

INQUIRY INTO LOCAL GOVERNMENT IN NEW SOUTH WALES

Organisation: Burwood Community Voice

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Putting Residents First

The Director.

General Purpose Standing Committee No 6

Parliament House

Macquarie Street,

Sydney. N.S.W. 2000

Dear Director,

Thank you for the opportunity to comment on the Inquiry into Local Government.

Burwood Community Voice (BCV) is a group of residents who represent the interests of people living and working in the Burwood Local Government Area (LGA).

We raise the following concerns regarding the Fit for the Future (FFTF) reform program in relation specifically to Burwood Council and to Councils throughout N.S.W.

FFTF Agenda

*The FFTF program recommends a radical deduction from 44 Metropolitan Councils to 18 Mega councils. The setting of this arbitrary target is prejudicial to the outcome of the reform process.

*Councils are required to use the original recommendations from the Independent Local Government Review Panel (Review Panel) as a starting point for all proposals. The Review Panel's report recommended a regional Joint Organisation (JO) option for Burwood in lieu of a merger with 5 other inner west Councils. This option was not made available as part of the FFTF process. There was no explanation on why this option was abandoned by the NSW Government.

*Strengthened JO's are a sound alternative that achieves the principles of amalgamation while retaining adequate representation and local identity and avoiding expensive amalgamation costs. This is evidenced by the Morrison and Low Report "Inner West Council's Fit for The Future - Shared Modelling" (February 2015).

Scale and Capacity

*No empirical evidence is given in either the Review Panel's Report or the State Government's FFTF reform documents that support the concept of a minimum population size of 250,000 to ensure sustainability of a council.

*Good local councils in sound financial positions and delivering quality local services, such as Burwood Council, are at risk of being forced to amalgamate based on the arbitrary scale and capacity criteria. Although Burwood has a positive financial outlook, being in the top 5 performers in the State, the minimum population of 250,000 makes it automatically "unfit".

*There is no evidence to link the scale of a council with its strategic capacity.

*A review of a proposed merger of Burwood with 5 other councils has shown through the commissioned Morrison and Low Report, that the population of a council does not ensure financial sustainability.

*Joint Organisations or shared services' centres can provide the strategic capacity that may be required for regional issues without losing the benefits of local councils providing local services.

*Most of the activities performed by local government are best performed at a local level by small councils not mega councils.

Loss of Representation

*Amalgamation of local councils will have a significant negative impact on representation of residents. The number of residents represented by each councillor will increase significantly under amalgamation, making it more difficult for residents to access their councillors and the council.

*Representation will increase, based on the current maximum number of 15 councillors per council, to at least 14,000 residents per councillor and could be as high as 23,000 residents per councillor. After amalgamation, Burwood LGA could have only 2 councillors representing it for local services in Burwood, Croydon, Croydon Park and Enfield.

*Larger councils also potentially make it more difficult for independent or small community-based groups to be elected.

*With large size difference between the local councils, most amalgamations will not be a merger of equals but a takeover by the larger organisations. For example, this is especially true if Burwood (about 34,000 residents) merged with Auburn (about 78,000 residents) and Canada Bay (about 80,000 residents).

Tight timeframe impacts on the quality of proposals and meaningful consultation

*The timeline for Councils to make submissions based on IPART methodology and seek public comment went against good process.

*Councils were given only 2 days to use the final methodology issued by IPART to inform their draft proposal before going on public exhibition for 28 days till 30 June. Due to this tight timeframe, councils were not able to make any changes to their proposals based on responses from their communities. In the case of Burwood Council it lodged its submission without going on public exhibition for the 28 day statutory period.

No Rigorous Analysis and Significant Risks

*The business cases for amalgamation are high level and attaining the identified benefits will be difficult to achieve. There are significant potential risks arising from a merger both in a financial and non-financial sense. The obvious financial risks are that the transitional costs may be more significant than set out in the business case or that the efficiencies projected in the business case are not delivered.

*Any reduced financial performance would be likely to lead to the new council having to review services and service levels to seek significant further efficiency gains and/or increase rates to address the operating deficit.

*Modelling the changes in rates in a merger is very difficult to do with any degree of accuracy as there are a number of significant differences in the rating systems of councils which impact on the rates charged to an individual property. In the time available it has not been possible to have a detailed analysis of the changes in rates that may arise.

*The consolidation of debt in a merger could be a significant community issue as a community with little or no debt may perceive as unfair having to repay debt that 'belongs' to other communities and other community's assets.

BCV rejects the NSW Government's agenda for local council amalgamation. If we want sustainable local councils then Burwood Council should stand alone, continuing to provide quality local services to the residents of Burwood LGA.

Yours sincerely,

Ian Hammerton

BCV President.