



TO ALL LOCAL GOVERNMENTS

## LOCAL GOVERNMENT REFORM STEERING COMMITTEE

ATTACHMENT

- - - 1 - -

### Bulletin No 1-2009

#### STEERING COMMITTEE HAS MET TO PROGRESS LOCAL GOVERNMENT SUSTAINABILITY REFORM

The Local Government Reform Steering Committee established by the Minister for Local Government, John Castrilli, met for the first time on Friday 13 February 2009 to progress the Government's Local Government Reform Strategy.

The Committee is chaired by myself and includes:

- Gary Brennan, Chief of Staff, Minister for Local Government (deputy chair);
- Bill Mitchell, President, WA Local Government Association;
- Michael Parker, President, Local Government Manager's Australia (WA);
- Helen Dullard, Local Government Advisory Board Member;
- Ron Yuryevich, Local Government Advisory Board Member;
- Eric Lumsden, Director General, Department for Planning and Infrastructure;
- Maree De Lacey, Regional Development Council Representative;
- Alex Scherini, Assistant Director, Revenue and Government Relations, Department of Treasury and Finance;
- Tim Shanahan, Director, Energy and Minerals Initiative, UWA; and
- Nathan Taylor, Manager, Economic Policy, Chamber of Commerce and Industry WA.

The Committee has been convened by the Minister to assist local government with voluntary structural reform, including amalgamations, to ensure that the sector is strong and viable into the future.

The Committee supports the need for reform and recognises that action is required in view of the following pressures on the sector:

- The need for structural change as highlighted in a range of studies in Western Australia undertaken over the past 20 years focusing on the sustainability of the sector.
- The need for improved operational performance and governance capacity.
- A shortage of appropriately skilled human resources across the sector.
- Commonwealth Government support for the reform process, which recognises the increasing role of local government in State and Commonwealth service delivery.

The Committee's first task is to prepare guiding principles to assist local governments with their amalgamation proposals and reduction in councillor numbers. The Committee will make these available by the end of February in a further Bulletin.

These guidelines will outline the process for developing proposals including timelines and the details required in a proposal.



The Department will assist in providing some funding for local governments to carry out studies to develop amalgamation proposals. Further details on this funding will be available shortly.

Following discussion by the Committee, the Minister has confirmed there will be safeguards kept in place for staff employed by local governments that are part of any future amalgamations. Clause 11 of Schedule 2.1 of the *Local Government Act 1995* relating to guaranteed employment of staff for up to two years following a structural change will continue to apply and there is no intention of this being amended.

The Minister reaffirmed the current policy of the WA Local Government Grants Commission in relation to the calculation of grants available to local governments that amalgamate. This policy states that the combined general purpose grant to newly amalgamated councils will be increased every year, for a period of five years, by the annual percentage increase in the pool of funds provided to Western Australia by the Commonwealth Government.

The Minister is committed to ensuring regular communication with local governments and other stakeholders on progress with the reform process by himself, the Steering Committee and the Department. This will include regional visits, regular update bulletins, media releases, Westlink videolinks, an FAQs section on the Department's web-site and other measures to ensure the local government sector and the community are kept informed of developments.

The four Working Groups established to assist the Steering Committee will have their first meetings over the next three weeks. The groups are formed around the key areas of corporate and strategic planning, commercial enterprise and urban development, training and capacity building, and legislative reform. Members of these groups include councillors, officers and other stakeholders.

The Steering Committee will complete its initial work for the Minister by August 2009 and will regularly report to the Minister on the progress of local governments in meeting government policy and preparing proposals for achieving reform in the future.

Jennifer Mathews  
DIRECTOR GENERAL

19 February 2009



TO ALL LOCAL GOVERNMENTS

**ATTACHMENT**

- - - 2 - -

## **LOCAL GOVERNMENT REFORM STEERING COMMITTEE**

### **Bulletin No 2-2009**

### **STRUCTURAL REFORM GUIDELINES TO ASSIST LOCAL GOVERNMENT REFORM RELEASED**

The Local Government Reform Steering Committee, established by the Minister for Local Government, Hon John Castrilli MLA, has released Structural Reform Guidelines to assist local governments in responding to the Minister's request in relation to voluntary structural reform. These Guidelines accompany this Bulletin.

