

2007

Review of municipal boundary in Kensington and North Melbourne

Report of the Local Government
(Kensington Boundary Review) Panel

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Local Government (Kensington Boundary Review) Panel

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Executive summary

On 10 July 2007, the Minister for Local Government, the Hon Richard Wynne MP, established the Local Government (Kensington Boundary Review) Panel under Section 220A of the *Local Government Act 1989*, to review and recommend whether exceptional circumstances exist that warrant an alteration of the municipal boundary between the City of Melbourne ('CoM') and the Moonee Valley City Council ('MVCC') in the suburb of Kensington and that part of the suburb of North Melbourne that lies within MVCC.

The Panel's terms of reference require consideration of a range of matters including the CoM's legislated Capital City objectives; communities of interest; delivery of council services to the review area; administrative, financial and rating impacts on the affected councils and population and demographic factors.

The panel was required to provide a report to the Minister on its review by 31 October 2007 or at a later date approved by him. The Panel notes that the Minister subsequently extended the time for submission of the report to 14 November 2007.

The Panel was established followed ongoing community representations to the Victorian Government expressing dissatisfaction with the current municipal boundary that splits both suburbs across two councils.

The Panel members appointed are:

Neil Edwards (*Chair*)
Liz Johnstone
Lois Appleby

Staff from Local Government Victoria, a unit within the Victorian Department of Planning and Community Development, provided secretariat support to the Panel.

A framework for assessing the general suitability of municipal boundaries, and in particular criteria to assess whether implications of a boundary anomaly are exceptional and as such warrant review has been established by the Panel. In drawing up this framework, the Panel recognises that:

- It is unlikely that any municipal boundary is absolutely beyond challenge, or without anomaly on some grounds.
- In metropolitan areas change from one location to the next is gradual and natural boundaries, which are generally ideal locations for municipal divisions, have less relevance;
- the 'exceptional circumstances' hurdle is high, but not insurmountable, and is determined according to the extent and nature of disadvantage caused by the current boundary location;
- should any boundary change be justified, any proposed alternative must not itself give rise to equivalent, or greater disadvantage.

The Panel sought a range of information including objective data; public submissions from the community in the affected areas, comment from other interests and providers, as well as particular information relating to this review, such as the additional capital city objectives required of the CoM.

A large number of submissions were made to the review, evidencing strong community interest and attesting to healthy democratic participation within the communities of the review area and surrounds.

The criteria to determine exceptional circumstances developed by the Panel consider the purpose of municipal government as set out in legislation, and the major values contained in the terms of reference being community, planning and service delivery efficiency to the community as a whole and to specific groups, and governance and accountability. The Panel conclude that, where the location of a boundary causes unusual, sustained, structural and significant detriment to all or most of these aspects, there is a strong case for review and exploration of an alternative boundary.

The Panel assessed the Kensington and North Melbourne precincts within the review area against the above criteria and taking into account other considerations outlined in this report, and concluded that exceptional circumstances exist which warrant a review of the municipal boundary, to bring both areas within the CoM. The Panel found that the retail precinct in Racecourse Road should remain intact and under control of the MVCC.

The Panel was unable to identify an alternative boundary that would deliver positive outcomes to all parties without some detriment, and determined that the realigned municipal boundary must preserve the three major communities of interest, which are Kensington, North Melbourne and the Racecourse Road retail precinct and deliver an optimum net community benefit. It has identified two possible options on how this objective may be achieved and has recommended a preferred option which it considers best balances the identified communities of interest, and an alternative option.

The Panel therefore recommends:

- a) That the Minister for Local Government recommend that an appropriate Order in Council be made under Section 220Q of the *Local Government Act 1989* ('the Act') which will alter the boundaries of the municipal districts of the City of Melbourne and the Moonee Valley City Council in the location shown in Map 'A' at the end of this report ('Preferred Option'); or
- b) If the Minister does not pursue the Panel's preferred option outlined in a) above, he alternatively recommend an appropriate Order in Council be made which will alter the boundaries of the municipal districts of the City of Melbourne and the Moonee Valley City Council in the location shown in Map 'B' at the end of this report ('Alternative Option');
- c) That the Minister recommend that the Order in Council come into effect on 1 July 2008, to allow both affected councils appropriate opportunity to make the necessary preparations for the transition of services and assets;
- d) That the Order in Council should be published at the earliest opportunity, so that the forthcoming electoral representation review of the Moonee Valley City Council, set by the Minister to commence in January 2008, can proceed on the basis of that council's new external municipal boundary;
- e) That the Order in Council enable an appropriate transition period of 4 years, for those commercial and industrial properties that face rate increases of 30 per cent or greater in the 2008/09 financial year, arising from the transfer from Moonee Valley City Council to City of Melbourne;
- f) That the Order in Council make provision that the City of Melbourne and Moonee Valley City Council enter into formal arrangements for the ongoing liaison with one another to identify joint approaches and actions to address any issues of common concern in relation to:
 - i) the North Melbourne and Flemington public housing estates; and
 - ii) parking and other issues affecting residents around the south side of the Racecourse Road retail centre;
- g) That the City of Melbourne and Moonee Valley City Council enter into formal arrangements for the co-ordinated management of those roads forming the new boundary which are under their jurisdiction.



Background to the review

Short profile of the review area

Kensington

Kensington is a residential and industrial suburb located around four kilometres from Melbourne's CBD. The suburb is bounded by the Moonee Ponds Creek (to the east) Smithfield Road and the Maribyrnong River (to the west) Racecourse Road (to the north) and the Williamstown-Werribee railway line (to the south). It is one of Melbourne's oldest suburbs with an industrial working class heritage dating from the mid nineteenth century. Its development was closely linked to that of the Newmarket abattoir and sale yards, once located in the south-west of the suburb, which shaped local businesses and local employment until its closure in the mid 1980s.

Much of Kensington's residential area contains well preserved Victorian and Edwardian narrow fronted timber and brick terraces and narrow streets reflecting the suburb's working class origins. The shopping centre in Macaulay Road is located in the centre of the suburb and is a vibrant local meeting place. The larger shopping strip in Racecourse Road is an important centre with diverse retail and dining outlets.

Kensington's industrial area lies along its eastern end, with a mix of mostly smaller scale factories and warehouses.

The area is well served by public transport with three separate railway lines, a tram route along Racecourse Road and various bus lines. Both Macaulay and Racecourse Roads have a train station, Kensington and Newmarket respectively.

Kensington's current population is 8,069 (*2006 ABS Census*) with 5,204 people living in the CoM section and 2,865 living in the MVCC section. While the population has remained relatively stable over the last 25 years, there has been a reasonable increase in the CoM area over the last ten years, in large part due to the development of the Kensington Banks estate built on the former sale yards site. The population in the rest of the suburb is expected to remain stable over the next 15 years, however it is likely to continue growing at a higher rate in the CoM area, primarily due to the continuing redevelopment of the Kensington public housing estate for a mix of public, private and social housing.

Kensington has experienced demographic change over the last 25 years. As with other inner city areas, the suburb has 'gentrified' with a noticeable increase in household income levels during that period. Proportionally larger numbers of 25 to 49 year olds have moved into the area, and household size has decreased (70.3% were 1-2 person households (2006) compared to 53.0% (1981)). Occupations of residents have also shifted from primarily manufacturing to property and business services.¹

¹ Refer Appendix 3 for further data on population and demographic trends and projections for the review area.

37.1% of Kensington's population were born overseas – the largest number of those people were born in Vietnam (2006 ABS Census).

Many of Kensington's current demographic characteristics are spread fairly uniformly across the suburb and some also tend to be shared with neighbouring areas to the north and east of the review area.

North Melbourne

The section of North Melbourne in the review area is a mixture of residential and industrial properties located about four kilometres from Melbourne's CBD. The area is bounded by the Moonee Ponds Creek and Upfield railway line (to the west), Flemington Road (to the north), Melrose Street (to the east) and Macaulay Road/Canning Street (to the south).

This area, as with the rest of North Melbourne, has its origins as a working class suburb from the mid to late 1800s, with the surrounding industrial areas providing employment to local residents. Today the area is dominated by the large high rise public housing estate between Alfred Street and Sutton Street (built in the 1960s following government led slum reclamation throughout the inner city) and in Canning Street, and the more recently built lower rise public housing around the Canning Street estate. In fact, 80% of private dwellings in this area are government rental public housing. The rest of this area contains Victorian era housing stock at its northern end and along Melrose Street, some newer properties and a shopping centre towards the south end of Melrose Street.

West of Boundary Road is a sizeable industrial area, similar to that in Kensington on the other side of the Moonee Ponds Creek.

The current population of this area is 1,835, which has declined from 2,772 people in 1981, in part due to a corresponding decline in the number of occupied government rental properties during this period.

Demographic characteristics of the area reflect the nature of tenure of the public housing estates and are not generally shared by surrounding localities (with the exception of the Flemington public housing estate nearby in Racecourse Road). They show that most people are born overseas (principally from the Horn of Africa and Vietnam), a high percentage of lower income households, higher levels of unemployment and larger numbers of younger people. Many of these characteristics have remained relatively similar over the last 25 years.²

Future population and other demographic directions for this area will depend in large part on future policy decisions of the Office of Housing.

² Refer Appendix 4 for further information on patterns of demographic grouping across the review area and throughout the rest of the CoM and MVCC.

History of municipal boundaries in the area

During the second half of the nineteenth century, both Kensington and North Melbourne were Boroughs in their own right (the Flemington and Kensington Borough and the Hotham Borough - later renamed North Melbourne Town - respectively). In 1905, both municipalities were amalgamated into the CoM.

The proclamation of *City of Melbourne Act 1993* resulted in redrawing of the external boundaries of the CoM and saw part of Kensington and the residential area of Flemington transferred from CoM to the City of Essendon (which itself became part of MVCC in 1995). The restructure also saw the boundary of CoM extend past the Flemington Racecourse to incorporate the Royal Melbourne Showgrounds, previously in the City of Essendon.

The then government's main rationale for this restructure – which also saw the Webb Dock and Southbank precincts annexed to CoM – was

'the need for a council which can focus on the enhancement of Melbourne's capital city assets for the good of all Victorians'.³

Government commitment to a review of current boundary

Following various community representations outlining residents' continuing dissatisfaction over the splitting of Kensington amongst two councils, in November 2006, the former Minister for Local Government gave a commitment that, should the Labor government be returned, an independent panel would be established under the *Local Government Act 1989* (the Act) to review the appropriateness of the municipal boundary that runs through Kensington.

In July 2007 the current Minister for Local Government, the Hon Richard Wynne MP, formally established a Local Government Panel to review and recommend to him whether exceptional circumstances warrant an alteration of the municipal boundary between CoM and MVCC in the suburb of Kensington and also the section of North Melbourne contained within the border of MVCC. The Panel's terms of reference include having regard to a range of relevant issues that require consideration as part of such a review – communities of interest in and around the area affected by the boundary, municipal service delivery to the area, financial and administrative impacts of any change, the CoM's legislated 'capital city' obligations and so on (Refer Appendix 1 for the Panel's terms of reference).

³ Minister's second reading speech to Legislative Assembly - 21 October 1993 (Hansard Pg 1251)



Review methodology

The Panel, having regard to the terms of reference, sought information to develop its analysis in five broad areas:

1. objective data concerning the areas under review and the roles and circumstances of the two councils concerned;
2. opinion from the broader community in the areas under review, as well as opinions from other interested parties and service providers;
3. a framework to assess the general suitability of municipal boundaries, and criteria to assess whether a boundary anomaly has implications that are so exceptional as to warrant review and potentially change to that boundary;
4. matters particular to this case such as the additional objectives of the CoM;
5. boundary options, including the existing boundary as a reference point, against which the validity of claims and the feasibility, fairness and net benefit of any change are assessed.

Data collection

The Panel considered objective data from a range of sources, including:

- Detailed property, rating and service provision data for the review area from MVCC and CoM;
- General demographic, social and economic data for the review area from the Spatial Analysis and Research Group, Department of Planning and Community Development; the Commonwealth Australian Bureau of Statistics, Melbourne City Suburbs Economic and Demographic Profile, ID Consulting Population and Household Forecasts;
- Special demographic data and analysis on the North Melbourne, Kensington and Flemington public housing estates from Office of Housing & Community Building Division - Department of Human Services.

Public submissions

The Panel provided opportunities for all those who may be affected, or have an interest in the boundary issue, including residents, community organisations, commercial operators, as well as the two affected councils and interested councillors, to contribute to the review. The Panel placed a public notice inviting submissions to the review in three newspapers circulating in the review area being The Age, Melbourne Times and Moonee Valley Leader. The notice ran in conjunction with the review's terms of reference published by the Minister for Local Government in accordance with Section 220F of the Act during the week commencing 28 July 2007. The notice asked that submissions have regard to the terms of reference and be received by 7 September 2007.

The review received widespread coverage in addition to the public notices with a number of local press articles which appeared during the submission period. The Panel is aware that properties in the review area received pamphlets and letters from the MVCC, the State MP for Melbourne District, the Commonwealth MHR for Melbourne Division and the Kensington Association. The Panel is satisfied that coverage of the review was sufficient to enable interested parties opportunity to comment.

The strong response of 479 individual submissions and a petition signed by 195 people demonstrate a very high level of interest in the review (Refer Appendix 5 for a summary of submissions). The Panel considers the intensity of expression in many submissions as evidence of strong community feeling on the various issues raised, and observes that such engagement attests to healthy democratic participation by the communities of the areas under review and their surrounds. The Panel clearly states that the review is not a plebiscite and opinions expressed are not determinative in and of themselves. The Panel is bound to consider all evidence and arguments received relevant to the terms of reference, of which submissions form but one important part.

The Panel requested copies of submissions that are authorised for release by each submitter to be made available on Local Government Victoria's web site at www.localgovernment.vic.gov.au, when the outcome of the review is known and the Panel's report made public.

The Panel sought submissions from the MVCC and CoM and met representatives of the two councils, on two occasions. The Panel met key community groups, including the Kensington Association, the North and West Melbourne Association and the Flemington Chamber of Commerce. The Panel greatly appreciates the obvious effort and thoughtfulness of the contributors and the unfailing courtesy and goodwill shown in all meetings with submitters.

Panel members made a number of site visits to the review area and the surrounding localities.

Council submissions

The Panel received submissions from both councils strongly arguing that the review area be brought into their jurisdiction or be retained within their jurisdiction.

In summary, the MVCC submitted that citizens in North Melbourne and Kensington benefit from good quality services, that the existing joint council plan (the Kensington Action Plan) already provides a successful partnership model for addressing cross-boundary issues, that the broader Flemington-Kensington community shares a strong historical connection and identity, that council rates are comparable if not lower in MVCC than in CoM and that the costs of any boundary change would outweigh any feasible improvement in service delivery. In relation to the particular interests of the residents of the public housing estates in the review area, the MVCC referred the Panel to its active engagement in such estates across the municipality and in particular a current focus on the Flemington estate.

The council added that, if change were to occur, the natural boundaries in this area, Maribyrnong River, Williamstown-Werribee railway line, and Moonee Ponds Creek offer the only long term solution.

For its part, the CoM argued that there were compelling reasons to bring the balance of Kensington and North Melbourne into its municipal district to correct an historical anomaly and having regard to the overwhelming historical ties between the review area and the council. Further, the council referred the Panel to its strategic plan focus on leading in community development as part of its Capital City responsibilities as well as its active role in public housing.

The comments in both councils' submissions are considered at various stages in this report.

After considering each section of the review area against the criteria established to assess whether exceptional circumstances might justify an alteration to the boundary, the Panel then considered a number of boundary options to test the validity of the case for change and to balance competing concerns and claims. The Panel's findings are the result of balancing a range of considerations and its recommendations seek to provide an improved and workable outcome.



Framework for considering municipal boundary issues

Municipal boundaries in perspective

The Panel believes that it is important to put the significance of municipal boundaries into perspective.

It may never be possible to establish a municipal boundary absolutely beyond challenge on some grounds. By definition, a local government boundary is the point at which change occurs from one municipal administrative structure to another. Such a change can often have physical, service related and other manifestations. Moving across a boundary can sometimes reveal stark contrasts; sometimes the change is seamless. The physical, practical and perceived effects are more likely to be experienced around the boundary itself through different service priorities, governance arrangements, allocation of resources, rating structures, urban design ethos, capital works standards, street tree species and so on. Where these impact on people's experience of their community and their daily lives they are more noticeable and perhaps irksome.

Natural boundaries such as rivers and valleys, or even manmade barriers such as major freeways, can effectively separate the people and activities of one locality from the next. Where this occurs are often found the best location for boundaries dividing local councils and marking differences in administration.

In metropolitan areas 'natural boundaries' have considerably less impact as typically, there is only gradual change of community from one precinct to the next. More importantly, it is the nature of large cities that people in a residential precinct travel widely for work, education, health services and to visit shopping centres and entertainment facilities. Indeed, it is rare for city dwellers to experience all of the conveniences of a 'complete' or 'self-contained' community within a single municipal area and most city dwellers move across municipal boundaries many times during the course of a typical day.

Local councils provide a range of vital services to local communities and are one of the three spheres of government affecting their constituents. Rarely do all these electoral, administrative or service delivery boundaries fully align with municipal boundaries. Additionally, 'government' is but a small part of the goods and services, networks and activities essential to most people's lives. Therefore, while a municipal boundary can arouse concerns from time to time, they are unlikely to be sustained, especially in metropolitan areas.

People living on the periphery of a local government area often perceive that their council's priorities may lie elsewhere and that they are not receiving equitable attention or service provision. This can occur within municipalities and across municipal boundaries and can be exacerbated when residents perceive, rightly or wrongly, that residents in an adjacent municipality are enjoying a superior level of service. The Panel notes that any decision to move a boundary may simply 'shift' the perceptions affecting current residents to those who become the community 'at the boundary'. The Panel believes that these are unavoidable consequences of any boundary location for some communities, and that it is neither unusual nor exceptional.

The 'exceptional circumstances' test

It is in this general context that the Panel understands why any case for a reconsideration of a municipal boundary location should arise only when 'exceptional circumstances' justify that review.

The Panel notes that the *Local Government Act 1989* (the Act which sets the legislative framework supporting the system of local government in Victoria) does not give guidance on criteria to be used in the setting or reviewing of municipal boundaries.

