



ORDINARY MEETING

SUPPLEMENTARY AGENDA

ITEMS:

3.1, 7.2, 7.3, 7.4, 7.5, 7.6, 7.7, 7.8, 7.9 and 7.10

23 February 2016

LEICHHARDT MUNICIPAL COUNCIL**ORDINARY MEETING OF COUNCIL**

NOTICE IS HEREBY OF THE FOLLOWING **SUPPLEMENTARY ITEMS** FOR THE **ORDINARY MEETING** OF THE LEICHHARDT MUNICIPAL COUNCIL WILL BE HELD IN THE COUNCIL CHAMBERS, LEICHHARDT TOWN HALL, 107 NORTON STREET, LEICHHARDT, ON 23 FEBRUARY 2016 at 6:30 PM.

Peter Head
GENERAL MANAGER

18 FEBRUARY 2016

BUSINESS :**SECTION 3 – HIGH PRIORITY ITEMS 2**

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SECTION 3 – HIGH PRIORITY ITEMS

ITEM 3.1 MERGER PROPOSAL - ASHFIELD, LEICHHARDT AND MARRICKVILLE COUNCILS; FINAL SUBMISSION TO THE DELEGATE

Division	General Manager
Author	General Manager Director, Corporate and Information Services
Meeting date	23 February 2016 Ordinary Meeting
Strategic Plan Key Service Area	Community well-being Accessibility Place where we live and work A sustainable environment Business in the community Sustainable services and assets

SUMMARY AND ORGANISATIONAL IMPLICATIONS

Purpose of Report	To seek approval to forward the attached Submission to the Delegate investigating the merger proposal of Ashfield, Leichhardt and Marrickville Councils.
Background	<p>On 6 January 2016, the Minister for Local Government, the Hon. Paul Toole MP, under section 218E(1) of the <i>Local Government Act 1993</i>, proposed the merger of the Ashfield, Leichhardt and Marrickville Councils. On the same day, the Minister referred this merger proposal to the Chief Executive of the Office of Local Government (OLG) for examination and report under the <i>Local Government Act 1993</i> (the Act).</p> <p>The Chief Executive has delegated the function of examining and reporting on the proposal to a Delegate – in our case, the Delegate is Ms Cheryl Thomas. Ms Thomas has called for written submissions by 5pm on Sunday, 28 February 2016.</p>
Current Status	<p>The attached Submission has been written in accordance with the requirements outlined by the Delegate – that is, section 263(3) of the <i>Local Government Act 1993</i>. The submission concludes that the merger proposal should not proceed on the basis of the section 263(3) factors.</p> <p>The Council may wish to outline its preference for the new Council (if it proceeds) to be divided into wards or to abolish all wards if it so chooses –</p>

	currently, the submission is silent on this matter and provides background information only this issue. Whatever the Council decides on this matter, the submission will be amended accordingly.
Relationship to existing policy	Consistent.
Financial and Resources Implications	NIL
Recommendation	That Council: <ol style="list-style-type: none"> 1. Adopt a formal position on Wards for inclusion in the Final Submission and agree to delegate to the General Manager the finalisation of the submission. 2. Agree to forward the “Final submission to the Delegate on the Merger proposal for Ashfield, Leichhardt and Marrickville Councils” as provided at Attachment 1, with amendments arising from Recommendation 1 (if required). 3. Note that Council’s Submission to the Delegate is due by no later than 5pm on Sunday, 28 February 2016.
Notifications	NIL
Attachments	Attachment 1 – Final Submission to the Delegate on the Merger Proposal for Ashfield, Leichhardt and Marrickville Councils. Attachment 2 – Notes from the Public Meeting held on Monday, 15 February 2016. Attachment 3 - Responses to Submissions to the delegate on the Merger Proposal

Purpose of Report

To seek approval to forward the attached Submission to the Delegate investigating the merger proposal of Ashfield, Leichhardt and Marrickville Councils.

