



*Tendered by Marrickville  
Council.*

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Marrickville Council  
**UNDERSTANDING  
COMMUNITIES  
OF INTEREST**

Attachment 6a

# INTRODUCTION

As part of its Fit For the Future proposal, Marrickville Council has proposed the inclusion of 'Community of Interest' as an additional indicator, following internally conducted research that indicated that 'community of interest', ie the 'natural sense of community' or societal connectness, was an important indicator of successful amalgamations. The research concluded that understanding 'natural sense of community' and how best to deliver optimal synergies between partners was likely to be a critical factor in organisational amalgamations.

## 1. WORKING DEFINITION OF 'COMMUNITY OF INTEREST'

A 'community of interest' comprises 3 dimensions:

1. Functional dimension – ie. the spatial patterns of movement, including commuting and the majority of services and facilities used;
2. Perceptual dimension – ie. sense of belonging and community values; and
3. Political dimension – ie. the ability of the elected representatives to represent community interests and reconcile conflicts.

*(adapted from Fulcher, 1989)*

## 2. MEASURES OF 'COMMUNITY OF INTEREST'

### 2.1 Functional Dimension

Patterns of movement for:

- Employment
- Education
- Shopping
- Culture and recreation
- Medical services
- Personal services
- Public services

*(Data sources: ABS, Councils)*

### 2.2 Perceptual Dimension

- Community values, beliefs and customs

*(Data sources: Councils' community plans, market research etc)*

### 2.3 Political Dimension

- Current political composition of the elected Council
- Population per elected representative
- Community engagement framework

*(Data sources: Councils, Electoral Commission)*

### 3. EXCERPT FROM MARRICKVILLE COUNCIL RESEARCH

The following is taken from the research paper *Factors for Consideration in Organisational Mergers and Amalgamations* (2014).

Bhatti and Hansen's (2011) research paper on the Danish amalgamations in 2007 (that saw 271 municipalities simultaneously reduced to 98 through a voluntary process in which councils selected their own partners) is of relevance Marrickville. Interestingly, the Danish councils were working towards population targets of a 20,000-30,000 residents primarily to achieve economies of scale, with the municipalities conscious of not creating "diseconomies of scale" by becoming too large. This seems comparable in the European context where average sizes are much smaller, i.e. Spain, less than 6,000; Italy, 7,500 and Norway, 12,000 (Bel and Warner, 2014), but it should be noted that the European service models are likely to differ to Australian councils. The research focused "not on whether or not to marry, but *whom* to marry". Bhatti and Hansen (2011) identify four hypothetical factors in the selection of partners including societal connectedness, economic homogeneity, political homogeneity and population size, with controls used for geographical factors (i.e. likelihood of merging with organisation with shared boundaries). They note that size and homogeneity have traditionally been the trade off in amalgamations as larger communities can provide economies of scale but people generally prefer homogeneity in their communities.

In discussion of societal connectedness, Bhatti and Hansen (2011) identify commuting as a good indicator of where citizens are naturally oriented, as well as where there is a sense of shared community identity. Of their four hypotheses, Bhatti and Hansen found that societal connectedness and population size were the two critical factors. They come to the conclusion that while perception of diseconomies of scale matter, population size and geography are more important. Societal connectedness, i.e. where the natural sense of community exists, was found to be the most important factor in partner selection, and further, societal connectedness can actually be enhanced through mergers (2011).

The Local Government Panel Report *Sunbury out of Hume City Council*, prepared for the Victorian state government, addresses the desire of the Sunbury community to secede from the Hume City Council. It discusses the functional dimension of community of interest as essentially comprising the spatial patterns of movement patterns of people, including the majority of services and facilities the group uses as essential to creating a sense of belonging. Fulcher (1989) defines a community of interest as comprising 3 dimensions:


- Functional dimension, i.e. the spatial patterns of movement, including commuting and the majority of services and facilities used;
- Perceptual dimension, i.e. sense of belonging and community values; and
- Political dimension, i.e. the ability of the elected representatives to represent community interests and reconcile conflicts.

For Fulcher (1989), a broad operational view of the concept of community of interest is essential to understanding the distinctive interests of communities and how they may be affected through boundary changes.

As Katz and Bradley (2013) note "the truth is, cities and suburbs share an economy and social ties" and several studies show that there is a strong relationship between city and suburban growth. Looking at the NIEIR cluster research was interesting from this point of view. The report divides NSW council into 7 groups with members of each group sharing similar characteristics and challenges. Marrickville is listed under 'Academically-inclined urban LGAs', and as such is considered urban, with a growing well-educated population with a fundamental challenge of economic and social development and a trade dependence on its neighbours and the broader world (NIEIR, 2013).

In terms of the potential partners, Marrickville Council has resolved to commence discussions with Ashfield, Leichhardt, Burwood, Strathfield and Canada Bay Councils, City of Sydney, Canterbury City, Botany Bay and Rockdale councils. Of those councils, Ashfield, Botany Bay, and Sydney are also included in the 'Academically-inclined' category. Canada Bay and Leichhardt are included in the 'High wealth LGAs' category; while Burwood, Canterbury, Rockdale and Strathfield are included in the 'Multicultural LGAs' category.

NIEIR (2013) identifies interdependence between LGAs and the City of Sydney, as the largest provider of civic, business and entertainment services in the metro area (p123). In terms of commuter patterns, the report divides metro Sydney into rings and notes that more than 35% of Marrickville, Sydney and Leichhardt's resident workers are employed in the City of Sydney, i.e. the inner ring. Between 20-35% of resident workers from Botany Bay, Rockdale, Canterbury, Ashfield, Burwood and Strathfield and Canada Bay are employed in the City of Sydney. While strongly linked to the City of Sydney, the report notes that there is some dispersal of the commuter flows in and out.



In its discussion of cross-border movements, the report notes that the border between Marrickville and Botany is hardly crossed, with Botany Bay linking in closely with the Eastern Suburbs (p135). Marrickville does have strong links with Canterbury but the highest border crossings existed between the City of Sydney and Marrickville, followed by Marrickville and Leichhardt, and Canada Bay and Leichhardt.

To better understand Marrickville's communities of interest, further research into services use, including shopping patterns, library and club memberships would be valuable. This could also include cross-border communities where synergies may exist that could be addressed through boundary adjustments, apart from amalgamations. Methodologies for this research could include commissioned surveys of residents, local clubs and businesses and review of existing membership information within the councils.

The costs of under estimating the value of synergies can be seen in the Noosa Council secession from the Sunshine Coast council which is estimated to cost Noosa Council a minimum of \$10 million (Donaldson, 2014). As for Sunshine Coast Council, they lost about \$5.2million in developer contributions and approximately 100 jobs due to Noosa seceding, not including staff transfers to Noosa (Moore, 2013).

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