



The Hon Paul Toole MP
Minister for Local Government

Clr Jerome Laxale
Mayor
Council of the City of Ryde
Locked Bag 2069
NORTH RYDE NSW 1670

18 December 2015

Dear Clr Laxale

Today the Government announced merger proposals for NSW councils, and new measures to strengthen the system of local government.

The Government's position has been informed by four years of consultation involving every council in NSW, independent assessments (including IPART's recent report on the health of councils across NSW), merger preferences submitted by councils to the Government last month, and feedback from communities and stakeholders.

The Government is proposing that the City of Ryde Council be merged with Hunter's Hill Council and Lane Cove Municipal Council.

Detailed merger proposals are now being finalised and will be referred to the Chief Executive of the Office of Local Government (OLG) for examination and report in accordance with the requirements of the *Local Government Act 1993*.

The Chief Executive will delegate this function to other people (Delegates). In reviewing and reporting on merger proposals the Delegates will conduct a public inquiry (a public meeting at which members of the public can express their views on the proposals), call for written submissions, and prepare a report against the criteria in the Act.

The report from the Delegates will go to myself as Minister, and also to the Boundaries Commission for comment. The Boundaries Commission will provide me with its comments that, along with the report from the Delegate, will allow me to complete the process and make a decision on whether to proceed with the merger proposal and, if so, what the final boundaries will be.

This process will provide an objective assessment of the merger benefits and impacts, and give the community a chance to have a say before Government makes a final decision.

Through the Stronger Communities Fund, every new council that is established will be provided with up to \$15 million to invest in community infrastructure. Each new council will receive funding of up to \$10 million to ensure that ratepayers do not bear the upfront costs of merging.

In announcing the next phase of local government reform today, the Government has also announced that:

- every proposed merger can generate savings from reducing waste and duplication, with a total financial benefit over 20 years of up to \$2 billion; and
- for four years after the new merged council is created, the Government's policy is that the rates charged by the new council will be no more than the rates the existing councils would have charged.

As part of the broader package of reform measures announced today, the Government has:

- commissioned IPART to review the rating system, and has asked IPART to advise on the best way to achieve the policy commitment on freezing rates as part of the rating review. IPART will provide its report to the Government by the end of 2016; and
- announced that it will commence consultation on proposed amendments to the Local Government Act, including previously announced changes such as two-year terms for mayors and new financial intervention powers.

It is important to note that until such time as new councils are created, all councillors will remain in place and council matters will continue as usual. The Office of Local Government will shortly issue guidelines under section 23A of the Local Government Act to assist councils during this period, and the Department of Premier and Cabinet will issue merger guidance material.

The NSW Government's merger proposals represent one-in-100-year changes to local councils that will deliver benefits to local communities for generations into the future.

On behalf of the Government, I thank you for your input into this process.

Yours sincerely

A handwritten signature in black ink that reads "Paul Toole". The signature is written in a cursive, flowing style.

Paul Toole MP
Minister