Recommendation

That Council:

1. Adopt a formal position on Wards for inclusion in the Final Submission and agree to delegate to the General Manager the finalisation of the submission.
2. Agree to forward the “Final submission to the Delegate on the Merger proposal for Ashfield, Leichhardt and Marrickville Councils” as provided at Attachment 1, with amendments arising from Recommendation 1 (if required).
3. Note that Council’s Submission to the Delegate is due by no later than 5pm on Sunday, 28 February 2016.

Background

On 6 January 2016, the Minister for Local Government, the Hon. Paul Toole MP, under section 218E(1) of the *Local Government Act 1993*, proposed the merger of the Ashfield, Leichhardt and Marrickville local government areas. On the same day, the Minister referred this merger proposal to the Chief Executive of the Office of Local Government (OLG) for examination and report under the *Local Government Act 1993* (the Act).

The Chief Executive has delegated the function of examining and reporting on the proposal to a Delegate – in our case, the Delegate is Ms Cheryl Thomas. In examining and reporting on the merger proposal, the Delegate will conduct a public inquiry, call for written submissions, and prepare a report with due regard to the factors in section 263(3) of the Act. The factors in the Act include (but are not limited to) financial considerations, communities of interest, elected representation, employment of staff, provision of services and facilities, and the attitude of residents and ratepayers.

The report of the Delegate is presented to the Minister for Local Government as well as the independent Local Government Boundaries Commission for comment. Once the Minister has received the report prepared by the Delegate and the Boundary Commission's comments on this report, the Minister will make a decision on whether or not to recommend the implementation of the proposal to the Governor of NSW. The final decision on the merger proposal is not expected until the middle of 2016.

The Delegate, in accordance with section 263(3) of the *Local Government Act 1993*, in preparing their report must have regard to the following factors:

- the financial advantages or disadvantages of the proposal to the residents and ratepayers of the areas concerned;

- the community of interest and geographic cohesion in the existing areas and in any proposed new area;
- the existing historical and traditional values in the existing areas and the impact of change on them;
- the attitude of the residents and ratepayers of the areas concerned;
- the requirements of the area concerned in relation to elected representation for residents and ratepayers at the local level, the desirable and appropriate relationship between elected representatives and ratepayers and residents and such other matters as considered relevant in relation to the past and future patterns of elected representation for that area;
- the impact of the proposal on the ability of the council to provide adequate, equitable and appropriate services and facilities;
- the impact of the proposal on the employment of the staff by the council;
- the impact of the proposal on any rural communities in the resulting area;
- the desirability (or otherwise) of dividing the resulting area or areas into wards
- the need to ensure that the opinions of each of the diverse communities of the resulting area or areas are effectively represented; and
- any other factors relevant to the provision of efficient and effective local government in the existing and proposed new areas.

Members of the public, including Councils, have been encouraged by the Minister to make a formal written submission to the Delegate. Submissions close on Sunday, 28 February 2016.

Council at its Policy Meeting on 9 February 2016 resolved (inter alia) that Council (C08/16P):

1. Agree to publicly exhibit the draft 'Submission to the delegate on the Merger proposal for Ashfield, Leichhardt and Marrickville Council.
2. Note that the exhibition period will conclude in late February and the final submission to the delegate (incorporating any community feedback) will be reported to the Ordinary Meeting of Council in February 2016.
3. Note that Council's submission to the delegate is due by no later than 5pm on Sunday 28 February 2016.
4. Amend the draft submission to highlight the policy inconsistency in the NSW Government's position on Council amalgamations which will result in a diminution in local decision making and representation. Other state wide policy/organisational reforms, designed to improve management efficiency and cost savings, have been recently reviewed in order to restore local decision making. Two examples illustrate this policy inconsistency: (a) The creation of Local Hospital Networks in 2011 which were driven primarily by a desire to restore greater decision-making (to meet local needs) through new Local Health Districts and boards; and (b) The government's stated policy to return local planning powers to local communities (through their Councils).
5. Amend the executive summary of the draft submission for criteria number 2 to be reviewed to include more examples of our community and identity.

