



**MAYOR OF HUNTER'S HILL COUNCIL, COUNCILLOR RICHARD QUINN
ADDRESS TO THE PARLIAMENTARY INQUIRY
ON BEHALF OF THE MAYORS OF THE CITY OF RYDE, HUNTER'S HILL AND LANE
COVE COUNCILS
MONDAY 24 AUGUST 2015**

Mr Chair, Premier Mike Baird recently announced at a local business breakfast that he was disappointed in terms of the responses received from local Councils. He also stated that they were not as “bold and as visionary” as he would have hoped.

Well, the City of Ryde, Hunter's Hill and Lane Cove Councils are proposing a Joint Regional Authority (JRA) which is a bold, visionary and a superior alternative to the NSW Government's *Fit for the Future* proposals.

Our proposal recognises that Local Government needs to change, especially being an equal partner with the NSW Government to ensure Sydney grows and prospers as one of the world's leading global cities.

The process undertaken by the three Councils in the lead up to our Submission to the Fit for the Future reform program included the community's clear rejection of any forced amalgamation and significant support for the formation of a Joint Regional Authority.

Our submission outlined the robust community engagement process that was undertaken and the details of the extensive research and assessment process, demonstrating that the JRA proposal is a superior alternative to amalgamation and one that meets the State Government's scale and capacity criteria.

I would like to point out, that out of a total of 401 submissions sent to this Parliamentary Inquiry, as listed on your website, 199 of those submissions were from Ryde, Hunter's Hill and Lane Cove, representing over 49% of the total submissions received. In addition, of the 199 submissions from our region, 169 were in support of our proposed Joint Regional Authority – that's



42% of all submissions received, another clear demonstration from our communities of their support for the formation of a JRA.

Our JRA is considered a superior option to that of amalgamation, and meets all of the State Government's objectives for local government reform, whilst retaining local identity and communities of interest. We can immediately get a better, more efficient and financially beneficial result through co-operation rather than through any disruptive process of forced amalgamation.

However, you might then ask the question, rather than forming a JRA why not just amalgamate?

The reasons not to amalgamate include:

- The cost of implementing the NSW Government's proposed amalgamation for our Councils is estimated at \$120 million over three years.
- The Amalgamation proponents assume all services will produce economies of scale. Empirical evidence and research into previous amalgamations has proven that many forecasted savings through amalgamations have not been achieved.
- 92% of our communities supported the JRA as their first or second preference, with the second choice to stand alone. This demonstrates a very clear mandate from our communities on these issues.
- The level of local representation residents will have under the proposed new mega councils is cause for concern. Currently, on average every 5,000 residents in Ryde, Hunter's Hill and Lane Cove Councils have access to one Councillor. Under the merged entity, this ratio increases to one Councillor for every 20,000 residents – representing a significant reduction of representation to the community.
- The JRA provides the opportunity for each Council to maintain its local identity, local representation and continue to deliver services best delivered at the local level. Amalgamations fail to achieve this outcome.



- Amalgamations will diminish the evolution of a highly functioning Local Government sector and delay significant reform for between 5 to 10 years.
- The JRA proposes only to share those services where economies of scale exist, such as strategic planning and back office corporate services. The JRA will deliver these services through a Shared Services Centre.

This is why our Councils have, after assessing all issues and options agreed to support a Joint Regional Authority, which is consistent with the Independent Panels' report and recommendation 43 to initiate Joint Organisations.

And most importantly, we believe that the Joint Regional Authority is a Bold and Visionary opportunity for the NSW Government – it is a viable reform alternative to forced amalgamations.

The core functions and benefits of our JRA include:

- Subregional land use and infrastructure planning, with:
 - A single approach to subregional planning and State infrastructure priorities;
 - An agreed subregional Section 94 Plan across the three Councils;
 - The preparation of a single harmonised LEP and DCP; and
 - Our goal is to eventually replace the role of a Joint Regional Planning Panel;
 - A single point of contact for State and Federal Government agencies and representatives;
 - Subregional advocacy and subregional procurement and a shared service centre for services that demonstrate economies of scale; and
 - A robust governance framework overseen by the Office of Local Government.

However, I must stress that the JRA is very different to a Regional Organisation of Councils (ROC) as follows:



- It will provide more practical benefits across several layers of government, by delivering subregional-scale planning and allowing joint representation to the NSW and Federal Governments.
- Councils cannot 'opt out' of our JRA from time to time, when it is politically convenient to do so.
- Our JRA will also be empowered to enter into regional contracts on behalf of its member Councils; and
- The JRA's decisions will be binding and its performance will be guaranteed by the development of a 4 year business plan overseen by the Office of Local Government.
- This model can be expanded or applied across other metropolitan councils in the future.
- The model is supported with a significant body of independent analysis, research and evidence by industry experts who have validated our proposal; and
- It maintains access to current levels of local representation and allows the City of Ryde to continue with evolving its vision of Macquarie Park as one of the premier commercial, educational, retail and technology hubs in Australia.

Independent expert advice from Professor Brian Dollery, the Director of the Centre for Local Government at the University of New England, confirmed that forced council amalgamations will not deliver cost-savings or other efficiencies to ratepayers and businesses in Sydney's north.

In fact, Professor Dollery found that forced mergers are "not only very expensive but have seldom achieved their proclaimed outcomes," using the failure of council mergers in Queensland as an example.



Data from the 2008 Queensland experience of compulsory amalgamation shows that the average cost of a council merger was about \$8.1 million (in current value) after only the first two years.

This has to be paid for by ratepayers of merged Council areas and comes at the price of either higher rates, fees and charges, or fewer services.

The former Chairman of T-Corp and NSW Treasury Secretary, Professor Percy Allan AM, has stated in his advice on Shared Services that there is no compelling evidence that centralising all local Council activities in a single mega-Council produces cost efficiencies. Hence, the most efficient path for Local Government is to share those activities that benefit from size while keeping in-house those activities done best on a small scale.

It is very important to note that the Local Government Act does not currently allow for these things to happen and would therefore need to be updated to empower Local Government to effectively partner with the State Government to secure the ongoing benefits that a JRA would inevitably deliver.

For metropolitan Sydney, the central issue that the Independent Panel identified was to achieve a more strategic and integrated planning system for Sydney that will support *NSW 2021: the State Plan*, and to ensure Sydney grows and maintains its position as a leading global city.

I can assure you that our JRA can absolutely deliver better planning outcomes for Sydney and will provide a model that fully complements and supports the NSW Government's vision for the metropolitan area.

Our JRA is 'fit for purpose' and one that responds to the challenges faced by Government in the 21st Century.

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