The Panel found little guidance in related legislation, guidelines or policy for the application of the term 'exceptional circumstances'. Where the phrase is used in other legislative contexts, most notably in relation to drought relief, a degree of discretion appears to be contemplated to cope with a variety of conditions. Nevertheless, it is clear that the phrase intends that action is not to be taken lightly, or as a matter of convenience, or to confer a material advantage. Rather, the intention is to provide a special remedy for a major disadvantage which cannot be treated otherwise.

Thus the Panel considers that, within reasonable limits, differences in general service or rating bases on either side of a boundary do not in themselves constitute exceptional circumstances. These are matters relating to the priorities or performance of particular councils who may have differing service priorities or prefer to rate on different bases and is an entirely expected feature of democratic local government. It is open to constituents to seek to change a council's priorities, just as is it open to constituents to demand improved performance.

The concept of 'exceptional circumstances' suggests that the costs of action must be reasonably proportionate and set a reasonable precedent for any claims elsewhere. Most particularly, the Panel considers that when assessing whether any change can be justified, it needs to ensure that the any alternative does not give rise to an equivalent or greater disadvantage to another community.

The Panel saw the ‘exceptional circumstances’ test as high, but not insurmountable, and to be determined according to the extent and nature of the disadvantage.

Applying this approach to municipal boundaries, the Panel considered both the purposes of municipal government, as set out in legislation, and the major values contained in its terms of reference. They are

- community,
- planning and service delivery efficiency to the community as a whole and also to specific groups, and
- governance and accountability.

Where the location of a boundary causes unusual, sustained, structural and significant detriment to all or most of these, there is a strong case for remedial action to overcome unreasonable disadvantage, that is exceptional circumstances warrant review of the boundary.

Accordingly, the Panel considers that criteria for assessing whether a boundary anomaly warrants review to be:

1. Community

While the population of a particular metropolitan area may take part in ‘community’ activities outside that area, there is clear value in developing and reinforcing a sense of community where that exists and ensuring that government arrangements do not unreasonably fracture or hinder that community. The Victorian Government has an active policy of community development, seeking to build ‘social capital’ and broader cohesion within the whole society by building on existing communities of interest. This value is also reflected in the Local Government Act: Section 3D(2):

*‘The role of a council includes:
(f) fostering community cohesion and encouraging active participation in civic life.’*

A boundary would cause significant detriment if it divides and reinforces a sense of disconnection within a community of interest which has demonstrated and sustained historical relationships between the people of that community.

2. Service delivery and planning

While differences in services do not of themselves constitute unreasonable disadvantage, where a boundary causes unnecessary difficulty in delivering an integrated service to a community or unreasonable impediments in planning critical community and economic infrastructure, there is a case to change the boundary. This case is stronger, or exceptional, where a sustained disadvantage is caused and evidenced.

3. Service to special needs groups

Local government has specific responsibilities in relation to identifiable groups or interests in a community. The most notable are people with high demand for local government services such as welfare or sporting facilities and also traders within a particular area. Where a boundary makes for unreasonable and sustained impediments to delivering to such groups, then the disadvantage is exceptional.

4. Accountability and governance

Section 1(3) of the Act makes it clear that councils are a fundamental component of the system of democratic and responsible government; they are to be accountable to the local community and provide governance and leadership to the community. If a boundary creates an unreasonable impediment to effective accountability or the smooth expression of governance, then the citizens subject to the impediment are at a democratic disadvantage. Where the citizens are themselves members of a real community or special needs group, and that community or group is impeded from expressing a collective voice because it is separated by a boundary, then the disadvantage is exceptional.



Review area considered against criteria: Kensington

Community

Objective data on both the MVCC and CoM areas of Kensington indicate that residents on either side of the municipal boundary share a high degree of common demographic characteristics contributing to the existence of an identifiable community.

The notion of ‘community’ was very clearly articulated in submissions from those living in Kensington.

A large number of submissions expressed the wish that Kensington be reunited ‘as one community’ (in fact a substantial number of submissions commenced with words taken from, or closely following the wording suggested by the Kensington Association in its publicity on how submissions to the review may be written, that is

‘My submission is that the boundary between Moonee Valley and Melbourne should be altered so that Kensington is reunited as one community’).

In advancing their case for a united community, a small number of submissions endeavoured to encapsulate the unique identity of Kensington that they believe sets it apart from other suburbs. The ‘village’ nature of the local area and the sense of ‘connectedness’ between its residents was alluded to:

‘This is more than just an issue of which council. Kensington is one of the few remaining communities in Melbourne with a village environment. For an inner city location it has preserved its cultural and community integrity. It has a community set of high street shops, run and supported by locals, and a great community spirit. For this reason alone Kensington should be reunited.’

‘Kensington is a unique and close community in the inner city of Melbourne. It provides a wonderful place to live and a model example of how rich inner city life can be.’

‘Kensington has a long and proud history as a community and that it retains, despite its anomalous boundaries, a collective identity that is, in our experience, rare in a major capital city.’

A common theme amongst some submitters was the view that Kensington, being an inner city suburb is a community of interest which aligns itself eastward with other inner suburbs of the CoM, rather than northward:

‘Geographically and culturally Kensington is an ‘inner city’ community. Many of our issues are those of an inner city location; access to car parking, high density living, retail and business in close proximity. Culturally and geographically, Moonee Valley is a ‘suburban’ city style of management.’

‘Kensington is first and foremost part of the City of Melbourne. Its industrial, commercial and residential heritage is very similar to other inner city suburbs, also part of the City of Melbourne. The area has much more in common with places such as Carlton and West Melbourne than it does with areas such as Ascot Vale or Moonee Valley. Many of its residents have substantial portions of their personal and professional lives in the city.’

‘We are only 5 km from the city centre, and do most of our commuting, shopping, consuming in the city – not Moonee Valley.’

Flemington – Kensington common interests

The Panel notes that, as a counterpoint to strong representation received to reunite Kensington, it also received significant feedback seeking to reunite both suburbs of Flemington and Kensington under the CoM. The majority of these submissions came via a form letter and email requesting that the pre-1993 CoM boundary, which extended as far north as Kent Street, be reinstated and that the current postcode of 3031 which incorporates both suburbs and the smaller suburb of Travancore be incorporated back under the one council.

Reasons given for this request include:

- Kensington and Flemington share a common history, having developed over similar periods;
- There remains a community of interest, with residents sharing common facilities and frequently crossing into each other's areas (names of some of these amenities are examples of the community link: i.e., Flemington-Kensington Bowling Club, Flemington-Kensington RSL, Flemington-Kensington News, Flemington Library).
- Both suburbs have an inner city focus being close to the CBD.

A small number of submissions requesting inclusion of Flemington in a municipal boundary realignment came from Kensington residents; the majority came from the Flemington side north of Racecourse Road. Although this area is outside of the Panel's review area, the Panel did consider these issues and inspected the area of Flemington up to Kent Street.

Service planning & delivery

The Panel sought an overview of MVCC and CoM council-owned assets, facilities and services located in or provided to the review area. Information supplied by each council is outlined in Appendix 6.

The vast majority of submitters discussed Kensington's community status in terms of the negative consequences for the community brought about by the redrawing of CoM's municipal boundary in 1993. Many were concerned about fragmented service provision and decision making, the difficulties in dealing with two councils instead of one and others advocated the benefits of co-ordinated service planning and delivery under a single municipality:

'Kensington should be reunited so that the school, maternal child health, recreation, community health, aged care are under the one council area and people can see that the service provider in many cases, i.e. local government is co-ordinated and aware of needs of the local community who identify as a community.'

'A community needs to be united under one council so that decisions affecting the community are uniform and consistent. Having two councils, with their differing views and focus, preside over different parts of the community and only leads to a fragmenting of the community and delays in getting everything done.'

'Kensington is a very tight close knit community - there are many events around schools, crèches, community centre, swimming pool, footy and soccer clubs, etc. Each event requires volunteers and everyone involved has to consult with two councils. It makes each job much bigger than it should be. Also quite often neither council wants to take responsibility and tries to handball to the other.'

'The administration of planning and heritage applications should be consistent with these suburbs which have a common history and identity. Currently there are different planning schemes and the administration of the heritage of these areas is divided across two councils which is inefficient.'

Some people cited examples of their experiences of a lack of co-ordinated decision making and service delivery (please note the Panel did not verify the comments and includes them as an indication of the intensity of community sentiment):

- The Kensington Festival – in its final year before ceasing to operate - suffered from restrictive funding conditions requiring it to locate away from Macaulay Road to wholly in the CoM in order to receive full funding from that council.
- Eligibility for other funding for non-for-profit groups wishing to conduct events is often compromised where one or either council requires proof of a high level group membership from that council area only.
- Both MVCC and CoM operate community buses which transport residents to local shops, but don't venture outside each others' council areas.
- Recent road treatments on either side of the Macaulay Road shopping centre were completed at different stages and the introduction of new speed limit signs at the centre were not co-ordinated due to each council not agreeing on their location. Street cleaning also suffers because of different timetables and priorities.
- Attempts to produce a co-ordinated retail strategy for the Macaulay Road shopping centre have proven to be difficult.
- It apparently took a number of years to achieve the installation of a traffic arrow signal at the intersection of Kensington Road/Epsom Road due to disagreements over cost sharing.
- Each council continues to omit from their community directories, listings of some community facilities in Kensington that are not located within their municipal boundaries, which is very unhelpful to local residents.

The Panel believes that each of these examples were matters that could have been adequately dealt with by the two councils through better communication and goodwill. Individually these matters are not necessarily symptomatic of a failure in co-ordinated planning and decision making that could not be overcome; cumulatively however such issues indicate a fundamental and perhaps structural barrier resulting in sustained disadvantage to the affected community.

On this matter, the Panel recognises that both CoM and MVCC have recently taken steps to address community concerns about co-ordinated planning delivery to Kensington by adopting the *Kensington Action Plan* in 2005. The five year Action Plan was developed following extensive community consultation and states, inter alia:

'(The Plan) aims to improve the co-ordination and delivery of activities and services provided in Kensington, and to maintain a two way dialogue with the local community by informing and seeking feedback from Kensington residents and businesses.'

As part of the Plan, the two councils resolved to develop a Joint Services Strategy for Kensington and North Melbourne, to be overseen by a joint council working group. The Strategy aims to:

- identify existing and likely future gaps and overlaps in service delivery and facility provision in Kensington and North Melbourne;
- identify opportunities to jointly resolve existing gaps and overlaps in spending and service/facility provision; and
- identify any opportunities for Kensington residents to further access existing services and facilities within the area.

According to the Action Plan's Monitoring Report to December 2006, a number of specific identified actions have been completed or are underway.

The Panel recognises the effort of the two councils towards implementation of this plan, but notes that the very existence and need for such a plan as required by this particular neighbourhood or community, is not typical for other neighbourhoods in either council area.

On the general subject of service delivery, a large number of submitters were critical of MVCC's general performance, many based on submitters' experiences having lived previously in Melbourne; others based on their objective comparisons of the two areas.

'The high rates, poor service and lack of interest in streetscapes and gardens that Moonee Valley shows toward its side of Kensington can be attributed to the fact that the suburb does not fit well within the mid-suburban way the MVCC defines itself.'

'The MVCC has failed in its delivery of basic services such as maintaining the general amenity of streets, playgrounds and the Racecourse Road shopping strip. It is slow to respond to the needs of Kensington residents and even then generally only after sustained pressure and orchestrated lobbying.'

'The variation in the cleanliness of the streets is evident; the Moonee Valley side has more rubbish as the streets are not cleaned as efficiently. Trees in the Moonee Valley side are not watered or replaced when damaged.'

A small number of submitters did not share such views. Instead:

'The current municipal boundaries are the best they have ever been in terms of council providing services and the administration which they are taskedDay to day administration and provision of council services by Moonee Valley City Council must be applauded as I am able to conduct both my professional and private life seamlessly from my home within the reviewed boundary.'

'(The boundary should) NOT be CHANGED for the following reasons:

- 1. Inaccessibility and difficulty in attending Melbourne City Council meetings for working residents;*
- 2. Internal fracturing and economic incompetence of Melbourne City Council;*
- 3. I have been under both councils and found that Moonee Valley provide the better service to ratepayers. Even though Moonee Valley Council has its problems, they are not as bad as Melbourne;*
- 4. Politicians have been beguiled into believing that this is a serious issue, especially when it comes from a small power base driving this issue, they are trying to convince others of the change.*

PLEASE don't make me unhappy by putting me under a dysfunctional council.'

Another submitter questioned the real extent of community feeling about problems caused by the council boundary:

'I am closely involved in a number of formal community organisations and informal groups that cross both the local government areas. At no time have I heard any conversations about the need for these changes except at the Kensington Residents Association too much time went into consideration of an issue the importance of which was manufactured, and not enough time went into working with the council we have to improve our community.'

In its submission, MVCC stated that its own research (2006 Community Research Project) confirmed that residents in Kensington and North Melbourne are generally satisfied with council services. It stated that, across the municipality, residents in these areas ranked close to the average across a range of different measures.

On this issue, the Panel notes that Local Government Victoria's latest published *Community Satisfaction Survey* (2006), which annually surveys all Victorian municipalities, gave the following results for the two councils:

	Overall Performance (out of 100)	Advocacy & Community Representation	Engagement in decision making
MVCC	65	60	60
CoM	62	66	60
Comparison with inner metro Melbourne councils (median)	68	65	61

A large number of submitters were adamant that the CoM had superior experience and expertise to manage an inner city suburb like Kensington.

'The MCC has the ability to address both business and residential agendas with effectiveness and alignment to modern planning and zoning for medium to high density areas.'

'Residents under the Melbourne City Council find themselves under a council with a far greater awareness of the needs of inner-city dwellers, and far more in touch with the history and values of the Kensington community in all its diversity.'

'Moonee Valley do not fully grasp the unique issues faced by older inner city neighbourhoods with their narrow streets, small blocks, scarcity of off street parking and lack of open spaces. On the other hand Melbourne has an intimate understanding of inner city neighbourhoods.'

Access to local schools and services

The location of the primary school in MVCC is not seen by the Panel as a barrier to the use of the State managed facility by the Kensington community. More local services such as Doutta Galla Health Services, council managed sporting facilities and the MVCC Flemington Library in Racecourse Road are more likely affected. The example cited of the two council community buses being constrained to operating within municipal boundaries, rather than responding to community needs is a useful example of disadvantage caused to some groups who may interact, where that interaction is hampered by the municipal boundary. This is more likely to directly impact groups in the community with highest need.

Macaulay Road retail centre

The Macaulay Road retail centre, which takes in part of Bellair Street, is a medium sized shopping centre with a number of specialty outlets and provides a vibrant meeting place with a large number of cafés, pubs and restaurants. The splitting of the centre, which is seen by many as the heart of the local community, and the perceived effects of fragmented service provision are seen as important concerns by many submitters:

'Kensington is a vibrant community with a strong sense of identity. It would greatly facilitate traders' activities and operations in fostering relations with each other and the community if we were operating in a united Kensington. In terms of bureaucracy it would be very beneficial to deal with one set of rules in terms of traffic, roads, parking, area promotion and trading regulations.' (submission signed individually by 43 traders in Macaulay Road shopping centre)

'Most people in Kensington are within walking distance of Macaulay Road. Its importance as a social hub matches its importance as a retail hub and it's our best community asset (but one whose control is split between two councils).'

'The debacle of dividing the Kensington shopping centre into two councils is hampering the growth of the community and preventing proper planning decisions to be madeWe understand that boundaries must occur somewhere but not through the middle of the hub of the community, the shopping centre.'

Racecourse Road retail centre

Racecourse Road forms the northern boundary of Kensington. This road also contains a major shopping centre, including a supermarket, which provides an extensive range of retail options to visitors, including an increasingly diverse number of restaurants, cafés and pubs. It is a significant transport route connecting the western suburbs to the city by a tram line.

The Panel notes the comments from the Flemington Chamber of Commerce, which objects to a realignment of the municipal boundary along the Racecourse Road shopping area. It states that present services and relationships the organisation enjoys with MVCC are excellent, the proposed change would divide the shopping centre into two councils in the same way Macaulay Road a block away is similarly divided, would give rise to the potential for different planning visions between the councils, result in lack of cohesion and ambiguity of traders on local council issues and risk the ongoing viability of the Chamber.

Accountability and governance

The Panel believes that underlying the Kensington residents' desire to 'reunite' their suburb is a feeling that a split community is unable to express its will effectively and struggles to hold two councils accountable. It is arguable that as the Kensington Action Plan gains traction and matures, and improves co-ordinated service and planning outcomes over time, it will engender community confidence in existing governance arrangements. The Panel is not confident that this will occur.

It is also arguable that the very existence of such an Action Plan shows that the local community has significant influence, is heard and well represented by both councils.

The Panel notes that the MVCC has expressed a readiness to more effectively work with the Kensington community to overcome perceptions of inadequate service delivery and engagement, should the current boundary remain. To be successful MVCC would require community support and community willingness to work differently with two councils for agreed outcomes, and the Panel is not confident that full community support would be forthcoming.

The Panel does not believe that the two councils should be required to introduce special processes and devote extra resources to servicing this particular area when it may be more efficiently managed under one council in the longer term.

Consideration

Overall, the Panel accepts that a strong community of interest exists in Kensington. Although there is little that distinguishes this suburb from adjoining areas on demographic grounds, its historical sense of identity, inner city orientation and overwhelming support for 'reuniting' as expressed in the submissions support a strong case that a community has been unreasonably fractured and that sufficient feeling of disconnection is felt by those on either side of the boundary. There is no doubt an enduring grievance remains for many over the decision in 1993 to place the boundary down Macaulay Road, and the splitting of that shopping centre in itself has appeared to reinforce the sense of separation.

While many of the problems of co-ordinated service planning and delivery to the whole community could arguably be addressed by better performance, the underlying barrier to the community expressing a united voice on issues of common concern relates to the municipal boundary itself and the associated inability to ensure direct accountability from the local councils for the whole of the community and augurs strongly for a reconsideration of the municipal boundary.