6. Amend the sustainable environment section of the draft submission with detailed discussion on criteria number 5 to be reviewed in regards to impact of the proposed merger
7. Amend the section of the executive summary and Council's full submission in respect of scale and capacity be expanded to include details of Council's range of comprehensive and innovative policies which provide evidence of Council's capability in meeting the key elements set out on page 5 of the amalgamation proposal for Ashfield, Leichhardt and Marrickville.
8. Amends its submission to challenge the State Government assertion, that the Local Government Sector is broken as being false and misleading. There is no evidence to suggest this from State Government reports and records such as OLG Annual Reports and Performance Reviews nor the IPART FFF Process. State Government should either provide support for its comments or apologise to the NSW public.

Report

Final Submission to the Delegate

Leichhardt Council has carefully and diligently considered the Minister's proposed merger of Ashfield, Leichhardt and Marrickville Councils, including examining the impacts (positive and negative) of the merger proposal on the Leichhardt Municipality and surrounding councils. This work has unequivocally demonstrated that the merger proposal should not proceed on the basis of the criteria that the Delegate must consider in assessing the merger proposal that is outlined in section 263(3) of the *Local Government Act 1993*.

Council's final submission to the Delegate is provided at **Attachment 1**. The submission captures all the amendments adopted by Council on 9 February 2016 and includes updated information on the attitudes of residents to the merger proposal.

Wards: The option for Council to outline its preference in its final submission

The Council in its final submission to the Delegate has the option to outline its preference for the new Council to be divided into wards or to abolish all wards if it so chooses – currently, the submission is silent on this matter and provides background information on the issue.

In this regard, the *Local Government Act 1993* (s263 (3)) compels the Delegate to consider the desirability (or otherwise) of dividing the resulting area or areas into wards and this will be included in their report to the Boundaries Commission and Minister for Local Government.

When considering this matter, Council needs to consider the following issues:

- If Council favours Wards, the Wards for the new, amalgamated area will need to have populations the same, with only a 10 per cent variation each.
- Any revised Council Ward system will need to consider how many Councillors the new Council will have (the Act allows between 5 and 15 under section 224) and how many Councillors each Ward will return (in accordance with the 10 per cent rule cited above). The draft amendments to the Local Government Act

favour a system of Councils with odd numbers of Councillors ostensibly to prevent deadlock situations. Given that each Council currently has 12 Councillors and the new entity will be much larger than the current three, it is assumed that all the Councils may seek a membership of 15 Councillors.

- The new Council can vary the proposed Wards at a later time via the mechanisms prescribed in the *Local Government Act 1993*.
- Wards, if favoured, need to ensure that the level of representation of the various diverse communities in the new Council will not result in one community or another being advantaged or disadvantaged.

To assist Councillors in considering whether or not to adopt a formal position on this matter for inclusion in the final report to the Delegate, this report outlines the legislative framework underpinning the establishment and abolition of Wards below.

The legislative framework

Chapter 9, Part 1, Division 1 of the *Local Government Act 1993* ("the Act") provides the legislative framework for Wards. The following legislative details are provided for information.

a. Constitution of an area, division of the area into wards or abolition of wards

The Act under section 218A provides that the Governor may *amalgamate two or more areas into one or more new areas*. This is the power the State is using to force the current amalgamation. Divisions 1 and 2 of the Act (sections 204 to 218) apply to the new area in the same way as they apply to an area constituted by a proclamation under section 204. However, section 212(2) (about public inquiries) does not apply. Once constituted, a Council (under s. 210 which applies to our situation) may divide its area into wards, abolish all wards, alter ward boundaries and name or rename a ward. Under section 213, the proclamation establishing the new Council may turn its mind to a number of items, including whether the area has Wards, and if so, what the Ward boundaries will be.

