Shire of Broome Submission

Our Vision

A sustainable community that embraces cultural diversity and economic opportunity whilst nurturing our unique environment.

Table of Contents

Preamble ........................................................................................................................................ Page 3
Profile of the Broome ............................................................................................................. Page 5
Checklist Assessment Outcome ............................................................................................ Page 11
The Reality of Amalgamation ................................................................................................. Page 16
Recommendations .................................................................................................................... Page 19
PREAMBLE

The Minister for Local Government announced in February 2009, a structural reform strategy aimed at reducing the number of Local Governments in Western Australia (currently 139) by approx 30%. The Shire of Broome feels that the amalgamation announcement by the Minister for Local Government is aimed more at the smaller local governments located primarily in the Wheat belt Region and Western Suburbs rather than larger local governments that are considered sustainable under the SSS Report being undertaken by local government through the WA Local Government Association. Saying this, there is a strong commitment from the Shire to participate fully in the process ensuring that all considerations are met.

To facilitate the process of identifying and categorising potential council’s which could be amalgamated, the Department developed and implemented a structured approach. This process included the completion of a Checklist Assessment, discussions with neighbouring Council’s and a formal submission from the Shire of Broome presenting our position on structural reform across the Kimberley Region.

Why Amalgamate?

The Shires of Broome, Derby/West Kimberley, Halls Creek and Wyndham East Kimberley do not support the concept of amalgamation across the Kimberley. The four (4) local governments do however, proactively work together on high level policy, lobbying and information sharing where there are synergies between the four (4) local governments. This occurs through the Kimberley Zone of WALGA which meets three times per annum and on a wider level with an annual meeting of the Pilbara and Kimberley Councils.

Considering the size of the Region, the concept to amalgamate seems inappropriate with issues such as baseline communication, human interaction and community consultation, cost of travel, and communities of commonality over such a diverse and large area leading to conflicting policy determinations between communities.

When identifying Council’s that are ‘reform ready’, it would be necessary to consider local government servicing in an unemotional and synthetic form that simply analysed the business unit considerations of cost of service delivery based on units of productivity and legislative compliance. This approach could align with a case supporting a reform structure on a Kimberley wide basis, however, local government is about people and communities – building both social capital / capability and infrastructure. This level of government has always been geared towards direct
engagement for, and with communities, so as to provide a mechanism to lobby and influence the manner in which their community is formed and developed – civic engagement.

To remove or dilute this level of local government servicing in a region the size of the Kimberley would not provide for the natural justice considerations of the Kimberley communities which are very pluralistic in their own nature and complexity. For example, would the people of Broome be adequately serviced for base service delivery from an administration based in Kununurra or Halls Creek, would communities have the ability to influence policy and service delivery from such a remote local administration? What pressures would be put on elected members to represent the needs of communities of such a size? What real cost savings would be achieved regarding consolidation of services, centralisation and optimisation of community size?

In considering the mandate from the Minister for Local Government for reform and its impact on the Shire of Broome, Council is cognisant of the land area that the Shire of Broome and the Kimberley encompasses - which is approximately twice the size of the State of Victoria.

It seems imprudent that local governments the size of the Shire of Broome should consider amalgamating and see further remoteness in delivery or reduction of service levels to community especially when it is considered that Broome district is a sustainable local government with significant growth potential.

On balance, we do not favour amalgamations among the existing Kimberley local governments as we believe this will contribute to:

- Significant pressure being placed upon elected members to service their constituents across a vast, isolated and remote region resulting in a dilution of diverse community representation and disengagement from the community – ineffective governance.

- Limited increase in productivity and efficiency gains as a result of: service provision to remote communities and townships; distance, transport and mobility issues; accessibility; existing and proposed infrastructure / asset management – limited ability to streamline services, human resources or assets including plant and equipment.

- Disparity associated with the uniqueness of community – optimal community size cannot be determined when centralisation / devolution of administration, outsourcing and contracting would be linked to individual Shire’s capacity and capability to deliver standard and non-standard services.

The 4 local governments are currently demonstrating tangible regional partnerships through the Kimberley Zone (specifically the recently developed Kimberley Zone Strategic Plan), resource sharing and collaborative projects. This action is resulting in improved community outcomes and economies of scale whilst building upon the future capacity of the Region.
Profile of the Shire of Broome

The Kimberley covers 424,517 square kilometres and extends from the west coast of Western Australia south of Sandfire / 80 mile beach to the West Australian / Northern Territory border to the east; and the northern most part of Western Australia southwards to the Great Sandy Desert and the Pilbara region.

Kimberley Shires

Population Numbers and Makeup

The Kimberley has a population in excess of 34,000 people (current ABS figures are formally acknowledged as being under estimated) which equates to approximately 1.8% of Western Australia’s total population. This does not take into account the many fly in fly out mine/oil and gas workers in the region.