In relation to the Racecourse Road and Macaulay Road retail centres, the Panel considers that they both are significant and deserve a single municipal planning regime to enhance their ongoing viability and effectively manage the various issues associated with such neighbourhood activity centres such as promotion, strategic planning, traffic, parking, amenity, health, etc. The Victorian Government's *Melbourne 2030 Strategy Plan* supports the role of neighbourhood centres as important community focal points, linked to surrounding community facilities and local transport routes and potentially incorporating a variety of higher density housing for the local community. Ensuring integrated control under one authority is a sensible and more sustainable approach.

Despite submissions regarding reunification of Kensington with Flemington, and the historic community links between Flemington and Kensington as well as some shared community amenities, the Panel notes that:

- submissions propose changing the boundary to a location well outside the Panel's terms of reference;
- the residential area of Flemington is not split between two councils (as in the case of Kensington) and no compelling reasons were put forward that the suburb is experiencing unreasonable detriment because of the present boundary;
- the submissions illustrate that where a suburb boundary lies on the periphery of a municipal area, there will often be pressures for change from residents in that area.

The Panel sees no overwhelming case to justify further consideration of incorporating Flemington with Kensington under a single council.



Review area considered against criteria: North Melbourne

Community

Objective statistics show, with the exception of the public housing residents, that residents in this area share similar demographic traits to adjacent communities to the east and south. The area also enjoys strong transport links with those areas.

Submitters from this area defined their own community of interest relative to the adjoining community they were identified with. In just about every case, that direction was eastward and southward to the rest of North Melbourne and towards other inner suburbs within the CoM, not Moonee Valley:

'I just came home from the Kensington swimming pool via a bank in North Melbourne We go to church in the City of Melbourne, we jog in the City of Melbourne, we ride our bikes in the City of Melbourne, we drink coffee in the City of Melbourne, we will go to a funeral in the City of Melbourne, we go to libraries in North and central Melbourne. For all the activities I can think of, we go south rather than north.'
'I shop at the Victoria Market, I go to the theatres in Melbourne, museums, restaurants, shopping, the list goes onI don't go to Moonee Ponds for anything!!'
'The centre of North Melbourne to me is Errol Street. It is where I shop, and eat, and do my banking. I have never shopped in Puckle Street in the four years I have been in North Melbourne. I have never even been there.'

The community here also contains a mixed industrial / warehouse precinct, that appears to operate as a small precinct in its own right.

The Panel notes that the community in this area associated itself more strongly with North Melbourne and West Melbourne and links to and with Kensington did not feature heavily.

The small community of Travancore was mentioned by some submitters and its community may associate with North Melbourne to the south, and not the reverse. In any case consideration of that area is outside of the terms of reference.

Unlike Macaulay Road, which is a focal point for the Kensington community, the boundaries of this area of North Melbourne do not cut across areas or activities that are destinations for community interaction in their own right.

Service planning & delivery

With little exception, nearly all submitters from the North Melbourne review area expressed concern for MVCC's support for fundamental community facilities. Such criticisms included that:

- The North Melbourne Community Centre has fallen into disrepair and is not meeting the needs of the tenants of the nearby public housing estate;
- The Jean McKendry Neighbourhood Centre is underutilised in comparison to apparent usage of other North Melbourne facilities for older residents;
- There is a perception that Moonee Valley is overstretched and doesn't have the financial resources to administer the review area.

Many were also highly critical of a perceived neglect of infrastructure and lack of routine maintenance:

'There has been an appreciable decline in the standards of council infrastructure maintenance in the MVCC portion of North Melbourne. Roads, footpaths, kerbs and guttering are in need of repair. Whilst urgent works are undertaken, more comprehensive work is needed.'

'These issues have been especially evident in the treed median that runs down the centre of (Melrose) Street..... sunken and damaged kerbing, degraded, bare ground with poor grass cover, wear tracks, trees with poor viability due to lack of watering or mulching for many years and an unprotected pedestrian crossing.'

Special needs

North Melbourne public housing estate

The large public housing estate from Alfred Street through to Canning Street, has unique demographic characteristics that are not in common with the surrounding localities, which would defined it as a separate community of interest. The specific needs of the estate tenants gives rise to a range of additional support requirements in connection to language, employment, education, health and other social assistance programs, over and above programs provided in existing service networks.

The North and West Melbourne Association expressed criticism of MVCC's programs provided at the North Melbourne Community Centre in not meeting the needs of the public housing estate. The Office of Housing commented that it has been the Regional Housing Program's experience to date that staff and services at the CoM are easier to access than at the MVCC and that a strong working relationship has developed with some sections within the CoM as part of its Kensington and Carlton Redevelopment Projects although it notes that the above Community Capacity Building Project for the Flemington estate has seen significant improvements in this regard. (See next section for comment).

Linkages between the North Melbourne and Flemington public housing estates

In considering the North Melbourne estate, the Panel notes that this estate has some commonality with the large Flemington public housing estate on the north side of Racecourse Road (which is not in the review area), with tenants likely to have forged formal and informal social networks and using common facilities and support services. DHS data reveals similar demographic profiles of the tenants living in the smaller public housing estate in the area bounded by Derby Street/Kensington Road, in the south-western end of Kensington.

To this extent, the Panel is very mindful that existing linkages between the North Melbourne and Flemington public housing estates - whether council, community or other government driven – are able to continue to be nurtured and should not suffer unreasonable detriment if affected by any realignment of a municipal boundary.

In addition to standard services which are provided municipality-wide such as refuse collection, public street lighting, domiciliary services, MVCC provides support to the North Melbourne and Flemington housing estates through a range of community programs run from its North Melbourne and Flemington Community Centres. The council also auspices a number of outreach, cultural and wellbeing programs run in collaboration with various community organisations.

MVCC advised that it has recently undertaken a joint project with Victoria Police to provide gym facilities at the North Melbourne estate.

The Office of Housing advised that a Community Capacity Building Agreement has been negotiated between MVCC, the Department of Planning and Community Development and Department of Human Services (Office of Housing) that will engage and consult with local agencies and the community in 2007/08 with the purpose of improving the social, educational and economic opportunities for the communities living in the Flemington public housing estate through better co-ordination of effort, services and resources. MVCC has stated that they hope to implement a similar agreement for the North Melbourne estate in the future.

Accountability and governance

A number of submitters from North Melbourne expressed a concern that MVCC, because of its remoteness to their area, exacerbated by the Upfield railway line/Moonee Ponds Creek/City Link freeway that separates the area from the rest of that municipality, appears to concentrate its focus in the north towards the Essendon/Moonee Ponds area, leading to fractured governance and service delivery:

'Because of their physical isolation from most of the MVCC, there has been limited capacity to integrate these facilities into mainstream service provision and gain the associated economies of scale.'

'The typical dwelling in the MVCC has a front and a back yard and a driveway which has different service needs from those high/medium density living areas in North Melbourne'

Others are concerned that the existence of the boundary meant that local residents experienced real difficulty in having their voice heard on matters of concern:

'Splitting our community along Melrose Street has meant the section administered by Moonee Valley is too small to have a significant voice. This has led to bad decisions, for example, the sale of council assets. Residents oppose this but lack the numbers to be effective.'

'A unified North Melbourne community will be stronger than a divided one; instead of two councils we should only need to talk to one.'

The Panel notes that both MVCC and CoM expressed a readiness to provide effective municipal government to the North Melbourne area. In MVCC's case, while the council acknowledged that it has taken some time to focus its attention on the North Melbourne estate, it is now moving towards improved co-ordinated community service provision to its public housing, as demonstrated by the recent Flemington Capacity Building Agreement. In CoM's case, it stated it is familiar with the communities in this area and their social needs, having had responsibility for the area until 1993, and that many residents of this area look toward the CBD and North Melbourne for services. CoM also claims it has the capacity to deliver effective service planning and delivery, based in part through its experience with other public housing areas in its municipality including Kensington and Carlton.

The Moonee Ponds Creek/City Link boundary

As a clear indication of where their 'community of interest' ends, many submitters recognise the existence of the combined Moonee Ponds Creek, Melbourne-Upfield railway line, City Link freeway and the surrounding industrial area, to be a significant, 'almost an impenetrable', barrier that divides the rest of MVCC from North Melbourne. The Panel agrees that it is hard to dispute that these features act as a natural barrier between people on either side and that North Melbourne residents' focus inevitably must look eastward.

Consideration

The Panel believes that the current municipal boundary dividing North Melbourne reinforces a perception of dislocation for those residents from engaging with their 'real' local community, being, the rest of North Melbourne, on common concerns, and ties them to a municipality to which they believe has little connection to them and is physically quite separate from them at a day to day level. There is a strong case that exceptional circumstances require a relocation of the boundary so that all of North Melbourne comes under the one council.

With regard to the North Melbourne public housing estate, the Panel believes that while there are common links between it and the Flemington public housing estates based on shared demographic characteristics which warrant specific attention and special needs support, it considers that splitting the two estates under separate municipalities will not unreasonably disrupt the delivery of social and other community services to the tenants of the estates. While councils play an important role in the delivery of such services, they are only part of a larger network of support services provided by a range of government and non-government agencies. The Panel notes that each of the above estates is administered by separate regions of the Office of Housing. The Inner Metro North Office in Carlton administers the North Melbourne and Kensington estates and the Inner Metro West Office in Footscray administers the Ascot Vale and Flemington Estates. Other support agencies already deal with both the CoM, in relation to the Kensington public housing, and the MVCC for the Flemington, North Melbourne and Crown Street estates.

The Panel has no doubt that both councils have the capacity to successfully realign collaborative relationships with the various support networks to continue to deliver effective co-ordinated services to all public housing estates in and around the review area, in the event of a boundary change. The Flemington Community Capacity Building Agreement in MVCC's case and the strong participation in the Kensington Community Liaison Committee in relation to the redevelopment of the Kensington estate by CoM demonstrate both councils' present commitment to co-ordinated service planning.

In the event of a boundary realignment that divides both estates between two councils, the Panel would strongly encourage both CoM and MVCC to formalise an ongoing relationship with each other to ensure common issues that should be jointly addressed by collaborative programs and possible resource sharing are.



Other considerations

The City of Melbourne's Capital City responsibilities

The *City of Melbourne Act 2001* introduced additional objectives for the council in recognition of its long standing dual role of providing governance to the constituents within its own municipal district, and acting as representative of the greater Melbourne metropolitan area and as the capital city of Victoria. This Act (section 7(1)(a)) appears to place a special obligation on the council to maintain an appropriate balance within its own community over a range of considerations in light of its concurrent capital city responsibilities.

The above Act (section 7(1)(b)-(d)) also requires the council to work co-operatively with other levels of government in matters of joint interest in relation to its capital city operations, including economic leadership.

The Panel notes that the CoM already services a very diverse and rapidly expanding residential community, including a sizeable student population, significant public housing, as well as the rapid growth of apartment housing within its CBD environs. The council in July 2007 regained full responsibility over the Docklands area, current population 3,947, which together with projected future population growth around the Southbank precinct, will see a much greater residential component in the council district in the medium/long term. (See Appendix 3 for population forecasts in the review areas and both councils)

The CoM advised that it maintains a strong commitment to servicing the needs of its residential community, including special needs groups, while also supporting those who visit the city to work, study, shop etc. Evidence of this commitment is outlined in the council's City Plan Strategic Objective 'Inclusive and Engaging City', its Community Infrastructure Planning and Policy Framework (adopted in 2007) and the Carlton Community Renewal Planning project to address social and economic disadvantage in that suburb.

The Panel notes that CoM's objectives under the above Act are in addition to the council's existing roles under the *Local Government Act 1989*, which are common to all councils in Victoria.

The Panel is satisfied that any recommendation from this review that would add or remove any residential or other area from CoM's municipal district would not significantly impact on the council's responsibilities under either Act or otherwise detrimentally affect its ongoing viability.

Current financial capacity for service provision

MVCC has a current total revenue of \$94.4 million and rate revenue of \$61.2 million (including municipal and environmental charges) which is comparable to other councils of similar size and population. The Panel has no concern about the council's financial capacity to continue to provide appropriate services to the areas of Kensington and North Melbourne under its control.

CoM, with total revenue of \$285.9 million and rate revenue of \$156.8 million, is also clearly in a strong financial position to maintain appropriate services to Kensington. Both councils have the capacity to effectively administer any section of the review area that may be brought under their control in the event of a boundary change.

The Panel is aware that no other Victorian municipality can match the financial capacity of CoM, and that capacity alone is not sufficient justification to warrant annexation of adjoining areas into that council.

Effects on MVCC's future capacity and economies of scale

The Panel is also aware that any change to MVCC's external boundary which would result in a decrease in population and rate base, should not cause unreasonable detriment to that council's future service delivery capacity, so that appropriate economies of scale are preserved.

MVCC raised concern that losing Kensington and North Melbourne would reduce the municipality's population by 5,000 or 4.5% and the rate base by \$2.7 million or 4.6% of the council's rate income. It asserted that any reduction in size would reduce the city's economies of scale, increasing the cost of service provision to remaining ratepayers and reduce long-term viability.

While the Panel accepts that any change in the council's boundary will involve adjustment to the organisation it notes that there are other councils that operate effectively at a similar or smaller size and believes that the financial impact is not such that would jeopardise MVCC's future viability.

Moreover, the Panel is advised that a recent survey by Local Government Victoria into the financial performance of municipalities examined the relationship between population and servicing costs per head. It found that for populations of 100,000 or more the decrease in servicing costs per head achieved from incremental population increases was minimal. Noting that MVCC's current population is 105,549 (*2006 ABS Census*) and is expected to rise to just under 120,000 by 2031, a loss of 4,700 people from the combined Kensington/North Melbourne areas if those areas were removed from MVCC, would not unduly affect the council's future capacity for effective service delivery.

A full analysis on the financial and rating capacity of the two councils in relation to possible boundary alignments is contained in Appendix 7.

Transition issues

The Panel recognises that any benefits of a proposed boundary change need to be weighed against transition costs and related effects of that change.

Administrative costs

Clearly, one-off transition costs will be incurred if the annexure of Kensington/North Melbourne to CoM proceeds. These costs will include such matters as signage, records, data bases, maps and staff changes. While not underestimating these matters the Panel does not see them as an impediment to any change.

The Panel is advised that under the *Local Government Act 1989*, an Order in Council may be made to alter the boundaries of a municipal district by adding or removing an area. The Act provides very broad powers with respect to the making of a Restructuring Order and therefore all identified issues should be able to be dealt with.

The Panel notes that the Order would have to contemplate any property, income, assets, rights, liabilities, expenses or other matters to be apportioned, settled, transferred, adjusted or determined. It could also provide for any staff issues. In preparing the Order the Panel believes that consideration must be given to an appropriate transition period for properties, particularly large commercial and industrial properties which may face significant rate increases in a transfer from MVCC to CoM.

Impacts on councils' electoral systems

The CoM is an unsubdivided municipality comprising nine councillors. This electoral structure is set under the *City of Melbourne Act 2001* and cannot be changed without legislative amendment to that Act. The Panel is advised that any change to an external boundary of the CoM would not result in any change to its electoral structure.

MVCC is a subdivided municipality consisting of seven councillors elected from seven wards. Its electoral structure is able to be amended by Order in Council, which usually follows an independent electoral representation review which occurs every eight years. The Panel is advised that MVCC's next review has been set by the Minister for Local Government to commence not later than 28 January 2008, with any changes to come into effect from the council's next general election in November 2008. If any change to MVCC's external boundary were to occur, the Panel recommends that the council's forthcoming review will be based on the new municipal boundaries.

The North and West Melbourne Association was critical of CoM's current electoral arrangements and representation on a range of matters. The Panel advised the Association that while its concerns have been noted, local government electoral matters do not fall within the Panel's terms of reference.

Managing transition

The Panel notes that, should a boundary change be accepted, transitional arrangements for the subsequent transfer of assets and responsibilities from one council to the other would be included in the relevant Order in Council. It also understands that in previous orders of this kind, the council assuming responsibility for an area becomes the successor in law to the other council in respect of that area, and that all agreements and arrangements entered into by a council for the transferred area become the responsibility of the acquiring council when the Order comes into effect.

The Panel appreciates that the timing for the implementation of an Order to alter a municipal boundary would be a matter for the Minister for Local Government. It strongly recommends that, to avoid any hiatus in service planning by the affected councils, and uncertainty in service provision on the part of the community, any transfer of responsibilities should occur at the earliest available opportunity. At the same time, it recognises that both affected councils need to be given appropriate opportunity to make the necessary preparations for the transition of services and assets. A suitable date for any implementation would be 1 July 2008, which would not only account for various planning preparations, but also allow for end of financial year accounting for asset/services transfer and give each council enough time to prepare for the various processes necessary in the lead up to the 2008 general election.



Boundary options considered

The Panel considered a range of possible options to determine whether a boundary change would provide a suitable solution to the issues identified through the review. Some options were put to the Panel by submitters and others were identified by the Panel's analysis during the review.

Option 1: No change to the current boundary

The concerns with the existing boundary gave rise to the review and there are clearly significant detriments relating to community, service delivery and planning, service to special groups, and accountability and leadership for the North Melbourne precinct, and all except service delivery in relation to the Kensington precinct.

However, because the Panel was conscious that all alternative boundary options it could see also gave rise to some detriment, the Panel treated this the default option, and considered carefully whether it could be made work e.g., through enhanced cooperation between respective councils utilising the *Kensington Action Plan* model. The Panel concluded that such a mechanism would be unlikely to work sufficiently to ameliorate all of the detriments, on a sustained basis.

Option 2: Reunite North Melbourne under one council

This option is least problematic, but potentially may cause a disruption to community building and effective service delivery to the North Melbourne and Flemington public housing estates on either side of Racecourse Road. The Panel's consideration of this potential issue showed that this potential negative impact is highly unlikely to occur.

Option 3: Reunite Kensington and North Melbourne under the CoM at Racecourse Road

This boundary realignment reflects the strongest community sentiment in that the entirety of both suburbs and their communities are placed under the one municipality. This option would however clearly cause significant detriment to the Racecourse Road retail precinct by dividing it in the same way as the Macaulay Road shopping centre, and is not supported. The Flemington community to the north of Racecourse Road would not be detrimentally affected but their historic connection to Kensington would not be addressed.

