



# **Minutes**

**Special Council Meeting**

**Tuesday 12 August 2014**

## Special Council Meeting – 12 August 2014

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**Minutes of the Special Meeting of Council held at the Murray Shire Council, 1915 Pinjarra Road, Pinjarra on Tuesday 12 August 2014.**

The Presiding Member Cr W Barrett declared the meeting open the time being 9.00am.

**1. ATTENDANCES**

Cr W Barrett	Shire President
Cr C Thompson	Deputy Shire President
Cr M Reid	Councillor
Cr P Briggs	Councillor
Cr E Menara	Councillor
Cr B Beacham	Councillor
Cr A Black	Councillor
Cr B Thomson	Councillor
Cr S Lee	Councillor
Mr D Unsworth	Chief Executive Officer
Mrs J Burton	Director Corporate and Organisation Development
Mr A Smith	Director Technical Services
Mr R Peake	Director Planning and Development Services
Mrs F Hide	Coordinator Executive Services

**2. ABSENT**

Nil

**3. PURPOSE OF MEETING**

To consider a submission regarding the Local Government Advisory Board's intention to have the entire Shire of Serpentine Jarrahdale subsumed by the City of Armadale.

**4. PUBLIC QUESTION TIME**

Nil

**5. DECLARATIONS OF INTEREST**

Nil

## 6. REPORTS OF OFFICERS

### COUNCIL DECISION:

SCM14/102

Moved: Cr C Thompson

Seconded: Cr B Thomson

That Council proceeds behind closed doors as per Section 5.23(2)(a) of the Local Government Act for the purpose of considering confidential item 6.1 Submission – Local Government Advisory Board the time being 9.03 am.

**CARRIED UNANIMOUSLY 9:0**

### 6.1 Submission - Local Government Advisory Board

File Ref: 1006  
 Previous Items: SCM Mar 2014 Item 6.1 (SCM14/024)  
 Author and Title: Dean Unsworth, Chief Executive Officer

**Appendix provided under separate confidential cover**

#### Introduction

On 29 January 2014, the Shire of Murray was brought into the Metropolitan Local Government reform process with the Minister for Local Government providing his proposal to the Local Government Advisory Board (LGAB) (Proposal 11/2013).

*The proposal was:*

1. *to change the current boundaries of the districts of the City of Armadale and Shire of Murray, by:*
  - (a) *abolishing the current district of the Shire of Serpentine-Jarrahdale; and*
  - (b) *amending the boundaries:*
    - (i) *of the City of Armadale to include within it a portion of the land of the current district of the Shire of Serpentine Jarrahdale, being the localities of Byford, Cardup, Darling Downs, Karrakup, Mundijong, Oakford, Oldbury, and Whitby;*
    - (ii) *of the Shire of Murray to include within it a portion of the land of the current district of the Shire of Serpentine Jarrahdale, being the localities of Hopeland, Jarrahdale, Keysbrook, Mardella, and Serpentine.*

#### Reason for Making the Proposal

*The proposal, if implemented, would create stronger local governments, with an increased capacity to provide the best possible services to residents in the enlarged districts and with the maximum efficiency. There would be a significant opportunity to reduce administration duplication and generate significant long-term savings due to economies of scale, and rationalisation of management and administrative support staff. Through co-ordinated long term planning there would be opportunities to rationalise*

*assets and the provision of services, for the benefit of residents and businesses across the whole of the enlarged local government districts.*

*The enlargement of the City of Armadale will capture a larger portion of the social, commercial, retail and governance 'catchment' of the Armadale strategic metropolitan centre. As significant population growth is anticipated in the enlarged City, there is expected to be a heightened focus on managing urban growth, development and service provision. The boundary change also presents the opportunity to facilitate a more co-ordinated approach to environmental issues, including bushfire management. The southern portion of the Shire of Serpentine Jarrahdale is considered to have more in common with the Shire of Murray.*

The City of Armadale also provided the same proposal (05/2013) to the LGAB.