There are some 226 indigenous communities including many outstations throughout the Kimberley along with pastoral properties and cattle stations. There are 34 indigenous languages spoken in the region with approx 46% of the Kimberley population being Indigenous.
Isolation, Remoteness and Distance

Broome is 2,200 kilometres to the north of Perth. The distance between Broome and Kununurra (the most North East Kimberley town) is 1,047 kilometres.

The Kimberley region is classified ‘Very Remote Australia’, and is the most remote region in Western Australia and is in fact closer to South East Asia than it is to Perth. The six Kimberley towns are linked by the fully sealed Great Northern Highway. All other road networks - all unsealed, link up the indigenous communities, outstations and cattle / pastoral stations with the main highway, and are
the main network throughout the region. During the ‘wet season’ most of these roads are impassable at times due to flooding or are too wet for traffic to utilise.

The road infrastructure in the Kimberley is managed by several stakeholders being the State Government through the Department of Transport (Main Roads), the four Kimberley Shires and the numerous indigenous communities and pastoral stations.

The Kimberley population has experienced one of the fastest growth rates in any region of Western Australia between 1996 and 2006 and is expected to double by 2031 (source Kimberley Development Commission report ‘The Kimberley – an economic profile July 2008).

With the recent growth in mining and offshore oil and gas exploration in the region there will be considerable opportunities for increased development throughout the region. The increase brings an expectation that population increases could be significant. With limited infrastructure currently available there will be an urgent need to identify infrastructure requirements and the processes and funding capabilities of providing that infrastructure.

<table>
<thead>
<tr>
<th>RESOURCES - Mineral Production ($ Millions)</th>
<th>2003/04</th>
<th>2004/05</th>
<th>2005/06</th>
<th>2006/07</th>
<th>2007/08</th>
</tr>
</thead>
<tbody>
<tr>
<td>Broome</td>
<td>2.7</td>
<td>2.7</td>
<td>4.4</td>
<td>4.4</td>
<td>6.3</td>
</tr>
<tr>
<td>Derby-West Kimberley</td>
<td>83.5</td>
<td>94.0</td>
<td>98.9</td>
<td>163.4</td>
<td>683.7</td>
</tr>
<tr>
<td>Halls Creek</td>
<td>0.0</td>
<td>135.9</td>
<td>194.3</td>
<td>439.1</td>
<td>343.1</td>
</tr>
<tr>
<td>Wyndham-East Kimberley</td>
<td>505.1</td>
<td>575.6</td>
<td>646.1</td>
<td>578.8</td>
<td>511.4</td>
</tr>
<tr>
<td>KIMBERLEY</td>
<td>591.3</td>
<td>808.2</td>
<td>943.6</td>
<td>1,185.7</td>
<td>1,544.5</td>
</tr>
</tbody>
</table>

Source: Department of Mines and Petroleum

Social Pressures and Economics

A major challenge for the region and Broome due to its remoteness is lack of affordable accommodation to attract staff with high rentals, media house prices being $635,000 and the perceived negative impact on business through fly in fly out workers in the region.

The high cost of living in the region has caused significant social problems due to high property values and high rentals, both from a residential and a commercial perspective. Added to that is the high cost of freight in the region due to distance.

Over-crowding in rental properties, loss of some of the ‘local’ population due to being unable to rent or buy in the town or region is a common scenario with closure of some small businesses due to inability to attract staff or compete with the resources industry over wages paid and the price of accommodation being a constant threat (the latter is speculation from the Port Hedland/Karratha experience).
As the Kimberley is in a ‘cyclone prone’ area the building costs are approximately 80% higher than that of the metropolitan area (Perth). This escalates the price of building houses and commercial properties with an impact to rentals and values as can be seen by the following:

Current median property rentals and values

<table>
<thead>
<tr>
<th></th>
<th>Residential Rental</th>
<th>Residential sales</th>
<th>Retail rental</th>
<th>Office rental</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Per week</td>
<td>Per square metre</td>
<td>Per square metre</td>
<td></td>
</tr>
<tr>
<td>Broome</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>$750.00 – 800.00</td>
<td>$715,000.00 – 737,500.00</td>
<td>$320.00 – 400.00</td>
<td>$280.00 – 350.00</td>
</tr>
<tr>
<td>Derby</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>$250.00 – 300.00</td>
<td>$360,000.00</td>
<td>$150.00 – 200.00</td>
<td>$150.00 – 200.00</td>
</tr>
<tr>
<td>Halls Creek/ Fitzroy Crossing</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Non-existent</td>
<td>private market</td>
<td>Government or</td>
<td>Government or</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>indigenous rent</td>
<td>indigenous rent</td>
</tr>
<tr>
<td>Kununurra</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>$650.00 – 700.00</td>
<td>$497,000.00</td>
<td>$220.00 - $300.00</td>
<td>$220.00 - $300.00</td>
</tr>
<tr>
<td>Wyndham</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>$120.00 - 150.00</td>
<td>$200,000.00</td>
<td>Minimal properties available</td>
<td>Minimal properties available</td>
</tr>
</tbody>
</table>

