

Submission
No 40

INQUIRY INTO LOCAL GOVERNMENT IN NEW SOUTH WALES

Name: Name suppressed
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Partially Confidential

Submission to the NSW Government Inquiry into the 'Fit for the Future' reform agenda

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The terms of reference addressed in this submission have been used as titles.

(a) the New South Wales Government's 'Fit for the Future' reform agenda

From the point of view of this resident of the municipality of Randwick, the NSW government's "fit for the future" agenda appears to be a pro-amalgamation agenda based on claims of perceived advantages of larger councils without honest communication of the likely future costs and disadvantages to residents. It is a corporate-driven agenda that implies that residents need to be corralled into "super councils" that can "compete for capital investment." For their part, Randwick council has played pass-the-buck with this agenda, claiming it is being forced to amalgamate by the NSW state government. For instance, the latter argument was used on March 12, 2015, at a general meeting of the Malabar Precinct Committee by Councillor Murray Matson, who also claimed that the NSW government can legally "force local councils to amalgamate." At the community meeting of February 12, 2015, in Randwick, the claim that amalgamation was "necessary" was also made by MP Bruce Notley-Smith. Judging from the audience's reactions, the latter was unable to provide satisfactory answers to residents on topics such as why a plebiscite cannot be held or why Randwick needs to amalgamate when its current financial position is balanced. On June 11, 2015, at a general meeting of the Malabar Precinct Committee, Councillor Noel D'Souza also stated that Randwick Council was being "forced to amalgamate." The legal practicalities and political ramifications of such an undemocratic move have not been adequately explained to residents by Randwick Council or by the NSW government. Moreover, it is clear from the position of some councils opposing forced amalgamation (e.g., Botany) that the local councils do not have to simply agree to amalgamate just because the NSW government has "incentivised" them to do so.

(b) the financial sustainability of the local government sector in New South Wales, including the measures used to benchmark local government as against the measures used to benchmark State and Federal Government in Australia

Randwick council indicated to residents in early 2015 that its debt was zero. It makes no sense to argue that the council is financially unsustainable. This seems to be a reflection of the pro-amalgamation corporate-driven agenda under which the NSW government is operating.

(c) the performance criteria and associated benchmark values used to assess local authorities in New South Wales AND (d) the scale of local councils in New South Wales

A "magic number" of residents in the range 200,000 to 250,00 continually gets referred to in the media, in Council information packs and by various Randwick councillors. The fact that this number is higher than the current number of residents in Randwick has been used to argue that Randwick "must amalgamate." On June 11, 2015, at a general meeting of the Malabar Precinct Committee, Councillor Noel D'Souza from Randwick Council cited the 250,000 figure to argue this. The 250,000 figure means that at least three of the Eastern Suburbs councils would have to amalgamate. However, the origins of these numbers and the economic modelling assumptions on which they have been based have not been made clear to residents. It is easy to see how the entire process can be premised on an amalgamation, which then leads to the selection of a figure that is greater than the number of residents in any single council area under consideration.

(g) costs and benefits of amalgamations for local residents and businesses

No evidence has been provided to residents about the supposed benefits of amalgamation, only unsubstantiated claims. It is clear that, due to larger population size, residents will have less representation and therefore more trouble having their views heard by council. This includes

opposing bids by developers that would adversely affect their local areas. Fewer council staff would also mean that building and development activity could not be as thoroughly assessed and checked as is currently the case. Thus the amalgamation tends to favour property developers.

(j) evidence of the impact of forced mergers on municipal employment, including aggregate redundancy costs AND (k) the known and or likely costs and benefits of amalgamations for local communities

On June 11, 2015, at a general meeting of the Malabar Precinct Committee, Councillor Noel D'Souza from Randwick Council claimed that by supporting the "fit for the future" plan, the council would receive \$3 million in funding from the NSW government to carry out the proposed amalgamation with Waverley Council. When asked what would happen if the amalgamation were in fact to cost more than this figure, the councillor had no response. Asked the question "Can you guarantee that our rates will not increase under the new arrangements?" the Councillor stated that he could not. This raises the real prospect that residents would be levied to pay for amalgamations where they cost more than this figure or for any other unforeseen costs. Given the lack of concrete details provided by the Council, it is likely that the \$3M figure could underestimate the true financial cost of amalgamation, which would probably include redundancy costs due to reduction in staffing, which would leave residents in a disadvantageous position compared with their current position. Consequences of amalgamation are likely to include loss of services and amenities for local residents or increased costs for the same level of service.

(n) protecting and delivering democratic structures for local government that ensure it remains close to the people it serves

On June 11, 2015, at a general meeting of the Malabar Precinct Committee, Councillor Noel D'Souza from Randwick Council stated that 51% of Randwick residents voted for the amalgamation in the recent survey. This appears to be false. An article by Laura Aubusson from May 27, 2015, in the Southern Courier, shows that the "no" vote result was 49% while the "yes" vote was only 32%. The 51% figure stated by Councillor D'Souza seems to have been obtained by adding the 19% from the "unsure" votes to the "yes" votes. The statement of the Councillor therefore misrepresents the survey results of circa 6000 residents. Councillor D'Souza also claimed that he had voted against the proposed merger with Waverley. However, the minutes of the December 9, 2014, Randwick Council ordinary meeting indicate that the aforesaid Councillor voted against a motion opposing the amalgamation of Randwick Council and calling for a plebiscite to be held. The fact that the Councillor felt the need to misrepresent the facts in this manner underscores the dishonest way in which Randwick Council is pushing the amalgamation onto residents. The February 2015 Randwick Council survey on amalgamation was itself biased. Specifically, survey question 10 required participants to select 3 of 7 options, 6 of which included an amalgamation with at least one other council. It was not possible to respond to this survey question without preferencing an amalgamation. The results of this biased survey have repeatedly been used by Randwick Council and the mainstream media (see, for instance, "Randwick mayor Ted Seng backs merger with Waverley, Woollahra," Sydney Morning Herald 13 May, 2015, by Melanie Kembrey) to make the false claim that residents of Randwick "prefer an amalgamation." Under amalgamation, where more residents would be proportionally served by fewer councillors, democratic representation would worsen, by definition. It is ludicrous to argue that this loss of democratic representation is in residents' interests.

Key Issues and Evidence

The selective and at times dishonest way in which councillors of Randwick Council and NSW government MPs have presented proposed justifications for the amalgamation of Randwick Council with other councils is an indication that the amalgamations are actually not in the interests of residents. As indicated above, the evidence for this includes survey bias, false claims of majority support, and failure to provide clear and honest answers to residents' questions at public meetings.

Recommendations

1. That Randwick Council conduct a plebiscite to establish definitively whether or not the majority of its residents support an amalgamation with one or more eastern suburbs councils, regardless of its form;
2. That Randwick Council make available to residents objective and factual information concerning the benefits and drawbacks of amalgamation on residents, including assumptions of any economic modelling and identifying likely impacts on services, representation and council rates. Various possible scenarios should be used as examples.