Option 4: Align the boundary along existing identifiable natural boundaries – Moonee Ponds Creek and Williamstown railway line

The MVCC proposed that, should a boundary change be recommended, the boundary should follow distinct natural lines and suggest that the eastern boundary run along the Moonee Ponds Creek/Upfield railway line, so all of North Melbourne comes under the City of Melbourne, and the southern boundary run along the Williamstown-Werribee railway line, so as to incorporate all of Kensington as well as the Flemington Racecourse and Royal Melbourne Showgrounds under the MVCC. The Panel is sympathetic to the view that it would be preferable to group communities together under the geographic locations that define them, and that natural boundaries such as rivers, railway lines, etc, often provide the best boundary. Also, if one is to accept the proposition that an ‘impenetrable’ boundary currently splits North Melbourne with the rest of MVCC, one could also argue that this same boundary separates Kensington from the rest of the CoM.

The Panel notes that a vast majority of submitters in the MVCC side of Kensington/North Melbourne wish to be located under CoM yet almost no one living in the CoM section of Kensington expressed a desire to come under MVCC. The Panel notes that the population of Kensington within the CoM outnumbers the corresponding population in the MVCC section by almost two to one. To bring the rest of Kensington under the MVCC would therefore produce a perverse result.

Option 5: Move the boundary back to its pre-1993 location

This option would reunite the community of interest that residents in Flemington feel ties them to Kensington. As discussed earlier, the Panel has formed the view that while community links do exist between the two suburbs, no exceptional circumstances have been identified to warrant such a merger, over and above those concerns common to ‘peripheral’ areas of municipalities. It also notes that the area concerned lies well outside the review area in the Panel’s terms of reference, and is concerned that removing such a larger area out of MVCC may present a too great an impact on its future service capacity.

Option 6: Move boundary north towards Racecourse Road ensuring the boundary is south of the Racecourse Road such that the retail precinct remains intact.

This option aims to reunify as much of the various identified communities as possible, while excising sufficient of the vicinity of the Racecourse Road retail centre to ensure that it is integrated and can be cohesively managed with minimal adverse effect.

The Panel considered three alternative boundary options to achieve these objectives:

Alternative 1

The boundary commences at the intersection of Racecourse Road/Epsom Road, then runs along the middle of Racecourse Road easterly through to the intersection of Eastwood Street, down Eastwood Street to the right of way at the rear of the Racecourse Road retail centre, then along the southern side of the right of way through to Rankins Road, then northwards back to Racecourse Road and along that road to the Moonee Ponds Creek, then northwards along the Upfield railway line and ending at Mount Alexander Road.

This option reunites all of the Kensington residential area under one council. This option separates all adjoining residential areas from the retail centre. The area immediately south of the right of way and up to Parsons Street will continue to be affected by Racecourse Road in respect of parking encroachment in side streets, traffic, after-hours noise, higher density residential development in and around the centre etc, and there is a danger that the residents in this area who would be constituents of CoM will have limited ability to hold accountable the council responsible for the retail centre, MVCC. This option also excludes one commercial property (The Quiet Man Hotel) at the centre's easternmost periphery from remaining under the same council management as the rest of the centre.

In the event this option is adopted, to mitigate the potential negative impacts associated with this alternative, the Panel would suggest a formal and ongoing liaison process between the MVCC and CoM to:

- jointly address all issues related to the centre that may impact on or otherwise involve the residential community to the south of the centre.
- effectively manage the council-owned car park behind the Flemington Library.

This option would also split the two public housing estates in Flemington and North Melbourne and the Panel is satisfied that this is appropriate and without potential negative implications for that community.

Alternative 2

The boundary is very similar to Alternative 1 above, but continues along Eastwood Street further south to Parsons Street and then northward along Nottingham Street back to Racecourse Road. The option would not include those residents in the blocks between the right of way and Parsons Street with the rest of the Kensington community, and compromises the goal of reuniting the whole community accordingly.

However, this option greatly mitigates the issues associated with having the residents impacted by parking and development decisions taken by the council responsible for from the Racecourse Road retail centre, the MVCC, unable to hold that council accountable. The option also retains all commercial properties within the centre under one council. The Panel expects that some level of inter-council liaison may be required to address issues of joint concern relating to the retail centre, if this option were to be pursued.

Alternative 3

This option is similar to Alternative 2 but extends the boundary along the full length of Parsons Street through to its end at the Moonee Ponds Creek. As with the previous alternative, the residential area interface with the Racecourse Road retail centre would be less problematic still, but the number of properties not included with rest of Kensington is greater and not consistent with the objective of maximising, as far as practicable, the areas of Kensington under one municipality.

Option 7: Move boundary to Racecourse Road but run the boundary south of the Racecourse Road retail precinct and include the Flemington public housing estate within CoM

This option is similar to Option 6 however the boundary would, towards its eastern end, run north of Racecourse Road along Victoria Street to the Debney Meadows Primary School, then run eastward to Mount Alexander Road. This option would retain both public housing precincts under one council, although resulting in the inclusion of an area outside the Panel's terms of reference. As the Panel does not consider that retaining both estates in this way is necessary for continued effective service planning and delivery to the estates, this option is not supported.



Conclusions and recommendations

1. The Panel is satisfied that exceptional circumstances exist to warrant a review of the current boundary to:
 - a) Reunite the suburb of Kensington under the CoM, because:
 - The Kensington community's historical sense of identity, inner city orientation and overwhelming support for 'reuniting' expressed in the submissions, support a strong case that a community has been fractured unreasonably and that sufficient feeling of disconnection continues to be felt by those on either side of the boundary;
 - The current boundary has discouraged the community from expressing one voice over issues of common concern, and continues to act as a barrier against the community's ability to hold one council accountable, despite the two councils' attempts to overcome this through co-operative arrangements;
 - The Macaulay Road retail centre, split between the two councils and seen by many as the major symbol of a divided community, would be better served by a single planning and management regime to promote business development and address various issues of importance to the centre such as traffic, parking, urban design and land use planning, etc;
 - Although either CoM or MVCC would have the capacity to service the whole suburb to an appropriate standard, the overwhelming desire of submitters is to come under the CoM, as was historically the case and suggests that the CoM is best placed to assume authority over the suburb.
 - b) Reunite the suburb of North Melbourne under the CoM, because:
 - The existing municipal boundary separates a clear community of interest which binds residents eastward with the rest of North Melbourne, and creates a perception of dislocation for residents from engaging with that community on common concerns;
 - The combined Moonee Ponds Creek, Upfield railway line, City Link tollway and surrounding industrial area creates a boundary that reinforces a sense of separation and lack of engagement with the rest of MVCC.
 - The CoM currently administers the larger area of the rest of North Melbourne to the east.
 - c) Retain the Racecourse Road retail centre under the MVCC, because:
 - This significant retail centre requires continued and coordinated strategic planning to ensure its ongoing sustainability and to co-ordinate issues such as centre promotion and advocacy, traffic, parking, urban design and land use planning, etc.
 - The MVCC has developed a successful working partnership with the traders of the centre, which should continue to be fostered in the long term.

2. Despite both councils' best efforts, the current municipal boundary through Kensington and North Melbourne creates various divisions that cause detriment to the communities of both suburbs. An alternative boundary to resolve these issues and deliver positive outcomes to all parties, without any negative effect is not possible to achieve. This is particularly relevant in the case of the link between the Racecourse Road retail precinct and the adjoining residential area immediately to the south. The Panel has taken pains to identify an alternative that would lead to the optimal net community benefit taking into account effective governance and accountability for residents and the feasibility and sustainability of arrangements between the two councils.

With this in mind, the Panel considers that the option that best brings together and preserve the three affected communities of interest is Option 6. On balance, alternative 2 of Option 6 would deliver the optimum net community benefit and requires the least ongoing administrative arrangements to be effective.

This alternative:

- Brings as much of the Kensington community together as is practicable and keeps the Racecourse Road retail precinct, as well as the surrounding affected community intact, providing continuity of support to that retail centre from the MVCC;
- Keeps the North Melbourne community intact and reunites it with the rest of that suburb;
- Proposes workable boundaries that are less likely to come under pressures relating to the governance of residents and commercial concerns in the long term;
- Brings all of the industrial areas of Kensington and North Melbourne under the one council;
- Retains an identifiable and sustainable boundary between MVCC and CoM at its eastern end (at the Upfield railway line).

This preferred option of the Panel is shown in Map 'A' which follows the Panel recommendations at the end of this report.

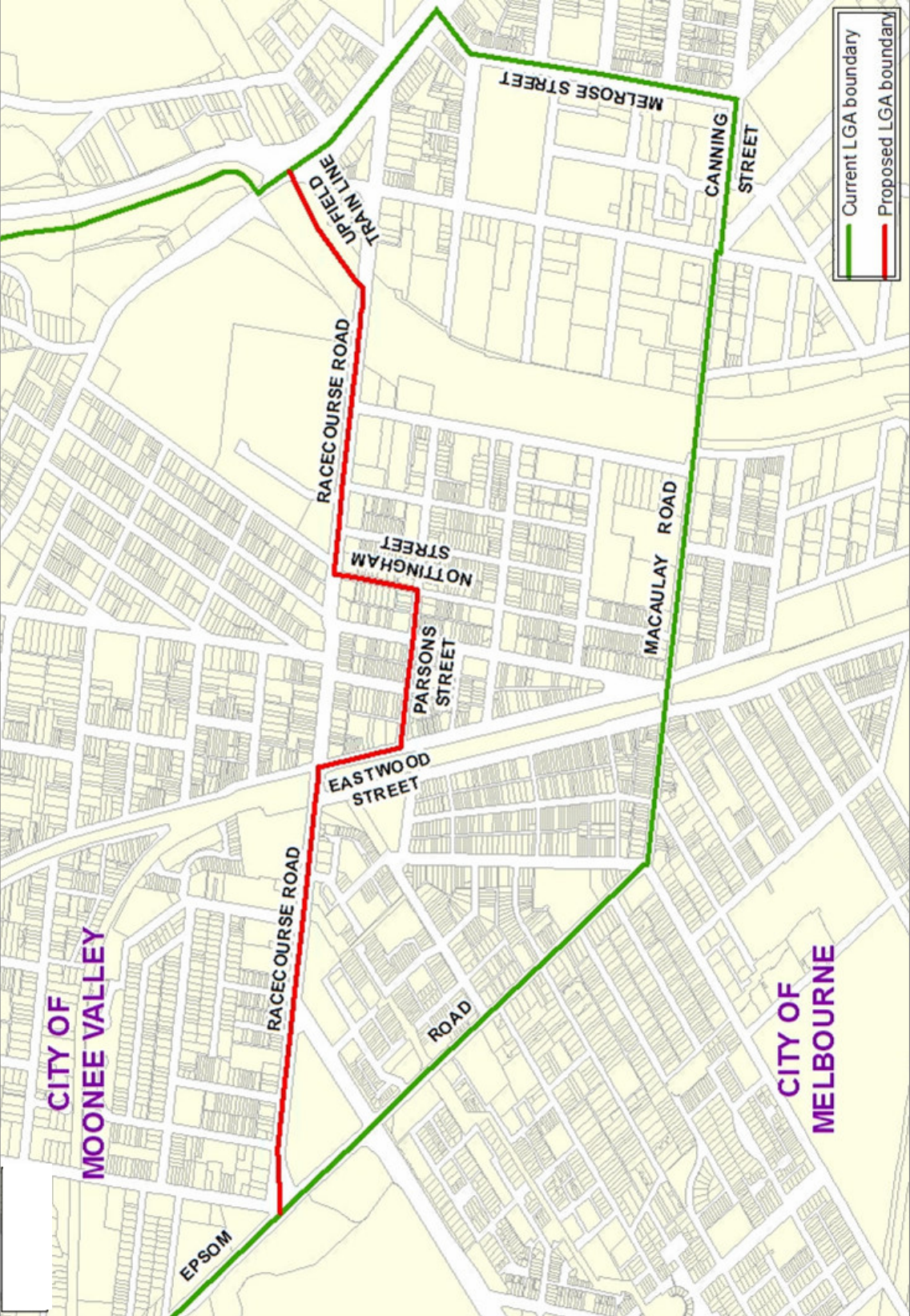
3. The Panel nevertheless also recognises the strong advantages to community building which would be brought about by bringing the all Kensington community under the one municipality, and recognises that residents in the area immediately south of Racecourse Road would receive such benefits from also becoming part of that united community. It considers that it would be possible to retain a workable balance between residents' need to be located under single community of interest within one council, and their competing need to remain involved with the retail centre to the north. This could however only be satisfactorily achieved if arrangements are put in place for both councils to address interface issues between the retail centre and adjoining residential area.

On the basis that both MVCC and CoM establish and maintain such co-operative arrangements for the benefit of local residents affected by the Racecourse Road retail centre, the Panel therefore concludes that Option 6, Alternative 1 (shown as Map 'B' following the panel's recommendations) – which utilises the laneway behind the Racecourse Road shops – would also provide a workable alternative option for a realigned boundary between the two municipalities.

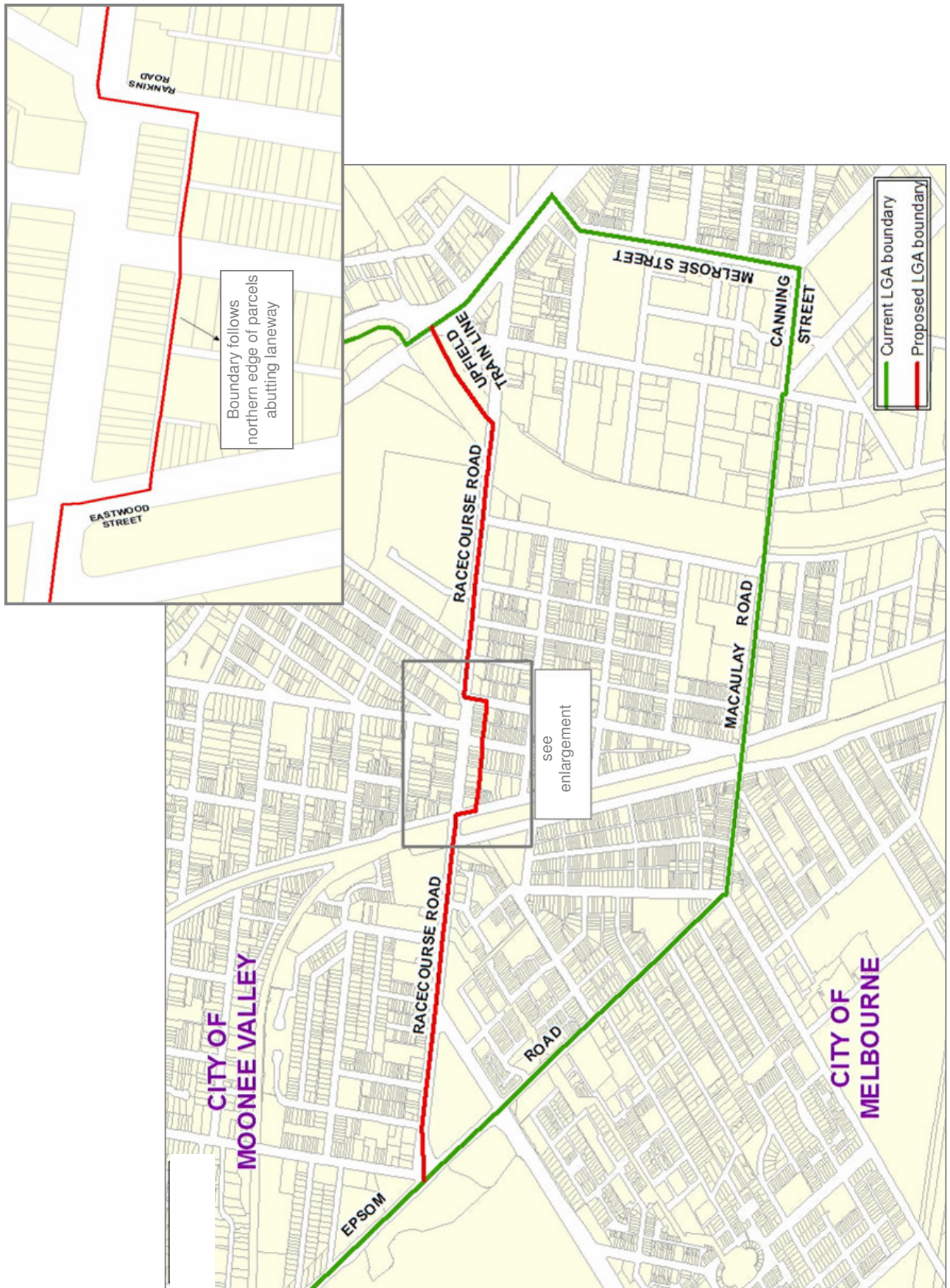
4. The Panel appreciates that one-off transition costs will be incurred if the recommended boundary change proceeds requiring the annexure of Kensington/North Melbourne from MVCC to CoM. While not underestimating these matters, the Panel does not see them as an impediment to any change, and that the exceptional circumstances identified which warrant the change are not outweighed by transition costs.
5. The Panel wishes to make it clear that, in advocating the above boundary change, it has not made a judgement on MVCC's overall performance despite the relatively high level of dissatisfaction expressed by submitters on the adequacy of the council's service to the review area. The Panel's findings have sought to remedy fundamental structural failures in community cohesion, service planning and governance brought about by the current boundary.