The Guidelines set out a recommended decision making process along with key criteria to be considered by local governments in developing their Reform Submission which is to be forwarded to the Minister by 31 August 2009.

The Guidelines reflect the Minister's view that local governments themselves are best placed to determine their appropriate size, at the local and regional level, to deliver services to their communities in the most efficient and effective manner. Accordingly, the Guidelines do not purport to set out strict parameters from a geographic, population or revenue perspective.

The Guidelines include the following information:

- a time line for the development of Reform Submissions;
- a checklist for local governments to assess their current situation as part of considering the type of reform proposals that should be developed;
- a process for local governments to explore reform partners;
- a process for developing a Reform Submission;
- options for engaging the community; and
- the required format of a Reform Submission.

The Guidelines recommend a format for developing a Reform Submission which is to include a council resolution of intent in relation to:

- amalgamation proposals;
- the proposed number of elected members,
- details on the appropriate regional grouping of local governments;
- a completed Local Government Reform Checklist; and
- a timeline for implementation of reform.

The Minister has requested that each local government complete and return the Local Government Reform Checklist, included as Attachment 1 in the Guidelines, to the Steering Committee for its information by Thursday 30 April 2009. The checklist, based on the key



principles for local government reform, targets the capacity gaps of each existing local government which will inform the development of Reform Submissions.

A series of Frequently Asked Questions has also been prepared which provides answers to key questions asked by local governments about how to proceed with reform issues.

Local governments will be able to access funding from the Department to assist with costs associated with the use of facilitators and/or consultants to develop their Reform Submissions. The Department will provide further information on the funding available to local governments shortly.

The processes for assessing local government Reform Submissions will be undertaken by the Steering Committee in the first instance, which will provide advice to the Minister on preferred options for reform. Finalised proposals will then be referred to the Local Government Advisory Board for consideration and recommendation. It is anticipated that any structural reform proposals could be in place by July 2011. This timeframe would allow for new councillors to be elected at the October 2011 elections. However, this will be dependent on specific arrangements and examined on a case by case basis.

The Structural Reform Guidelines and Frequently Asked Questions will be available on the Department's website at [www.dlgrd.wa.gov.au](http://www.dlgrd.wa.gov.au).

Additional resources have been made available in the Department to assist local governments with their Reform Submissions. I encourage local governments to contact the Department with any specific queries relating to the reform process. The officers to contact for assistance are:

- Tim Fowler, 9217 1439
- Andrew Main, 9217 1422
- Caroline Tuthill, 9217 1444

I encourage local governments to capitalise on this opportunity to develop a strong sustainable local government sector for the future.

Jennifer Mathews  
DIRECTOR GENERAL

27 February 2009



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--- 3 ---

# Local Government Reform Steering Committee Structural Reform Guidelines

FEBRUARY 2009



Department of Local Government  
and Regional Development  
[www.dlgrd.wa.gov.au](http://www.dlgrd.wa.gov.au)



# Contents

Introduction	3
Timeframe for Reform Submission to the Minister	5
Principles for Reform	6
<b>STAGE 1 – AGREEMENT ON NEED FOR REFORM AND PARTNERS</b>	7
1.1 Local Government Reform Checklist	7
1.2 Local Government Reform Exploration	7
1.3 Predetermined Conditions	7
<b>STAGE 2 – INITIAL PREPATORY WORK FOR REFORM SUBMISSION</b>	8
2.1 Details of Reform Submission	8
2.2 Consultation Principles	9
<b>STAGE 3 – PREPARATION OF REFORM SUBMISSION</b>	10
3.1 The Reform Submission – Amalgamation	10
3.2 The Reform Submission – Representation	10
3.3 The Reform Submission – Regional Grouping	11
3.4 The Reform Submission – Transition Timeline	11
<b>STAGE 4 – COUNCIL ENDORSEMENT</b>	12
4.1 Council Resolution to Proceed	12
<b>STAGE 5 – REFORM SUBMISSION TO THE MINISTER FOR LOCAL GOVERNMENT</b>	13
<b>Attachments</b>	14
Attachment 1 – Local Government Reform Checklist	
Attachment 2 – Reform Submission – Local Government Advisory Board Criteria	22