On the mechanics of establishing wards, the Act stipulates that the division of a council's area into wards, or a change to the boundaries of a ward, must not result in a variation of more than 10 per cent between the number of electors in each ward in the area.

The following items b, c, and d apply to Councils which decide to create Wards or to vary Wards.

b. Consultation, public notice and exhibition of proposals regarding ward boundaries

Before dividing a council's area into wards or altering a council's ward boundaries, the council must (s. 210):

- (a) consult the Electoral Commissioner and the Australian Statistician to ensure that, as far as practicable, the proposed boundaries of its wards correspond to the boundaries of appropriate districts (within the meaning of the *Parliamentary Electorates and Elections Act 1912*) and census districts, and to ensure that the proposed boundaries comply with the 10 per cent variation noted previously, and

- (b) prepare and publicly exhibit a plan detailing the proposed division or alteration (the **ward boundary plan**).

Under section 210A, the council must give public notice of the following:

- (a) the place at which the ward boundary plan may be inspected,
- (b) the period for which the plan will be exhibited (being a period of not less than 28 days),
- (c) the period during which submissions regarding the ward boundary plan may be made to the council (being a period of not less than 42 days after the date on which the ward boundary plan is placed on public exhibition).

Further, the council must, in accordance with its notice, publicly exhibit the ward boundary plan together with any other matter that it considers appropriate or necessary to better enable the plan and its implications to be understood.

Any person may make a submission to the council regarding the ward boundary plan within the 42 day period and the council must consider submissions made in accordance with this section.

The *Local Government (General) Regulation 2005* (Part 11, Division 2, section 277) provides further details on the notice of changes to wards. This section of the Regulation states that if a council divides its area into wards, abolishes all its wards, alters its ward boundaries or names or renames a ward in its area, the general manager of the council must give notice of that fact and stipulates the notice to be given as follows:

- (a) by advertisement in a newspaper circulating generally in the council's area, and
 - (b) in writing displayed at the office of the council, and
 - (c) in writing delivered or sent to the Electoral Commission.
- (3) If, as a result of the changes referred to in this clause, there are any wards that are new or that have altered boundaries, the notice must include a written description of, and a map showing, the boundaries of the new wards or boundaries as so altered.

c. Approval to abolish all wards in council's area

Under section 210B of the Act, a council may resolve to make an application to the Minister to approve the abolition of all wards of the council's area. The council must give not less than 42 days' public notice of its proposed resolution.

After passing the resolution, the council must forward to the Minister a copy of the resolution, a summary of any submissions received by it and its comments concerning those submissions. The Minister may approve the application or may decline to approve it.

If the Minister approves the application, all the wards in the council's area are abolished with effect on and from the day appointed for the next ordinary election of councillors after the application is approved.

d. Ward boundaries

The Act (section 211) requires the council of an area divided into wards that they must keep the ward boundaries under review. If the following conditions (a and b below) are met the council must, as soon as practicable, alter the ward boundaries in a manner that will result in each ward containing a number of electors that does not differ by more than 10 per cent from the number of electors in each other ward in the area:

- (a) during a council's term of office, the council becomes aware that the number of electors in one ward in its area differs by more than 10 per cent from the number of electors in any other ward in its area, and
- (b) that difference remains at the end of the first year of the following term of office of the council, the council must, as soon as practicable, alter the ward boundaries in a manner that will result in each ward containing a number of electors that does not differ by more than 10 per cent from the number of electors in each other ward in the area.

If the new Council decided that Wards would be advantageous, the procedures set out above at b, c, and d would be invoked to create new Wards. Any revised Council Ward system will need to consider how many Councillors the new Council will have (the Act allows between 5 and 15 under section 224) and how many Councillors each Ward will return. The draft amendments to the Local Government Act favour a system of Councils with odd numbers of Councillors ostensibly to prevent deadlock situations. Given that each Council currently has 12 Councillors and the new entity will be much larger than the current three, it is assumed that all the Councils will seek a membership of 15 Councillors.

