs collected	86
Returned to owners	60
Total dogs impounded	26
Dogs reclaimed by owners	6
Dogs unclaimed and re-homed	20
Dogs destroyed	0

Registrations

For financial year 2009/2010 a total of 1098 dogs were registered with the Town with 915 of these dogs being sterilised.

Ranger Services conducted an extensive dog registration program, which included a doorknock to follow up expired dog registrations, canvassing dog owners in the streets and local parks, and the use of cautionary notices for follow up action.

Fire Breaks

Fire break inspections of all relevant properties were conducted in early November and all the relevant property owners were then advised in writing of the actions required to bring their land into compliance with the requirements of the Bush Fires Act.

A further check of all relevant properties was conducted in the first week of December 2009 with 12 properties requiring attention as they

did not comply with the November 30 deadline imposed by the state government.

The 12 properties receiving fire warning notices and all 15 owners ensured that their properties were compliant by the date stated in the cautionary notices. Bush Fire Act infringement notices were not issued to these 12 property owners as there were verifiable mitigating factors in each case.

Parking

Launching Ramp

Income from the two parking ticket machines located at the Launching Ramp totalled \$115,347.10.

Parking Infringements

In financial year 2009/2010, Council raised an amount of \$162,557.12 in parking infringement penalties.

Parking Cautionary Notices

There were a total of 5,136 parking cautionary notices issued by Rangers in the 2009/ 2010 period. The face value of these cautionary notices had they been issued as infringement notices was \$308,160.

Local Laws

As most residents and visitors are generally unaware of the various local laws and penalties applicable within the Town of East Fremantle, Ranger Services employ a policy of "inform rather than infringe" in relation to contraventions of local laws.

Rangers issued a total of 1,073 cautions for contraventions of various local laws. Rangers advise the offender of the relevant local law, the reason for the local law and the potential penalties for future contravention.

In all but 34 occasions the issuance of the first cautionary notice was sufficient to rectify the contravention within the time frame set by Rangers.

Health Services

Of the remaining 34, these were rectified as soon as practical, taking into account mitigating factors such as residents inability to comply as a partner was away or in hospital, elderly resident with no immediate family assistance, etc .

In each of these cases Rangers arranged for either a time extension or direct assistance via either other Council departments or voluntary or state government agencies.

The face value of these cautionary notices if they had been issued as infringement notices was \$107,300.

Litter Act

Rangers issued a total of 633 cautions for contraventions of the Litter Act. A significant number of these were in relation to white goods being placed on verges during green waste only collections and vice versa.

A rise in the number of contraventions of the Litter Act was noted each time that a neighbouring council had an authorised waste collection.

Abandoned Vehicles

There were a total of 104 cars abandoned within the Town of East Fremantle during the 2009/ 2010 period.

Rangers continued the policy commenced during 2004/2005 of attempting to locate the owner of the vehicle prior to impoundment and advising them of both the penalties/costs of the abandonment and alternatives available to them.

Rangers identified the owners of 100 abandoned vehicles during 2009/10 who were advised they would be liable for impoundment, towing and storage fees to a minimum cost of \$985. Owners were also advised that scrap dealers would generally pay \$40-\$80 and would also arrange to have the vehicle removed at no cost to the owners.

Had Council been required to impound all one hundred 100 vehicles the cost to Council would have been \$73, 500.

Of the remaining four vehicles Rangers were able to ascertain that the owners had left Australia and therefore had no choice but to impound and dispose of the vehicles by donation to FESA for rescue training purposes.

It should be noted that a significantly large number of the vehicles reported by residents as abandoned vehicles, are in fact found to be owned by neighbouring residents who have gone on holiday or are fly in/fly out workers and who for a variety of reasons choose not park the vehicle outside their own home, but rather park further up the road in front of a neighbour's home. This problem is extremely prevalent within the Plympton Ward.

Stolen Vehicles

There were a total of 9 stolen vehicles located and recovered by Rangers within the Town of East Fremantle during the 2009/2010 period.

