

15th July 2015

IPART
Fit for the Future Expert Panel

SUBJECT: A CASE FOR NOT MERGING WYONG SHIRE COUNCIL WITH GOSFORD CITY COUNCIL

Dear Panel Members,

INTRODUCTION

The purpose of my submission is to argue against merging Wyong Shire and Gosford City Councils. The Final Report of the NSW Independent Local Government Review Panel (ILGRP), October 2013¹ stated options for the Central Coast are for either a full amalgamation or a multi-purpose Joint Organisation. Its recommendation was to “*Seek evidence-based responses from Hunter and Central Coast councils to the Panel’s proposals for mergers and boundary changes.*” I believe Lake Macquarie City Council (LMCC), Wyong Shire Council (WSC) and Gosford City Council (GCC) have all submitted evidence based responses as to why they believe their councils should not be merged because they have satisfied IPART’s Expert Panel’s (The Panel) threshold criterion as to scale and capacity. They have also satisfied the other overall criteria of sustainability, effective infrastructure and service management, and efficiency.

My submission deals mainly with The Panel’s other factors it will also consider in its overall assessment of whether Wyong Council meets the Fit for the Future criteria. My submission makes a case that:

- That a merger of part of LMCC, WSC and GCC would disenfranchise the residents of these councils, Wyong in particular.
- That a merged council would remove the “Local” from Local Government.
- That mergers cost more than they save.
- That forced mergers have a history of not working.

WSC and GCC already have joint organisational agreements in place and these arrangements negate any financial gain that may be found from merging the two councils. The objective of The Central Coast Regional Organisation of Councils (CCROC) is to identify the needs of the local government areas and of the people of the Central Coast Region and make known those needs to the Commonwealth and NSW Governments. CCROC can apply for grants on behalf of both Councils.

1. DISENFRANCHISE

There are a number of factors that would contribute to the residents of a merged entity being disenfranchised.

¹ “Revitalising Local Government” Final Report of the NSW Independent Local Government Review Panel, October, 2013, Page 110.