MOTION ADOPTED BY MARRICKVILLE COUNCIL ON WARDS 16TH FEB 2016:

THAT Council submit to the Delegate a preference for a new Council area to be divided into three (3) wards each comprising five (5) councillors.

Ashfield have not made any determinations

Public Exhibition- receipt of submissions

A total of 2 submissions were received by Council up to the COB on 18 February 2016 (NB: the public exhibition period on the draft submission closes on 22 February 2016). These submissions have been provided to Councillors direct. Submissions received after the publication of this report will be forwarded to Councillors for consideration prior to the meeting on 23 February 2016.

Details of the person making the submission have been excluded and redacted from the report under the *Privacy and Personal Information Act 1998*.

A summary of the matters raised in the submission are provided in the table below:

Submission	Precis of Submission
1	The submission supports Council's draft submission which opposes

	the merger. It expresses the feelings of “loss and anger my family and I and many of my fellow residents will feel if the merger proceeds.”
2	<p>The submission states that “I am of the view that there will not be the benefits claimed in the proposal, to ratepayers and users of Council services, through an amalgamation of the nature and scale envisaged. The modelling of benefits for the three Councils seems largely conjectural and suggests in fact adverse effects on rates and services, and poorer community/Council communication and representation. Experience elsewhere in Australia and overseas is that the estimated savings never materialise.”</p> <p>Further, the submission states that “I accept there is a case for improving efficiency of infrastructure provision and maintenance, and for reducing regulatory complexity, while maintaining a strong local voice, good consultation and community access to services: something along the lines of New Zealand's elected Community Boards providing a voice on local issues and larger City/District Councils managing strategic issues and infrastructure. I don't believe the present costly and disruptive merger proposals across Sydney will achieve this.”</p>

Many local residents have written direct to the Mayor (and other Councillors) on the issue of council amalgamations. The correspondence received by the Mayor’s Office is summarised below:

Correspondence	Precis of Correspondence
1	The correspondence urges Council “to stand firm against the bully tactics of the Baird State Government and not to complete the insulting 50 word/drop-down-box response that you are directed to submit by the 18 th November.” Further, the letter states that “it is important to the citizens of Leichhardt Municipality, that their elected representatives are committed to the sometimes unique needs of our local area and that they do not buckle under pressure from bully governments or vested interests.”
2	The comments raised in the first letter are restated verbatim in this correspondence.
3	The correspondence states that “As a concerned citizen I would like to voice an aversion to positively respond to IPART request for Leichhardt Council to submit a merger preference.” ...”I feel the democratic process to consult with community and provide a IPART response to outline merger options will negatively impact on locals who continue to advocate to oppose council amalgamations.” Issues are also raised with the “flawed” IPART process.
4	The correspondence states that “Forced amalgamations are extremely unpopular.” And voices concerns with Council’s position to submit a response to IPART.
5	The correspondence expresses concern with Council’s adopted

	position to submit a merger preference.
6	The correspondence “urges all 12 councillors to support the proposition that Leichhardt ought to remain a stand-alone council on the grounds of its long-standing and readily recognisable historical identity and a municipality of an arguable fungible size.”
7	The correspondence expresses outrage at the forced amalgamation of council. In addition, it states “as a community member, we are entitled to our say, We should be the ones determining if the council is fit for the future, not...the Premier.”
8	The correspondence urges “you [Councillors] to stand firm to your first preference of standing alone.”
9	The correspondence states “...please stop the forced amalgamation by Baird government! Leichhardt and Marrickville councils do a great job and the loss of council and services is wrong.”
10	The correspondence seeks clarity on council’s position of the proposed council mergers.
11	The correspondence opposes council amalgamation on the basis that “we would get less services with a huge council.”