6. The Panel therefore recommends the following:
- a) That the Minister for Local Government recommend that an appropriate Order in Council be made under Section 220Q of the *Local Government Act 1989* ('the Act') which will alter the boundaries of the municipal districts of the City of Melbourne and the Moonee Valley City Council in the location shown in Map 'A' following ('Preferred Option'); or
 - b) If the Minister does not pursue the Panel's preferred option outlined in a) above, he alternatively recommend an appropriate Order in Council be made which will alter the boundaries of the municipal districts of the City of Melbourne and the Moonee Valley City Council in the location shown in Map 'B' following ('Alternative Option');
 - c) That the Minister recommend that the Order in Council come into effect on 1 July 2008, to allow both affected councils appropriate opportunity to make the necessary preparations for the transition of services and assets;
 - d) That the Order in Council should be published at the earliest opportunity, so that the forthcoming electoral representation review of the Moonee Valley City Council, set by the Minister to commence in January 2008, can proceed on the basis of that council's new external municipal boundary;
 - e) That the Order in Council enable an appropriate transition period of 4 years, for those commercial and industrial properties that face rate increases of 30 per cent or greater in the 2008/09 financial year, arising from the transfer from Moonee Valley City Council to City of Melbourne.
 - f) That the Order in Council make provision that the City of Melbourne and Moonee Valley City Council enter into formal arrangements for the ongoing liaison with one another to identify joint approaches and actions to address any issues of common concern in relation to:
 - i) the North Melbourne and Flemington public housing estates; and
 - ii) parking and other issues affecting residents around the south side of the Racecourse Road retail centre;
 - g) That the City of Melbourne and Moonee Valley City Council enter into formal arrangements for the co-ordinated management of those roads forming the new boundary which are under their jurisdiction.

Map 'A'
Preferred Option



Map 'B' Alternative Option





Appendices

Appendix 1	Panel terms of reference
Appendix 2	Map of review area
Appendix 3	Population & demographic trends & projections
Appendix 4	Communities of interest & other demographic groupings
Appendix 5	Summary of submissions received
Appendix 6	Council facilities & services to review area
Appendix 7	Administrative, financial & rating impacts analysis

Local Government (Kensington Boundary Review) Panel Terms of Reference

The Panel is to conduct a review and recommend to the Minister for Local Government on whether exceptional circumstances exist to warrant an alteration of the boundary between the municipal districts of the City of Melbourne and the Moonee Valley City Council ('the affected councils') in:

- a) the suburb of Kensington; and
- b) that section of the suburb of North Melbourne which is currently contained within the municipal district of the Moonee Valley City Council. ('the areas').

If the Panel recommends that such exceptional circumstances exist, it shall also recommend to the Minister the appropriate location of the new boundary between each municipal district.

In undertaking the review the Panel is to take into account the following:

- a) The additional objectives of the City of Melbourne as set out in Section 7 of the *City of Melbourne Act 2001*.¹
- b) Communities of interest within and adjacent to the areas;
- c) The effective and efficient delivery of local government services to the areas including access by residents and businesses of the areas to the affected councils' services and facilities;
- d) Administrative, financial and rating impacts on the affected councils resulting from any proposed boundary change, including transitional costs;
- e) Population and demographic trends, and physical and topographic factors;
- f) Any impacts of any proposed boundary change on areas adjacent to the areas;
- g) Any other relevant matters that may arise as a result of the review.

The Panel may also make recommendations to the Minister on any action which may need to be taken on any other matter which may result from the Panel's enquiries.

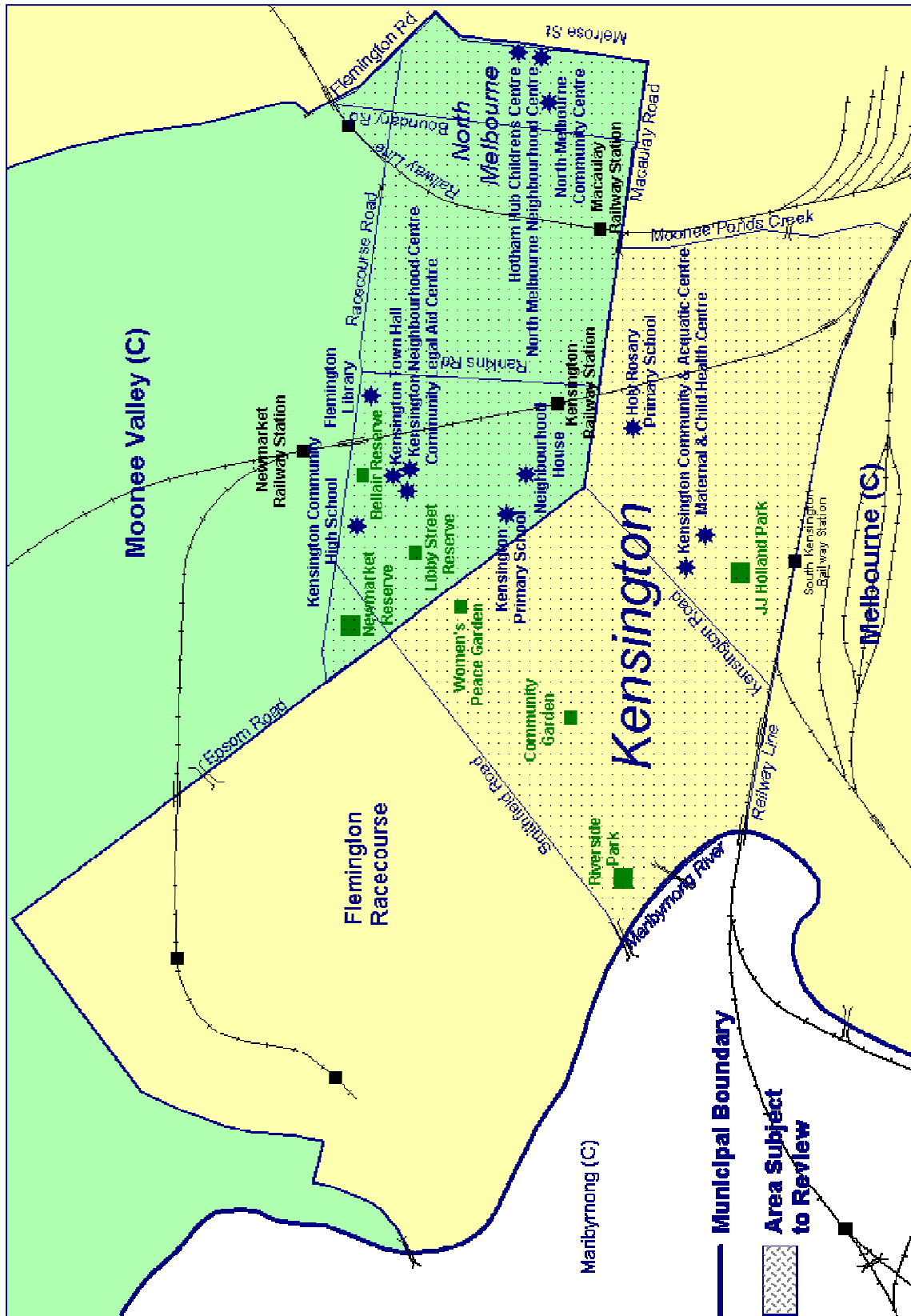
The Panel is to provide the Minister a report on the review by 31 October 2007 or such later date as he may approve.

¹ **Section 7 – City of Melbourne Act 2001**

7. Additional objectives

- (1) The Council has the following objectives—
 - (a) to ensure a proper balance within its community between economic, social, environmental and cultural considerations within the context of the City of Melbourne's unique capital city responsibilities;
 - (b) to develop and implement strategic directions and policies for the City of Melbourne in collaboration with the Government of the State to ensure alignment with that Government's strategic directions and policies for the City of Melbourne as the capital city of the State of Victoria;
 - (c) to co-ordinate with the State and Commonwealth Governments in the planning and delivery of services in the City of Melbourne in which those governments have an interest;
 - (d) to work in conjunction with the Government of the State on projects which that Government or the Council determines are significant to Melbourne.
- (2) This section is to be construed as being in addition to and not in derogation from the local government charter under the Local Government Act 1989.

Appendix 2
Map of review area



Appendix 3

Population & demographic trends & projections

Analysis of demographic data in Kensington and North Melbourne review areas

Source: Spatial Analysis and Research Branch, Department of Planning and Community Development, October 2007

Kensington (City of Melbourne Section)

- This area experienced an average annual population growth of 2.1% between 2001 and 2006, down slightly from 2.6% in the previous intercensal period.
- The age structure seen in the population of this area is most similar to the 'Kensington – Moonee Valley' area of this study. Over 50% of its population is between 25 and 49 years old, with a slightly higher proportion of children (0–17 years) than the CoM and a much lower proportion of 18–24 year olds (14% as opposed to CoM's 27%).
- In 2006, 68% of households were one or two person households – up from less than 50% of households in 1981.

Kensington (City of Moonee Valley Section)

- This area experienced strong population growth in the 1991 to 1996 intercensal period, but has since stabilised at 0.2% average annual growth between 2001 and 2006.
- The age structure seen in the population of this area is most similar to the 'Kensington – Melbourne' area of this study. Over 50% of its population is between 25 and 49 years old, with a slightly higher proportion of children (0–17 years) than the City of Melbourne (CoM) and a much lower proportion of 18–24 year olds (12% as opposed to CoM's 27%).
- In 2006, 74% of households in this area were one or two person households – up from around 60% of households in 1981.

North Melbourne (City of Moonee Valley Section)

- The total population of this area has declined by almost 900 persons, from 2,772 people in 1981 to 2006.
- Tenure data shows that 80% of private dwellings in this area are public housing (government rental) properties. Some portion of the decline in total population is likely to stem from a decline in the number of occupied government rental properties from 799 households in 1981 to 587 households in 2006.
- The age structure of this area is much more evenly spread than the small areas of Kensington discussed above or the CoM and MVCC. In 2006, over 25% of the population were aged 0–17 years, which is consistent with the high proportion of public housing in the area. Around 25% of the population was aged 18–34 years in 2006, and almost 30% of the population was aged over 50 years. These proportions are similar to the profile of these age ranges for the MVCC.
- In 2006, 62% of households were one (41%) or two (21%) person households – up from 46% in 1981.

City of Melbourne

- Average annual population growth decreased slightly – from 6.9% between 1996 and 2001 to 4.7% between 2001 and 2006 – but remained strong.
- The majority of CoM residents are between 18 and 34 years old – 53% of people counted in the CoM by the 2006 Census. Less than 8% of the population were children (0-17 years) in 2006 – this proportion has fallen since 1981 when 17% of the municipality were children. Similar declines have been seen in the 60 plus age group – who made up 16% of the population in 1981 but just 10% of persons in 2006.
- While the proportion of one person households has remained stable at just under 40% in the CoM, the proportion of two person households has increased from 30% in 1981 to 39% of households in 2006.

City of Moonee Valley

- Total population of this municipality is stable with a slight downward trend over the 25 years between 1981 and 2006.
- The MVCC has a much more even population age structure than the CoM, with 21% of persons aged 0–17 years in 2006, 25% aged 18–34 years, 23% aged 35–49 years, and 32% aged over 50 years. Since 1981 the proportion of people over 50 years has increased from 25% to 32% and the proportion of children (0–17) in the municipality has decreased from 28% to 21%.
- In the MVCC, proportions (and numbers) of 1 and 2 person households have steadily increased from 49% in 1981 to 59% of all households in 2001. Three person households have remained at a stable 17% over these years, while four and five person households have declined in number and as a proportion.

Kensington (City of Melbourne Section)

Size of area: 1.41 sq. km

Summary data	1981	1986	1991	1996	2001	2006
Total population	4,265	4,093	4,057	4,136	4,694	5,204
Population density	3,025	2,903	2,877	2,933	3,329	3,691
Average annual population growth (over preceding 5 years)	-0.8%	-0.2%	0.4%	2.6%	2.1%	
Visitors on Census night	63	98	184	408	263	
Pop in non-private dwellings	21	23	91	295	0	
Male / female population ratio	48	50	51	49	49	
Population living at same address 5 years earlier	1,773	1,629	1,582	1,486	1,258	

Age Structure Age Group (years)	1981		1986		1991		1996		2001		2006	
	No	%	No	%	No	%	No	%	No	%	No	%
0-4	367	8.60	348	8.50	317	7.82	369	8.93	349	7.44	347	6.67
5-17	1,005	23.57	811	19.81	642	15.83	550	13.29	487	10.38	467	8.97
18-24	584	13.70	508	12.41	536	13.21	466	11.26	649	13.82	706	13.57
25-34	769	18.04	865	21.13	962	23.70	1,002	24.23	1,396	29.74	1,453	27.92
35-49	622	14.59	692	16.90	759	18.70	948	22.91	1,058	22.53	1,239	23.81
50-59	350	8.20	302	7.38	309	7.62	331	8.01	396	8.43	483	9.28
60-74	398	9.32	399	9.75	382	9.43	352	8.50	250	5.32	367	7.05
75+	170	3.98	169	4.13	150	3.69	119	2.88	110	2.34	142	2.73
Total	4,265	100.0	4,093	100.0	4,057	100.0	4,136	100.0	4,694	100.0	5,204	100.0

Household Size	1981		1986		1991		1996		2001	
	No	%	No	%	No	%	No	%	No	%
1 Person	374	24.90	416	27.53	458	30.55	488	30.94	633	31.68
2 Person	364	24.23	395	26.14	410	27.35	512	32.47	729	36.49
3 Person	256	17.04	279	18.46	266	17.75	277	17.56	328	16.42
4 Person	271	18.04	198	13.10	192	12.81	181	11.48	208	10.41
5 or more person	237	15.78	223	14.76	173	11.54	119	7.55	100	5.01
Total	1,502	100.00	1,511	100.00	1,499	100.00	1,577	100.00	1,998	100.00

Dwellings	1981	1986	1991	1996	2001
Occupied private dwellings	1,498	1,511	1,542	1,611	2,114
Unoccupied private dwellings	133	118	117	112	181
Total private dwellings	1,631	1,629	1,659	1,723	2,295
Vacancy rate (%)	8.2	7.2	7.1	6.5	7.9

Tenure	1981		1986		1991		1996		2001		2006	
	No	%	No	%	No	%	No	%	No	%	No	%
Occupied Private Dwellings												
Fully Owned	268	17.9	287	19.0	265	17.2	263	16.3	366	17.3	319	13.7
Being purchased	174	11.6	215	14.2	224	14.5	312	19.4	640	30.3	807	34.8
Rented - government	672	44.9	677	44.8	746	48.4	637	39.5	354	16.7	293	12.6
Rented - private	237	15.8	230	15.2	227	14.7	318	19.7	608	28.8	618	26.6
Other & not stated	147	9.8	101	6.7	80	5.2	81	5.0	146	6.9	285	12.3
Total	1,498	100.0	1,511	100.0	1,542	100.0	1,611	100.0	2,114	100.0	2,322	100.0

Household Income (%)	1981	1986	1991	1996	2001
1st Quartile (lowest)	48.4	42.7	40.0	36.3	24.3
2nd Quartile	18.9	21.7	23.4	23.9	14.3
3rd Quartile	17.6	19.3	18.9	19.3	21.9
4th Quartile (highest)	15.1	16.3	17.7	20.5	39.5

Labour Force	1981	1986	1991	1996	2001
Employed	1,435	1,359	1,368	1,586	2,666
Un-employed	262	372	599	371	205
Not in labour force	1,420	1,405	1,245	1,305	1,043
Unemployment Rate	15.4	21.5	30.4	19.0	7.1
Participation Rate	54.4	55.2	61.2	60.0	73.4

Industry	1981		1986		1991		1996		2001	
	No	%	No	%	No	%	No	%	No	%
Agriculture, Forestry & Fishing	7	0.49	3	0.25	3	0.24	7	0.42	10	0.36
Mining	0	0.00	3	0.25	3	0.24	7	0.42	6	0.24
Manufacturing	474	33.06	381	28.06	368	26.92	240	15.16	224	8.40
Electricity, Gas & Water Supply	14	0.99	10	0.75	7	0.49	14	0.90	16	0.59
Construction	31	2.14	36	2.68	28	2.04	30	1.88	71	2.65
Wholesale Trade	98	6.83	76	5.61	52	3.83	108	6.82	122	4.59
Retail Trade	119	8.31	102	7.54	88	6.44	154	9.74	252	9.47
Accomm., Cafes & Restaurants	46	3.21	39	2.85	84	6.12	74	4.66	143	5.35
Transport & Storage	119	8.31	107	7.87	84	6.12	78	4.94	153	5.74
Communication	28	1.97	30	2.18	31	2.28	46	2.92	93	3.49
Finance & Insurance	45	3.13	48	3.52	51	3.75	72	4.52	204	7.64
Property & Business Services	86	6.00	106	7.79	124	9.05	212	13.35	531	19.92
Government Admin. & Defence	97	6.74	127	9.38	99	7.26	76	4.80	101	3.80
Education	104	7.24	116	8.54	117	8.56	146	9.18	203	7.60
Health & Community Services	99	6.91	104	7.62	138	10.11	197	12.45	291	10.93
Cultural & Recreational Services	30	2.06	28	2.09	46	3.34	55	3.48	165	6.18
Personal & Other Services	38	2.63	41	3.02	44	3.18	69	4.38	81	3.05
Total Industry	1,435	100.0	1,359	100.0	1,368	100.0	1,586	100.0	2,666	100.0

Religion	1981		1986		1991		1996		2001	
	No	1981	No	%	No	%	No	%	No	%
Catholic	1,442	33.78	1,314	32.12	1,228	30.24	1,119	27.56	1,308	28.14
Anglican	566	13.26	370	9.04	292	7.19	310	7.64	452	9.72
Uniting	108	2.53	109	2.66	123	3.03	128	3.15	166	3.57
Presbyterian	62	1.45	53	1.30	87	2.14	78	1.92	83	1.79
Other Christian	402	9.42	324	7.92	282	6.94	325	8.00	361	7.77
Non-Christian	435	10.19	575	14.06	666	16.40	783	19.29	709	15.25
No Religion	647	15.16	803	19.63	935	23.02	926	22.81	1,051	22.61
Not Stated	607	14.22	543	13.27	448	11.03	391	9.63	518	11.14
Total Religion	4,269	100.00	4,091	100.00	4,061	100.00	4,060	100.00	4,648	100.00

Source: Spatial Analysis and Research, DPCD, based on data from the 1981 to 2006 Censuses provided by the Australian Bureau of Statistics (ABS) at the Census Collection District (CCD) level.