## Introduction

In February 2009, the Minister for Local Government announced his wide-ranging Local Government Reform Strategies. As part of this, he has encouraged each local government within Western Australia to embrace the opportunity for voluntary amalgamations to achieve much needed structural reform in this State. As part of this initiative, the Minister is also advocating each council to have an elected member group of between six and nine.

There has been widespread recognition for many years that our existing local government structure, with 139 local governments, some of which have less than 200 electors, is not sustainable. The need for reform is highlighted in the 2006 WA Local Government Advisory Board report into Local Government Structural Reform (available on [www.dlgrd.wa.gov.au](http://www.dlgrd.wa.gov.au)). The 2008 WALGA Sustainability Report also states that business as usual is not an option.

The desired outcome of structural reform is a strong sustainable local government. There are a range of benefits that will be achieved through the reform process:

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

It is expected that while undertaking the process of exploring options for amalgamation, local governments will also identify appropriate regional groupings within which to work collaboratively to deliver community benefits on a regional basis.

The Minister requests that by 31 August 2009, each of the 139 local governments in Western Australia will have made an informed decision on voluntary amalgamation, their preferred regional groupings and the number of elected members required within a range of six to nine.

These Structural Reform Guidelines have been developed by the Local Government Reform Steering Committee to assist local governments in developing their decision making process and in preparing their Reform

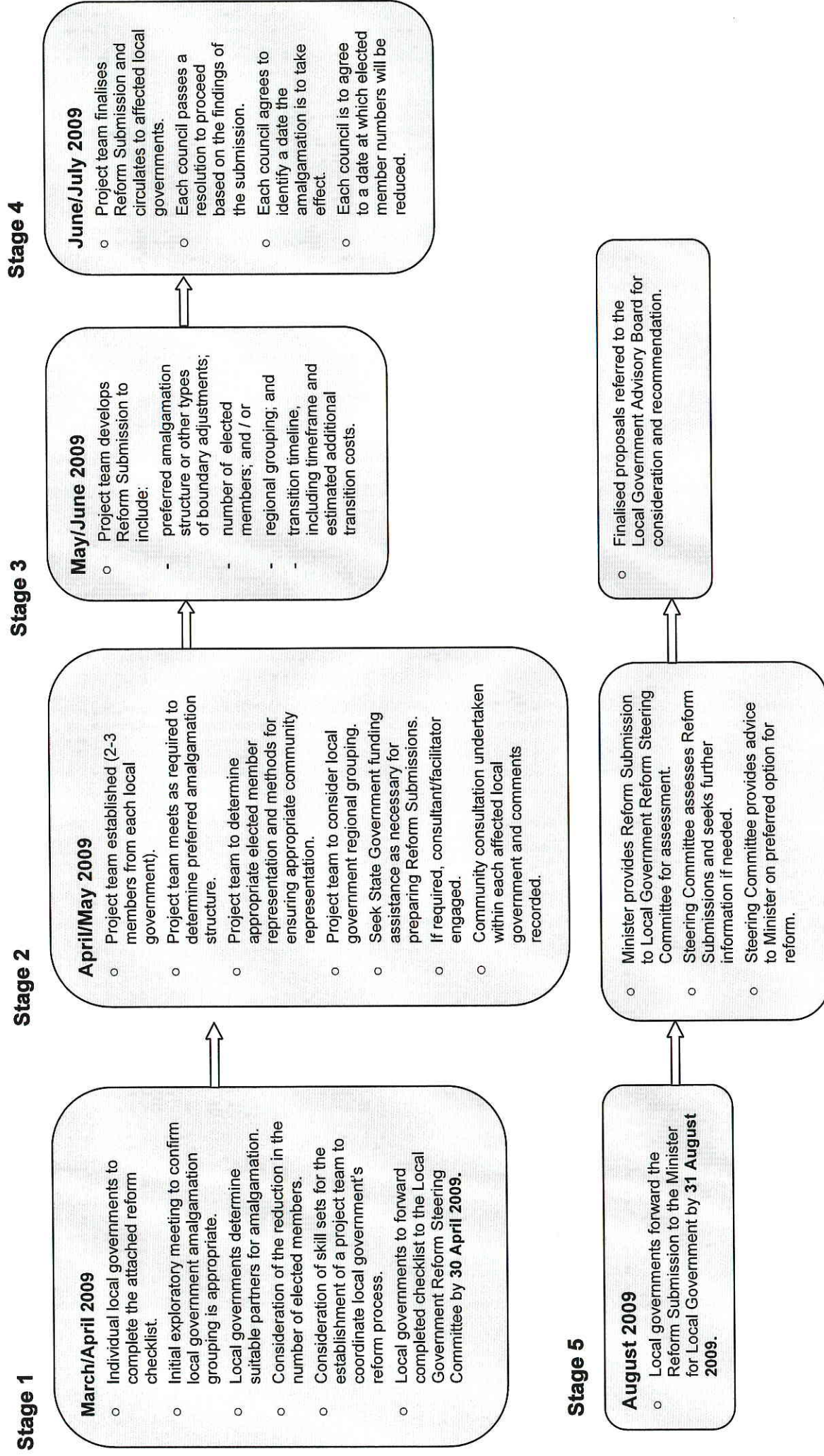
Submission. Local governments should refer to these guidelines when developing their Reform Submission.