Public meeting

Pursuant to Council’s Resolution dated 9 February 2016 (C08/16P) a public meeting was convened to discuss the merger proposal and Council’s draft submission on Monday, 15 February 2016. Those in attendance included Councillors, the local member of State Parliament, Council staff and 38 members of the local community.

Presentations were made by the Deputy Mayor, Councillors, General Manager and Director of Corporate and Information Services followed by input from the community. The Notes from this meeting are provided at **Attachment 2**.

At the Public Meeting, the community moved the following motions:

1. That Council organise large banners to be placed across the municipality including but not limited to the following locations:
 - Council Town Halls
 - Across the Pedestrian Bridge at Victoria Road, Rozelle
 - Across Norton Street, Leichhardt
 - Across Johnston Street, Annandale
 - Across Darling Street, Balmain
 - Across Booth Street, Annandale
 - Leichhardt Park Aquatic Centre (LPAC)
 - Libraries
 - Birchgrove Oval.

The Motion was adopted unanimously.

2. We demand that Leichhardt Council hold a plebiscite on the issue of amalgamations.

The Motion was adopted by all in attendance less 1 resident.

The Meeting also requested that the General Manager, Peter Head pass on appreciation to all staff involved in preparing the draft submission and in relation to the amalgamations.

Attitude of Residents – Survey Results

On 19 January 2016, Council resolved (C01/16E) to commence a public information campaign to inform the community of the Minister's merger proposal involving Ashfield, Leichhardt and Marrickville Councils. This included the distribution of a brochure to all residents and businesses in the municipality on the merger proposal and the examination process, and encouraging the community to participate in that process. Further, the Council resolved to conduct a statistically valid phone survey to poll the opinion of local residents and ratepayers on whether or not the Government's merger proposal should proceed, their concerns and expectations for what the merger would mean for them and their priorities for their local council's future policy direction.

Micromex Research, an independent (ISO 20252 quality certified) market and social research firm, was engaged by Council to undertake this telephone survey. This survey is statistically valid (with a 95% confidence level), and demographically representative, and provides Council with evidence based data on the attitude of residents and ratepayers to the merger proposal, including the reasons why they support/don't support a merger.

The key results of the survey are provided below (the full report from Micromex Research dated February 2016 is provided as Attachment 3 to the Final Submission to the Delegate):

1. A high level of awareness of residents to the NSW Government's plan for council Mergers (Figure 1).
 - 89 per cent of residents were aware of these plans – this is up from 78 per cent of residents in a survey conducted in March 2015 (see next section).
 - 10 per cent of residents were unaware of the Government's merger plans and 1 per cent did not know or where unsure.

Figure 1 Awareness of the NSW Government’s plans for Council Mergers

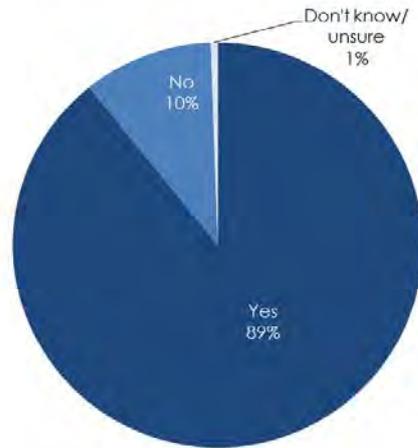
Awareness of the NSW Government’s Council Mergers

Q3. Before this call, were you aware of the NSW Government’s plan to merge councils in NSW?

The following was read to residents before commencement of the survey:

The NSW Government has been seeking to transform local government in NSW.

As part of the review, councils were required to demonstrate how they would become financially sustainable, provide effective and efficient services, have the scale and capacity needed to meet the needs of communities, and partner with the NSW Government.