Kensington (City of Moonee Valley Section)

Size of area: 0.7081 sq. km

Summary data	1981	1986	1991	1996	2001	2006
Total population	2,297	2,023	2,144	2,678	2,837	2,865
Population density	3,244	2,857	3,028	3,782	4,006	4,046
Average annual population growth (over preceding 5 years)		-2.5%	1.2%	4.5%	1.2%	0.2%
Visitors on Census night	47	65	52	134	124	
Pop in non-private dwellings	30	11	4	62	50	
Male / female population ratio	51	50	50	48	46	
Population living at same address 5 years earlier	1,022	817	832	947	1,010	

Age Structure Age Group(years)	1981		1986		1991		1996		2001		2006	
	No	%	No	%	No	%	No	%	No	%	No	%
0-4	155	6.75	117	5.77	139	6.47	140	5.22	139	4.89	154	5.38
5-17	370	16.11	265	13.12	193	8.99	236	8.83	258	9.11	242	8.45
18-24	349	15.19	279	13.81	284	13.27	460	17.17	393	13.86	351	12.25
25-34	472	20.55	528	26.10	600	27.98	674	25.17	796	28.07	802	27.99
35-49	371	16.15	359	17.76	449	20.95	624	23.29	645	22.75	694	24.22
50-59	242	10.54	169	8.34	172	8.01	196	7.33	255	9.00	295	10.30
60-74	255	11.10	229	11.30	212	9.87	212	7.93	197	6.95	187	6.53
75+	83	3.61	77	3.80	96	4.47	136	5.07	153	5.39	140	4.89
Total	2,297	100.0	2,023	100.0	2,144	100.0	2,678	100.0	2,837	100.0	2,865	100.0

Household Size	1981		1986		1991		1996		2001	
	No	%	No	%	No	%	No	%	No	%
1 Person	256	28.64	297	33.56	314	33.76	414	36.22	411	32.64
2 Person	277	30.98	310	35.03	358	38.49	410	35.87	516	40.98
3 Person	154	17.23	129	14.58	112	12.04	185	16.19	192	15.25
4 Person	108	12.08	80	9.04	90	9.68	97	8.49	98	7.78
5 or more person	99	11.07	69	7.80	56	6.02	37	3.24	42	3.34
Total	894	100.00	885	100.00	930	100.00	1,143	100.00	1,259	100.00

Dwellings	1981	1986	1991	1996	2001
Occupied private dwellings	892	885	986	1,209	1,337
Unoccupied private dwellings	81	102	105	122	129
Total private dwellings	973	987	1,091	1,331	1,466
Vacancy rate (%)	8.3	10.3	9.6	9.2	8.8

Tenure	1981		1986		1991		1996		2001		2006	
	No	%	No	%	No	%	No	%	No	%	No	%
Occupied Private Dwellings												
Fully Owned	302	33.8	275	31.1	259	26.3	303	25.0	313	23.4	229	19.0
Being purchased	188	21.1	251	28.4	265	26.9	349	28.9	355	26.6	388	32.3
Rented - government	0	0.0	16	1.8	75	7.6	90	7.5	102	7.6	93	7.7
Rented - private	330	37.0	294	33.3	310	31.4	427	35.3	467	34.9	339	28.2
Other & not stated	72	8.1	48	5.4	77	7.8	39	3.3	100	7.5	154	12.8
Total	892	100.0	885	100.0	986	100.0	1,209	100.0	1,337	100.0	1,203	100.0

Household Income (%)	1981	1986	1991	1996	2001
1st Quartile (lowest)	32.7	30.3	27.5	25.8	19.4
2nd Quartile	27.0	25.0	23.0	19.0	19.2
3rd Quartile	22.2	21.7	22.4	23.8	26.7
4th Quartile (highest)	18.1	22.9	27.0	31.3	34.6

Labour Force	1981	1986	1991	1996	2001
Employed	1,087	1,014	1,111	1,462	1,728
Un-employed	117	110	156	136	122
Not in labour force	656	595	574	739	626
Unemployment Rate	9.7	9.8	12.3	8.5	6.6
Participation Rate	64.7	65.4	68.8	68.4	74.7

Industry	1981		1986		1991		1996		2001	
	No	%	No	%	No	%	No	%	No	%
Agriculture, Forestry & Fishing	3	0.32	0	0.00	3	0.30	0	0.00	0	0.00
Mining	0	0.00	0	0.00	0	0.00	10	0.65	7	0.39
Manufacturing	291	26.81	180	17.76	167	15.00	173	11.83	194	11.22
Electricity, Gas & Water Supply	3	0.32	6	0.63	0	0.00	3	0.22	3	0.20
Construction	31	2.84	32	3.13	36	3.26	48	3.27	46	2.69
Wholesale Trade	83	7.68	53	5.22	71	6.42	57	3.92	84	4.86
Retail Trade	112	10.30	106	10.45	100	8.98	152	10.38	178	10.30
Accomm., Cafes & Restaurants	33	3.05	39	3.87	49	4.44	76	5.22	118	6.82
Transport & Storage	119	10.94	77	7.63	66	5.92	58	3.99	86	4.99
Communication	45	4.10	35	3.45	23	2.07	45	3.05	51	2.95
Finance & Insurance	38	3.47	64	6.27	73	6.61	73	5.01	99	5.71
Property & Business Services	38	3.47	83	8.15	125	11.25	207	14.15	331	19.16
Government Admin. & Defence	80	7.36	69	6.79	88	7.90	74	5.08	67	3.87
Education	90	8.31	113	11.18	110	9.87	164	11.25	167	9.65
Health & Community Services	80	7.36	87	8.57	114	10.27	156	10.67	163	9.45
Cultural & Recreational Services	18	1.68	31	3.03	52	4.64	93	6.39	75	4.33
Personal & Other Services	22	2.00	39	3.87	34	3.06	72	4.93	59	3.41
Total Industry	1,087	100.0	1,014	100.0	1,111	100.0	1,462	100.0	1,728	100.0

Religion	1981		1986		1991		1996		2001	
	No	1981	No	%	No	%	No	%	No	%
Catholic	893	38.78	662	32.82	749	34.79	831	31.49	809	28.90
Anglican	286	12.42	243	12.05	274	12.73	332	12.58	286	10.22
Uniting	70	3.04	49	2.43	83	3.86	111	4.21	98	3.50
Presbyterian	82	3.56	42	2.08	66	3.07	66	2.50	39	1.39
Other Christian	221	9.60	198	9.82	137	6.36	158	5.99	180	6.43
Non-Christian	97	4.21	61	3.02	89	4.13	136	5.15	217	7.75
No Religion	352	15.28	426	21.12	485	22.53	790	29.94	753	26.90
Not Stated	302	13.11	336	16.66	270	12.54	215	8.15	417	14.90
Total Religion	2,303	100.00	2,017	100.00	2,153	100.00	2,639	100.00	2,799	100.00

North Melbourne (City of Moonee Valley Section)

Size of area: 0.4094 sq. km

Summary data	1981	1986	1991	1996	2001	2006
Total population	2,772	2,577	2,413	2,008	2,070	1,835
Population density	6,771	6,295	5,894	4,905	5,056	4,482
Average annual population growth (over preceding 5 years)		-1.4%	-1.3%	-3.6%	0.6%	-2.4%
Visitors on Census night	45	63	64	80	77	
Pop in non-private dwellings	34	15	25	33	37	
Male / female population ratio	46	50	49	51	49	
Population living at same address 5 years earlier	848	909	825	575	907	

Age Structure Age Group(years)	1981		1986		1991		1996		2001		2006	
	No	%	No	%	No	%	No	%	No	%	No	%
0-4	295	10.65	281	10.89	209	8.65	182	9.05	210	10.15	111	6.05
5-17	783	28.24	570	22.12	434	18.00	366	18.24	410	19.82	357	19.46
18-24	311	11.23	327	12.71	315	13.05	230	11.43	230	11.12	210	11.44
25-34	451	16.29	482	18.71	485	20.12	376	18.74	330	15.93	256	13.95
35-49	445	16.07	412	16.00	412	17.08	374	18.64	356	17.19	362	19.73
50-59	153	5.53	188	7.28	183	7.56	161	8.00	176	8.50	190	10.35
60-74	231	8.34	224	8.68	280	11.60	239	11.88	237	11.46	230	12.53
75+	101	3.65	93	3.60	95	3.95	81	4.03	121	5.83	119	6.49
Total	2,772	100.0	2,577	100.0	2,413	100.0	2,008	100.0	2,070	100.0	1,835	100.0

Household Size	1981		1986		1991		1996		2001	
	No	%	No	%	No	%	No	%	No	%
1 Person	281	30.51	308	34.00	329	36.31	319	40.18	328	40.69
2 Person	144	15.64	144	15.89	181	19.98	179	22.54	171	21.22
3 Person	136	14.77	137	15.12	168	18.54	115	14.48	125	15.51
4 Person	154	16.72	147	16.23	125	13.80	102	12.85	87	10.79
5 or more person	206	22.37	170	18.76	103	11.37	79	9.95	95	11.79
Total	921	100.00	906	100.00	906	100.00	794	100.00	806	100.00

Dwellings	1981	1986	1991	1996	2001
Occupied private dwellings	918	906	946	837	850
Unoccupied private dwellings	78	81	54	60	87
Total private dwellings	996	987	1,000	897	937
Vacancy rate (%)	7.8	8.2	5.4	6.7	9.3

Tenure	1981		1986		1991		1996		2001		2006	
	No	%	No	%	No	%	No	%	No	%	No	%
Occupied Private Dwellings												
Fully Owned	18	2.0	13	1.4	23	2.4	21	2.6	16	1.8	20	2.7
Being purchased	18	1.9	21	2.3	23	2.4	23	2.7	28	3.3	23	3.1
Rented - government	799	87.0	799	88.2	813	86.0	645	77.1	666	78.4	587	79.6
Rented - private	49	5.4	34	3.8	46	4.8	107	12.8	54	6.3	22	3.0
Other & not stated	34	3.7	39	4.3	41	4.3	41	4.9	87	10.2	85	11.5
Total	918	100.0	906	100.0	946	100.0	837	100.0	850	100.0	737	100.0

Household Income (%)	1981	1986	1991	1996	2001
1st Quartile (lowest)	54.5	58.4	59.2	57.6	65.9
2nd Quartile	19.9	21.5	23.1	25.2	22.6
3rd Quartile	18.2	13.1	12.6	12.5	7.5
4th Quartile (highest)	7.4	7.1	5.1	4.7	4.0

Labour Force	1981	1986	1991	1996	2001
Employed	776	584	465	394	386
Un-employed	161	315	426	230	228
Not in labour force	906	957	948	927	926
Unemployment Rate	17.2	35.0	47.8	36.9	37.2
Participation Rate	50.8	48.4	48.5	40.2	39.9

Industry	1981		1986		1991		1996		2001	
	No	%	No	%	No	%	No	%	No	%
Agriculture, Forestry & Fishing	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Mining	0	0.00	0	0.00	4	0.78	0	0.00	0	0.00
Manufacturing	442	56.92	308	52.79	203	43.78	99	25.07	63	16.27
Electricity, Gas & Water Supply	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Construction	16	2.00	12	1.99	4	0.78	7	1.65	7	1.81
Wholesale Trade	44	5.69	27	4.58	25	5.44	10	2.48	14	3.61
Retail Trade	49	6.31	53	9.16	42	9.07	42	10.74	52	13.55
Accomm., Cafes & Restaurants	49	6.31	24	4.18	41	8.81	31	7.99	52	13.55
Transport & Storage	32	4.15	22	3.78	10	2.07	7	1.65	37	9.64
Communication	18	2.31	19	3.19	11	2.33	7	1.65	7	1.81
Finance & Insurance	7	0.92	10	1.79	14	3.11	13	3.31	10	2.71
Property & Business Services	14	1.85	17	2.99	31	6.74	51	12.95	47	12.05
Government Admin. & Defence	17	2.15	23	3.98	20	4.40	29	7.44	7	1.81
Education	24	3.08	8	1.39	19	4.15	31	7.99	21	5.42
Health & Community Services	42	5.38	42	7.17	26	5.70	41	10.47	41	10.54
Cultural & Recreational Services	4	0.46	0	0.00	0	0.00	7	1.65	14	3.61
Personal & Other Services	19	2.46	17	2.99	13	2.85	20	4.96	14	3.61
Total Industry	776	100.0	584	100.0	465	100.0	394	100.0	386	100.0

Religion	1981		1986		1991		1996		2001	
	No	1981	No	%	No	%	No	%	No	%
Catholic	868	31.31	610	23.68	633	26.22	466	23.21	329	16.03
Anglican	243	8.77	174	6.75	122	5.05	95	4.73	98	4.78
Uniting	38	1.37	31	1.20	26	1.08	23	1.15	20	0.97
Presbyterian	55	1.98	24	0.93	47	1.95	29	1.44	17	0.83
Other Christian	243	8.77	228	8.85	180	7.46	171	8.52	127	6.19
Non-Christian	478	17.24	542	21.04	505	20.92	626	31.18	949	46.25
No Religion	530	19.12	641	24.88	637	26.39	394	19.62	259	12.62
Not Stated	317	11.44	326	12.66	264	10.94	204	10.16	253	12.33
Total Religion	2,772	100.00	2,576	100.00	2,414	100.00	2,008	100.00	2,052	100.00

City of Melbourne

Size of area: 36 sq. km

Summary data	1981	1986	1991	1996	2001	2006
Total population	41,297	40,013	40,116	48,560	67,784	85,201
Population density	1,147	1,111	1,114	1,349	1,883	2,367
Average annual population growth (over preceding 5 years)		-0.6%	0.1%	3.9%	6.9%	4.7%
Visitors on Census night	8,992	7,520	8,209	13,108	19,294	
Pop in non-private dwellings	14,149	13,993	14,167	15,490	18,900	
Male / female population ratio	50	50	52	52	52	
Population living at same address 5 years earlier	10,374	9,398	9,544	11,808	14,284	

Age Structure Age Group(years)	1981		1986		1991		1996		2001		2006	
	No	%	No	%	No	%	No	%	No	%	No	%
0-4	2,074	5.02	1,980	4.95	2,244	5.59	1,878	3.87	2,371	3.50	2,269	2.66
5-17	4,744	11.49	4,289	10.72	4,270	10.64	3,870	7.97	5,204	7.68	4,315	5.06
18-24	9,336	22.61	8,617	21.54	8,346	20.80	11,295	23.26	16,949	25.00	22,975	26.97
25-34	7,997	19.37	8,090	20.22	8,128	20.26	10,784	22.21	15,614	23.03	22,384	26.27
35-49	6,336	15.34	6,957	17.39	7,756	19.33	9,844	20.27	13,032	19.23	15,977	18.75
50-59	4,020	9.74	3,448	8.62	3,429	8.55	4,433	9.13	6,907	10.19	8,855	10.39
60-74	4,556	11.03	4,070	10.17	3,889	9.69	4,183	8.61	5,087	7.50	5,933	6.96
75+	2,233	5.41	2,561	6.40	2,055	5.12	2,273	4.68	2,621	3.87	2,493	2.93
Total	41,297	100.00	40,013	100.00	40,116	100.00	48,560	100.00	67,784	100.00	85,201	100.00

Household Size	1981		1986		1991		1996		2001	
	No	%	No	%	No	%	No	%	No	%
1 Person	4,949	39.96	4,852	40.16	4,320	38.47	5,576	38.61	7,659	38.39
2 Person	3,724	30.07	3,737	30.93	3,697	32.92	5,084	35.21	7,782	39.00
3 Person	1,604	12.95	1,622	13.43	1,588	14.14	2,057	14.24	2,642	13.24
4 Person	1,180	9.53	1,027	8.50	1,011	9.00	1,131	7.83	1,315	6.59
5 or more person	928	7.49	844	6.99	614	5.47	593	4.11	555	2.78
Total	12,385	100.00	12,081	100.00	11,231	100.00	14,441	100.00	19,953	100.00

Dwellings	1981	1986	1991	1996	2001
Occupied private dwellings	12,395	12,079	12,245	16,099	23,904
Unoccupied private dwellings	1,743	1,756	1,827	2,162	3,032
Total private dwellings	14,137	13,835	14,071	18,261	26,936
Vacancy rate (%)	12.3	12.7	13.0	11.8	11.3

Tenure	1981		1986		1991		1996		2001		2006	
	No	%	No	%	No	%	No	%	No	%	No	%
Occupied Private Dwellings												
Fully Owned	2,229	18.0	2,449	20.3	2,552	20.8	3,406	21.2	4,398	18.4	4,591	14.4
Being purchased	1,268	10.2	1,209	10.0	1,135	9.3	1,839	11.4	2,761	11.5	5,103	16.0
Rented - government	1,768	14.3	1,967	16.3	2,163	17.7	1,880	11.7	1,515	6.3	1,453	4.6
Rented - private	5,754	46.4	5,207	43.1	5,260	43.0	8,127	50.5	11,559	48.4	14,511	45.6
Other & not stated	1,374	11.1	1,247	10.3	1,135	9.3	847	5.3	3,672	15.4	6,157	19.4
Total	12,395	100.0	12,079	100.0	12,245	100.0	16,099	100.0	23,904	100.0	31,815	100.0

Household Income (%)	1981	1986	1991	1996	2001
1st Quartile (lowest)	30.5	29.6	28.1	25.8	25.8
2nd Quartile	24.7	23.4	22.9	19.9	19.1
3rd Quartile	19.7	20.6	21.2	21.3	21.3
4th Quartile (highest)	25.1	26.4	27.8	32.9	33.8

Labour Force	1981	1986	1991	1996	2001
Employed	19,834	18,566	18,421	22,974	34,089
Un-employed	1,496	2,153	3,110	2,579	2,779
Not in labour force	14,729	14,573	13,175	15,571	18,812
Unemployment Rate	7.0	10.4	14.4	10.1	7.5
Participation Rate	59.2	58.7	62.0	62.1	66.2

Industry	1981		1986		1991		1996		2001	
	No	%	No	%	No	%	No	%	No	%
Agriculture, Forestry & Fishing	310	1.56	127	0.69	186	1.01	199	0.87	315	0.92
Mining	80	0.40	60	0.32	75	0.40	148	0.64	152	0.45
Manufacturing	2,615	13.18	1,980	10.66	1,991	10.81	1,898	8.26	2,555	7.49
Electricity, Gas & Water Supply	204	1.03	173	0.93	88	0.48	100	0.43	142	0.42
Construction	354	1.79	355	1.91	304	1.65	411	1.79	673	1.98
Wholesale Trade	1,066	5.38	862	4.65	933	5.06	1,429	6.22	2,137	6.27
Retail Trade	1,618	8.16	1,728	9.31	1,904	10.33	2,509	10.92	3,826	11.22
Accomm., Cafes & Restaurants	1,410	7.11	1,431	7.71	1,676	9.10	1,854	8.07	2,987	8.76
Transport & Storage	915	4.61	886	4.77	809	4.39	984	4.28	1,213	3.56
Communication	419	2.11	413	2.23	421	2.28	637	2.77	925	2.71
Finance & Insurance	823	4.15	970	5.22	1,065	5.78	1,532	6.67	2,492	7.31
Property & Business Services	1,634	8.24	2,024	10.90	2,364	12.83	4,400	19.15	7,714	22.63
Government Admin. & Defence	1,274	6.42	1,194	6.43	1,026	5.57	926	4.03	1,059	3.11
Education	1,844	9.30	1,774	9.55	1,576	8.56	1,915	8.34	2,357	6.91
Health & Community Services	3,982	20.08	3,463	18.65	2,730	14.82	2,250	9.79	3,087	9.05
Cultural & Recreational Services	504	2.54	496	2.67	653	3.54	1,068	4.65	1,541	4.52
Personal & Other Services	783	3.95	629	3.39	622	3.37	715	3.11	915	2.68
Total Industry	19,834	100.0	18,566	100.0	18,421	100.0	22,974	100.0	34,089	100.0

Religion	1981		1986		1991		1996		2001	
	No	1981	No	%	No	%	No	%	No	%
Catholic	10,183	24.63	9,322	23.30	9,553	23.78	9,734	21.51	12,247	20.17
Anglican	7,204	17.43	6,367	15.91	6,595	16.42	6,272	13.86	7,201	11.86
Uniting	2,123	5.13	1,710	4.27	2,064	5.14	2,256	4.99	2,433	4.01
Presbyterian	1,406	3.40	1,111	2.78	1,439	3.58	1,191	2.63	1,371	2.26
Other Christian	4,261	10.31	3,989	9.97	2,890	7.20	3,210	7.09	4,237	6.98
Non-Christian	1,876	4.54	2,493	6.23	2,585	6.44	4,044	8.94	6,968	11.48
No Religion	7,420	17.95	7,784	19.45	8,285	20.63	10,838	23.95	12,795	21.08
Not Stated	6,869	16.62	7,237	18.09	6,752	16.81	7,703	17.02	13,453	22.16
Total Religion	41,343	100.00	40,013	100.00	40,163	100.00	45,248	100.00	60,705	100.00

Note: The time series provided use Enumerated Population data NOT Usual Resident Population data or Estimated Resident Population data. There are a lot of visitors to the City of Melbourne who are included in this count, hence data on the City of Melbourne may be skewed.