(source Kimberley Property Valuers as at 24 September 08)

HOUSING - Regional Comparison of Median House Sales

<table>
<thead>
<tr>
<th>Town</th>
<th>2003</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Karratha</td>
<td>$235,000</td>
<td>$555,000</td>
<td>$689,000</td>
<td>$700,000</td>
</tr>
<tr>
<td>Broome</td>
<td>$290,000</td>
<td>$620,000</td>
<td>$715,000</td>
<td>$635,000</td>
</tr>
<tr>
<td>Port Hedland</td>
<td>$170,000</td>
<td>$400,000</td>
<td>$535,000</td>
<td>$586,250</td>
</tr>
<tr>
<td>Kununurra</td>
<td>$166,000</td>
<td>$347,500</td>
<td>$497,000</td>
<td>$480,000</td>
</tr>
<tr>
<td>Perth Metro</td>
<td>$299,800</td>
<td>$453,830</td>
<td>$462,000</td>
<td>$430,000</td>
</tr>
<tr>
<td>Mandurah</td>
<td>$186,000</td>
<td>$449,000</td>
<td>$424,500</td>
<td>$380,000</td>
</tr>
<tr>
<td>Albany</td>
<td>$166,125</td>
<td>$407,000</td>
<td>$413,000</td>
<td>$366,500</td>
</tr>
<tr>
<td>Bunbury</td>
<td>$152,000</td>
<td>$380,000</td>
<td>$370,000</td>
<td>$350,000</td>
</tr>
<tr>
<td>Geraldton</td>
<td>$126,000</td>
<td>$331,500</td>
<td>$352,500</td>
<td>$347,500</td>
</tr>
<tr>
<td>Derby</td>
<td>$127,500</td>
<td>$265,000</td>
<td>$360,000</td>
<td>$330,000</td>
</tr>
<tr>
<td>Kalgoorlie</td>
<td>$143,250</td>
<td>$260,000</td>
<td>$312,500</td>
<td>$327,000</td>
</tr>
<tr>
<td>Carnarvon</td>
<td>$100,500</td>
<td>$290,000</td>
<td>$292,500</td>
<td>$305,000</td>
</tr>
</tbody>
</table>

Source: Real Estate Institute of Western Australia
Councils within the Kimberley experience a low rate payer base due to the high indigenous population living in communities where rates are not charged (some grant funding is provided but this does not address the overall needs). With the Kimberley Region, in particular Broome, being a primary destination for tourists resulting in an increase in population by 40% to 50% for several months of the year (and growing), and demonstrating a rate payer base that is limited in capacity, poses unique challenges to the Shire of Broome.

**TOURISM**

<table>
<thead>
<tr>
<th>Overnight Visitors</th>
<th>Visitors</th>
<th>Nights</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intrastate</td>
<td>185,000</td>
<td>1,043,000</td>
</tr>
<tr>
<td>Interstate</td>
<td>116,000</td>
<td>1,277,000</td>
</tr>
<tr>
<td>International</td>
<td>45,400</td>
<td>486,300</td>
</tr>
<tr>
<td>Total Overnight</td>
<td>346,400</td>
<td>2,806,300</td>
</tr>
</tbody>
</table>

Source: Tourism WA – rolling average of the 2006 and 2007 years

<table>
<thead>
<tr>
<th>Overnight Visitors</th>
<th>Per Trip</th>
<th>Per Night</th>
<th>Total Spend (Millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic (Intrastate &amp; Interstate)</td>
<td>$656</td>
<td>$103</td>
<td>$210</td>
</tr>
<tr>
<td>International</td>
<td>$767</td>
<td>$90</td>
<td>$47</td>
</tr>
<tr>
<td>Total Overnight</td>
<td>$1,423</td>
<td>$193</td>
<td>$257</td>
</tr>
</tbody>
</table>

Source: Tourism WA – rolling average of the 2006 and 2007 year

Substantial portions of the Kimberley population, especially amongst the indigenous sector, are either unemployed, on CDEP or socio economically disadvantaged. As the region has a large indigenous component – approximately 46% of the population, there is significant opportunities in economic development through indigenous culture, arts and indigenous tourism.

Due to low employment participation – the Shire of Broome recognises that creating employment opportunities through provision of infrastructure and new industry development will help reduce the socio-economic disadvantage. It will also have a flow on effect by attracting more people (workers and their families) to the region and thereby creating a need for further infrastructure that will benefit the community. This is being addressed in the revised Draft Strategic Plan.

