

18 December 2007

OUTCOMES OF THE KENSINGTON BOUNDARY REVIEW

Division Office of Chief Executive

Presenter Geoff Lawler, Acting Chief Executive

Purpose

1. To inform Council of the outcomes of the review into the boundary between the municipal districts of the Melbourne City Council and the Moonee Valley City Council in the suburbs of Kensington and North Melbourne.

Recommendation from Management

2. That Council note:
 - 2.1. the outcome of the Kensington Boundary Review; and
 - 2.2. that the Administration will commence negotiations with the Moonee Valley City Council regarding the transitional arrangements for the transfer of assets and services in the area to be assumed by the Melbourne City Council.

Key Issues

3. In July 2007 the Minister for Local Government, Richard Wynne MP, appointed the Local Government (Kensington Boundary Review) Panel ('the Panel') to conduct a review the municipal boundary between the cities of Melbourne and Moonee Valley at the suburb of Kensington.
4. At its meeting on 28 August 2007 Council resolved to support the reunification of the suburb of Kensington and its inclusion in the municipality of Melbourne and the transfer of the section of North Melbourne currently under the municipal authority of Moonee Valley to the City of Melbourne.
5. On Wednesday, 12 December 2007 the Minister for Local Government announced that he had decided to alter the boundary between the two councils in the area as shown in attachment 1.
6. The Minister's decision was consistent with Melbourne City Council's submission and the new boundary will be Racecourse Road with the exception of the strip shopping centre between Eastwood Street and Rankins Road in Flemington.
7. In making the decision the Minister accepted the Panel's views that the current municipal boundary has unreasonably fractured the communities in both suburbs and has served to act as a barrier against those communities from adequately engaging with and holding one council accountable.
8. On 13 December 2007 the Transition Order (the "Order") relating to the boundary change was published in the Government Gazette.

9. The Order provides for a number of arrangements considered necessary as part of the boundary alteration. They include the following:
 - 9.1. both councils must come to an agreement on the apportionment, settlement, transfer, adjustment or determination of any property, income, assets, liabilities, expenses, staff or other matters in relation to the annexed area within ninety days of 1 July 2008;
 - 9.2. both councils must also enter into a memorandum of understanding for ongoing liaison for the purpose of identifying joint approaches and actions to address any issues of common concern in relation to:
 - 9.2.1. the North Melbourne public housing estate and Flemington public housing estate; and
 - 9.2.2. parking and other issues affecting residents around the south side of the Racecourse road retail centre;
 - 9.3. Melbourne City Council must over the next three financial years, cap its general rates levied on non-residential properties in the annexed area within set limits, to enable those properties a reasonable transition period to absorb projected rate increases; and
 - 9.4. all council-owned property within the annexed area vests in the Melbourne city council, with the exception of the car park at the rear of the Flemington Library in Racecourse Road, which will enable Moonee Valley City council the option of retaining control of this land in conjunction with the Racecourse road retail centre.
10. The Order also includes a number of other transitional arrangements in relation to planning, rating, enforcement and proceedings.
11. The effect of the Minister's decision on the City of Melbourne's population results in an increase by approximately 4,700.

Time Frame

12. The date of effect of the boundary change is 1 July 2008. Council's Administration will commence negotiations with the Moonee Valley City Council to ensure a smooth transition of assets, services and responsibilities.

Relation to Council Policy

13. The decision is consistent with Council's City Plan Strategic Objective of an 'Inclusive and Engaging City'

Consultation

14. The Panel received 479 individual submissions in addition to a petition containing 195 signatures and submissions from Moonee Valley Council and the City of Melbourne.
15. The Panel's report titled Review of municipal boundary in Kensington and North Melbourne (the "Report") has been separately circulated to Councillors and is available on Local Government Victoria's website.

Finance

16. Whilst no detailed financial implications have yet been considered the report indicates that property rates collected from the annexed area will be approximately \$2.8 million and that this is close to the estimates of net expenditure in the area.

17. The report acknowledges that one-off transition costs will be incurred in the annexure of Kensington/North Melbourne to the City of Melbourne.