Damaged Infrastructure Reports

Rangers recorded and reported 1711 cases of damage to infrastructure within the Town of East Fremantle during the 2009 to 2010 financial year.

In all cases Rangers notified the appropriate agency such as Main Roads, Western Power, etc to ensure that repairs/replacement of the damaged asset were made as soon as possible.

Town Planning/Private Domain

The general purpose of Town Planning in the Town of East Fremantle is to ensure that development meets its existing and future amenity needs. Amenity is the sense of well being and ambience that is influenced by the character and quality of the local environment.

Town planning has two discreet but interrelated themes, referred to as Orderly Planning and Proper Planning.

Orderly Planning, based on procedural theory, relates to the processes involved in assessing development, making Policy, Scheme amendments etc. Examples of Orderly Planning include:

- Seeking neighbour comment on a boundary wall; and
- Seeking public comment on Policies and Town Planning Scheme amendments.

Proper Planning is based upon substantive theory, and relates to the impact (now or in the future) of a development upon the environment. Examples of Proper Planning include:

- Height controls to ensure solar access and views are conserved;
- Density controls to ensure the retention of open space;
- Setback, fenestration, roof pitch controls and the like to ensure streetscape harmony; and
- Location of trip attractors within easy walking distance of a bus stop.

The stated aims of the Town of East Fremantle Town Planning Scheme No 3 include:

- To recognise the historical development of East Fremantle and to preserve the existing character of the Town;
- To promote the conservation of buildings and places of heritage significance, and to protect and enhance the existing heritage values of the Town;
- To provide for a variety of development to meet the needs of the community with

regard to housing, employment and services;

- To facilitate and encourage effective public involvement in planning issues of significance to the character, amenity and environmental attributes of the Town.

The Planning Department liaises with the Building and Environmental Health Departments regarding the assessment of development applications before Council.

Gemma Basley is Council's Acting Town Planner, with professional assistance from Peta Cooper and her assistant Deborah Elliott, Mr Paul Busby is the Building Surveyor, and Shelley Cocks is the Environmental Health Surveyor.

Membership of the Town Planning & Building Committee (Private Domain) as at 30 June 2010 consisted of Cr Alex Wilson as Presiding Member, Mayor Alan Ferris, Cr Barry de Jong, Cr Rob Lilleyman, Cr Siân Martin, Cr Maria Rico, Cr Dean Nardi and Cr Cliff Collinson.

Town Planning/Private Domain

Building

Building Approvals:

Residential Dwellings	14	\$ 6,815,746
Alterations/Additions	28	4,964,465
Swimming Pools	17	454,242
Outbuildings/Studios	4	137,000
Patios/Alfresco/Landscaping	15	179,893
Garages/Sheds	8	241,453
Carports	5	36,935
Balcony/Verandah	2	45,000
Fences/Retaining Wall	14	151,840
Internal Alterations	4	140,200
Commercial Fitout	2	150,000
Commercial Alterations	1	1,023,000
Restumping	1	11,000
Vergolas/Pergolas	1	10,780
Roof Alterations	2	33,800
Deck	2	11,000
Cubby Houses	1	1,900
Shade Sails	1	3,500
	<u>122</u>	\$14,411,754

Materials on Verge Licences Issued: 14

Demolition Licences Issued: 12

<i>Residences</i>	10
<i>Garages</i>	1
<i>Partial Demolition of Residence</i>	1

Town Planning

Approval to Commence Development: 173

<i>Approval</i>	76
<i>Delegated Approval</i>	70
<i>Applications Deferred</i>	3
<i>Applications Withdrawn</i>	5
<i>Building Licence Only Required</i>	15
<i>Refusal</i>	4

Planning Approvals Appealed:

<i>Upheld</i>	1
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Subdivision

<i>Refused</i>	1
<i>Final Approval</i>	4
<i>Endorsement of Deposited Plan Only</i>	3