**LABOUR FORCE AND UNEMPLOYMENT**

<table>
<thead>
<tr>
<th>Local Government Area</th>
<th>Unemployment Rate</th>
<th>Labour Force</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Dec-05</td>
<td>Dec-06</td>
</tr>
<tr>
<td>Broome</td>
<td>4.6%</td>
<td>4.2%</td>
</tr>
<tr>
<td>Derby-West Kimberley</td>
<td>4.5%</td>
<td>4.2%</td>
</tr>
<tr>
<td>Halls Creek</td>
<td>18.8%</td>
<td>11.3%</td>
</tr>
<tr>
<td>Wyndham-East Kimberley</td>
<td>6.1%</td>
<td>4.9%</td>
</tr>
<tr>
<td>Total Kimberley</td>
<td>6.2%</td>
<td>5.0%</td>
</tr>
</tbody>
</table>

Source: Department of Education, Employment and Workplace Relations
The Kimberley’s gross regional product in 2007/08 was $1,778m which represents 1.2% of Western Australia’s Gross State Product. Between 1998/99 and 2007/08 Gross Regional Product increased by 119%.

**Environmental**

The terrain ranges from sandy coastal areas in some parts to rugged ancient sandstone escarpments, with little or no soil nutrient. Some coastal and inland northern areas are rich in soil conditions, e.g. Kununurra - making horticulture a viable industry. Inland areas are sparsely vegetated with sandy red pindan soils which are adequate for growing produce when water supplies are sufficient. The main challenge for horticultural activity in the Kimberley is supply chain with distance to market a major impediment.

A substantial amount of the Kimberley region is taken up by cattle and pastoral stations with most of the cattle being exported live overseas. There are no abattoirs in the region to value add to the production and with transport costs significant, the meat cattle industry becomes less viable.

The Kimberley experiences two seasons – the ‘dry or winter season’ and the ‘wet, summer or cyclone season’. The main focus in the dry season – May to November is tourism, with intrastate, interstate and international tourists visiting the region in vast numbers; whilst the wet season – November to May is a period of extremely high humidity, cyclones and substantial rains causing much of the region to be un-traversable and inhospitable.

The Shire of Broome works in unison with other Local Governments, regional councils and stakeholders (both community and business) to have a Plan For The Future which highlights and identifies the priorities for the Shire as well as linking to regional issues.

(Extract used with permission from Kimberley Development Commission, *The Kimberley, An Economic Profile October 2008* and *A Kimberley Snapshot 2009*).
Checklist Assessment Outcomes

Late July 2009, the Shire received the outcome of the Checklist Assessment (refer Attachment 1) against the standardised criteria, with the Shire assessed as a Category 2 rating which is 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.*

The assessment of the Shire’s checklist and associated documents identified several key strengths, in particular:

- Demonstrated high community participation in both standing for, and voting in, local government elections;
- Demonstrable evidence of a strategic human resources approach to employee training and development; and
- Demonstrated ability to efficiently process building applications and meet statutory reporting requirements.

Areas for improvement include:

1. Limited detail / strategic direction in the Plan For The Future
2. Deficit projected for the third year of the projected budget
3. Further work required for the staff attraction and retention policy – this was noted as ‘work in progress’
4. Limited evidence of a corporate policy to attract employment and investment to the district
5. Limited examples of partnerships negotiated with the Commonwealth Government and the private sector to attract investment and facilitate local government growth
6. Limited evidence of existing environmental policies and plans in place and the integration of same into corporate planning
7. No evidence to substantiate financial capacity to resource optimal service delivery
8. Limited evidence of participation in formalised regional partnerships to coordinate regional service delivery.

Understanding that the assessment process is somewhat prescriptive, the Shire of Broome has addressed each of the points raised requiring improvement and wishes to highlight that there is significant demonstrable evidence to suggest that performance of the Shire including current and future financial obligations, service delivery and organisational capacity is strong with areas requiring improvement and/or review being acknowledged and planned for.
**Assessment Checklist Outcomes – areas for improvement:**

