

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

### Introduction

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

I am a Councillor for the Burwood LGA and also a Board Member for Local Government NSW. I write to you in my capacity as Councillor for Burwood and a member of a non-aligned residents’ political party (Burwood Community Voice).

**I do not support** the Merger proposal submitted to IPART and have set out below evidence that counters and challenges the assertions made in the proposal.

In my view, the merger does not benefit the residents of Burwood. The new entity’s proposed boundaries (now locally called “the donut”), provide no functional connectivity or regional planning alignment.

More importantly the community of Burwood have not been properly consulted and the 1.1% that were contacted about the merger, ranked it in last place in all 4 options offered.

Burwood Council not only has proven its capacity to stand- alone but has the majority of support of its residents (68%).

This is based on the following reasons:

- Achieves 7/7 Benchmarks by 2020 (*Burwood Council Report 25.5.15*)
- 70% reliance on income streams other than rates
- Is an effective partner in current regional infrastructure projects e.g. Westconnex
- Is ranked in the top 5 Councils given a positive financial outlook by TCORP
- Has identified additional revenue streams e.g. expansion of Commercial Trade Waste
- Is heavily involved with SSROC on shared services and procurement
- Has the majority support by residents

## Response to Merger Proposal – Template 1

Below I have outlined the main areas of contention with the statements contained in the submitted merger proposal:

<b>1.1 Which Councils have agreed to merge and form a new Council?</b>	
<b>Proposal Statement</b>	<b>Challenge</b>
<i>Auburn, Canada Bay and Burwood Councils' agreement to merge</i>	<ul style="list-style-type: none"><li>• All 3 councils have been dissenting voices at a local elected level.</li></ul>
<i>Canada Bay Council endorsed merger is with Strathfield Council as well as Burwood and Auburn Councils</i>	<ul style="list-style-type: none"><li>• There is no agreement from Strathfield Council which is part of Canada Bay's merger proposal endorsed resolution of 16th June, 2105</li><li>• There has been no business case provided for the inclusion of Strathfield Council</li></ul>
<b>1.3 Scale and Capacity</b>	
<b>Proposal Statement</b>	<b>Challenge</b>
<i>Unified local government to plan and manage growth and deliver major infrastructure (p17)</i>	<ul style="list-style-type: none"><li>• Exclusion Strathfield provides no strategic planning connectivity</li></ul>
<i>Strong functional linkages and connections: Parramatta Road and the extensive river frontage (Parramatta and Duck Rivers), are two strong unifying elements which link the proposed merger Councils. These Councils are also linked via strong road, bus, rail, and ferry connections ( p19)</i>	<ul style="list-style-type: none"><li>• Burwood has no common boundaries with Auburn.</li><li>• Parramatta Rd is the principal boundary between Burwood &amp; Canada Bay but provides no connectivity.</li><li>• Auburn &amp; Canada Bay have 1 small common boundary at Homebush Bay</li><li>• There are no existing functional interaction and economic links between the Burwood and Auburn Council.</li><li>• Burwood has no links with Olympic Park</li></ul>
<i>An opportunity for improved regional collaboration around land use, provision of major infrastructure and delivering on the NSW Metropolitan Strategy and precincts being considered for residential growth along the Parramatta Road Corridor(p20)</i>	<ul style="list-style-type: none"><li>• Burwood forms part of the Metropolitan Strategy Central Region (now District) as a Major Centre. Auburn Council is grouped in a different district.</li><li>• There is no additional regional benefit from the merger as Burwood Council is already on the key major projects in the area such as Parramatta Rd and Westconnex</li></ul>