The recommended tasks and associated timeframes on the following page allow for an informed view of reforms to be reached. The stages are explained in greater detail later in these guidelines.

The Department of Local Government and Regional Development is available to provide more guidance and support as needed. A reform section has been established on the website at [www.dlgrd.wa.gov.au](http://www.dlgrd.wa.gov.au) which provides information on departmental initiatives to progress local government reform, along with contact details should further advice be required. Included in the reform section will be Frequently Asked Questions, providing answers to common questions asked by local governments about how to proceed with reform issues.



# Timeframe for Reform Submission to the Minister



## **Principles for Reform**

Section 3.1 (2) of the *Local Government Act 1995* (the Act), states that the general function of a local government is to provide for the good government of persons in a district.

In undertaking these functions, local governments are to use their best endeavours to meet the needs of current and future generations through the integration of environmental protection, social advancement and economic prosperity.

Through the Minister's reform process, local governments will have the capacity to effectively plan for the sustainable growth of their communities into the future.

The following principles are expected to be used as a reference to assist each local government and groups of local governments to determine their long term viability. The principles underpin a sustainable local government.

These guiding principles have been prepared by the Steering Committee based on information gathered from other States, the WA Local Government Advisory Board and other sources providing input to this task.

Each local government will need to have demonstrated capacity in the following areas:

1. long term strategic planning;
2. detailed asset and infrastructure management planning;
3. future financial viability and planning;
4. equitable governance and community representation;
5. proficient organisational capacity;
6. effective political and community advocacy for service delivery;
7. understanding of and planning for demographic change;
8. effective management of natural resources;
9. optimal community of interest; and
10. optimal service delivery to community.

Each local government will also need to demonstrate progress and outcomes in the following areas:

1. membership of an effective regional grouping; and
2. previous structural reform.



## **STAGE 1 – AGREEMENT ON NEED FOR REFORM AND PARTNERS**

### **1.1 Local Government Reform Checklist**

In undertaking this stage a Local Government Reform Checklist, included as Attachment 1, has been prepared which targets the capacity of each existing local government and is to be completed as part of a local government's analysis of the need for reform. The completed checklist will assist in the identification of gaps in capacity and will form part of your Reform Submission.

Local governments are requested to forward their completed checklist to the Local Government Reform Steering Committee for its information, care of the Department by Thursday 30 April 2009.