<table>
<thead>
<tr>
<th>ASSESSMENT OUTCOME</th>
<th>SHIRE OF BROOME RESPONSE AND CURRENT ACTIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Limited detail / strategic direction in the Plan For The Future</td>
<td>• New strategic plan being developed – commenced late 2008. Draft Plan developed Sept 09. Includes numerous supplementary plans: ie Community Development Plan, Local Planning Strategy and extensive Major Projects Schedule (all projects are considered in the Long Term Financial Plan).&lt;br&gt;• The new Draft Strategic Plan is aligned with other regional plans ie Kimberley Zone Strategic Plan and asset management plan. Service plans in place and revised annually.&lt;br&gt;• In relation to future direction, the State would be aware that the Shire of Broome is being significantly impacted upon by a large scale Kimberley LNG proposal. The State is preparing a Social Impact Assessment for the Shire which is an international best practice document with peer review that forecasts district growth and impacts. It is important to highlight that the Shire of Broome is the approximate size of Tasmania and projects of this magnitude will have a significant impact socially, economically and environmentally both to the town site of Broome and the 86 Indigenous communities also located in the region.&lt;br&gt;• Considering the likely impacts of the Oil and Gas development and past experiences of local authorities in the Pilbara and the South West, the capacity of the Shire of Broome will be tested during any construction phase assumed in three (3) years time. Representations have been made to a special hearing of the Grants Commission in Broome and directly to the Minister for Local Government in relation to these impacts including a recommendation for a due diligence report into the current internal capacity of the organisation and forecasted impacts. Advice has subsequently been received from the DLG supporting a capacity audit.&lt;br&gt;• It is disappointing to note that the assessment panel has not considered a social planning component in its considerations and the interaction between social planning and land-use in accordance with triple bottom line reporting. The Shire of Broome is developing such a plan in a leadership role for regional Western Australia and this investment in the future of the region should be recognised.</td>
</tr>
<tr>
<td>2. Deficit projected for the third year of the projected budget</td>
<td>• Financial Estimates – The Shire of Broome is rated as one of the most sustainable local governments in Western Australia by Access Economics (refer attachment 2 - report auspiced by WALGA). Financial ratios and performance are well above benchmarks with the trend showing continuous improvement. Projected budget deficit is a conservative, ‘worst case’ scenario. With the impending new strategic plan and the ongoing modeling associated with asset management (Broome is actively participating in the West Australian Asset Management Improvement Program WAAMI), along with an alignment of capital works with the draft strategic plan, the Shire is ensuring that sound financial management and financial policy will deliver a sustainable outcome.</td>
</tr>
</tbody>
</table>
1. With the development of the next iteration of the Plan For The Future, amendments will be made to the Long Term Financial Plan. Conservative estimates are included in the Plan for forecasting purposes only to ensure that future scenario planning, risk management, capital works and local economic trends and developments are continually monitored and considered.

Recent financial audits demonstrate a positive trend in performance with no material adverse financial practices or results.

2. The Shire of Broome is finalising the Human Resource Strategic Plan which comprises of 4 key result areas of: Performance and Motivation; Workforce Planning; Compliance and Organisational Development.

The Shire of Broome recently reviewed the Staff Housing Policy 2008, effective 1/1/09 resulting in an increase in staff subsidies.

The Shire of Broome is currently developing the Staff Attraction & Retention Plan which will outline the key motivations of the workforce and corresponding actions. This will include: training and personal development, front line management, communications plan, remuneration and performance management including succession planning. Informing this plan is the recently conducted Staff Cultural Survey (2008) and staff workshops (2009) aimed at improving workplace culture and performance.

New Salary Packaging Policy introduced 2008. The Shire is one of only a few Shires that provide a comprehensive salary sacrificing option to complement individual remuneration requirements.

Provision of additional 3% superannuation contributions from employer.

Financial support for tertiary and other education and personal development.

Introduction of workplace family friendly practices such as compressed working hours and flexible hours.

3. Further work required for the staff attraction and retention policy – this was noted as ‘work in progress’

4. Limited evidence of a corporate policy to attract employment and investment to the district

The Shire does not have a documented policy on economic development and growth although through the partnership arrangement with the Kimberley Zone of Councils and other peak bodies such as the Kimberley Development Commission and the Kimberley Area Consultative Committee, numerous actions demonstrate actions supported by the Shire of Broome aimed at local investment and employment. There has also been a long standing practice of using differential rating as a significant means of leveraging tourism promotion to aid economic development.

The Kimberley Zone of Councils has developed an economic development plan and visionary strategic plan independent of the reform process for their communities. The Department of Local Government should note that when addressing regional economic development that there may be a legislative conflict with this statement unless over ridden by individual local governments in accordance with section 3.18 of the LGA.
As the then Department of Local Government and Regional Development had established Regional Development Commissions under separate legislation with a primary objective of economic development.

To advise of such process in the reform package can indicate a conflict with a service already being provided by the State. It is recognised however that the State has failed to adequately fund these Commissions which has led to marginal development of their objectives. Therefore the process is seen to shift costs to local government.

- The Shire is actively involved in the Kimberley Region Economic Development Plan endorsed by the four (4) Kimberley local governments.
- The Shire is a key member of Commonwealth driven Kimberley Steering Committee on Education, Employment and Training.
- The Shire of Broome is working proactively with State Government and the Resources Sector to ensure local employment is achieved as well as a clearly defined indigenous employment strategy. There are tangible examples of this occurring already.
- The Draft Strategic Plan recognizes the critical role of economic development and highlights future action.

