

10 March 2014

Local Government Advisory Board
GPO Box R1250
Perth
6844

Metropolitan Local Government District Inquiries

The Property Council of Australia welcomes the opportunity to comment on the proposals received by the Local Government Advisory Board (the Board) on new local government boundaries in metropolitan Perth.

The Property Sector and Local Government

The Property Council is the peak industry body representing a broad spectrum of businesses that own and develop property, manage buildings and provide property consulting services. The property sector in Western Australia directly contributes approximately \$21.1 billion to gross state product and employs more than 203,000 full time equivalent employees.

Interactions between Property Council members and local governments traverse planning processes, development assessments, building licences and the provision of infrastructure. Further, a significant proportion of local government revenue, upwards of \$1.1 billion in 2009/10, is leveraged from property related services.

Local Government Reform

As local governments are important stakeholders for the property industry, the Property Council has been a consistent and constructive voice in the debate for reform. The Property Council has made substantial submissions to the Metropolitan Local Government Review process, as well as making comment on the final recommendations of the Review.

Throughout the Review process, the Property Council has consistently advocated for the reorganisation of Perth's local government framework to create larger councils that are better resourced to deliver timely, competent and accountable services to the property sector. The Property Council maintains that the State Government's strategic planning framework based on metropolitan activity centres provides an excellent framework for

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local government in the Perth metropolitan area. Rearranging local government boundaries around identified activity centres would ensure that important social and economic geographic areas as well as key employment areas are maintained.

The Property Council has evaluated the proposals received by the Board against two sets of criteria. First, proposals were evaluated on their ability to deliver timely, competent and accountable services to the property sector. Second, the proposals were evaluated on their ability to aggregate important social and economic areas, such as defined Activity Centres, identified in the state strategic planning framework.

General Comment on Proposals:

The Minister for Local Government Proposals Numbered 2/2013 through 11/2013

There has been relatively little change in local government structures in Perth in the last fifty years and it is, therefore, imperative that local governments are restructured to cope with growth and development demands of the 21st century. The Property Council does not wish to comment on the individual boundary proposals. That said, the Property Council evaluated each proposal and determined that those submitted by the Minister for Local Government [the Minister] numbered 2/2013 through 11/2013 offered the best opportunity to restructure local governments to meet the growth and development demands of the State.

Currently, the numerous small and disparate councils are a significant issue for the property sector. Perth only has 12.3% of Australia's capital city population, but it accounts for 22.4% of capital city councils. The average capital city council in Australia supports a population of 103,090, while the average council in the Perth Metropolitan area only supports a population of 56,667. A sheer reduction in the number of local governments would deliver the scale needed for effective government systems. Further, smaller councils tend to be poorly resourced, which leads to a lack of consistency across local governments.

The Property Council, therefore, supports the Minister's proposals 2/2013 through 11/2013 to reduce the number of local governments operating in the Metropolitan region from 30 to 15. A reduced number of larger local governments would increase the commercial viability of each government due to a strong resource base and will allow for more effective and consistent delivery of local government services across the metropolitan region. The Minister's proposed local government boundaries are also best suited to operate alongside the Development Assessment Panels and the Metropolitan Redevelopment Authority, which are held in regard by the property sector, to improve planning and development processes.

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**The Minister for Local Government Proposal Numbers 1/2013 and 12/2013 and
City of Perth Proposal Number: 14**

As the capital city, the City of Perth boundaries require particular attention. The Property Council maintains that the Perth City boundaries need to support a vision of a global city. A global city is one that attracts multinational corporations and major financial institutions, offers employment diversity, high quality educational institutions and supports key capital city infrastructure such as medical precincts, sporting grounds and entertainment facilities.

The Property Council, therefore, supports the City of Perth's boundary proposal (Number 14) to guarantee a high density urban environment with a strong focus on business, entertainment and retail. The Property Council believes that it is in the State's best interest to incorporate strategically important key infrastructure such as the New Perth Stadium, the Crown Complex, University of WA, QEII Medical Centre, Kings Park and the Leederville commercial centre in the City of Perth boundary. Placing strategic infrastructure under the control of one local government is critical for the provision of integrated local government services and more uniform delivery of transport planning, events management, tourism related activities as well as more strategic asset management and investment.

The viability and success of the City of Perth is due to the historic review of its boundaries. The *City of Perth Restructuring Act 1993* refocused the City of Perth's attention on commercial and high-density residential activity by reallocating low-density suburban areas to other councils. To reintroduce large areas of low-density residential housing would undermine the City of Perth's ability to deliver specialised commercial and high-density residential services. The needs of the Town of Vincent; a predominately low-density residential area, would be better served by neighbouring Councils opposed the City of Perth.

The Property Council of Australia believes that the City of Perth's proposed boundaries should prioritise the delivery of commercial and high-density residential services that facilitate the growth and development of property businesses operating in the Capital City.

Concluding Remarks

The Property Council would like to reiterate the urgent need to reorganise local government boundaries to better suit the growth and development demands of the State. The Property Council maintains that larger local governments would be better resourced to deliver timely, competent and accountable services to the property sector and the Western Australian community more broadly. For this reason, the Property

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Council of Australia supports the Minister's proposals 2/2013 through 11/2013 and the City of Perth's proposal numbered 14.

The Property Council is looking forward to the Board's final recommendations to the Minister and as such urge your attention to the comments outlined in this submission.

If you would like further information on this submission please contact:

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Yours Sincerely,



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