### **1.2 Local Government Reform Exploration**

It is recommended that local governments analyse past experiences, existing reports and information to determine their current capacity gaps and the opportunities for reducing or removing those gaps via amalgamating with other local governments. As part of this stage, local governments should agree on the potential partners for amalgamation. Local governments are encouraged to consider the largest combination of councils in the first instance. Once the potential partners have been identified, an initial exploratory meeting should be undertaken to confirm whether the proposed grouping of local governments for amalgamation is appropriate. Local governments, having identified the suitable partners for amalgamation, should also consider the reduction in the number of elected members. To undertake the more detailed assessment for reform outlined in the proceeding stages of these guidelines, local governments should consider at this stage the establishment of a project team, having regard to appropriate skill sets of potential members to coordinate the reform process.

### **1.3 Predetermined Conditions**

Where a new local government is created from the amalgamation of former local governments, employees of the affected local governments will be guaranteed employment for a period of up to two years in accordance with Schedule 2.1 Clause 11 of the Act.

Where two or more local governments are amalgamated into a single body, the combined general purpose grant to the newly amalgamated council will be increased every year, for a period of five years, by the annual percentage increase in the pool of funds provided to Western Australia by the Commonwealth Government. (Western Australian Local Governments Grants Commission Policy).

The State Government will provide financial assistance as needed to each local government towards the development of a Reform Submission. The application process will be “fast tracked” so that this process does not delay the development of your Reform Submission.

### **Action**

- 1. Local governments complete reform checklist and forward to the Local Government Reform Steering Committee by 30 April 2009.**
- 2. Local governments identify and meet with potential partners.**
- 3. Local governments undertake a preliminary assessment to confirm amalgamation grouping is appropriate.**
- 4. Local governments decide on the appropriate combination of councils.**
- 5. Local governments to consider proposals for a reduction in the number of elected members.**
- 6. Local governments to consider the skill sets for establishing a project team to coordinate the reform process.**

## **STAGE 2 – INITIAL PREPATORY WORK FOR REFORM SUBMISSION**

### **2.1 Details of Reform Submission**

It is recommended that a project team be established, comprising two - three members of the proposed amalgamating local governments, including the Mayor/President and the CEO. The project team should consider the following:

- how the preferred amalgamated structure will improve social, economic and environmental capacity on behalf of their communities;
- how the gaps identified in individual checklists will be addressed;
- how community identity and representation will be preserved or improved;
- community consultation strategies;
- elected member representation;
- membership of regional groupings;
- the transition timeframe; and
- estimated reasonable additional costs that are likely to be incurred as part of the transition.



More explanation regarding the format and content of your Reform Submission can be found under Stage 3 below.

Should the project team require financial assistance in facilitating this process or completing the Reform Submission, funding applications can be submitted to the Department of Local Government and Regional Development. The Department will forward information to local governments outlining the processes for applying for funding. This information will also be available on the Department's website.

## **2.2 Consultation Principles**

As part of developing the Reform Submission and to engender support and understanding of the preferred reform option, it is expected that elected members, staff and the community will be given an opportunity to contribute to open discussions on amalgamation and that their views will be represented in the Reform Submission to be forwarded to the Minister for Local Government.

Consulting with the community will provide an opportunity for sharing information and interaction with community participants so that the views and concerns of those represented can be raised, documented and responded to. More importantly, it may encourage public confidence in the voluntary reform process and in building support for the preferred option.

The completed reform checklist should be made available to stakeholders to aid their understanding.

Local governments may wish to engage a facilitator to aid with community consultation through;

- information dissemination;
- community forums;
- community reference groups;
- discussion groups/workshops; and
- public displays.

### **Action**

- 1. Establish project team.**
- 2. Project team to meet as required.**
- 3. Project team to consider preferred amalgamated structure.**
- 4. Project team to consider elected member representation.**
- 5. Project team to consider local government regional grouping.**

- 6. Project team to consider whether State Government financial assistance to assist with facilitation or submission preparation is required.**
- 7. Undertake community consultation providing the information from the checklist to assist understanding.**

## **STAGE 3 – PREPARATION OF REFORM SUBMISSION**

### **3.1. The Reform Submission – Amalgamation**

It is suggested that the Reform Submission be framed around the Local Government Advisory Board requirements; that is, as identified in Schedule 2.1 (2) of the Act,

- (a) to 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) to include a plan illustrating proposed boundary changes to the district.