The Shire of Broome participates in numerous partnerships both public and private with key projects highlighted below:

- The 4 Kimberley Shires recently submitted a partnership submission to Main Roads WA for the Kimberley ISA. The submission was declined apparently on the basis that collaborative joint ventures amongst local government do not have whole of government support.
- The Shire of Broome is currently liaising with state agencies and the private sector to develop a RREIP (Waste Management Facility) for the township of Broome that involves the relocation and development of a new waste management facility for the Shire.
- Key member of Commonwealth driven Kimberley Steering Committee on Education, Employment and Training.
- Planning for population growth includes planning for the provision of necessary infrastructure and services required for future generations. Extensive consultation is taking place for this at the moment. The Department of State Development is preparing a Social Impact Assessment relating to the proposed Gas Precinct at James Price Point which contains extensive detail of existing and projected population figures providing a rigorous basis for planning and provision of services for the future. Land availability across the Shire of Broome is unsatisfactory being well below the level necessary to ensure availability of affordable residential housing.

Refer to hotlink below (document is 160 pages)
• Another major partnership project currently being undertaken is the Broome North Development which will provide accommodation for future growth (projections forecast up to 100% increase in population growth over the next 10 years). This is a significant community project with Landcorp and numerous other government and private sector agencies partnering up to plan, consult and deliver a new housing precinct that includes the release of over 5000 new lots. (refer Attachment 3).

• Significant capital works projects including the Performing Arts Centre and the Sports Pavilion are recent examples of leveraged partnerships across various sectors.

6. Limited evidence of existing environmental policies and plans in place and the integration of same into corporate planning

• The Shire of Broome has employed an Environmental Planning Officer (commenced 2009) to assist in reviewing environmental management policies, supporting key initiatives including waste management and assessing environmental considerations.


7. No evidence to substantiate financial capacity to resource optimal service deliver

This statement is ambiguous as optimal service delivery is an outcome of alignment of strategy, resources and community expectation, and optimal community size.

As outlined, the Shire has proactively initiated the following actions aimed at service excellence and business optimization:

1. an internal capacity review (current project which examines the capacity of the Shire of Broome in relation to future service delivery funded in partnership with DSD).
2. development of a draft Plan For The Future (revised version of the current strategic plan)

• The Long Term Financial Plan is reviewed annually commencing 25 Sept 2009 and contains reserve fund projections.

• The WALGA Systemic Sustainability Report states that ‘the Shire of Broome is a highly sustainable local government with significant growth potential’.

• Surplus/deficit projections for years 2-5 will be balanced against strategic intentions.

• Strong evidence demonstrates a focus on leveraging and attracting additional funds to support projects and initiatives (Town Beach Water Park, Performing Arts Centre)

• Active and significant financial support for Indigenous and Multicultural events and initiatives
| 8. Limited evidence of participation in formalised regional partnerships to coordinate regional service delivery. | • Recent VG valuations has resulted in a revised rates model being implemented in addition to a new waste management levy to assist with future funding of the new waste management facility. This has resulted in a decrease in the trend of annual rate increases and minimum residential rates being held at below $900.00 p.a.  
• Numerous regional partnerships facilitated through the Kimberley Area Consultative Committee and the Kimberley Development Commission.  
• The Shire of Broome provides significant Tourism Sector funding and support for destination marketing and tourism servicing. In addition to this, the Shire has engaged stakeholders from the tourism industry and ratepayers in integrated planning and remodeling of service delivery.  
• Currently preparing the Local Planning Strategy and reviewing the Town Planning Scheme in partnership with State Government.  
• Broome North Project – a significant and critical land development project undertaken in partnership with Landcorp.  
• Kimberley LNG Project  
• Kimberley Zone Strategic Plan – economic development, social development, environment and governance. This Plan comprises of collaborative strategies for the Kimberley and Christmas Island.  
• Lead Member of Structured Regional Library Grouping which provides training, resource sharing, outreach services, regional visits and phone support for administration duties. |

**The Reality of Amalgamation**

**Governance**

Considering the size of the Region the concept to amalgamate seems inappropriate due to the tyranny of distance, mobility, accessibility, effective and meaningful communication, community identity and representation being retained/improved and not only the number of councillors required to govern effectively, but the realistic expectation on the Councillors to service such a vast area.

The possibility of loss of community engagement through a centralised administrative point in the Kimberley would be a real threat as well as the ongoing need to retain operational sites within the townships. Transport to and from Regional areas for elected members would be costly and road infrastructure is very poor in some areas. While provisions exist for teleconferencing of Council meetings this would not be the preferred communication mechanism for some committees.

Acknowledging the diversity of communities and townships across the Kimberley (some communities of the Kimberley region have been identified as having high levels of social disadvantage), consolidating services would leave some communities feeling isolated and unable to
influence the policy and decision making process. The value of face to face engagement and the presence of local representation is crucial to maintaining effective two-way communications and LG is already under considerable criticism (whether reality or perception) on the performance of community engagement and consultation.