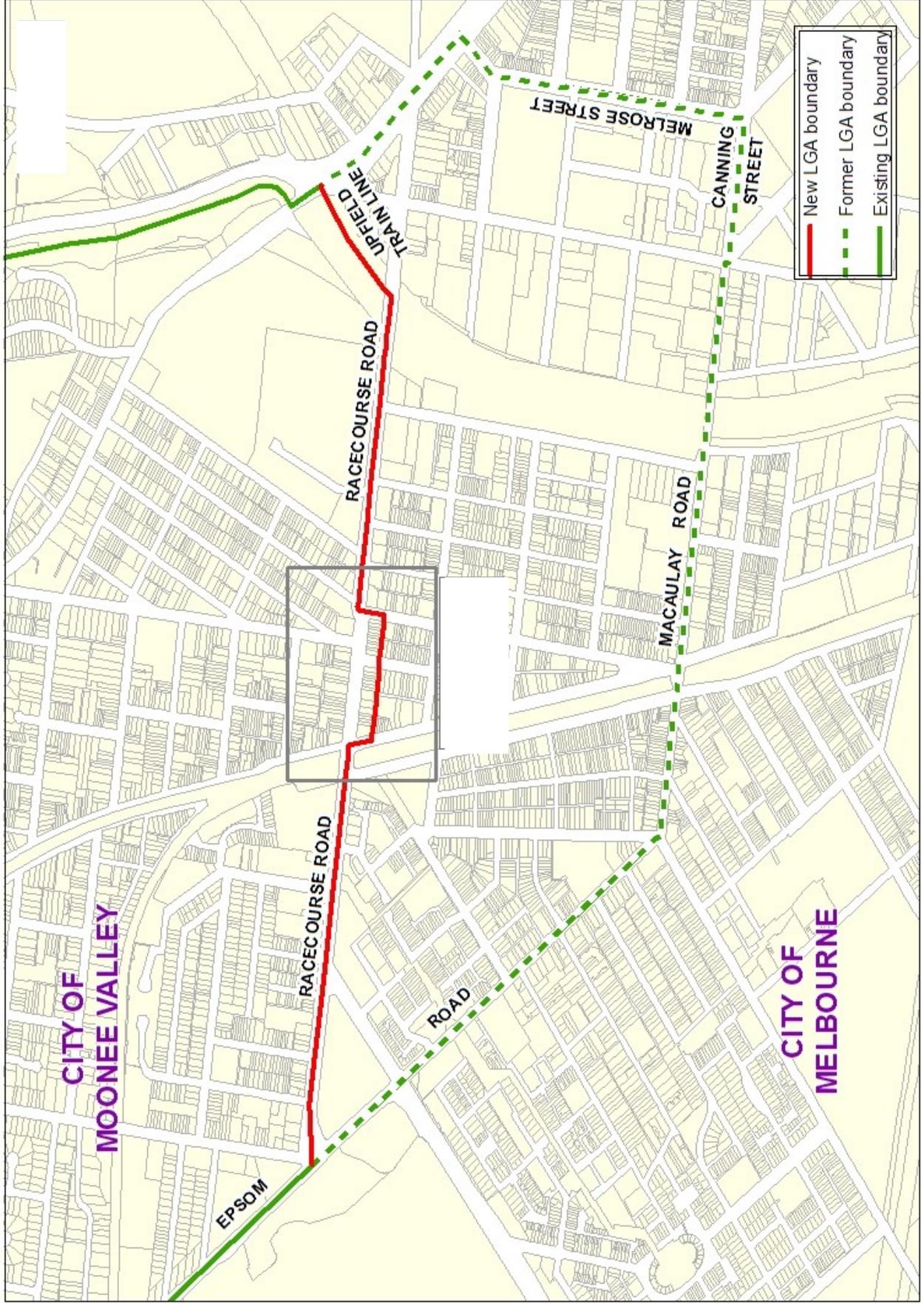
Legal

18. Legal advice will be provided as required in the course of implementation of the boundary change and the transition orders.
-

Attachment:

1. Altered Municipal Boundary Map

Altered municipal boundary (from 1 July 2008)



FINANCE ATTACHMENT

OUTCOMES OF KENSINGTON BOUNDARY REVIEW

A full financial impact of the change in municipal boundary is unable to be provided at this time. It should be noted however that it will result in additional revenue and expenditure to the Council, the extent of which cannot be assessed without reviewing in full the impact of the Order in Council.

In addition to the revenue and expenditure implications the Council is likely to recognise new assets and liabilities arising from the change. It is expected that a full review of the financial implications will be undertaken to ensure the impact is assessed before completion of the 2008/09 Annual Plan and Budget.

Joe Groher
Manager Financial Services

LEGAL ATTACHMENT

OUTCOMES OF KENSINGTON BOUNDARY REVIEW

The restructuring is made in accordance with the processes described in Part 10C of the *Local Government Act 1989*.

The change in the boundary will raise a number of matters that require legal advice to ensure a smooth transition on 1 July 2008. Legal advice will be provided as required in the course of implementation of the boundary change and the transition orders.

Kim Wood
Manager Legal Services