At the Special Council meeting held 10 March 2014 Council resolved:

*That Council:*

- 1. thanks consultants Messrs Andrew Macnish and Ron Back and Council staff for their significant work in presenting the Shire of Murray reform submission;*
- 2. thanks the Department of Local Government for its documented guidance and as needed advice in formulating this submission;*
- 3. thanks the Local Government Advisory Board for its time and advice in assembling to hear Council's presentation on 6 March 2014.*
- 4. supports the Minister's Reform proposal (11/2013) and City of Armadale's proposal (5/2013) only on the condition that the Shire request negotiations to cover all transition costs including the infrastructure injection to meet the 10 year asset management plan objectives as detailed within the Business Case which would produce a substantial cost saving over a ten-year period;*
- 5. in the event of the Minister's proposal being enacted by a Governor's Order, return to a Ward Structure with the current Murray 'ward' being reduced from 9 to 8, and that 2 offices from the Serpentine-Jarrahdale 'ward' be included on Council from the October 2015 elections to ensure that there is representation on a fair and equitable basis based on population;*
- 6. endorses the Working Papers as Council's position on Proposals 5/2013 (City of Armadale) and 11/2013 (Minister for Local Government).*
- 7. endorses the Summary Document as Council's position on Proposals 5/2015 (City of Armadale) and 11/2013 (Minister for Local Government);*
- 8. requires the CEO to cause them to be submitted to the Local Government Advisory Board by 13 March 2013;*
- 9. requires the CEO to continue to solicit support for the Council's business case position and advise Council in a timely fashion on updates and progress; and*
- 10. instructs the CEO to use his discretion regarding sensitivities within the reform submission pursuant to the Local Government Act (Section 5.23 (2) (a)) and (Section 5.95 (3)).*

On 21 July 2014 however, the LGAB called for submissions into its intention to recommend to the Minister that the entire Shire of Serpentine Jarrahdale be subsumed by the City of Armadale. Submissions on this proposal close on 14 August 2014.

It is assumed that one of the major factors in the Board calling for submissions into this new proposal is that Murray, in its previous submission presented a case and built into its financial modelling the case for all transition costs to be funded prior to 1 July 2015. At the time of the Board considering the proposals no funding announcement had been made and the Board advised that it was not its role to recommend funding to any local government but that was a matter between the State and each individual local government. The Board stated that their role was to look at each proposal on its merits without considering if and what grants funds would be provided.

Council is requested to consider alternative funding models which now illustrate that reform can occur without the need for major grant funds and that there be no effect on current Murray ratepayers. This plan is detailed within the attached draft submission provided under confidential cover. Components of the submission are potentially subject to *Section 5.23 (2) of the Local Government Act* where, if discussed, Council would be required to go behind closed doors.

### **Background/Proposal**

The benefits of the Minister's proposal as compared with the option of all of Serpentine Jarrahdale being transferred to Armadale are many. Southern Serpentine Jarrahdale's lifestyle is rural in nature with a very strong agricultural and equine base. The towns of Serpentine, Jarrahdale, Keysbrook and surrounds have much in common with the Shire of Murray. There is a consistent lifestyle that share the same way of life, the same environmental challenges and the communities are much more attached and aligned with the Peel region.

From a land-use planning perspective, the Shire of Murray already has, in conjunction with the Peel Development Commission, a strong focus on planning for agricultural activity and diversity and in particular intensive agriculture. Murray also has a strong commitment to the Peel-Harvey estuary and both the Serpentine and Murray Rivers and has an excellent working relationship with the Peel Harvey Catchment Council. The Shire of Murray strongly supports the equine industry and is developing a \$20 million Regional equine facility that would provide many benefits to the southern portion of Serpentine Jarrahdale.

An extensive business plan has been prepared to be able to consider this proposal and to clearly illustrate the risks, impacts and proposed structure of an expanded Shire of Murray.

The submission has undertaken a thorough review of the impacts and these are included within the submission.