The Board's criteria are included as Attachment 2 to assist with development of the submission.

The submission should identify the benefits, efficiencies and capacity to be derived from a merger, including how savings will be used to benefit the community.

In some cases, the outcome may be a decision to provide for boundary adjustments rather than total amalgamation.

### **3.2. The Reform Submission – Representation**

When determining the preferred number of elected members of between six and nine, the following principles need to be considered:

- ratio of councillors to electors;
- demographic trends;
- consistency with representation between wards; and
- community of interest.



### **3.3. The Reform Submission – Regional Grouping**

When determining a preferred regional grouping for your local government, the review should have regard to:

- existing WALGA Zones;
- other State Government regional boundaries and groupings, such as regional road groupings and Regional Development Commissions;
- current regional local government boundaries;
- Regional Development Australia boundaries; and
- proposed district boundary changes.

### **3.4 The Reform Submission – Transition Timeline**

The following aspects should be addressed when preparing a transition timeline:

- the planned timing of the amalgamation including consideration of, though not limited to;
  - organisational change processes;
  - human resources management;
  - development of governance systems such as local laws and policies; and
  - information technology and communication infrastructure.
- the impact on council elections;
- the impact on staff contracts;
- the impact on council operations during the transition period; and
- details of estimated transition costs.

#### **Action**

**1. Undertake detailed assessment for amalgamation.**

**2. Prepare Reform Submission having regard to:**

- **amalgamation;**
- **elected member representation;**
- **regional grouping; and**
- **transition timeline.**

## STAGE 4 – COUNCIL ENDORSEMENT

### 4.1 Council Resolution to Proceed

Once the project team has finalised the Reform Submission to the Minister and circulated it to the affected local governments, the councils of each local government will consider the Reform Submission and make a resolution to proceed based on the findings.

Attached to the resolution will be supporting documentation, including the completed checklist for each existing local government, a transition timeline identifying the date amalgamation is to take effect, along with a date at which elected member numbers will be reduced and the finalised Reform Submission. These will be forwarded to the Minister for Local Government.

The council resolution is to read as follows:

#### 1. Voluntary Amalgamation

That the Shire / Town / City of <insert name> resolves to advise the Minister for Local Government of its intention to amalgamate with the Shire(s) / Town(s) / Cities of <insert names> effective from <date>.

#### 2. Number of Elected Members

That the Shire / Town / City of <insert name> resolves to advise the Minister for Local Government of its intention to reduce the total number of elected members to <insert number> effective from <date>.

#### 3. Regional Grouping

That the Shire / Town / City of <insert name> resolves to advise the Minister for Local Government of their intention to work collaboratively within a regional grouping comprising the local governments of <insert names>.

### Action

- 1. Councils to resolve to advise the Minister for Local Government of its intention for structural reform in relation to amalgamation, the number of councillors and regional grouping.**



## **STAGE 5 – REFORM SUBMISSION TO THE MINISTER FOR LOCAL GOVERNMENT**

Once the required resolutions have been passed, the Reform Submission, with the resolutions, supporting documentation and amalgamation timeline attached, is to be submitted to the Minister for Local Government.

The Minister will refer these to the Local Government Reform Steering Committee for feedback.

The Steering Committee may seek further clarification or input from the affected local governments prior to making recommendations to the Minister on the preferred option for reform.

The finalised submissions will then be referred to the Local Government Advisory Board for consideration. The Board will consider each proposal in accordance with the provisions of Schedule 2.1 of the Act and make a recommendation to the Minister.