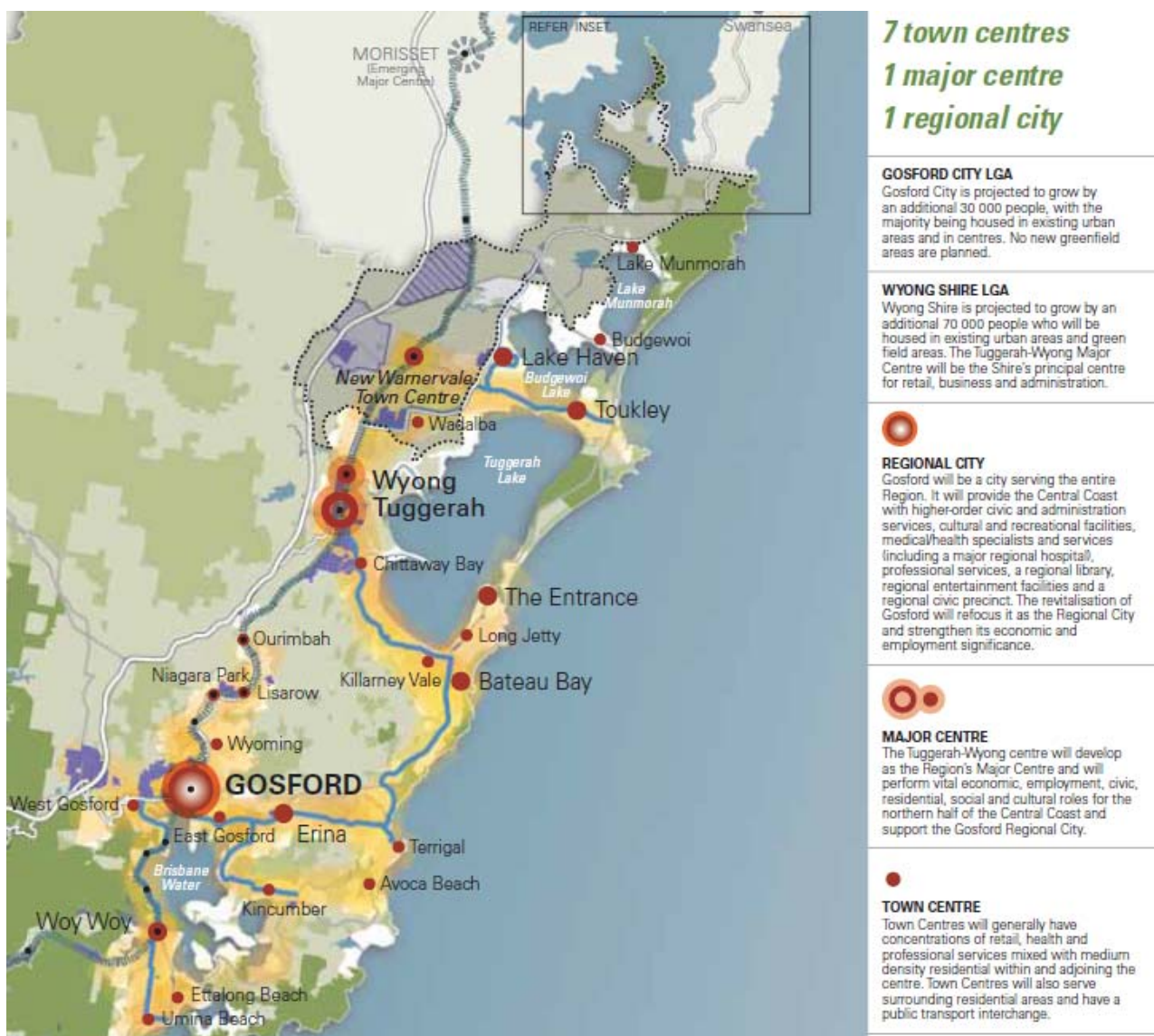
1. The residents of Wyong Shire were poorly served by the NSW Department of Planning's Decision to make Gosford the Regional City for the Central Coast Region². It decided that Gosford would be the city serving the entire Region to provide the Central Coast with higher-order civic and administration services, cultural and recreational facilities, medical/health specialists and services (including a major regional hospital), professional services, a regional library, regional entertainment facilities and a regional civic precinct.

The Tuggerah-Wyong centre would develop as the Region's Major Centre and will perform vital economic, employment, civic, residential, social and cultural roles for the northern half of the Central Coast and support the Gosford Regional City.



NSW GOVERNMENT
Department of Planning

CENTRAL COAST REGIONAL STRATEGY 2006 - 2031



² NSW Dept Planning -The Central Coast Regional Strategy 2006 -2031

The decision to make Gosford the Regional City ignored that fact that by 2031 the population of Wyong Shire will exceed that of Gosford City and that the location of the population growth would be at Warnervale in the north of Wyong Shire. It is my opinion that because Gosford has been made the location for higher-order civic and administration services, it would also be the Council location of a merged entity of GSC and WSC.

From Gwandalan in the north of Wyong Shire it is over fifty kilometers by car to Gosford and over a 45 minute trip one way, an hour and a half return. If you use public transport it takes an hour and a half one way and three hours return. These distances and times for the residents of Wyong Shire to travel to Gosford are unacceptable and mean that few people would be able to attend council meetings or attend the council chambers. There is a proposal that the Lake Macquarie suburbs could be broken off and added to the merged entity. If Wyee were included in a merged entity imagine trying to get to Gosford – hours away by public transport.

2. Gosford has a population of 163,957. Wyong has a population of 146,589. The Central Coast Region would have a population of 310,564 which would make it the biggest Council in NSW by population.