	<ul style="list-style-type: none"> <li>• Exclusion of Strathfield Council does not provide any regional benefit in terms of Westconnex or Parramatta Rd as both traverse the Strathfield LGA</li> <li>• 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.</li> <li>• Burwood shares a waste service with Strathfield Council</li> </ul>
<p><i>No one dominant Council: A model where there are three willing councils who have demonstrated the ability to collaborate and as such provides a solid foundation from which to build a new entity, rather than one dominant Council 'taking over' another. This is considered advantageous in the transition process to a high performing and cohesive new entity.(p20)</i></p>	<ul style="list-style-type: none"> <li>• With large size differences between the councils, the amalgamations will not be a merger of equals but a <u>takeover</u> by Auburn (about 78,000 residents) and Canada Bay (about 80,000 residents) of Burwood (about 34,000 residents)( <i>Burwood Council report Council Merger proposal</i> )</li> <li>• 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.</li> <li>• There are significant dissenting views by elected members of all 3 Councils</li> </ul>
<p><i>Combined financial strength: Each of the Councils in the proposed merger individually have a strong current financial position, with long term financial plans for continued financial sustainability and efficiency. Thus a merger of the three would result in a new entity with a very strong financial position as a starting point(p19)</i></p>	<ul style="list-style-type: none"> <li>• NSW T CORP has identified a conflicting view on the individual Council's future financial outlook: <b>Auburn: negative, Burwood: positive, Canada Bay: neutral.</b></li> <li>• Each council also carries differing levels of current debt: <b>Burwood: \$5m, Canada Bay \$3m, Auburn: \$15m</b></li> <li>• Council's <i>Morrison and Low</i> report highlighted the various debt levels held by the three Councils, particularly Auburn's high debt level, this will impact the success of the</li> </ul>

	<p>merger. The report states “often taking on the debt of other communities can be a significant issue to manage in a transition to a merged council”.</p> <ul style="list-style-type: none"> <li>• <i>Morrison and Low</i> were unable to identify any impact on rates due to the varying rate structure between the three Councils.</li> <li>• There is no evidence to link the scale of a council with its strategic capacity. In fact there is emerging evidence (<i>Your Council 2013-5</i>) that current NSW large Councils are the worst performers and the least financially sustainable</li> </ul>
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2.1 Delivering key priorities and addressing challenges	
Proposal Statement	Challenge
<p><i>Cultural synergy: Auburn City, Burwood and the City of Canada Bay Councils all have a similar ethnic cultural mix, with between 40-60% of each Council being overseas born, and China being the top country of birth (for overseas born) in all three Councils.(p19)</i></p>	<ul style="list-style-type: none"> <li>• Several areas of distinct variation rather than synergy exist between the three Councils as highlighted in <i>Morrison &amp; Low</i> report:</li> </ul> <p><b>Country of Birth</b> While both Auburn &amp; Burwood LGA's are ethnically diverse, by contrast 58% of all residents in City of Canada Bay are Australian born</p> <p><b>Educational outcomes</b> According to NIER ( March 2013) Burwood and Canada Bay are part of a cluster of Councils which have a high proportion of overseas born residents with high educational attendance, high year 12 achievement and a high ratio of professional to trade qualifications. By contrast Auburn is part of a cluster of councils with a high proportion of overseas born residents with poor English and moderate year 12 achievement.</p> <p><b>Occupation</b> Canada Bay residents are more likely to be managers than those in Burwood/Auburn</p> <ul style="list-style-type: none"> <li>• According to SEIFA there are also distinct variances in areas of social disadvantage between all three Council areas. Out of 152 NSW Councils( higher number indicates</li> </ul>