### **Action**

- 1. The finalised Reform Submission to be forwarded to the Minister for Local Government. Attached to this will be the council resolution, supporting documentation, including the completed checklist and amalgamation timeline.**
- 2. Provide additional information to the Local Government Reform Steering Committee as requested.**

## Attachment 1: Local Government Reform Checklist

Local Government Reform Checklist			
Guiding principle <sup>1</sup>	Are these elements in place at your organisation?		Explanatory comment
	Yes	No	
1. Long term strategic planning			
o Your local government has a five year (or longer) strategic plan in place.			If yes, attach plan.
o Your local government has a five year (or longer) financial management plan in place that is linked to the plan for the future.			If yes, attach plan.
o Your local government has detailed three/five year business plans.			If yes, attach plan.
2. Detailed asset and infrastructure management planning			
o Your local government has an inventory of all infrastructure and assets and has an accompanying maintenance and renewal plan in place.			If yes, attach plan.
o Asset maintenance and replacement gaps have been identified and addressed in the financial plan.			

<sup>1</sup> It is understood that some of these principles are not mandatory, however reflect principles of best practice.



## Attachment 1: Local Government Reform Checklist continued

Local Government Reform Checklist			
Guiding principle	Are these elements in place at your organisation?		Explanatory comment
	Yes	No	
3. Future financial viability and planning			
<ul style="list-style-type: none"><li>○ Your local government has adequate reserve funds for future capital works and plant replacement.</li></ul>			
<ul style="list-style-type: none"><li>○ Your local government income stream including rates, fees, charges and grants can satisfy your long term community service and operational needs and without grants represents at least 40% of your total revenue.</li></ul>			
<ul style="list-style-type: none"><li>○ Your local government has financial management plans indicating:<ul style="list-style-type: none"><li>- existing debt levels;</li><li>- depreciation allocations compared to allocations on asset replacement and renewal;</li><li>- operating deficit compared to rates revenue;</li><li>- amount of reserve funds compared to expenses/asset values; and</li><li>- adverse financial trends.</li></ul></li></ul>			

## Attachment 1: Local Government Reform Checklist continued

Local Government Reform Checklist		
Guiding principle	Include figures	Explanatory comment
<b>4. Equitable governance and community representation</b>		
o Indicate the number of vacancies at the 2007 ordinary local government elections.		Comment required.
o Indicate how many vacancies at the 2007 ordinary local government elections were uncontested.		Comment required.
o Indicate the ratio of elected members to community population.		Comment required.
o Indicate the percentage of voter turnout at the most recent local government elections.		Comment required.
<b>5. Proficient organisational capacity</b>		
o Indicate the number of staff vacancies and the period these vacancies have continued in each of;		Comment required.
- senior management;		
- middle management; and		
- senior operational staff positions.		



## Attachment 1: Local Government Reform Checklist continued

Local Government Reform Checklist			
Guiding Principle	Are these elements in place at your organisation?		Explanatory comment
	Yes	No	
<ul style="list-style-type: none"> <li>o Your local government has an employee attraction and retention strategy.</li> </ul>			
<ul style="list-style-type: none"> <li>o Your current staff engage in annual professional training and development opportunities.</li> </ul>			
<ul style="list-style-type: none"> <li>o Your local government currently experiences delays in meeting statutory reporting functions and / or requests extensions.</li> </ul>			
<ul style="list-style-type: none"> <li>o Your local government processes residential building licence applications within 20 working days.</li> </ul>			
<ul style="list-style-type: none"> <li>o Under delegations your local government processes development applications within 20 working days.</li> </ul>			
<ul style="list-style-type: none"> <li>o All other development applications are processed within 40 working days.</li> </ul>			

## Attachment 1: Local Government Reform Checklist continued

Local Government Reform Checklist			
Guiding principle	Are these elements in place at your organisation?		Explanatory comment
	Yes	No	
6. Effective political and community advocacy for service delivery			
o Your local government has funding or other partnerships in place with programs and services sourced by the State Government.			
o Your local government has funding or other partnerships in place with programs and services sourced by the Federal Government.			
o Your local government has funding partnerships in place with the private sector to enhance service delivery.			
o The relationship between local government boundaries and relevant State and Commonwealth Agency boundaries are appropriate for effective decision making.			
o In the past 2 years your local government has attracted investment that has led to economic growth and job creation.			



