



Putting Residents First

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**SUBMISSION ON AUBURN CITY COUNCIL, BURWOOD COUNCIL AND CITY OF
CANADA BAY FIT FOR THE FUTURE PROPOSAL**

DATED 29 JULY 2015

**TO: INDEPENDENT PRICING & REGULATORY TRIBUNAL, ASSESSMENT OF FIT
FOR FUTURE PROPOSALS**

Thank you for the opportunity in commenting on the Fit for Future proposal "Council Merger Proposal, Working Title: Sydney Olympic Park City Council" submitted by Auburn City Council, Burwood Council and City of Canada Bay Council

Burwood Community Voice (BCV) is a group of residents who represent the interests of people living and working in the Burwood Council area of Croydon, Croydon Park, Enfield, Strathfield and Burwood. BCV was formed in 1998 and since then has had representation on Burwood Council.

BCV and the communities of Burwood Croydon, Croydon Park, Enfield and Strathfield oppose the merger of Burwood Council with Auburn City Council and Canada Bay Council. We believe Burwood Council should stand alone to be Fit for the Future.

In the community surveys conducted by Burwood Council, residents overwhelmingly supported stand alone (68% of those surveyed). The least preferred option (3% of Burwood residents) was Burwood Council to merge with Auburn and Canada Bay Councils.

All three councils, Auburn, Burwood and City of Canada Bay have stated in their submission (page 4) that they want to stand alone as their first preference. They are only proposing the merger in the event that the NSW Government proceeds with forced amalgamations.

Why Burwood Council should not merge with Auburn City Council and City of Canada Bay Council

BCV raises the following reasons why we believe the proposed merger of Burwood Council with Auburn City Council and City of Canada Bay Council is not viable and should be rejected.

Poor consultation by Burwood Council on merger proposal.

- Burwood Council's consultation on the proposed merger is counter to IPART guidelines that state: "Generally, the nature and extent of the consultation should be commensurate with the significance of the changes involved in the proposal and the possible impacts on the community."

- Burwood Council's only consultation on the proposed merger was a phone survey of 408 people (1.1% resident Burwood population) conducted over a 4-day period in late May, 2015.
- This phone survey gave no accompanying information to those interviewed of the costs and benefits of the options. Residents in the phone survey were incorrectly told that the Minister of Local Government had ruled out the stand-alone option.
- Apart from the 1.1 % of residents who took part in the phone surveys, 98% of residents were informed of Burwood Council's merger proposal after it been voted on. This is not consultation but giving to the community information that has already been decided on and cannot be changed.
- Burwood Council's community consultation from October, 2014 to May, 2015, did NOT include the merger proposal. The consultation was based on the Independent Local Government Panel's preferred six inner west councils proposal. There was no mention in Burwood Council's surveys or publications of a merger with Auburn Council. Burwood residents have not been properly consulted, neither in nature or extent, on this merger with Auburn and Canada Bay.

No community support on merger proposal.

- The results of Burwood Council's community consultation from October 2014 to May 2015 indicated that Burwood residents overwhelmingly supported (68%) the stand-alone option.
- In the May 2015 phone survey, despite being told that it was ruled out, residents still gave their highest level of support for the option to stand-alone.
- The merger proposal wrongly indicates that Burwood residents gave majority support to the proposed merger with Auburn and Canada Bay as the preferred second option. (Page 71 of Council's merger proposal). In fact this merger received the lowest level of support with only 3% of residents' preferred first option as compared to stand-alone which topped the poll at 48%.
- In terms of merger options, a Burwood, Strathfield and Canada Bay Councils merger option received the greatest level of support.

Unworkable geographical boundaries and weak links

- The proposed council merger has as donut shape as Burwood has no common boundaries with Auburn.
- Parramatta Rd is the principal boundary between Burwood and Canada Bay but provides no connectivity.
- Auburn and Canada Bay have one small common boundary at Homebush Bay.
- There are no existing functional interaction and economic links between the Burwood and Auburn Council.

- Burwood has no links with Olympic Park, which is to be used to name the merged councils Sydney Olympic Park City Council. This new name would be an insult to the history, heritage and residents of Burwood.

Inadequate business case

- The analysis of this proposed merger was undertaken in less than one week and as such the data available for modelling has limitations. The timeframe limited the consultant's, Morrison and Low, capacity to refine both the available data and the model itself to a fine level of detail. This is not a rigorous business case.
- The report stated it was unable to comment on the impacts on rates and service levels with the proposed merger.
- There are significant financial risks in using the Morrison and Low Report to support the suggested outcomes of a merger. (p5, Sydney Olympic Park City Council Merger Business Case, Morrison Low, June 2015).
- There has been no business case provided for the inclusion of Strathfield which is part of Canada Bay's proposed merger.