	Overall	Male	Female	18-34	35-49	50-64	65-74	75+	Ratepayer	Non ratepayer
Yes	89%	89%	89%	74% ↓	95%	97%	100%	96%	96% ↑	77% ↓
No	10%	10%	11%	25%	5%	3%	0%	4%	4%	22%
Don't know/unsure	1%	1%	0%	2%	0%	0%	0%	0%	0%	2%

Base: N = 301

↑ ↓ = A significantly higher/lower level by group

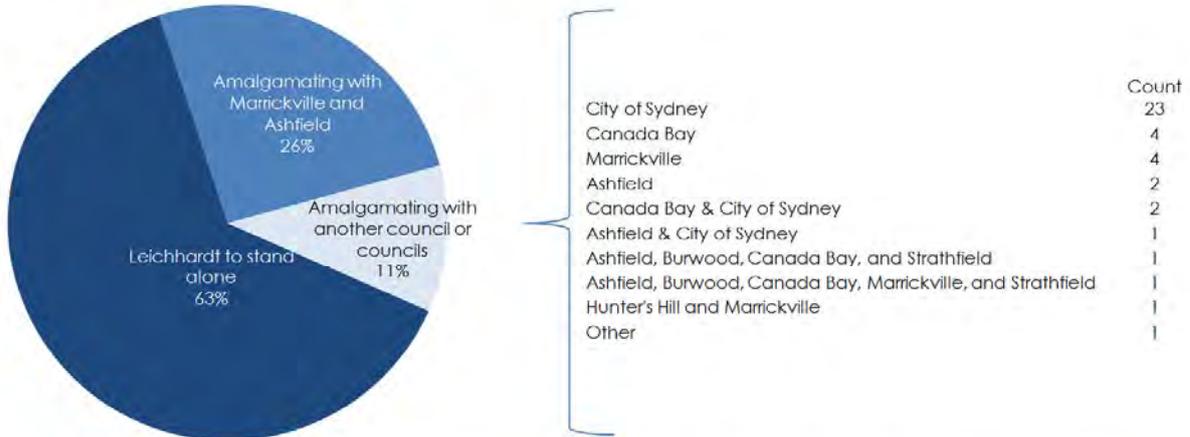
Source: Micromex Research 2016, Leichhardt Council – 2016 Community Research, February.

2. The community’s preferred option is for Leichhardt Council to stand alone (Figure 2).
 - 63 per cent of residents (i.e. almost two-thirds) stated their preference for standing alone. This was particularly so for females (70 per cent) and those aged 18-34 (77 per cent) and 75+ (75 per cent)
 - Only 26 per cent of residents preferred the amalgamation with Marrickville and Ashfield councils.
 - 11 per cent of residents preferred to amalgamate with other councils, including the City of Sydney (Predominantly).

Figure 2 Preferred Option for Leichhardt Council

Preferred Option for Leichhardt Council

Q6. Thinking about the options we have just discussed, which is your preferred option for Leichhardt Council?



	Overall	Male	Female	18 – 34	35 – 49	50 – 64	65 – 74	75+	Ratepayer	Non ratepayer
Stand alone	63%	55%	70% ↑	77% ↑	57%	57%	47%	75%	58%	74% ↑
Amalgamate with Marrickville/Ashfield	26%	34%	19%	21%	32%	22%	31%	21%	27%	23%
Amalgamate with other councils	11%	11%	11%	2% ↓	12%	21% ↑	22% ↑	4%	15% ↑	4%