Local Government Reform Checklist			
Guiding principle	Are these elements in place at your organisation?		Explanatory comment
	Yes	No	
<ul style="list-style-type: none"> <li>o Your local government has community consultation strategies in place, both on-going and project specific.</li> </ul>			
<b>7. Understanding of and planning for demographic change</b>			
<ul style="list-style-type: none"> <li>o Your local government's population trend for the past five years has been: <ul style="list-style-type: none"> <li>- declining</li> <li>- stable</li> <li>- growing</li> </ul> </li> </ul>			Provide percentage.
<ul style="list-style-type: none"> <li>o Your local government's projected population for the next five years will be: <ul style="list-style-type: none"> <li>- declining</li> <li>- stable</li> <li>- growing</li> </ul> </li> </ul>			Provide estimated percentage.
<ul style="list-style-type: none"> <li>o Your local government has plans in place for demographic change.</li> </ul>			Provide details.

## Attachment 1: Local Government Reform Checklist continued

Local Government Reform Checklist			
Guiding principles	Are these elements in place at your organisation?		Explanatory comment
	Yes	No	
<b>8. Effective management of natural resources</b>			
<ul style="list-style-type: none"> <li>○ Your local government, by itself or in partnership, has resource management plans to address changing environmental conditions.</li> </ul>			Provide details.
<b>9. Optimal community of interest</b>			
<ul style="list-style-type: none"> <li>○ Your local government provides services and facilities to communities with a similar community of interest.</li> </ul>			
<b>10. Optimal service delivery to community</b>			
<ul style="list-style-type: none"> <li>○ Your local government has the capacity to improve / increase service delivery in response to community expectation and associated demand.</li> </ul>			



## Attachment 1: Local Government Reform Checklist continued

Local Government Reform Checklist			
Guiding principles	Are these elements in place at your organisation?		Explanatory comment
	Yes	No	
<b>11. Membership of an effective regional grouping</b>			
<ul style="list-style-type: none"> <li>Your local government is a member of a regional grouping of two or more local governments to plan and deliver services regionally.</li> </ul>			
<ul style="list-style-type: none"> <li>Indicate your regional grouping preference, identifying participating local governments.</li> </ul>	N/A	N/A	Comment required.
<b>12. Previous Structural Reform</b>			
<ul style="list-style-type: none"> <li>Have you gained any benefits from structural reform measures taken with other local governments to date?</li> </ul>			Describe.
<b>13. Conclusion</b>			
<ul style="list-style-type: none"> <li>After completing the checklist, are you of the view that amalgamation or any other type of structural reform is necessary for your local government?</li> </ul>			Explanation required.

## **Attachment 2: Reform Submission – Local Government Advisory Board Criteria**

### **Local Government Advisory Board Criteria**

Consideration should be given to the following criteria for amalgamation, with particular emphasis on the first four.

#### 1. Community of interest

*Similarity in the characteristics of the residents of a community and economic activities*

Key considerations:

- Mechanisms introduced to ensure local identity and community representation is maintained under the new structure created;
- Communities of shared interests and facilities;
- Location of commercial and social infrastructure to create sustainable centres; and
- Regional matters of interest.

#### 2. 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; and
- Appropriate community interest in providing breadth and diversity to the composition of a local government council.

#### 3. 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; and
- Financial planning to respond to impacts of cost shifting.



## **Attachment 2: Reform Submission – Local Government Advisory Board Criteria continued**

### 4. 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; and
- Indicative savings expected from the proposal and ways the savings can be used to benefit the community.

### 5. 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; and
- Infrastructure and asset maintenance.

### 6. Demographic trends

*Appropriate planning for current and projected population characteristics*

Key considerations:

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

### 7. Transport and communication

*Identifiable transport linkages to support connectivity between regions*

Key considerations:

- Neighbouring towns' road and rail infrastructure;
- Telecommunication infrastructure; and
- Port access.

### 8. History of the area

*Historical community ties*

Key considerations:

- Historical links between neighbouring communities in adjacent local governments.

### 9. Physical and topographic features

*Structures and boundaries to facilitate the integration of human activity and common land use*

Key considerations:

- Catchment boundaries;
- Water features; and
- Coastal plain and foothills.