The attached submission clearly shows that the Minister's proposal is most certainly feasible. It shows that rates in the UV areas of southern Serpentine Jarrahdale (SJ) will not increase significantly if at all in the first 2 - 3 years while the rest of the Murray UV residents catch up to enable rating parity. The submission also illustrates that an additional \$1 million of (new) SJ rates can be invested into the SJ road network as capital works in the first three years, increasing to \$1.6 million in years 4 - 6 and then \$1.7 million in years 7 + in a staged approach over the next decade. This will assist in improving the network significantly. The asset management modelling undertaken shows that the road network will then continually improve. The Business Plan shows that all the money received from "SJ south" can be reinvested in that district without any financial impact on current Murray residents.

## Consultation

- Minister for Local Government, Community Services, Seniors and Volunteering;
- Staff from Department of Local Government;
- Local Government Advisory Board;
- City of Armadale;
- Shire of Serpentine Jarrahdale;
- Western Australian Local Government Association.

## Sustainability Implications

### *Economic - (Financial impact to the community)*

For the Shire of Murray to deliver the Minister's proposal without having an adverse effect on the current Murray ratepayers, transitional funding will be sought. The proposed funding request is included within the attached submission.

### *Social - (Quality of life to community and/or affected landowners)*

The proposal from the Minister would most likely provide a sense to the new ratepayers that their current rural way of life will be preserved as opposed to the option previously mooted that Serpentine Jarrahdale be merged with Armadale. This feedback has already been provided via two separate formal submissions from residents of Keysbrook in both 2009 and 2013 and also anecdotally from some residents in the Serpentine and Jarrahdale areas in recent times.

### *Environment – (Impact on environment's sustainability)*

If reform is implemented, management of the challenging environmental issues would be more efficiently and effectively coordinated from the Peel region. The southern portion of Serpentine Jarrahdale has very similar environmental challenges with the Shire of Murray. Further, the management of the Peel-Harvey estuary and waterways and sub-catchment water quality improvement initiatives are naturally linked to the Peel region and the Peel Harvey Coastal Catchment administrative boundary.

### *Governance/Risk Statement – (Policy implications/level of risk)*

With any proposal of the magnitude presented by the Minister, there is some risk. However Shire officers have spent a considerable amount of time 'de-risking' as much as possible the Minister's proposal. The financial analysis shows that the Minister's proposal is financially viable and will provide significant benefits, from a point of view of road and infrastructure management, environmental management, preserving as much of the Peel region as possible and to maintain the rural and agricultural lifestyle those south of Mundijong enjoy.

## Strategic Outcomes

### *Murray 2023 – Strategic Community Plan*

<b>Theme 6</b>	
<i>Governance and Leadership</i>	
<b>Objective 6.2</b> <i>Ensure high level governance</i>	<b>Strategy 6.2.2</b> <i>Provide effective corporate governance that meets legislative requirements</i>

## Statutory Environment

### Schedule 2.1 — Provisions about creating, changing the boundaries of, and abolishing districts

[Section 2.1(2)]

#### 1. Terms used

In this Schedule, unless the contrary intention appears -

**affected electors**, in relation to a proposal, means -

- (a) electors whose eligibility as electors comes from residence, or ownership or occupation of property, in the area directly affected by the proposal; or
- (b) where an area of the State is not within or is not declared to be a district, people who could be electors if it were because of residence, or ownership or occupation of property, in the area directly affected by the proposal;

**affected local government** means a local government directly affected by a proposal;

**notice** means notice given or published in such manner as the Advisory Board considers appropriate in the circumstances;

**proposal** means a proposal made under clause 2 that an order be made as to any or all of the matters referred to in section 2.1.

#### 2. Making a proposal

(1) A proposal may be made to the Advisory Board by -

- (a) the Minister; or
- (b) an affected local government; or
- (c) 2 or more affected local governments, jointly; or
- (d) affected electors who -
  - (i) are at least 250 in number; or
  - (ii) are at least 10% of the total number of affected electors.

(2) A proposal is to -

- (a) set out clearly the nature of the proposal, the reasons for making the proposal and the effects of the proposal on local governments; and
- (b) be accompanied by a plan illustrating any proposed changes to the boundaries of a district; and
- (c) comply with any regulations about proposals.