City of Moonee Valley

Size of area: 44 sq. km

Summary data	1981	1986	1991	1996	2001	2006
Total population	110,833	107,779	105,616	104,849	106,116	105,549
Population density	2,519	2,450	2,400	2,383	2,412	2,399
Average annual population growth (over preceding 5 years)		-0.6%	-0.4%	-0.1%	0.2%	-0.1%
Visitors on Census night	1,866	2,329	2,381	2,861	2,793	
Pop in non-private dwellings	947	1,064	1,072	1,207	1,062	
Male / female population ratio	49	49	49	48	48	
Population living at same address 5 years earlier	65,804	63,533	61,782	59,549	60,551	

Age Structure Age Group(years)	1981		1986		1991		1996		2001		2006	
	No	%	No	%	No	%	No	%	No	%	No	%
0-4	7,092	6.40	6,625	6.15	6,780	6.42	6,457	6.16	6,256	5.90	6,114	5.79
5-17	23,942	21.60	19,966	18.52	16,392	15.52	15,607	14.88	16,093	15.17	15,736	14.91
18-24	14,455	13.04	14,305	13.27	14,099	13.35	12,085	11.53	10,364	9.77	10,249	9.71
25-34	17,206	15.52	17,535	16.27	18,026	17.07	18,342	17.49	17,777	16.75	15,857	15.02
35-49	19,624	17.71	20,339	18.87	21,483	20.34	22,759	21.71	23,660	22.30	23,859	22.60
50-59	12,523	11.30	11,468	10.64	10,654	10.09	10,820	10.32	12,016	11.32	12,880	12.20
60-74	11,945	10.78	12,885	11.95	12,934	12.25	12,882	12.29	13,020	12.27	12,905	12.23
75+	4,047	3.65	4,655	4.32	5,248	4.97	5,897	5.62	6,930	6.53	7,949	7.53
Total	110,833	100.00	107,779	100.00	105,616	100.00	104,849	100.00	106,116	100.00	105,549	100.00

Household Size	1981		1986		1991		1996		2001	
	No	%	No	%	No	%	No	%	No	%
1 Person	7,419	19.80	8,370	21.94	8,789	23.22	10,220	26.03	10,694	26.61
2 Person	10,791	28.80	11,332	29.71	11,490	30.36	12,122	30.87	12,929	32.17
3 Person	6,214	16.59	6,429	16.85	6,458	17.07	6,685	17.02	6,675	16.61
4 Person	6,767	18.06	6,543	17.15	6,357	16.80	6,238	15.89	6,167	15.34
5 or more person	6,274	16.75	5,474	14.35	4,751	12.55	4,001	10.19	3,730	9.28
Total	37,465	100.00	38,149	100.00	37,846	100.00	39,266	100.00	40,195	100.00

Dwellings	1981	1986	1991	1996	2001
Occupied private dwellings	37,447	38,139	38,864	40,293	41,989
Unoccupied private dwellings	2,208	2,494	2,827	2,866	3,103
Total private dwellings	39,655	40,634	41,691	43,159	45,092
Vacancy rate (%)	5.6	6.1	6.8	6.6	6.9

Tenure	1981		1986		1991		1996		2001		2006	
	No	%	No	%	No	%	No	%	No	%	No	%
Occupied Private Dwellings												
Fully Owned	14,369	38.4	16,941	44.4	17,385	44.7	18,993	47.1	19,069	45.4	15,889	39.1
Being purchased	10,655	28.5	9,583	25.1	8,299	21.4	8,296	20.6	8,594	20.5	11,281	27.7
Rented - government	2,677	7.2	2,942	7.7	3,200	8.2	2,759	6.8	2,913	6.9	2,785	6.8
Rented - private	7,039	18.8	6,838	17.9	7,730	19.9	8,549	21.2	8,211	19.6	6,426	15.8
Other & not stated	2,707	7.2	1,836	4.8	2,250	5.8	1,696	4.2	3,202	7.6	4,283	10.5
Total	37,447	100.0	38,139	100.0	38,864	100.0	40,293	100.0	41,989	100.0	40,664	100.0

Household Income (%)	1981	1986	1991	1996	2001
1st Quartile (lowest)	26.1	26.1	26.0	25.6	25.4
2nd Quartile	24.4	23.5	23.4	22.0	21.9
3rd Quartile	24.4	24.0	23.7	23.8	23.4
4th Quartile (highest)	25.2	26.4	26.9	28.6	29.4

Labour Force	1981	1986	1991	1996	2001
Employed	49,968	49,166	47,664	48,198	51,537
Un-employed	2,908	3,761	6,826	4,857	3,596
Not in labour force	32,852	33,932	32,256	33,110	31,806
Unemployment Rate	5.5	7.1	12.5	9.2	6.5
Participation Rate	61.7	60.9	62.8	61.6	63.4

Industry	1981		1986		1991		1996		2001	
	No	%	No	%	No	%	No	%	No	%
Agriculture, Forestry & Fishing	125	0.25	133	0.27	79	0.17	129	0.27	148	0.29
Mining	37	0.07	77	0.16	66	0.14	73	0.15	58	0.11
Manufacturing	13,581	27.18	9,782	19.90	8,248	17.31	7,040	14.61	6,861	13.31
Electricity, Gas & Water Supply	786	1.57	720	1.46	433	0.91	209	0.43	206	0.40
Construction	2,169	4.34	2,513	5.11	2,340	4.91	2,566	5.32	2,989	5.80
Wholesale Trade	3,090	6.18	2,651	5.39	2,775	5.82	2,662	5.52	2,662	5.17
Retail Trade	6,169	12.35	6,713	13.65	6,611	13.87	6,705	13.91	7,068	13.71
Accomm., Cafes & Restaurants	1,287	2.57	1,245	2.53	1,802	3.78	1,907	3.96	2,405	4.67
Transport & Storage	4,875	9.76	4,611	9.38	3,738	7.84	3,373	7.00	2,854	5.54
Communication	1,185	2.37	1,187	2.41	1,015	2.13	1,123	2.33	1,253	2.43
Finance & Insurance	2,259	4.52	2,544	5.18	2,530	5.31	2,346	4.87	2,778	5.39
Property & Business Services	2,421	4.85	3,158	6.42	4,023	8.44	5,664	11.75	7,133	13.84
Government Admin. & Defence	3,091	6.19	3,429	6.97	3,000	6.29	2,111	4.38	1,842	3.57
Education	3,727	7.46	4,081	8.30	3,964	8.32	4,164	8.64	4,668	9.06
Health & Community Services	2,963	5.93	3,713	7.55	4,363	9.15	4,662	9.67	4,956	9.62
Cultural & Recreational Services	812	1.63	912	1.85	1,022	2.14	1,639	3.40	1,864	3.62
Personal & Other Services	1,390	2.78	1,696	3.45	1,655	3.47	1,823	3.78	1,790	3.47
Total Industry	49,968	100.00	49,166	100.00	47,664	100.00	48,198	100.00	51,537	100.00

Religion	1981		1986		1991		1996		2001	
	No	1981	No	%	No	%	No	%	No	%
Catholic	46,727	42.15	45,602	42.33	47,250	44.78	46,750	44.67	46,227	43.78
Anglican	16,000	14.43	13,099	12.16	13,052	12.37	11,577	11.06	10,525	9.97
Uniting	5,323	4.80	4,621	4.29	5,560	5.27	5,405	5.16	4,791	4.54
Presbyterian	3,705	3.34	2,465	2.29	3,554	3.37	2,765	2.64	2,230	2.11
Other Christian	13,287	11.98	12,993	12.06	10,367	9.83	10,721	10.24	10,715	10.15
Non-Christian	2,569	2.32	3,076	2.86	3,592	3.40	4,706	4.50	6,660	6.31
No Religion	11,422	10.30	12,454	11.56	12,602	11.94	15,428	14.74	13,654	12.93
Not Stated	11,830	10.67	13,412	12.45	9,533	9.04	7,306	6.98	10,799	10.23
Total Religion	110,863	100.00	107,722	100.00	105,510	100.00	104,658	100.00	105,601	100.00

**Population Projections - 2006-2031
- Councils**

Council	2006	2011	2016	2021	2026	2031
Moonee Valley (C)	110,168	111,528	113,217	115,030	117,360	119,731
Melbourne (C)	67,061	82,462	99,252	116,731	132,130	145,138

Source: Victoria in Future (VIF) 2004. Department of Sustainability & Environment

Victoria in Future population projections based on the new 2006 Census data will not be available until mid 2008. The current projections under-projected City of Melbourne for 2006 so do not provide an accurate estimate.

**Population Projections - 2006-2021
- Review areas**

Kensington/North Melbourne (City of Moonee Valley area)

	2006	2011	2021
Total population	5,124	5,144	5,119
Households	2,299	2,360	2,406
Dwellings	2,494	2,560	2,610
Average household size	2.16	2.11	2.06

Kensington (City of Melbourne area)

	2006	2011	2021
Total population	5,224	6,297	6,507
Households	2,401	2,941	3,080
Dwellings	2,582	3,162	3,312
Average household size	2.15	2.12	2.1

Note: These totals vary from DPCD statistics due to different methodologies used

Source: .id Consulting

Communities of interest & other demographic groupings

'Communities of interest' are best defined as groups of people within an identifiable area who share common bonds or linkages, whether geographic, economic, social or needs based. Such communities of interest can be 'subjective', where its members identify themselves by their sense of belonging to an area, resulting from perhaps geographic location, housing characteristics, historical connections, repeated interactions as they work, shop, enjoy recreation and entertainment, use public transport, schools and services, pursue religious beliefs or other established patterns of social relationships.

In considering what kind of 'subjective' communities of interest exist in Kensington and North Melbourne, comments from submissions are very useful.

'Objective' communities of interest can also exist, for example where groups in an area share similar socio-economic and other demographic characteristics that can be objectively defined. Areas where there are significant numbers of young people, retirees, unemployed, childless couples and so on may have formed communities of interest of varying intensity. Such groupings may be special needs based, such as for low income households and newly arrived migrants with low fluency in English.

Whether other 'objective' communities of interest may exist in the review area, a number of available thematic maps produced by the Australian Bureau of Statistics based on data from its 2006 Census are relevant. These maps display the distribution of demographic groupings across the CoM and MVCC, based on a range of specific classifications. The Panel looked principally at groupings which might indicate a clearly defined community of interest that may be of relevance to council service provision, e.g. special needs, aged, family and children:

- Couples with dependent children;
- Couples with no dependent children;
- One parent families with dependent children;
- Households with housing costs 30% or more of gross income;
- High and low income households;
- People not fluent in English;
- Younger people (5 - 14 years);
- Older people (65 - 74 years);
- People born overseas;
- Recent arrivals;
- People attending tertiary institutions.

The above thematic maps can be downloaded from the ABS 2006 Census data website (www.censusdata.abs.gov.au).

There were uniform groupings of most of the above demographic characteristics across the review area, many of which also tended to be shared with neighbouring areas to the north and east. Some demographic groupings in the review area varied considerably when compared to the rest of both MVCC and CoM, e.g. couples with no dependent children (higher than in areas further north in MVCC, but mid to lower range than much of CoM), people attending tertiary institutions (high compared to MVCC, but low compared to CoM).

While there are clearly identifiable demographic groupings in Kensington and North Melbourne and their adjoining areas that share common attributes, (with one exception see below), as there were similar groupings elsewhere in both adjoining councils, the demographic data is not unusual enough to warrant further consideration on whether one council would be better placed over the other to respond to those needs.

The maps reveal that the areas containing the large public housing estates in Alfred Street and Canning Road, North Melbourne (which is in the review area) and Racecourse Road, Flemington (which is outside the review area) have unique demographic characteristics that are not in common with the surrounding localities, and which would define them as separate communities of interest. These include: high numbers of one-parent families with dependent children, low numbers of couples without dependent children, high numbers of low income households, moderately higher households with housing costs 30 per cent of their gross income, high numbers of people not fluent in English, high numbers of younger people (5 – 14 years old) and moderately higher numbers of people born overseas.

The Panel also considered data supplied by the Department of Human Services which shows that the above two estates currently contain sizeable numbers of people born in the Horn of Africa (mostly from Somalia and Ethiopia) and Asia (mostly from Vietnam and China) as well as numerous other countries. The DHS data also reveals similar patterns regarding overseas born people living in the smaller public housing estate in the area bounded by Derby Street/Kensington Road, in the south-western end of Kensington.

Appendix 5

Summary of submissions received

The Panel received a total number of submissions of: **479**

This total does not include:

- a petition titled 'Put the North Back into Melbourne' containing an additional 195 signatures;
- the submissions from the City of Melbourne (CoM) and Moonee Valley City Council (MVCC).

The submissions show the following:

1	People in Kensington (MVCC section) who want to move to CoM.	88
2	People in Kensington (MVCC section) who want to remain in MVCC:	8
3	People in Kensington (CoM section) who want to stay in CoM:	102
4	People in Kensington (CoM section) who want to move to MVCC:	1
5	People in Kensington (home address not specified) who want all of Kensington to be under CoM:	59
6	People in North Melbourne (MVCC section) who want to move to CoM:	39
7	People in North Melbourne (MVCC section) who want to stay in MVCC:	29
8	People in North Melbourne (CoM section) who want all of North Melbourne to be included in CoM:	11
9	People in Flemington/Travancore who want to be under CoM:	89
10	People (home address not specified or otherwise living outside review area and Flemington/Travancore) who want Kensington / North Melbourne / Flemington / Travancore united under CoM:	5
11	People in Kensington/North Melbourne that don't have preference but just want their suburb to be solely under one council:	47
12	No preference stated:	1

Note: 'People' also includes organisations. Unless otherwise indicated, these totals show where each submitter would like their place of residence/work to be located based on their comments.

Appendix 6 Council facilities & services to review area

The following is an overview of council owned assets and facilities located in, and of services provided to the review area, based on information supplied by the Cities of Moonee Valley and Melbourne. The list is not exhaustive and municipal wide infrastructure (road maintenance, drainage, other asset maintenance), waste disposal and recycling services, planning, building, health and other regulatory services, business development, arts and culture services are not included.

Maps of asset locations within each municipality are also attached.

City of Moonee Valley

North Melbourne

Buildings

North Melbourne Community Centre
Hotham Hub Children's Centre
Jean McKendry Neighbourhood Centre
North Melbourne PCP

Parks/Reserves

North Melbourne Community
Centre Reserve

Kensington

Buildings

Kensington Community High School
Flemington Library & rear car park
Kensington Town Hall & Caretaker's Residence
Kensington Neighbourhood House
Community Legal Aid Centre
Newmarket Reserve Pavilion
McIver Place town houses (2)
Bellair Street toilets

Parks/Reserves

Newmarket Reserve –
Incl. Flemington-Kensington
Bowling Club
Liddy Street Reserve
Parsons Street Reserve
Bellair Reserve
Robertson Street Reserve
Eastwood Street Reserve
Stock Route off Epsom Road

Services

Home Care Services:

- Home & Community Care
- Flexible/In Home Respite Care
- Community Aged Care Packages
- Veteran Affairs
- Assessment & Care Planning

Delivered meals

Kensington & Jean McKendry Neighbourhood Centres:

- Centre based meals
- Community bookings & centre use administered by Council's Aged & Disability Services
- Council's Life Plus Program co-ordinates development/usage of various programs for frail and aged residents

North Melbourne Community Centre:

- Maternal & Child Health
- Enhanced Maternal & Child Health
- Family Services

Family Day Care (co-ordination)

City of Melbourne

Buildings

Office – Gatehouse Drive
Community Farm – Westbourne Road
Kensington Community Centre & Aquatic Centre
Kensington Community Childrens' Co-operative
Maternal & Child Health Centre
Bill Vanina Pavilion
JJ Holland Park Coaches' Boxes
JJ Holland Park toilets

Parks/Reserves

JJ Holland Park
JJ Holland Park sports ovals
Bayswater Road Park
Coopers Lane Park
Riverside Park
Kensington Tennis Club courts
Park - The Crescent
Womens Peace Gardens
Gilbertson Walk Reserve
Park - Mercantile Parade
Peppercorn Walk Reserve
Stockman's Way Reserve
Other reserves/walkways (21)

Services

Kensington Children's Co-operative Centre incorporates Maternal & Child Health, playgroups, community meeting space. Run by committee of management.