Financial Risks

- Significant differing debt levels are held by the 3 councils; Burwood: \$5m, three Councils, particularly Auburn's high debt level, will impact the success of the merger. The business case report states, "often taking on the debt of other communities can be a significant issue to manage in a transition to a merged council".
- Significant differing financial outlook for each of the 3 Councils: Auburn: negative, Burwood: positive, Canada Bay: neutral. This will create a burden on Burwood residents who may bear the costs of the other Council's less than positive financial outlook and will impact on Burwood residents.
- Morrison Low's reports on Burwood merging with other councils have identified significant potential risks arising from any merger both in a financial and non-financial sense. The obvious financial risks are that the transitional costs that cannot be accurately identified and may rise if the business case assumptions are not borne out. IT and transition costs alone may reach \$37m. 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.

Unequal partners

- With large size differences between the councils, the amalgamations will not be a merger of equals but a takeover by Auburn (about 78,000 residents) and Canada Bay (about 80,000 residents) of Burwood (about 34,000 residents).
- Auburn's projected growth of 68% almost doubles that of Burwood (39%), this could lead to an unequal distribution of infrastructure and funding and thus fail to ensure Burwood residents amenity.

- The proposed name for the merged council clearly demonstrates that Auburn and Canada Bay see this merger as a takeover.
- Rationalisation and prioritisation of services of the new entity may impact on community's expectations and needs (p 49 Councils merger proposal).
- Current local community assets in Burwood Council area may be at risk, given the unequal status of Burwood Council in terms of population, when there is a consolidation of assets in the new entity.

Loss of Elected representation #

- Residents of Burwood Council will experience a significant loss of political representation. In the Morrison *and Low report*, this is seen to be the biggest negative impact on residents. In any merger, Burwood could have only 2 councillors (18,000 residents per councillor) representing it after amalgamation compared to the existing seven councillors (5,200 residents per councillor).

Loss of Regional Representation

- The strategic capacity of Burwood would be reduced. Burwood is typically not grouped within the same region as Auburn for the purposes of State and Federal service delivery and strategic planning. For example Burwood is grouped within the same region with Strathfield, Canada Bay, Canterbury, Ashfield, Leichhardt, Marrickville and City of Sydney for Medicare Local, NSW Health Sydney Local Health District, NSW Police Inner Metropolitan Region, and NSW Metropolitan Strategy Central Region. Auburn Council is grouped in a different region for these services.

Loss of State Representation#

- The merged Councils will impact state members. In the Burwood, Auburn and Canada Bay proposal, there will be 3 State Members' electorates that overlap the 1 council area. This may lead to a poor distribution of State resources if the State Members are competing for grants and do not have a united voice.

Differing council values on built Heritage and conservation

- In response to vulnerability of built heritage, the merger proposal states that the new council will take a "broader view" in relation to protection of built and natural heritage in response to the significant development and population pressure (Proposal p47). There are no statements nor guarantees that indicate an ongoing commitment to heritage and built conservation.
- Heritage and street conservation are integral to the values and expectations of Burwood Residents. Burwood Council's motto is "Progress, Heritage and Pride"
- There are no street heritage conservation areas such as Malvern Hill Estate or similar in the Auburn LGA. The main heritage item in the Auburn LGA is Rookwood Cemetery.

Differing Communities of interest

- The communities of Burwood, Auburn and Canada Bay have significant differences. The cultural diversity differences include the place of birth, language spoken at home and religions. The economic differences include the occupations of residents, level of education and home ownership. This is borne out by the Ranking in social disadvantage (ABS) with Canada Bay 20th place, Burwood 44th and Auburn 136th out of 152 NSW Councils.

Why Burwood Council should stand alone

BCV believes that there are compelling reasons why Burwood Council is Fit for the Future and should stand alone.

- There is strong community support (68%) for stand alone
- Local services and activities performed by Burwood Council are best managed at a local level. The main reason, Burwood residents don't support amalgamation is because they believe that local services would be neglected under an amalgamation (p 68, Burwood Council Community Research November 2014)
- Burwood Council will meet all seven benchmarks for Fit for The Future
- Burwood Council's financial position is sound. Burwood Council was identified by NSW Treasury Corporation as one of only five councils in NSW with a positive financial outlook.
- Burwood has some status as an independent centre based on the pattern of economic relationships (Appendix H , p18, Inner West Councils Fit for the Future , Morrison Low, February 2015)
- Burwood Council generates 70 %of income from own source.
- Burwood was identified by the NSW Government's *A Plan for Growing Sydney 2014* as a strategic centre, following two previous metropolitan strategies (2010 and 2012) in which Burwood was named a major centre and is expected to grow as a regional centre over the coming years.
- State, Federal and private agencies are currently established or recently relocated their services, to Burwood including Burwood Court House, NSW Police Burwood Local Area Command, Burwood Bus Depot and renowned educational institutions MLC, PLC, Burwood Girls High School and OTEN.
- There will be a continued focus on heritage and conservation protection.

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