

INQUIRY INTO LOCAL GOVERNMENT IN NEW SOUTH WALES

Organisation: Wamboin Community Association Inc.

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The Director
General Purpose Standing Committee No. 6
Parliament House
Macquarie Street
Sydney NSW 2000

General Purpose Standing Committee No. 6 inquiry into Local government in New South Wales

Thank you for providing an opportunity to present a submission to the Committee's current inquiry into local government in NSW.

The Wamboin Community Association is the representative body for the people living in Wamboin, the most densely settled rural part of the Palerang LGA. The Government's Fit for the Future (FFtF) initiatives are of considerable interest to us, particularly the proposal from IPART for our Council to merge with the Queanbeyan City Council. This is because our part of the Palerang LGA is quite close to Queanbeyan.

ToR (a): The NSW Government's FFtF reform agenda

The Wamboin Community Association is deeply dissatisfied with the way the NSW Government has gone about the review. Our understanding is that there were some concerns, in parts of the government, about the appropriateness of the size and boundaries of some urban councils, particularly in Sydney. Although we have no information about the details, it is problematic that those concerns have flowed over to all councils in the state, including the rural Council of Palerang. It should be obvious that the needs and opportunities facing the rural councils are very different from those of the urban councils, and should not be dealt with under one crude formula.

In particular, we are concerned that the approach taken under FFtF focuses excessively on the financial viability of local government councils, without taking into account other important issues including representation and maintaining an appropriate degree of homogeneity across the LGA.

ToR (b): The financial sustainability of Palerang LGA

Palerang Council's submission sets out details of its financial viability. Eleven years ago it was the subject of a forced amalgamation. That was done poorly and led to significant financial stresses in the early years of operation of Palerang. Subsequently, however, Palerang's financial situation has improved and it is now one of the more viable of the rural councils. This has been a significant achievement and leaves us confident that the Council will continue to be financially viable into the future.

That said, the State Government's rate pegging has significantly contributed to many local government councils facing financial challenges, not least with respect to the aging infrastructure of the rural areas. More funding from the State and Commonwealth Governments to local government is a priority need.

ToR (c): The role of IPART in reviewing the future of local government in NSW

We are singularly unimpressed by the way that IPART has gone about this review. Its approach has been flawed from the outset in that it commenced with the current situation of local government in the State and then, through a flawed process, came up with proposals for amalgamations, along with veiled threats of forcing this to occur. If the State government were serious about reviewing local government, it would have started with a *tabula rasa* instead of starting with the current situation, and would have designed an improved situation from the ground up. This has not happened.

The review seems to have started with the unsupported assumption that bigger councils are better. Not surprisingly, then, it leads to the conclusions that amalgamations are necessarily a good thing. We do not agree.

Furthermore, the Wamboin Community Association is concerned about the almost single-minded focus of IPART on the matter of financial viability. Perhaps this should not be a surprise considering the role of IPART: it was never the most appropriate organisation to conduct the review.

IPART has demonstrated lack of understanding of the importance of having local government councils that are genuinely representative of the people of their shires. Were Palerang to be forced to amalgamate with Queanbeyan City Council, the merged council would inevitably be dominated by Queanbeyan city interests, meaning that people in rural areas would find themselves largely unrepresented in Council. The consequences would be highly problematic for us in the rural areas.

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

As mentioned above, we see no justification for amalgamating Palerang Council with Queanbeyan City Council. The extensive consultations conducted by Palerang Council, including a representative survey of the population of the shire, reveals that people of the shire do not want to amalgamate with Queanbeyan City Council. Indeed, the survey confirmed that some 60% of Palerang residents support retaining Palerang Council as a stand-alone entity, opposing amalgamation with the Queanbeyan City Council.

Amalgamation is not necessary to ensure financial viability and, in fact, could drain resources from the rural areas into the city in a forced amalgamation scenario. As required by IPART, the Palerang Council and Queanbeyan City Council developed a joint business case for amalgamation. They concluded that few benefits would flow from amalgamation. The consequence is that neither council is in favour of amalgamation, despite having put a lot of effort into developing a business case in support of it.

In short, the Wamboin Community Association sees significant cost of amalgamating Palerang Council with Queanbeyan City Council, and no significant benefits, either to local residents or to local businesses.

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

As noted above, as the representative organisation for the people of Wamboin within the Palerang LGA, we are particularly concerned about this aspect of the local government review. Those responsible for designing and implementing the IPART approach to the review have largely overlooked the matter of protecting and delivering democratic structures for local government that ensures that it remains close to the people it serves. Over the 11 years that Palerang Council has been operating, the residents of the shire have had many opportunities to engage with Council as an

entity and with individual counsellors, being our representatives on Council. Generally speaking we have been pleased with their understanding of the needs of the residents the shire. Counsellors have made significant effort to travel to the far-flung parts of the shire to ensure that they understand local needs and opportunities, and to explain what Council is doing. This matter of representation—democratic structures—is an important feature of the current situation and one that would be adversely impacted upon by any forced amalgamation of the Palerang Council and Queanbeyan City Council.

In conclusion, the Wamboin Community Association supports the submission by the Palerang Council to IPART opposing amalgamating Palerang Council with the Queanbeyan City Council or any other adjacent local government council. We emphasise the point made above, that the FFtF initiative should not be simply about Council finances. Critically important are issues about democracy, local government being local, and acting on the views of the people who live in Wamboin and other parts of the Palerang LGA.

Yours sincerely

Jenny Richards, President
Per David McDonald, Committee member
Wamboin Community Association Inc.