The areas of the four local government districts (and, for comparison, of three Australian states) are shown in Table 1 below:

**Table 1 – Area of Kimberley Region and States**

<table>
<thead>
<tr>
<th>Area (km²)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Shire of Broome</td>
<td>55,796</td>
</tr>
<tr>
<td>Shire of Derby-West Kimberley</td>
<td>104,080</td>
</tr>
<tr>
<td>Shire of Halls Creek</td>
<td>143,030</td>
</tr>
<tr>
<td>Shire of Wyndham-East Kimberley</td>
<td>117,514</td>
</tr>
<tr>
<td>Kimberley Region (Total)</td>
<td>420,420</td>
</tr>
<tr>
<td>State of Tasmania</td>
<td>68,000</td>
</tr>
<tr>
<td>State of Victoria</td>
<td>227,416</td>
</tr>
<tr>
<td>State of New South Wales</td>
<td>802,000</td>
</tr>
</tbody>
</table>

As can be seen from the table, the Kimberley region is nearly twice the size of Victoria and consequently, the cost of administering the local governments is relatively high (as acknowledged by the WA Local Government Grants Commission in its disability calculations). Economies of scale would not necessarily be achieved due to the uniqueness of each Shire, programming and community expectation.

**Boundary Adjustments**

Optimising community size and understanding the capacity and capability of the LG to deliver services to constituents – what is the ideal size or optimal area as one size does not fit all. Services are demand driven and regional services need to be delivered at a regional level. When considering boundary adjustments, economies of scale must be included as the expansion of provision of services by LG, along with the diversity of services and the non-characteristic cost to serve will need to be considered.

It is stated that council mergers will provide economies of scale and they may for some services, but what also occurs is the netting of diseconomies of scale associated with service provision due to non-standardisation and the ‘demand’ aspect of services unique to each community. Unfortunately, there is no defined optimal area due to local governments delivering different municipal product.

When considering the size of the municipality, outsourcing and shared services also has a significant impact on service provision therefore once again highlighting that optimal area is not the question but more of capacity and capability to deliver/facilitate and what external variables need to be considered that could either impede delivery or enhance delivery.

Through the adjustment of boundaries and amalgamation of Shires’, public and citizen perception could be that access to elected members is reduced, as is accountability and transparency of Council.
The gap between constituents and the Council may widen with less meaningful communication and consultation occurring.

**Regional Partnerships/Grouping**

Although not supporting amalgamations, the 4 Kimberley Regions are focused on productive regional partnerships. For example, Regional Councils, Kimberly Zone of Councils and even administration mechanisms such as the Northern Branch of the LGMA, all provide platforms for the region to develop collaborative partnerships and strategies. Partnerships with State and Commonwealth Government to improve service delivery and positively influence local economies through service and funding partnerships are also a main focus with opportunities constantly being sourced and leveraged. Projects such as the Bilateral Agreement on Indigenous Affairs (Commonwealth, State and LG) is one example. Future opportunities could also comprise of:

1. works/contracting (ie Hot Asphalt Plan)
2. tendering
3. training and education ie TAFE and universities

**Devolution vs Centralisation**

Amalgamations and/or strategic partnerships, aim for increased capacity of the LG. Key areas where capacity can be enhanced include asset management (and maintenance), financial and compliance performance, attraction and retention of staff and planning for the future (strategy and resource allocation).

Although larger Shire’s tend to have more expertise (specialists) and resources, it is usually relevant to service delivery and demand, with smaller Shires able to achieve productivity/efficiency gains by pooling resources, joint procurement etc. What benefits would be gained if amalgamations occurred in the Kimberley? Improvements would most likely be in the areas of shared services - IT, finance and compliance, risk, human resources (including payroll, training and development and OSH), administration etc – back office functions.

Each local government would be required to retain plant and equipment and depot facilities staffed by personnel. Local service centres for the area would need to be developed (hub and spoke model) requiring an agreed level of local administration and service provision ie what resources would be required at the local level to service unique municipal product.

Shared services or centralisation is already occurring ie the Shire of Derby-West Kimberley provides building approval services to the Shire of Halls Creek on a fee-for-service basis. The expansion of planning approvals, environmental health and centralised co-ordination of engineering services are areas that are open for exploration and could deliver cost savings and efficiencies without the complication of amalgamation.
Financial Performance

The Shire of Broome is currently participating in several key projects which will continue to build upon the already recognised sound financial performance and sustainability of the Shire. This includes:

- **Asset Management**: Ongoing participation in the WAAMI Program resulting in improved financial forecasting and preparation of key asset management plans, lifecycle costing associated with new assets and asset renewal, long term asset renewal planning and funding and revised service levels.

- **Rating**: Review of unimproved land valuations to gross rental valuations resulting in a fair and equitable model of differential rating for rural properties.

- **Systems and Process**: Independent review of the Shires’ financial systems and financial sustainability. This project aims to build upon the outcomes of the Access Economics Report and support the Draft Strategic Plan ensuring the following:
  - revenue maximisation
  - service delivery optimisation
  - measured performance i.e. effective reporting / key performance indicators

- **Organisational Capacity Review**: An internal capacity review which examines the capacity of the Shire of Broome in relation to future service delivery - funded in partnership with DSD.