Home & Community Care –

- In Home Support Services
- Community Transport
- Delivered meals
- Assessment & Review Service

Melbourne Library Service (no library located in Kensington, but Kensington residents are members of City and North Melbourne libraries)

House bound library service

Baby capsule hire

Community bus hire

Community room hire

Services funded by council but provided by other organisations incl:

- Toy library – Kensington & Carlton
 - Youth Unlimited FASA - Dousta Galla Health Service
 - Kensington Community Advisory Committee
 - Kensington Neighbourhood House – Ethnic meals
- 'Active Melbourne' recreation participation program in primary schools

Appendix 7

Administrative, financial & rating impacts analysis

This section examines the financial and rating impacts on the affected councils resulting from the proposed boundary change.

Rating

The MVCC rates on the Capital Improved system of Valuation (CIV) while the CoM rates on the Net Annual Value (NAV) basis.

CIV is based on the total market value of the land plus buildings and other improvements. NAV is intended to represent the rental value of a property. For residential properties it is calculated at five per cent of the capital-improved value. For commercial and industrial properties it is calculated as the greater of the estimated annual rental value or 5 per cent of the CIV.

Contrary to widespread misconception, the valuation base used for rating purposes does not affect the total level of revenue a council raises through rates. The total level of rates revenue is set as part of the Council's annual budget-setting exercise. However, the type of valuation base can affect categories of properties differently and so influence the distribution of the rates burden across a municipality.

The analysis includes all the Kensington/North Melbourne area currently in the MVCC and includes all of the area south of Racecourse Road. As this area is included in the analysis, the financial effects may be slightly overstated if not all of the affected area forms part of any proposed change.

Table 1: Rates and Charges 2007/2008 Moonee Valley City Council

Residential rate	0.00232635 cents in \$ on CIV
Non-residential rate	0.00280263 cents in \$ on CIV
Municipal Charge	\$90.00 (fixed charge for all rate assessments)
Environmental charge	\$138.00 (Fixed charge for all rate assessments, except for Vacant Land)

The 2007/2008 MVCC rates include a residential rate, a non-residential rate, a flat municipal charge of \$90 and a flat environmental charge of \$138.00. The non-residential rate is 20.47% higher than the residential rate.

Table 2: Moonee Valley City Council Valuation Base as at 30/06/07

	Total No of Assessments	Total Site value	Total Capital Improved Value	Total Net Annual value
Residential	47,061	\$11,824,730,000	\$18,518,540,000	\$926,071,250
Non-Residential	3,331	\$1,164,419,000	\$2,355,215,000	\$144,107,500
Total	50,392	\$12,989,149,000	\$20,873,755,000	\$1,070,178,750

Table 3: Kensington/North Melbourne (MVCC) Valuation Base at 30/06/07

	Total No of Assessments	Total Site value	Total Capital Improved Value	Total Net Annual value
Residential	2,373	\$350,090,000	\$696,705,000	\$34,835,250
Non-Residential	295	\$109,250,000	\$231,970,000	\$14,937,500
Total	2,668	\$459,340,000	\$928,675,000	\$49,772,750

The portion of Kensington/North Melbourne in MVCC has a total of 2,668 rate assessments comprising 2,373 residential and 295 non residential rate assessments. The total of rate assessments in this area represents 5.3% of the municipality as a whole. The residential rate assessments for the review area represent approximately 5% of the total for the municipality as a whole. Non residential ratepayers, predominately commercial, represent a more significant 8.9% of the total. The review area has proportionally more commercial properties than the municipality as a whole.

The review area has a CIV of \$928.675 million comprising \$696.705 million for residential properties and \$231.97 million in non residential properties. This represents approximately 4.4% of the total CIV for the municipality as a whole. Residential CIV represents 3.8% for the municipality as a whole, while non residential properties account for 9.8%. Again, the commercial properties in the review area account for proportionally more of their category of total valuation than do residential properties.

**Table 4: Total Amount received from Rates and Charges
– Moonee Valley City Council 2007-08**

	Rates	Municipal Charge	Environmental Charge	Total
Residential	\$43,080,605	\$4,235,490	\$6,494,418	53,810,513
Non-Residential	\$6,600,796	\$299,790	\$459,678	7,360,264
Total	\$49,681,401	\$4,535,280	\$6,954,096	61,170,777

**Table 5: Total Amount received from Rates and Charges
- Kensington/North Melbourne (MVCC) 2007-08**

	Rates	Municipal Charge	Environmental Charge	Total
Residential	\$1,620,780	\$213,570	\$327,474	\$2,161,824
Non-Residential	\$650,126	\$26,550	\$ 40,710	\$717,386
Total	\$2,270,906	\$240,120	\$368,184	\$2,879,210

NB – would be good to have tables 4 & 5 ; 2&3 merged to show amounts vs total and % all in one table – at least for Total (column 4)

The total rates and charges paid in the Kensington/North Melbourne area of MVCC represent 4.7% of the total rates paid for the whole municipality. Residential rates in the review area make up 4% of all residential rates for the municipality and non residential rates 9.7% of the total non residential rates paid.

Table 6: Melbourne City Council Rates 2007-08

	Rate in the \$ (this is on NAV)
Residential	0.052970
Commercial	0.061700

The CoM has a residential rate and a commercial rate but no other separate charges. The commercial rate is 16.5% higher than the residential rate. The City of Melbourne Act 2001 provides the legislative basis for the CoM to levy differential rates on NAV.

**Table 7: Applying Melbourne City Council Rates in the \$
on NAV to Kensington/ North Melbourne**

	NAV	Rate in \$	
Residential	\$34,835,250	0.052970	\$1,845,223
Non-Residential	\$14,937,500	0.061700	\$921,643
Total	\$49,772,750		\$2,766,866

Based on rating levels for CoM for 2007/08 and current valuations for the Kensington/ North Melbourne, ratepayers currently in MVCC will in total be \$112,344 better off if they become part of CoM. However, the benefits accrue to residential rate payers who will in total be \$316,601 better off. For the 2373 residential ratepayers in the review area this means they will on average be \$133.42 better off by transferring to CoM.

Non-residential/ commercial ratepayers from MVCC will pay approximately \$204,257 more if they move to CoM. The 295 non-residential ratepayers will on average pay \$692.40 more on transferring to CoM. However, the amount each individual non-residential ratepayer will contribute in extra rates will depend on relative valuations. As an example, the following table provides a comparison of what the top four and bottom four commercial (NAV) ratepayers currently pay in MVCC against what they would pay in CoM.

Table 8: Top and Bottom Properties by Valuation in Kensington/North Melbourne (MVCC)

Property	NAV	CIV	Rates and Charges in Moonee Valley (flat charges of \$228 plus .00280263 cents in the \$ on CIV)	Rates in Melbourne (.061700 c in the \$ on NAV)	Difference
Bottom 4	\$1,750	\$35,000	\$326.09	\$107.98	-\$218.11
	\$2,500	\$40,000	\$340.10	\$154.25	-\$185.85
	\$4,500	\$90,000	\$480.24	\$277.65	-\$202.59
	\$7,750	\$155,000	\$662.41	\$478.18	-\$184.23
Top 4	\$376,500	\$5,195,000	\$14,787.66	\$23,230.05	+\$8442.39
	\$418,000	\$4,645,000	\$13,246.22	\$25,790.60	+\$12,544.38
	\$420,250	\$5,600,000	\$15,922.73	\$25,929.43	+\$10,006.70
	\$482,000	\$6,025,000	\$17,113.85	\$29,739.40	+\$12,625.55

This table shows that some properties with relatively low valuations will pay less while higher valued properties will pay considerably more if they move to CoM. It needs to be understood that the bottom 4 properties are valued particularly low.

In its submission to the Panel the MVCC provided a comparison of rating for MVCC and CoM residential and non residential properties for 2006-07. It indicated that residential rates would have been marginally higher for low valued properties in MVCC whilst high valued properties would have been rated marginally lower. For example, a residential property valued at \$400,000 would have paid \$71 more in rates in 2006-07 in MVCC. However, for residential properties valued at \$600,000 and above property rates would have been progressively more expensive for the CoM.

It concluded that for non-residential ratepayers with a CIV of \$200,000 and a NAV of \$14,000 or more would have been rated lower under the MVCC in 2006-07 and significantly lower for high valued properties. Whilst properties valued at \$400,000 with an NAV of \$28,000 would have paid just under \$400 per year more in the CoM, at \$1,000,000 with an NAV of \$70,000 this has increased to over \$1,300 per year more.

Financial Issues

In taking into account the financial impact of annexing the Kensington/North Melbourne area of MVCC to the CoM an attempt was made to test the view put forward by MVCC, in a meeting with the Panel, that the net cost of servicing the area was approximately equal to the rates and charges raised in the area. The net cost reflects expenditure less other revenue received.

In annexing a relatively small area of a municipality it is difficult to arrive at actual expenditure because of the arbitrary nature of the many assumptions that must be made. The officers from MVCC in consultation with the Panel contributed to the following analysis, while recognising the difficulties involved.

It has proved difficult to isolate individual service costs for the review area of Kensington and North Melbourne. A reasonable estimate of the revenue, expenditure and net costs to MVCC for Aged Services and Family and Children's Services was made and costs for individual facilities were also approximated.

However, this approach is too difficult to apply across all Council services as:

- costs for particular facilities and services can sit across two or more Departmental budgets (for example North Melbourne Community Centre);
- the community profile of North Melbourne and Kensington, and hence service users, are quite different;
- some services are provided to properties (eg waste management), some to businesses (economic development) whilst others are to individual citizens (delivered meals);
- some services are accessed by citizens across municipal boundaries (e.g. libraries); and,
- some services / facilities are provided on a regional / municipal level (eg Clocktower Theatre or Ascot Vale Leisure Centre).

A range of methodologies would be required to attribute costs to the review area for each service and adding up these figures would risk a wide margin of error.

Instead, it was proposed by MVCC that a reasonable approach is to apportion costs based on the relative proportion of the review area to the City. Property rates collected from Kensington / North Melbourne properties constitutes 4.6% of all rate and charges revenue for MVCC. Kensington / North Melbourne represent 4.6% of the MVCC's population and 5.3% of all dwellings. The review area is only 2.6% of the City's area, reflecting its higher density housing style. (see Table 9)

Table 9: Review Area Relative to Moonee Valley

	Rates & Charges (millions)	Population	Dwellings	Area (hectares)
Moonee Valley	\$61.1	105,049	45,036	4,424
Kensington / North Melbourne	\$2.88	4,820	2,403	113
Review area %	4.7%	4.6%	5.3%	2.6%

• population & dwelling data from 2001 Census

MVCC has applied the 4.6% proportion of costs to the 2007-08 Budget figures for all Council services (internal and externally focused) in Tables 10 & 11 below. The Net expenditure figure indicates the cost to Council of providing the service across the City less any external grants or client fees. Property rates or capital works are not included in the figures below. A further estimate has been made (5.3%) based on the proportion of dwellings in the review area.

Internal services will have a Net expenditure of \$11.75 million in 2007-08 in MVCC, with an estimated cost of \$0.54 million in the review area. A higher figure of \$0.62 million is reached using the 5.3% proportion.

Table 10: Estimate of the costs of internal services in Kensington / North Melbourne, based on 2007-08 Budget

service	Net Expenditure	Notional Kensington / North Melbourne	
	Moonee Valley	4.6%	5.3%
Council Business	\$298,000	\$13,708	\$15,794
Governance	\$614,000	\$28,244	\$32,542
Internal Communications	\$20,000	\$920	\$1,060
Policy & Planning	\$206,000	\$9,476	\$10,918
External Communications	\$837,000	\$38,502	\$44,361
Corporate Planning & Continuous Improvement	\$465,000	\$21,390	\$24,645
Citizens Services	\$1,355,000	\$62,330	\$71,815
Financial Services	\$2,095,000	\$96,370	\$111,035
Human Resources	\$1,133,000	\$52,118	\$60,049
Information Services	\$2,253,000	\$103,638	\$119,409
Records Management	\$594,000	\$27,324	\$31,482
Risk Management	\$1,524,000	\$70,104	\$80,772
Stores & Fleet Mgt	-\$901,000	-\$41,446	-\$47,753
Civic Centre Operations	\$561,000	\$25,806	\$29,733
Community Engagement & Participation	\$700,000	\$32,200	\$37,100
sub-total	\$11,754,000	\$540,684	\$622,962

External services will have a Net expenditure of \$33.7 million in 2007-08 in MVCC, with an estimated cost in the review area of \$1.5 million. This cost rises to \$1.8 million if the higher proportion of 5.3% is used.

Table 11: Estimate of the cost of external services in Kensington / North Melbourne, based on 2007-08 Budget Figures

service	Net Expenditure	Notional Kensington / North Melbourne	
	Moonee Valley	4.6%	5.3%
Public Health	\$225,000	\$10,350	\$11,925
Community Transport	\$245,000	\$11,270	\$12,985
Cultural Development	\$328,000	\$15,088	\$17,384
Library Services	\$2,636,000	\$121,256	\$139,708
Traffic & Parking Management	\$713,000	\$32,798	\$37,789
Transport Planning	\$362,000	\$16,652	\$19,186
Contracts & Capital Works	\$49,000	\$2,254	\$2,597
Engineering Design Services	\$750,000	\$34,500	\$39,750
Infrastructure Maintenance	\$2,862,000	\$131,652	\$151,686
Property Maintenance	\$3,695,000	\$169,970	\$195,835
Asset Management	\$108,000	\$4,968	\$5,724
Major Leisure Facilities	\$242,000	\$11,132	\$12,826
Recreation	\$593,000	\$27,278	\$31,429
Clocktower Centre	\$350,000	\$16,100	\$18,550
Facilities Management	\$391,000	\$17,986	\$20,723
Festivals & Events	\$219,000	\$10,074	\$11,607
Incinerator Arts Complex	\$164,000	\$7,544	\$8,692
Environmental Planning	\$528,000	\$24,288	\$27,984
Parks & Gardens	\$5,389,000	\$247,894	\$285,617
Waste Management	\$7,652,000	\$351,992	\$405,556
Economic Development	\$430,000	\$19,780	\$22,790
Psychiatric Services	\$36,000	\$1,656	\$1,908
Building Services	\$396,000	\$18,216	\$20,988
Local Laws & Animal Control	\$423,000	\$19,458	\$22,419
Parking Control	-\$1,067,000	-\$49,082	-\$56,551
Statutory Planning	\$720,000	\$33,120	\$38,160

service	Net Expenditure	Notional Kensington / North Melbourne	
	Moonee Valley	4.6%	5.3%
Strategic Planning	\$668,000	\$30,728	\$35,404
Urban Design	\$308,000	\$14,168	\$16,324
Youth Services	\$440,000	\$20,240	\$23,320
Community Aged Care Packages	-\$18,000	-\$828	-\$954
Community Care Services	\$1,430,000	\$65,780	\$75,790
Food Services	\$926,000	\$42,596	\$49,078
Home Maintenance	\$111,000	\$5,106	\$5,883
Maternal & Child Health	\$808,000	\$37,168	\$42,824
Adult Day Activity	\$96,000	\$4,416	\$5,088
Family Day Care	\$43,000	\$1,978	\$2,279
Preschool Services	-\$304,000	-\$13,984	-\$16,112
Primary Care Partnerships	\$0	\$0	\$0
Childcare Services	\$358,000	\$16,468	\$18,974
Flexible Respite & Activities Program	\$79,000	\$3,634	\$4,187
Neighbourhood Centres	\$62,000	\$2,852	\$3,286
Community Transport	\$245,000	\$11,270	\$12,985
sub-total	\$33,691,000	\$1,549,786	\$1,785,623

Combining the internal and external figures together arrives at a total services cost of \$45.4 million across MVCC in 2007-08 (see Table 12). Previously \$214,000 of capital works in North Melbourne and Kensington were identified in information provided to the Panel.

At a 4.6% proportion of costs, \$2.3 million can be estimated as being spent in Kensington and North Melbourne in 2007-08. A higher figure of \$2.6 million is arrived at using the 5.3% proportion of costs.

Table 12: Estimate of Total Net Expenditure in Kensington / North Melbourne

service	Net Expenditure	Notional Kensington / North Melbourne	
	Moonee Valley	4.6%	5.3%
Capital Works	previously supplied	\$214,000	\$214,000
Internal Services	\$11,754,000	\$540,684	\$622,962
External Services	\$33,691,000	\$1,549,786	\$1,785,623
Total	\$45,445,000	\$2,304,470	\$2,622,585

Property rates collected from the review area in 2007-08 will be \$2.8 million. This is close to the estimates of net expenditure in the area. The nature of this type of analysis require arbitrary assumptions to be made. However, given that the anecdotal evidence provided to the Panel suggests the area is a high need area, it is likely that the expenditure would be higher than what is suggested in using arbitrary proportions to allocate expenditure.

Also we are advised that capital works in Kensington and North Melbourne are relatively few this year and the amounts to be spent lower than what is likely in future years. Future major works on the Kensington Town Hall and North Melbourne Community Centre, as well as other Council facilities will significantly boost the Capital Works figures in the years in which the work takes place.

Based on the current service level provided by the MVCC, it is estimated that the net cost of servicing the area is approximately equal to the rates raised.

It has been identified that the Victoria Grants Commission has estimated that the total General Revenue Assistance Grants to the review area would be approximately \$111,000.

It is noted that the CoM supports the incorporation of the balance of Kensington and North Melbourne within its boundaries and did not raise any financial issues in relation to achieving this.