Rank	Local Government Area	Estimated resident population, 2009	Stat. Division/District
1	Brisbane City Council, Queensland	1,052,458	<i>Brisbane</i>
2	Gold Coast City, Queensland	515,157	<i>Gold Coast</i>
3	Moreton Bay Region, Queensland	371,162	<i>Brisbane</i>
4	Sunshine Coast Region, Queensland	323,423	<i>Sunshine Coast</i>
5	City of Blacktown, New South Wales	299,797	<i>Sydney</i>
6	Logan City, Queensland	277,568	<i>Brisbane</i>
7	City of Casey, Victoria	247,357	<i>Melbourne</i>
8	Sutherland Shire, New South Wales	219,828	<i>Sydney</i>
9	City of Greater Geelong, Victoria	216,330	<i>Geelong</i>
10	City of Wollongong, New South Wales	201,438	<i>Wollongong</i>

NSW Planning Department predicts a population of the Central Coast of in excess of 400,000 by 2031. A merged entity with 3 wards with 5 Councillors each. (15 is max number allowed) would have over 25,000 residents per elected official while the state average is less than 5000.

Elected officials across Australia³

State	Population	No. of councils	No of elected officials	Elected council officials per(average)	Population per elected official (average)
NSW	7,232,589	152	1513	10	4780
NT	229,711	16	152	9.5	1511
SA	1,644,582	68	714	10.5	2303
TAS	507,643	29	283	9.8	1794
VIC	5,545,932	79	698	8.8	7945
WA	2,293,510	140	1249	8.9	1836
QLD	4,513,850	73	561	7.7	8046

³ Independent Local Government Review Panel: Background Paper, Local representation and decision making, December 2012

Our part time Councillors have trouble coping with the work load now. A Council the size of the merged entity would result in residents being disenfranchised when compared to the state average population per elected officials.

3. REMOVES THE LOCAL FROM LOCAL GOVERNMENT

Local Government in Australia plays a significant role in two primary respects. First, it gives voice to local aspirations for decentralised governance, and second, it provides a mechanism for efficient delivery of services to local communities. I contend that a merged entity the size of the one under consideration would act against these roles by taking the local out of local Government because local voices would be harder to hear and as a result the delivery of services would not be a good given the difficulty of local knowledge.

It can just as easily be argued that administrators become less effective the further removed they are from their constituents and the operations they are supposed to coordinate. What it means is a loss of the communities voice to influence local affairs. It removes the Local from Local Government and disenfranchises the rate payers.

Director of ACELG and UTS:CLG and project leader Associate Professor Roberta Ryan⁴ said of the landmark research that the days of local government's role being confined to roads, rates and rubbish "is long gone". "Australians want local government to be responsible for a diversity of activities in their local community, with planning for the future being among the most important," she said.

"The research shows that decisions about services should not be made just on value for money. According to our research, Australians overwhelmingly (93%) want to be involved with government in making decisions about what services are delivered in their local area," Associate Professor Ryan said.

Local government reform in Australia has increasingly sought to emphasise the model of 'citizen as consumer'⁵. One way of focussing regulatory attention on the 'citizen consumer' is to conduct satisfaction surveys. Indeed the NSW Auditor General has referred to the Victorian community satisfaction surveys as an example of the type of public reporting that the Department of Local Government (DLG) should consider (NSW Auditor General 2012, p. 19). The relationship between overall community satisfaction and population is apparent in the metropolitan data. The results indicate that general satisfaction is optimised at a population approaching 174,000 individuals and is parabolic in nature. At 400,000 individuals a merged Gosford/Wyong entity is well on the downside of the curve with lower than optimal satisfaction

4. COSTS MORE THAN IT SAVES

Bigger is not better and the arguments in favor of amalgamation put forward are not sustainable when closely examined. The University of New England's Center for Local Government has produced a series of working papers on Council amalgamations in Australia and the weight of

⁴ Australian Centre of Excellence for Local Government (ACELG), Why Local Government Matters

