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20 May 2015

Dr Peter Boxall, AO  
Chairman  
Independent Pricing & Regulatory Tribunal  
PO Box K35  
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Dear Dr Boxall

**Submission to IPART - Consultation Paper; “Methodology for Assessment of Council Fit for the Future Proposals”**

North Sydney Council resolved at its meeting of 18 May 2015 to make the following submission in relation to the methodology IPART proposes to use to assess Council Fit for the Future Proposals.

**1 Business Case Requirements**

The Independent Local Government Review Panel recommends that North Sydney amalgamate with Mosman, Lane Cove, Hunters Hill, Willoughby and 2/3rds of Ryde.

However, no business case has been provided by either the Panel or the State Government which demonstrates the validity (or otherwise) of that recommendation.

The methodology proposed by IPART requires that Councils, if they do not agree with the Panel’s recommendation, make a case effectively against the Panel’s recommendation demonstrating “that the proposed approach is superior to the recommended merger” [IPART document, Page 6]. IPART’s methodology, by definition, is therefore not judging “apples with apples”.

**North Sydney submits that the Government should provide a business case for the Panel’s recommendation. North Sydney can then assess the business case and determine if it should challenge it with its own, only then can IPART impartially assess both positions and determine which is “superior”.**

**2 Population Figures**

ABS publication 3218.0, Regional Population Growth Australia (Released 31 March 2015) provides a residential population of North Sydney of 71,025.

Residential population figures are used throughout the Independent Panel’s report, and it seems to North Sydney that the Panel’s amalgamation recommendations would result in merger Councils having a residential population of some 250,000.

The Scale and Capacity “threshold criterion” is clearly linked within the proposed methodology, and therefore has a nexus to the residential population figure of 250,000.

Residential population alone however is inadequate as it belies the fact that North Sydney has, in addition to a significant residential population, a significant CBD which brings a daily influx of some 56,289 [*Australian Bureau of Statistics, Census of Population and Housing 2011*] workers, and a significant education catchment, which brings a daily influx of some 16,500 primary, secondary and tertiary students [*Educational Institutions in North Sydney, Study 2007*], all of whom have a right to council services.

North Sydney has been identified as a strategic employment centre in the NSW Government’s Metropolitan Strategy. The North Sydney CBD is part of Global Sydney and has the 6<sup>th</sup> largest office market in Australia. The presence of such significant commercial space brings its own additional service demands – bringing large numbers daily into the area to conduct business in all its forms.

**North Sydney submits that residential population alone is inadequate to determine scale, and that greater consideration should be made where the nature of the Council area provides for significant influxes of workers and students.**

### **3 Community Consultation/Stakeholder Feedback**

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Within the consultation document, Page 11, 1.6.1, question 4, IPART asks “*How should councils engage with their communities when preparing FFTF proposals?*”

North Sydney Council has strong community engagement processes and protocols, and has a very active, progressive and engaged precinct system.

Since 1983 North Sydney Council has conducted 6 community polls regarding amalgamations, and in every case the majority of respondents gave a resounding “NO”.

The proposed assessment methodology suggests that the final arbiter of whether a Council is Fit for the Future is IPART, and/or the State Government following an IPART recommendation. Council believes this removes from the process those that are affected the most, ie, the Community, and that the methodology should be rectified to ensure the community is the final arbiter.

Dr Peter Boxall AO

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**North Sydney submits that if IPART and/or the State Government recommends a merger of two or more Councils, that prior to any merger occurring, that a binding poll be undertaken of enrolled voters within each affected area. The outcome of such poll must be a majority "yes" to a merger question.**

#### **4 City of Ryde**

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The Methodology document, Page 35 refers to the ILGRP identifying that:

*"Local government boundaries should not unnecessarily divide areas with strong economic and social inter-relationships; but instead should facilitate integrated planning, coordinated service delivery, and regional development"*

And yet the Panel recommended that the City of Ryde be split with approximately 2/3rds amalgamating with North Sydney, Mosman, Lane Cove, Hunters Hill, Willoughby and the remainder amalgamating with Holroyd, Auburn and Parramatta.

Further to the reasons for not splitting a Council, is the more significant issue of basic logistics. For example, if the State Government forced the amalgamations as set out above and the new boundary provided for the City of Ryde's administration building to be within that boundary, then significant unnecessary issues emerge with transitioning staff, plant and equipment and buildings and property.

**North Sydney submits that Councils should never be forcibly amalgamated, but in any case, they should never be broken apart through an amalgamation.**

Yours sincerely

Warwick Winn  
**GENERAL MANAGER**