

## Submission: The Hills Shire Council – Fit for the Future Proposal

This submission has been lodged by Hawkesbury City Council in response to the Fit for the Future (FFTF) Proposal submitted to IPART by The Hills Shire Council.

This submission does not seek to comment on the adequacy or otherwise of the ability of The Hills Shire Council to demonstrate that it has the scale and capacity to be assessed by IPART as fit for the future. Council's concern relates to the inclusion within the The Hills Shire Council FFTF Proposal of a suggested boundary adjustment which would excise most of the Hawkesbury City Council (Council) area lying north of Windsor Road and east of the Hawkesbury River.

Council's concern in relation to this suggested boundary adjustment is threefold;

1. It goes well beyond and is inconsistent with the recommendations of the NSW Independent Local Government Review Panel Report which advocated a limited boundary adjustment centred on lands within the North West Growth Centre (NWGC).
2. It has been advanced in the absence of any meaningful consultation with this Council or the residents of the Hawkesbury for which it will have a significant impact.
3. It has been based on a questionable community survey methodology which is incompatible with the Community Survey Tool issued by the Office of Local Government (OLG).

### 1. Inconsistent with Independent Panel Recommendations.

The Hills Shire Council's boundary adjustment proposal goes well beyond and is inconsistent with the recommendations of the Independent Local Government Review Panel and the NSW Government's response to the Panel's Report. The Independent Panel identified both The Hills Shire Council and Hawkesbury City Council as **no change** councils and flagged the possibility of future boundary adjustments centred on areas within the NWGC to facilitate *'the sound planning of metropolitan growth'* within the NWGC. At its Ordinary Meeting of 25 June 2013 Council resolved to advise The Hills Shire Council and Blacktown City Council that it was willing to initiate discussions in relation to this recommendation (contrary to the statement within The Hills Shire Council FFTF Proposal that Hawkesbury City Council was unwilling to 'meaningfully engage' in relation to the reconfiguration of boundaries around the NWGC).

Council subsequently received correspondence from The Hills Shire Council to the effect that it wished to pursue a proposal which varied significantly from the Independent Panel's recommendation and the NSW Government's response to these recommendations for there to be no change to The Hills Shire and Hawkesbury City Council areas. The preferred position of The Hills Shire Council was for The Hills Shire Council to absorb most of the Hawkesbury City Council area lying north of Windsor Road and east of the Hawkesbury River. This position was adopted by The Hills Shire Council without prior discussion or reference to Hawkesbury City Council or its residents. In its correspondence, The Hills Shire Council acknowledged that its preferred position was at variance to the Independent Panel's recommendation.

The Hills Shire Council boundary adjustment proposal effectively maintains the separation of the NWGC between three council areas. It does not address the primary intent of the boundary adjustment recommended by the Independent Panel which was intended to facilitate the sound planning of metropolitan growth within the NWGC. In this respect the The Hills Shire Council proposal is clearly inconsistent with the Independent Panel recommendations.

### 2. Absence of Meaningful Consultation with Council and Hawkesbury Residents.

The Hills Shire Council has not undertaken any meaningful discussion or consultation with Council or the residents of the Hawkesbury in relation to its preferred boundary adjustments. Its preferred position was formally adopted in June 2013 well before the release of the NSW Government's FFTF

Package in September 2014. It has subsequently remained unchanged and has essentially been communicated to Council and the Hawkesbury community as non-negotiable.

As a consequence, this lack of meaningful consultation has meant that The Hills Shire Council FFTF Proposal dismisses the impact of its preferred boundary adjustments on the residents of the Hawkesbury and the future viability of Hawkesbury City Council. The supporting documentation submitted in conjunction with its FFTF Proposal suggests that the boundary adjustment will not have a 'significant impact' on the Hawkesbury as it will not see a 'large population' transferred from the Hawkesbury to The Hills Shire Council.

On the contrary, the proposed boundary adjustment would see the Hawkesbury lose 13% of its population and an equivalent loss of revenue from rateable properties without a commensurate transfer of assets to an equivalent relative value. The proposal would also reduce Council's capacity to effectively plan for sustainable population growth as the area in question suffers from fewer development constraints than most other areas within the Hawkesbury LGA. The retention of these areas within the Hawkesbury LGA will enable Council to realise the development potential of this area to grow the population of the Hawkesbury and increase overall population density. It is difficult for Council to see the benefit of a proposed boundary adjustment which will have a significant impact on its future financial sustainability and viability but, at best, will result in a relatively small increase in population to The Hills Shire Council (accounting for 3% of its projected 2031 population). The impact and purported benefits of the proposed Hills boundary adjustment are disproportionate.