[Clause 2 amended by No. 49 of 2004 s. 67(2).]

#### 3. Dealing with proposals

(1) The Advisory Board is to consider any proposal.

(2) The Advisory Board may, in a written report to the Minister, recommend\* that the Minister reject a proposal if, in the Board's opinion -

- (a) the proposal is substantially similar in effect to a proposal on which the Board has made a recommendation to the Minister within the period of 2 years immediately before the proposal is made; or
- (aa) where the proposal was made by affected electors under clause 2(1)(d), that the majority of those electors no longer support the proposal; or

- (b) the proposal is frivolous or otherwise not in the interests of good government.

*\* Absolute majority required.*

- (3) If, in the Advisory Board's opinion, the proposal is -

- (a) one of a minor nature; and
- (b) not one about which public submissions need be invited,

the Board may, in a written report to the Minister, recommend\* that the Minister reject the proposal or that an order be made in accordance with the proposal.

*\* Absolute majority required.*

- (4) Unless it makes a recommendation under subclause (2) or (3), the Advisory Board is to formally inquire into the proposal.

*[Clause 3 amended by No. 64 of 1998 s. 52(2); No. 49 of 2004 s. 67(3).]*

#### **4. Notice of inquiry**

- (1) Where a formal inquiry is required the Advisory Board is to give -

- (a) notice to affected local governments, affected electors and the other electors of districts directly affected by the proposal; and
- (b) a report to the Minister.

- (2) The notice and report under subclause (1) are to -

- (a) advise that there will be a formal inquiry into the proposal; and
- (b) set out details of the inquiry and its proposed scope; and

- (c) advise that submissions may be made to the Board not later than 6 weeks after the date the notice is first given about —

- (i) the proposal; or
- (ii) the scope of the inquiry.

- (3) If, after considering submissions made under subclause (2)(c), the Advisory Board decides\* that the scope of the formal inquiry is to be significantly different from that set out in the notice and report under subclause (1), it is to give —

- (a) another notice to affected local governments, affected electors and the other electors of districts directly affected by the proposal; and
- (b) another report to the Minister.

- (4) The notice and report under subclause (3) are to —

- (a) set out the revised scope of the inquiry; and
- (b) advise that further submissions about the proposal, or submissions about matters relevant to the revised scope of the inquiry, may be made to the Board within the time set out in the notice.

*\* Absolute majority required.*

#### **5. Conduct of inquiry**

- (1) A formal inquiry is to be carried out, and any hearing for the purposes of the inquiry is to be conducted, in a way that makes it as easy as possible for interested parties to participate fully.

- (2) In carrying out a formal inquiry the Advisory Board is to consider submissions made to it under clause 4(2)(c) and (4)(b) and have regard, where applicable, to -
- (a) community of interests; and
  - (b) physical and topographic features; and
  - (c) demographic trends; and
  - (d) economic factors; and
  - (e) the history of the area; and
  - (f) transport and communication; and
  - (g) matters affecting the viability of local governments; and
  - (h) the effective delivery of local government services,
- but this does not limit the matters that it may take into consideration.

## **6. Recommendation by Advisory Board**

- (1) After formally inquiring into a proposal, the Advisory Board, in a written report to the Minister, is to recommend\* -
- (a) that the Minister reject the proposal; or
  - (b) that an order be made in accordance with the proposal; or
  - (c) if it thinks fit after complying with subclause (2), the making of some other order that may be made under section 2.1.

*\* Absolute majority required.*

- (2) The Advisory Board is not to recommend to the Minister the making of an order that is significantly different from the proposal into which it formally inquired unless the Board has -
- (a) given\* notice to affected local governments, affected electors and the other electors of districts directly affected by the recommendation of its intention to do so; and
  - (b) afforded adequate opportunity for submissions to be made about the intended order; and
  - (c) considered any submissions made.

*\* Absolute majority required.*

## **Options**

Council has the option of:

1. Adopting the submission without amendment;
2. Adopting the submission with amendments;
3. Rejecting the submission.

## **Resource Implications**

Financial

Contained within the attached draft submission.

