

Local Government Amalgamations in Western Australia

Background

Local government in Western Australia began with the creation of the City of Perth in 1856. It made sense to allow local decision-making in an area the size of Western Australia and following statehood in 1890, local communities continued to control their own affairs, with assistance from the state. Local government was referred to in the state constitution, regulated and financed, but importantly established as an independent level of government, free from state interference.

By the early 1900s the pattern of around 130 local government authorities covering the state had been set. From this time six LGAs in Perth's Western Suburbs were established and despite boundary adjustments and name changes, have continued to this day.

In the early part of the twentieth century, with the city beautiful movement, there was a worldwide interest in comprehensive town planning and local government. In WA the City of Perth expanded to take in the municipalities of Leederville, North Perth and later Victoria Park. Other municipalities, led by Subiaco, refused to join in, resulting in an odd sausage shape for the City of Perth, stretching from City Beach to East Victoria Park, which was to last for many years. Around this period there were a similar attempts elsewhere in the country to create larger local governments and the Greater City of Brisbane Council dates from this time.

Over subsequent years there were various attempts by the City of Perth to absorb Subiaco but on every occasion this was rebuffed.

In the early 1970s the City of Nedlands applied for a boundary change to take over the south ward of the City of Subiaco, containing the University of Western Australia, which had previously been part of Nedlands. The attempt failed but so incensed Dr Tom Dadour, the local MLA, that he was able to achieve an amendment to the then local government act that gave affected electors the right to a poll to determine their future. When the bill was debated in parliament he said at the second reading on 27 March 1975:

Since the introduction of the Local Government Act of 1960 that council (Subiaco) has been under threat of being taken over by the City of Perth or by the City of Nedlands. In spite of this it has been able to carry out an excellent job of local government. The Subiaco City Council always had a dark cloud hanging over it and as a result it could not function properly because it did not know what the next day may bring.

Following a period of sustained growth in WA during the 1980s, the 1990s brought a number of significant changes to local government.

For some years the City of Perth had been criticised for its CBD falling behind comparable cities elsewhere because, it was argued, money raised in the central area was being spent in the suburbs, to the neglect of the downtown area. The City of Perth was eventually broken up in 1994 – to create a more compact City of Perth, with three new towns – Cambridge, Vincent and Shepparton (later Victoria Park).

In the mid-1990s the current *Local Government Act 1995* came into operation. This made many significant changes to the previous act, including those to the Dadour poll provisions. These were watered down, to say only where two or more districts were to be abolished did affected electors have the right to a poll.

The City of Joondalup was created from the City of Wanneroo in 1998. This same year saw the amalgamation of Albany Town and Shire. Also in the late 1990s the City of Nedlands proposed a merger with the Town of Claremont, which was unsuccessful.

Through the 2000s the Department of Local Government and the Local Government Advisory Board (LGAB) encouraged structural reform of local government with various investigations and publications. Northam Town and Shire amalgamated in 2007. The same year the City of Geraldton merged with the Shire of Greenough (Mullewa added 2011). As an alternative to amalgamations, the WA Local Government Association (WALGA) investigated and reported on resource sharing, following the successful establishing of metropolitan regional councils dealing with waste and environmental management (WMRC, EMRC).

The Present Situation

With the coming of the first Barnett Government in 2008, local government amalgamations were encouraged with State assistance on procedures and finances. It was emphasised that amalgamations were voluntary, at least in the current term of government. While the need for amalgamations was greatest in country areas, where some local authorities had declined to populations of fewer than 1,000, the decision was made to concentrate initially on the metropolitan area, particularly Perth's western suburbs, where there were several small councils.

In 2009 Nedlands made another attempt to merge with Claremont, which was again rejected. As a counter-reaction, Claremont looked in the other direction and promoted joining with Cottesloe, Mosman Park and Peppermint Grove. Nedlands then turned its attention to Subiaco and, with Government participation and funding, a Regional Transition Group was established to facilitate the union. However at the eleventh hour Subiaco went cold on the idea and at Nedlands, most pro-amalgamation Councillors lost their seats at the 2011 elections. Apart from the ill-will created by this divisive issue, several hundred thousand dollars of tax-payers' money was wasted.

Although there was some progress with mergers of country shires, there was no headway in the metropolitan area and in mid-2011 the ex-Vice-Chancellor of UWA, Alan Robson was appointed to head a team to undertake a Metropolitan Local Government Review. However the terms of reference for the inquiry were flawed, with emphasis on identifying " new local government boundaries and a resultant reduction in the overall number of local governments ...", without examining the need for change. The inquiry report was released late in 2012, just months before the 2013 state election, and recommended 12 councils in the metro area, along with other controversial changes such as scrapping regional councils, waste collection being organised on a metropolitan basis, greater remuneration for elected members, compulsory voting and promotion of party-politics in local government. It recommended amalgamation of all seven western suburbs councils (including Cambridge) and the City of Perth taking in Vincent, Victoria Park and South Perth. The State Government made no response to the report prior to the election; local government was left with an uncertain future.