Recommendations

The Shire of Broome does not support the amalgamation of Shires within the Kimberley due to the following:

1. **Community of Interest**

   Acknowledging the local history, culture and characteristics of Broome, the uniqueness of the local identity and the social and economic infrastructure, *the Shire believes that size/area of the community is currently optimised and capability and capacity of the Shire to deliver services is satisfactory.*

2. **Local Government Viability**

   The Shire is reviewing its current rural rating model and has implemented the Asset Management Strategy. Integrated Long Term Financial Planning has commenced which will underpin the revised Strategic Plan. Staff attrition rates have stabilised to market trends.

   Although operating with a relatively small rate base, service delivery is maintained at a satisfactory level with essential infrastructure and planning – such as industrial and residential land releases and RREIP (waste management facility) included in forward planning.
The diversity of experience, background and ethnicity of the 9 elected members provides a broad based composition of Council which is reflective on our community.

*Current financial performance and independent assessment and audit demonstrates that the Shire of Broome is financially sustainable with adequate business systems, governance and administrative processes.*

3. Effective delivery of LG services

Service delivery is being reviewed on an ongoing basis to ensure that goals of the Strategic Plan are achieved as is community expectation. The process is formal and structured.

Service levels are also being reviewed to ensure resource allocation is optimised. Where possible, cost shifting is identified and addressed accordingly. Increase in revenue, reduction of service level, cessation of the service and risk management are criteria utilised to determine outcome.

*The Shire of Broome, although the largest Shire in the Kimberley, demonstrates the ability to be flexible and respond to community demand and will continue to utilise the planning and administration processes to guide future service delivery and the change management process.*

4. Financial Assessment

The Shire’s current business practices include key financial systems and processes which are continually reviewed and enhanced. This includes:

- Asset Management
- Rating Model
- Capacity Review
- Revenue Optimisation

*This aims to increase financial resources and improve performance overall.*

5. Economic Factors

The profile of the four Kimberley Shires is very different and coupled with the tyranny of distance, would foster diseconomies of scale due to specific characteristics and community expectation.

Broome has the largest population of all four Kimberley Shires and the lowest indigenous population of approximately 32%.

Industry is more diverse across the Shire of Broome, as is the history and culture. Tourism is a key sector providing significant leverage opportunities for local businesses. Economic growth and industry development such as LNG will have a major impact on the Shire of
Broome and will consume LG resources as the Shire responds to economic, social and environmental change.

*The Shire of Broome understands the diversity of issues specific to each major Kimberley township and the requirement for local knowledge and an ability to respond effectively, efficiently and in a timely fashion.*

6. Demographic Trends

The Shire of Broome has projected, and is planning for, major growth (100% increase in 10 years) with residential land release (Broome North) scheduled for 2010 which will provide capacity to respond to this growth.

*Provision of infrastructure, housing and services for a growing and diverse population including the development of LNG operations, is a key priority for the Shire.*

7. Transport and Communications

With remoteness and size being two key variables, maintaining satisfactory levels of road infrastructure is a constant challenge for the Shire.

Utilising asset management principles and life cycle planning, and alignment with grant funded projects, ensures that the Shire has an adequate renewal plan for road infrastructure.

With planning currently being undertaken by various stakeholders in relation to the Port Authority, several major projects will emerge taking into consideration LNG development fifty kilometres north of Broome and the role the Port Authority will take in accommodating a gas hub whilst responding to general Shire growth and port activity.

*The Shire maintains a strong position regarding responsibilities and advocacy, demarcation and legislative requirements.*

8. Physical and Topographic Features

With the anticipated conclusion of the Native Title negotiations, the Shire of Broome will be involved in discussions around the planning, development and maintenance of coastal facilities in and around Broome. Other significant areas that the Shire is planning for which are unique to the area include water quality, future water supplies, RAMSAR sites, catchment data, climate change and cyclonic events.

*The Shire has already undertaken preliminary planning in preparation for this and with stakeholders will develop a Coastal Management Plan.*
In closing, the desired outcomes of structural reform is a strong, sustainable local government. Benefits flowing from this are numerous such as increased capacity, improved financial management, improved productivity, staff retention and greater capacity to partner with stakeholders to improve service delivery.

The Shire of Broome believes that our strategic direction, financial performance and capacity of the organisation to respond to, and deliver services to the district, are well managed and sustainable. We acknowledge areas for improvement and have plans in place for action. Council, with the support of both public and private sectors, is participating in major strategic and economic projects with demonstrated success.

Council does not support amalgamations across the Kimberley as characteristics of the Shires, distance and community optimisation prevents structural reform. What can occur across the Kimberley is further exploration of collaborative partnerships, shared services (back office) and o