⁵ Is Bigger Better in the Eyes of Victorian Citizens? Joseph Drew March 2013

evidence is that the Council merges are not warranted. The major arguments marshalled in favour of municipal amalgamation are usually "economies of scale; scope economies; administrative and technical capacity; administration and compliance costs; and the coincidence of natural and council boundaries. (sometimes termed “eco-civic regionalisation”⁶)

There is at best mixed results about economies of scale being achieved.⁷ There is confusion between economies of scale and scope economies which refer to the cost of producing a given set of services in a single organisation that is lower than the cost of those services being produced by a number of specialised organisations. There is doubt about this being achieved in local government.⁸

Thirdly, a proposition often advanced in the Australian debate over amalgamation is that larger councils tend to possess greater levels of administrative and other expertise. It should be noted that, while this argument has undoubted merit, small councils can also pool their resources to acquire the skills in question, at no greater cost than to single and larger councils, through co-operative arrangements, like strategic alliances⁹.

A fourth argument put forward in support of local government amalgamation is that larger consolidated councils economise on their direct costs of administration and the compliance costs imposed on individuals who participate in the municipal political process. Administrative costs include the compensation paid to elected and appointed officials and staff and the overheads (buildings, supplies, utilities, etc.) required to support those officials. Compliance costs include the costs incurred by municipal voters to keep informed on issues and candidate positions and the potential cost of registering an opinion by participating in hearings, meetings, voting, and other activities. Fewer local governments may reduce these costs in aggregate

A new argument advanced in the NSW debate on municipal amalgamation rests on the proposition that economic, environmental and other largely unspecified advantages accrue from an alignment of local government boundaries with natural boundaries. It neglects the critical concept of the economic “**community of interest**” of the people involved; it disregards that massive costs that would derive from drastic restructuring of council boundaries and headquarters, and it overlooks the impact of council boundaries on the efficient delivery of council services, especially since environmental considerations form only a small part of overall municipal responsibilities. The results of an exhaustive enquiry into the financial sustainability of South Australia by the Financial Sustainability Review Board (2005) provides further damning evidence on the inability of amalgamation to improve the financial standing of fiscally distressed local authorities in that state.

5. FORCED MERGES

In Western Australia the state government has confirmed a number of council amalgamations will be scrapped after a lack of community support. The Barnett government's grand plan to

⁶ Brian Dollery and Joel Byrnes Economic Analysis & Policy Vol.37 No.1, March 2007

⁷ Byrnes and Dollery 2002;

⁸ Dollery and Fleming, 2006

⁹ (Dollery *et al.*, 2005b)

amalgamate some metropolitan councils went down the gurgler after a number of ratepayers' polls returned a "no" vote on Saturday. As a result, Local Government Minister Tony Simpson announced on Sunday that the amalgamations of Kwinana and Cockburn, Fremantle and East Fremantle, and South Perth and Victoria Park would not proceed.¹⁰

In Queensland forced merges have been rescinded. Four new councils came into being in Queensland at the beginning of 2014¹¹: - Noosa, Livingstone, Douglas and Mareeba. Acting Local Government Minister, Jarrod Bleijie, said *“January 1 was an historic day for democracy for the residents in the areas who fought long and hard to have their voices heard over what he called the appalling miscarriage of justice dealt them by the former Labor Governments of Peter Beattie and Anna Bligh.”*

I contend that in a democratic society there should be no forced merges and that all mergers should be the result of a referendum

Wyong Shire Council and Gosford City Council already have a close working relationship, with effective resource sharing and the cooperative sharing of service provision that provides benefits for service recipients and the community. There is no real benefit in a merged entity.

I believe I have provided you with compelling arguments to reject the option presented to you by The Final Report of the NSW Independent Local Government Review Panel (ILGRP), October 2013 to merge Gosford and Wyong Councils.

Yours sincerely



Doug Darlington



¹⁰ WA Today February 8, 2015

¹¹ Acting Minister for Local Government, Community Recovery and Resilience, The Honourable Jarrod Bleijie
Wednesday, January 01, 2014 Media Release