Of greater concern is the apparent disregard within The Hills Shire Council FFTF Proposal of the impact of the proposed boundary adjustment on the communities and areas west of the Hawkesbury River and South Creek (the balance of the current Hawkesbury Local Government Area). The supporting documentation for The Hills Shire Council FFTF Proposal includes a vague suggestion that these areas could be amalgamated with the Blue Mountains City Council to 'give it a greater financial base'. No evidence or communication with Blue Mountains City Council is provided to support this contention. It also demonstrates an apparent lack of understanding of the geography and demography of the Hawkesbury LGA (and the Blue Mountains LGA) and the issues involved in providing services and facilities to a dispersed population spread over a large geographic area with significant world heritage values. The absence of any considered analysis and assessment of these impacts within The Hills Shire Council FFTF Proposal can only lead Council to conclude that the assertion within the FFTF Proposal that the proposed boundary adjustment will benefit Hawkesbury residents is fundamentally misplaced.

### 3. Questionable and Flawed Community Survey Methodology.

The Hills Shire FFTF Council Proposal suggests that *'76% of Hawkesbury residents would like significant boundary adjustments with The Hills Shire Council'*. This figure was derived from responses to an on-line community survey conducted by The Hills Shire Council. This result is almost diametrically opposed to the result of Hawkesbury City Council's own on-line survey on boundary adjustments which indicated that 73% of respondents were not in favour of boundary adjustments.

Disregarding the obvious limitations of relying on an unrepresentative, on-line survey to draw informed and substantive conclusions, the apparent discrepancies in these results can be explained by the flawed community survey methodology employed by The Hills Shire Council. For the sake of brevity the following points highlight the limitations of The Hills Shire Council public exhibition process (as outlined in their FFTF Proposal) which must call into question the validity of any conclusions which purport to show that Hawkesbury residents support the proposed boundary adjustment.

- a. the on-line Survey conducted by The Hills did not include the no change option recommended by the Independent Panel and accepted by the NSW Government in its response to the Panel's recommendations – survey respondents therefore were unable to indicate a preference for anything other than an amalgamation or boundary adjustment;

- b. the information which accompanied the on-line survey was directed at supporting The Hills Shire Council's preferred option – the 'facts' presented for the non-preferred options were presented in a negative way and did not provide for a balanced consideration of issues (and as noted above, no information was presented for a no change option);
- c. the survey tool and the survey methodology employed by The Hills Shire Council was wholly inconsistent with the guidelines issued by the Office of Local Government for the conduct of community surveys where councils are seeking to establish the views of residents on proposed amalgamation or boundary adjustment options;
- d. no attempt appears to have been made to obtain a demographically representative sample of Hawkesbury residents. The on-line survey was directed at seeking responses from the minority of Hawkesbury residents who lived in the proposed boundary adjustment area - information about the survey was not provided to any media outlets other than those within The Hills Shire;
- e. the purported figure of Hawkesbury residents supporting boundary adjustments was drawn from a very small sample size and obtained through the novel statistical method of combining responses to two of the options within the survey where the response rate for each of these options was less than 50%;
- f. the targeted area for seeking responses to the community survey appears to be based on the supposition (as stated in The Hills Shire Council FFTF Proposal) that residents within these areas share 'a known community of interest' with The Hills Shire Council and identify with The Hills Shire Council. No evidence is provided to validate this proposition. It would be an unusual assumption to suggest, for example, that the residents of McGraths Hill (which lies within the proposed boundary adjustment area) who reside within walking distance of Windsor have no 'community of interest' with the Hawkesbury. Such a conclusion sits at odds with the views of residents as documented in the biennial community surveys that Council has conducted since 2007.

## Conclusion

The boundary adjustments proposed by The Hills Shire Council go well beyond and are inconsistent with the recommendations of the Independent Local Government Review Panel and the NSW Government's response to the Panel's Report. The process undertaken by The Hills Shire Council to advance its preferred boundary adjustments do not meet the principles of the Government's Fit for the Future Reforms which place a strong emphasis on the need for councils to meaningfully consult with residents and other councils in relation to any proposed boundary adjustments, amalgamations or mergers. The justification offered by The Hills Shire Council to support its proposed boundary adjustment is based on a flawed and compromised survey methodology which fails to meet even the most basic consultative principles for the conduct of a community survey as outlined in OLG guidelines. For these reasons, the unilateral boundary adjustment proposed by the Hills Shire Council should be disregarded.

Hawkesbury City Council is committed to working in partnership with the community on becoming Fit for the Future. It is of the view that the boundary adjustment proposed by The Hills Shire Council will compromise its capacity to achieve this future. It recognises however that that it cannot remain complacent and will need to consolidate its strategic capacity if it is to remain fit for the future and continue to efficiently deliver services and infrastructure to the community. To this end it believes that the recently established Regional Strategic Alliance with the Blue Mountains and Penrith City Councils (as outlined as part of its own FFTF Proposal) is a much more considered response to the NSW Government's FFTF Reform Package, and will deliver ongoing and sustainable benefits to residents then would be achieved through the arbitrary realignment of council boundaries as proposed by The Hills Shire Council.