	greater social disadvantage): Auburn: 136 <sup>th</sup> place, Burwood: 44 <sup>th</sup> place, Canada Bay : 20 <sup>th</sup> place
<i>Creating strong public infrastructure and connections( p44)</i>	<ul style="list-style-type: none"> <li>• Unworkable with exclusion of Strathfield Council</li> </ul>
<i>Infrastructure support new communities</i>	<ul style="list-style-type: none"> <li>• No benefit identified for Burwood</li> </ul>
<i>Support the development of significant cultural sites and assets ( p44)</i>	<ul style="list-style-type: none"> <li>• No benefit identified for Burwood</li> </ul>
<i>Grow Olympic Park( p44)</i>	<ul style="list-style-type: none"> <li>• No benefit identified for Burwood</li> </ul>
<i>Ongoing Asset renewal to accommodate future growth( p44)</i>	<ul style="list-style-type: none"> <li>• Asset maintenance declines from 66% in 2016 to average 64%(2020) for the merged council</li> </ul>
<i>Maintain current high levels of service delivery(p45)</i>	<ul style="list-style-type: none"> <li>• Identified in proposal report as a risk with regard prioritisation of current service (p49)</li> </ul>
<i>Maintaining high levels of open space (p46)</i>	<ul style="list-style-type: none"> <li>• Only one strategy ( recycled water) given to meet the challenge of maintaining high proportions of open space in the face of high population growth</li> </ul>
<i>Smooth transition to new entity ( p46)</i>	<ul style="list-style-type: none"> <li>• Service reviews are already undertaken. No other outcomes identified to link with smooth transition except similar IT systems.</li> </ul>
<i>Cohesive council ( p46)</i>	<ul style="list-style-type: none"> <li>• New governance framework not identified</li> </ul>
<i>Vulnerability of built and natural heritage(p48)</i>	<ul style="list-style-type: none"> <li>• “Broader view” on protection not explained or linked to meeting the challenge of protection of these assets with high population growth</li> </ul>
<b>2.2 Financial and non-financial benefits of the merger</b>	
<b>See scale and capacity comments</b>	
<b>2.3 Financial and non-financial costs of the merger</b>	
<b>See scale and capacity comments</b>	

### 3. How was the community involved?

#### 3.1 Discussing the options

Proposal Statement	Challenge
<i>Community involvement played an integral role in the development of this Merger proposal and the development of each partner Council's Fit for the Future position ( p55)</i>	<ul style="list-style-type: none"><li>Burwood Council's <b>only</b> 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</li><li>This 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."</li><li>Residents in the phone survey were told that the Minister of Local Government had ruled out the stand-alone option. This is incorrect.</li><li>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 6 Council proposal.. <b>It is incorrect to use this as evidence of extensive community consultation for this proposed merger.</b></li></ul>
<i>Option 2 to merge with Auburn, Canada Bay (and possible inclusion of Strathfield) – 59% indicated a level of support.(p71)</i>	<ul style="list-style-type: none"><li>This merger received the lowest level of support with <b>only 3% of Burwood residents' preferred</b> first option as compared to stand-alone which topped the poll at 48%.</li><li>In terms of merger options, a Burwood, Strathfield and Canada Bay Council's merger option received the greatest level of support.</li><li>The proposed merger came in <b>last</b> place out of the 4 options presented and had the least support in all categories. ( source : Burwood Micromex survey)</li></ul>

### 3.2 Explaining the benefits and costs

Proposal Statement	Challenge
<i>The following benefits were explained to the communities across the new entity (p68)</i>	<ul style="list-style-type: none"><li>• The single phone survey of 1.1% of Burwood residents gave no accompanying information of the costs and benefits of the merger proposal.</li><li>• Burwood residents were informed of Council's merger proposal <b>after</b> it been endorsed. This is not consultation but giving information that cannot be changed.</li><li>• Only benefits were identified in Council publications to residents after the proposal was endorsed.</li><li>• Burwood Council asserted to residents that <i>"This merger proposal aims to protect residents against unnecessary rate increases that may follow an ill-advised merger"</i> (Burwood June newsletter). This assertion is unsubstantiated as the <i>Morrison and Low</i> report cannot give an indication on the impacts on rates with this current merger proposal.</li></ul>

### 4. How will the merger help you achieve the benchmarks

Proposal Statement	Challenge
<i>Meets 7 benchmarks</i>	<ul style="list-style-type: none"><li>• Meets 6/7</li><li>• Asset maintenance declines from 66% (2016) averaging 64% for the remainder of modelling period</li><li>• A Burwood standalone option meets 7/7 benchmarks without transition costs and financial uncertainty as outlined in <i>Morrison &amp; Low</i> report</li></ul>

I appreciate the opportunity for the community and others to have a say on this most important issue.

Regards

Lesley Furneaux-Cook