In the lead up to the state election, when the Premier was pressed to declare his intentions, he issued a pamphlet in his electorate of Cottesloe stating:

There has been much said about local government over recent months. I have always believed that a combined council covering Claremont, Cottesloe, Mosman Park and Peppermint Grove makes sense, however claims that the State Government will use its powers to force such an amalgamation are simply not true.

The Barnett government was returned to office at the election and immediately the new Minister for Local Government set about ensuring that amalgamations would proceed, one way or another. First it was said, in order to obtain a more “democratic” result from the poll provisions, instead of a no vote in a single local government being able to scuttle an amalgamation, there had to be a majority no vote in all affected areas.

Attempts were then made, unsuccessfully as it turned out, to change the *Local Government Act 1995*, to reduce the independence of the LGAB – by stating it was required to have regard to government policy and by increasing its membership with additional Ministerial appointees.

The next step was for the Minister to demand, with no authority to do so, that local governments submit to the LGAB their proposals for amalgamation in line with the government’s proposals or he would do it for them. As an inducement, he said government funding would be available.

Apart from the three councils always outside the metropolitan review (Joondalup, Wanneroo and Rockingham), every council bar two submitted one or more proposals. The two exceptions were Nedlands and Peppermint Grove. As it turned out, the Minister did submit his proposals, making a total of 38 that were considered by the LGAB. The Minister’s proposal for Perth expanded the city to take in UWA, QEII Hospital, the Burswood peninsula and Leederville commercial area. In the western suburbs his proposal combined all seven local governments, as the Robson Review had recommended.

The LGAB made its recommendations to the Minister in September 2014 and only one of his proposals was supported – expansion of the boundaries of the City of Swan to include Shire of Mundaring. The LGAB’s recommendations for

the balance of the metropolitan area were a combination of boundary alterations abolishing only one local government, which did not qualify for a disallowance poll and amalgamations affecting two or more local governments, which did. There appeared to be an artificial distinction between those who were permitted a poll and those who were not.

In the western suburbs, the LGAB recommended the Town of Cambridge take over most of the City of Subiaco (G2) and the local governments of Nedlands, Claremont, Cottesloe, Mosman Park, Peppermint Grove and Crawley (comprising parts of the Cities of Subiaco and Perth, containing the UWA and QEII Hospital Complex) be amalgamated (G5). The former did not qualify for a poll, while the latter did.

Late in October 2014, the Minister announced that he accepted all of the LGAB's recommendations, except two. The amalgamation of the Cities of Perth and Vincent and the amalgamation of the western suburbs G5 were rejected. The Premier made it clear that he wanted to see Burswood, QEII Hospital and UWA,, but not the whole of Vincent, within the City of Perth and this would be decided by legislation before the future of Vincent and the western suburbs could be decided. At the same time the amalgamation announcements were made the government stated only limited funding would be made available, most of which would be in the form of loans that had to be repaid.

A legal challenge arguing that proper process was not followed was dismissed.

Concluding Remarks

Although the government's amalgamation proposals have been found to be legal, that does not make them right.

There has never been a proper business case presented, demonstrating the benefits of larger local governments, only vague reasons espoused:-

- Rationalisation is needed to cope with expected population growth
- Economies of scale will result
- Disparity in level of rates and services provided is unfair
- It would be easier for developers, dealing with fewer councils
- It will save more than it costs.

The response to these arguments is as follows:

- The bulk of population growth will be accommodated by a handful of outer metropolitan councils, some not included in the review; there is no need to change inner councils where there is little population growth
- There is extensive research that demonstrates most local governments in WA are sustainable and efficiency is not dependent on size; councils under most pressure are those on the metropolitan fringe, providing new services for new residential estates
- Variation in local government services provided and rates levied to pay for those services is decided by individual communities and is the basis of democratic local government
- The system of local government should not be designed around making it easier for developers; people want to protect their living environment; the State Government has already taken too many responsibilities away from local government, with Development Assessment Panels and Ministerial powers to dictate planning outcomes
- Experience at Geraldton and interstate confirms council amalgamations are costly; financial arrangements make it clear these costs will be met by ratepayers in WA.

The State's local government reform proposals have generated considerable public opposition and it is possible that there are other reasons for the State pushing expensive re-structuring, with dubious benefits:

- To simplify administration, having fewer local governments to deal with
- To get rid of particular councils obstructive to development
- To divert attention from the State's dire financial circumstances
- To cost-shift to local government eg. river walls.

While the new pattern of local government in the metropolitan region appears for the most part to have been settled, the future format of the City of Perth and the western suburbs is yet to play out.

Max Hipkins

2 December 2014