

Author name: Anonymous

Date of submission: Friday, July 17, 2015

Submission: The idea of amalgamation of Councils in NSW is based on faulty reasoning. Similar amalgamations in Victoria and Queensland are already regretted and Councils are moving to undo them. No financial or administrative benefits have flowed from these amalgamations.

The City of Sydney is in a strong financial position due to over a decade of stable government, professional administration, prudent financial management and strategic investments.

Leading independent financial auditors PricewaterhouseCoopers said the City is a “benchmark against which other councils could be compared”, and the NSW Government’s own Treasury Corporation rates the City’s finances as “strong” with a “positive outlook” – the only NSW council to receive this rating.

The City’s 10 year financial plan includes strong operating surpluses to fund \$2 billion worth of capital projects. An amalgamation risks continuity of City operations and damaged investment confidence. A decline in construction activity of just one per cent over the next decade would have a negative impact in excess of \$300 million.

Amalgamations are Costly and Disruptive to Councils. Research questions the financial benefits of forced amalgamations that do not have community support.

A recent OECD report, Metropolitan Governance in OECD Countries, says: “The recent amalgamations experiences in Canada have produced mixed results” and that, “cost reduction or quality increases cannot, as yet, be detected.”

Professor Brian Dollery from the University of New England warned there is no evidence that larger councils results in better management or lower costs.

An amalgamation takes three to five years to be complete. The focus of the organisation is on the amalgamation itself, rather than delivering projects, infrastructure and services.

\$30 billion to \$40 billion will be invested in development in Sydney over the next decade. There is \$12 billion of investment currently under discussion, assessment, approved or construction. The City is working with developers on 10 projects over \$100 million, including five over \$250 million.

The Government has proposed the creation of a ‘mega-council’ to include Botany Bay, Randwick, Sydney, Waverley and Woollahra - a population of over 500,000 (the size of Tasmania), with no increased responsibility or authority. None of the councils or local communities involved support the proposal.

A random survey carried out by an independent company found over 80 per cent of residents and over 70 per cent of businesses want the City’s boundaries to stay the same. To enable integrated strategic planning, local government areas transferred to state agencies (Sydney Harbour Foreshore Authority, Barangaroo Delivery Authority and UrbanGrowth NSW) should be reintegrated into the City.

Despite releasing other reports publicly, IPART’s ‘Fit for the Future’ report will be submitted to the Government without being made public. The decision on the future of Local Government in NSW will be made in secret. Councils and the community will have no right of reply.

During the recent state election, NSW Premier Mike Baird said that forced mergers were “not part of our plan”. If the Premier changes his position, without a mandate, it would be a very significant breach of trust,