Resources

Contained within the attached draft submission.

### **Conclusion/Justification of Officer Recommendation**

The Minister's proposal is an opportunity for the Shire of Murray to expand and be a more predominant local government. It is seen by many that this is a much better option and much more logical for the land south of Mundijong Road to be kept within the Peel region as opposed to the current LGAB intention of the entire Serpentine Jarrahdale being subsumed with the City of Armadale.

With clarity now on the matter in regards to funding and much further analysis now having been undertaken, the Business Case in having the land south of Mundijong Road is a feasible one. It needs to be publicly stated that the Shire of Murray has not actively pursued having the southern portion of Serpentine Jarrahdale absorbed into the Shire of Murray. However it is clear that there are now only 2 options available for the public and Council to consider, that being either:

1. the current LGAB intention of having the Shire of Serpentine Jarrahdale subsumed with the City of Armadale; or
2. the Minister's proposal of bringing the Serpentine Jarrahdale south land into Murray and the northern portion into the City of Armadale.

As the LGAB have not advertised the Shire of Serpentine Jarrahdale's proposal of expanding to take in sections of other Councils to their west, north and east it is strongly assumed that the Board will not recommend that.

### **Voting Requirements**

Simple Majority

#### **OFFICER RECOMMENDATION/COUNCIL DECISION:**

**SCM14/103**

**Moved: Cr C Thompson**

**Seconded: Cr P Briggs**

#### **That Council:**

1. **thanks Council staff for their significant work in presenting the Shire of Murray reform submission and business case;**
2. **thanks the Local Government Advisory Board for its time and advice in reviewing Council's submission;**
3. **thanks all members of the Local Implementation Committee and officers that are part of the associated working groups;**
4. **reaffirms its support of the Minister's Reform proposal (11/2013) and City of Armadale's proposal (5/2013) and publicly states that this is a much better option for the Peel region than the entirety of the Shire of Serpentine Jarrahdale being subsumed by the City of Armadale;**
5. **reaffirms its commitment to, in the event of the Minister's proposal being enacted by a Governor's Order, return to a Ward Structure with the current Murray 'ward' being reduced from 9 to 8, and that 2 offices from the Serpentine Jarrahdale 'ward' be included on Council from the October 2015 elections to ensure that there is representation on a fair and equitable basis based on the one-vote one-value principle;**
6. **publicly states that there is no proposal or intention from the Shire of Murray, in the event of the Minister's proposal being accepted, to reduce any services or close any facilities south of Mundijong Road;**

7. includes the financial data as identified in the attached financial reports into the draft Shire of Murray Long Term Financial Plan 2015/16-2024/25 that shows that the road network south of Mundijong Road significantly improves with the additional funding identified over that period;
8. endorses the Working Papers as Council's position on Proposals 5/2013 (City of Armadale) and 11/2013 (Minister for Local Government).
9. endorses the attached submission as Council's position on the Local Government Advisory Board's currently advertised intention to have the entire Shire of Serpentine Jarrahdale subsumed by the City of Armadale
10. requires the CEO to cause them to be submitted to the Local Government Advisory Board by Thursday 14 August 2014;
11. requires the CEO to continue to solicit support for the Council's business case position and advise Council in a timely fashion on updates and progress; and
12. instructs the CEO to use his discretion regarding sensitivities within the reform submission pursuant to the Local Government Act (Section 5.23 (2) (a)) and (Section 5.95 (3)).

**CARRIED UNANIMOUSLY 9:0**

**Cr P Briggs** thanked the Chief Executive Officer and staff involved in preparing the Local Government Reform submission and expressed her sincere appreciation for the time and effort that goes into providing such an excellent presentation.

**COUNCIL DECISION:**

**SCM14/13**

**Moved: Cr C Thompson**

**Seconded: Cr P Briggs**

**That Council proceeds with open doors the time being 9.57am.**

**CARRIED UNANIMOUSLY 9:0**

There being no further business, the Presiding Member declared the meeting closed the time being 9.59am.

**7. CLOSE**