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INFORMATION PAPER



Background

On 5th February 2009 the Minister for Local Government, Hon John Castrilli MLA, announced a range of Local Government Reform Strategies.

Local governments have been specifically requested to:

1. Take steps to voluntarily amalgamate and form larger local governments
2. Reduce the total number of elected members to between six and nine
3. Form appropriate regional groupings of councils to assist with the efficient delivery of services

The Shire of Donnybrook/Balingup is responding positively to the Minister's request to prepare a Reform Submission and has established a Project Team which includes Shire President Steve Dilley, Cr Bernie Dawson, Cr Gwendoline Nidd, Cr Peter McCabe and Chief Executive Officer John Attwood.

Potential Benefits

In proposing the Structural Reform of Local Government in Western Australia, the Minister foresees the following benefits:

- Increased capacity for local government to better plan, manage and deliver services to their communities with a focus on social, environmental and economic sustainability
- Increased capacity for local government to have adequate financial and asset management plans in place
- Enhanced efficiency in the processing of planning, building and other licence applications made by business and the community
- Greater ability to attract and retain staff including the provision of further career development opportunities

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- Greater competition for positions on councils and, in conjunction with other reforms, potential for enhanced governance capacity
- Larger local governments with greater capacity to partner with State and Federal Government, and the private sector, to further improve services to communities

Potential Disadvantages

Possible disadvantages of amalgamations include:

- Loss of local identify
- Reduction in local representation
- Loss of corporate and community knowledge
- Increase in rates if the highest rate of amalgamating local governments is applied
- Increase in fees and charges if the highest fees and charges of amalgamating local governments are applied
- Some loss in local decision-making
- Significant costs associated with new Shire buildings to service a larger local government – Council Chambers, Depots, Administration Office
- Possible reduction in local service delivery and access to customer service
- Costs of implementing new computer systems, town planning schemes and staffing arrangements

Assessment Criteria

A range of criteria must be addressed in considering amalgamations and boundary changes. These include:

Community of Interest

Similarity in the characteristics of the residents of a community and economic activities. Key considerations:

- ✓ Mechanisms introduced to ensure local identify and community representation is maintained under the new structure created
- ✓ Communities of shared interest and facilities

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- ✓ Location of commercial and social infrastructure to create sustainable centres
- ✓ Regional matters of interest

Local Government Viability

Local governments to have adequate financial capacity. Key considerations:

- ✓ Capacity to efficiently and effectively exercise its proper functions and delegated powers to operate its facilities and services to an appropriate standard
- ✓ Sufficient and diverse rate base to facilitate community and economic growth
- ✓ Capacity to fund current and future service and infrastructure obligations
- ✓ Ability to attract and retain appropriate professional expertise and skills to deliver local government services in a timely manner
- ✓ Organisational capacity to undertake financial and strategic planning
- ✓ Appropriate community interest in providing breadth and diversity to the composition of a local government council

Effective Delivery of Local Government Services

Capacity to meet community expectations. Key considerations:

- ✓ Capacity to fund existing and future service and infrastructure obligations
- ✓ Governance and administrative mechanisms to review and refine service provision to ensure effective service delivery
- ✓ Revenue generation to meet operating demands and provide funds to maintain community assets
- ✓ Financial planning to respond to impacts of cost shifting

Financial Assessment

Capacity to increase financial resources and derive long term cost efficiencies. Key considerations:

- ✓ Combined costs, asset evaluation and improved financial efficiencies
- ✓ Revenue and expenditure of combined local governments
- ✓ Indicative savings expected from the proposal and ways the savings can be used to benefit the community

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Economic Factors

Characteristics of economic factors and resources in the area. Key considerations:

- ✓ Industries within the local area
- ✓ Distribution of community assets
- ✓ Diversification of business mix
- ✓ Infrastructure and asset maintenance

Demographic Trends

Appropriate planning for current and projected population characteristics. Key considerations:

- ✓ Population forecast, including assessment of immigration and interstate and intrastate migration and implications for local human capital
- ✓ Demographic composition
- ✓ Classification of high growth and low growth areas

Transport and Communication

Identifiable transport linkages to support connectivity between regions. Key considerations:

- ✓ Neighbouring towns' road and rail infrastructure
- ✓ Telecommunication infrastructure
- ✓ Port access

History of the Area

Historical community ties. Key considerations:

- ✓ Historical links between neighbouring communities in adjacent local governments

Physical and Topographic Features

Structures and boundaries to facilitate the integration of human activity and common land use. Key considerations:

- ✓ Catchment boundaries
- ✓ Water features
- ✓ Coastal plain and foothills

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Tasks and Timeframes

Local Governments are required to undertake the following steps by 31 August 2009.

1. Complete a Checklist that examines the capacity of existing local governments and opportunities for reform – due and completed by 30 April 2009
2. Establish a Project Team
3. Undertake community consultation
4. Consult with affected/neighbouring local governments
5. Prepare a Reform Submission which includes:
 - Preferred amalgamation structure or other types of boundary adjustments
 - Preferred number of elected members
 - Preferred regional grouping of local governments
 - Transition plan

Local Government Reform Checklist

The Shire completed and submitted its Checklist by 30th April and has since held discussions with the Shires of Boyup Brook, Nannup, Collie, Bridgetown/Greenbushes, Dardanup and Capel regarding amalgamation and boundary change opportunities. All Councils have indicated their desire not to amalgamate, although there is a commitment for greater cooperation, resource sharing and some minor boundary changes across the region.

The Shire's Checklist concluded with the following statement:

“Council is of the view that amalgamation is not the way forward for this local government as it is of the opinion (supported by the 10 year Financial Management Plan) that it is sustainable and has the capacity to provide an efficient local government into the future. However, it is interested in involvement in a structured resource sharing model with adjoining local governments provided there are efficiencies to be gained. “

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Shire of Donnybrook-Balingup's Preferred Position

At its meeting on 25th March, the Council adopted the following position:

1. That without pre-empting the outcomes of discussions with adjoining Local Governments, Council's preferred options for structural reform are:
 - (a) The Shire of Donnybrook-Balingup remain as a sustainable local government as is;
 - (b) The formation of a formalised resource sharing model with adjoining consenting local governments provided there are financial efficiencies to be gained, the delivery of service is improved and representation and community of interest are maintained;
 - (c) Negotiate with adjoining local governments on boundary readjustments/amalgamations should it be envisaged that their boundaries be materially altered by other structural adjustment
2. That Council advise the preferred number of Councillors for the Shire of Donnybrook-Balingup is nine as accepted on a recent review of Council representation.
3. That the CEO and President meet with adjoining local governments to discuss options of boundary changes, amalgamations and resource sharing.

Community Consultation

A key part of the Structural Reform process is providing community members with an opportunity to contribute their views. All community comments will be included in the Shire's Structural Reform Submission.

It is the Shire's intention to seek feedback on its preferred position while also providing residents with an opportunity to provide other feedback on the Structural Reform in Local Government.

Residents will be able to comment in the following ways:

1. By completing the Surveys posted to ratepayers or on the Shire's website.

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2. More detailed Information Paper and Survey available on the Shire's website-
www.donnybrook-balingup.wa.gov.au
3. Balingup Community Workshop – Monday 20th July 5:00 – 6:30pm
4. Donnybrook Community Workshop – Monday 20th July 7:00 – 8:30pm
5. Noggerup Community Workshop – Tuesday 21st July 6:00 – 7:30pm

Surveys can be returned by post to the Shire or alternatively dropped off at Balingup Post Office, Balingup Library, Kirup Post Office, Lowden General Store and the Shire Offices.

Further Information

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