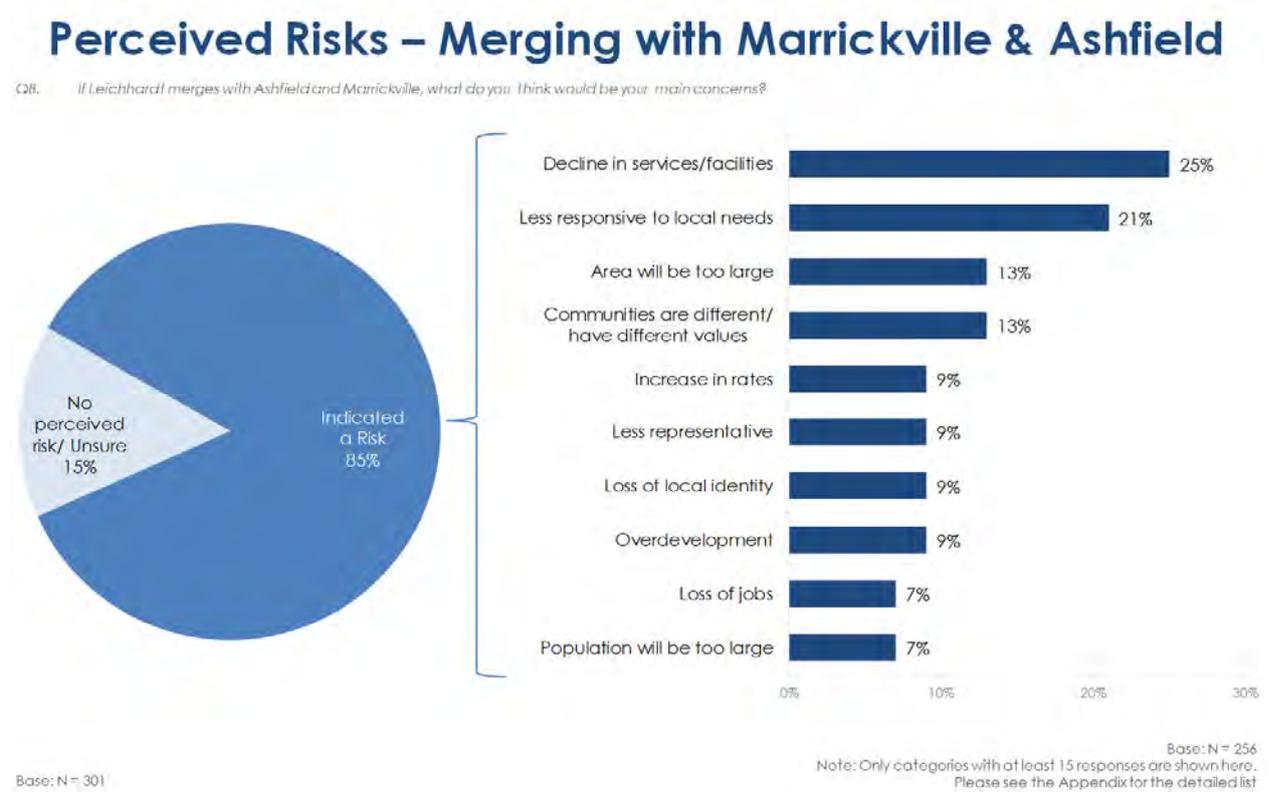
Base: N = 301.

↑ ↓ = A significantly higher/lower level by group

Source: Micromex Research 2016, Leichhardt Council – 2016 Community Research, February.

3. The community had concerns that there would be risks associated with a merger (Figure 3).
 - 89 per cent of residents indicated a risk with a merger with Marrickville and Ashfield Councils.
 - The top 2 risks identified included a decline in services/facilities (25 per cent) and the view that the merged council would be less responsive to local needs (21 per cent).

Figure 3 Perceived risks of merging with Marrickville and Ashfield Councils.



Source: Micromex Research 2016, Leichhardt Council – 2016 Community Research, February.

Summary: An overview of the survey findings

The survey reveals that the community is overwhelmingly opposed to the amalgamation of Leichhardt Council with Ashfield and Marrickville councils as proposed by the Minister for Local Government. Further, the community is supportive of Leichhardt Council remaining a stand-alone council into the future.

Attachments

1. Final Submission to the Delegate on the Merger Proposal for Ashfield, Leichhardt and Marrickville Councils.
2. Notes from the Public Meeting held on Monday, 15 February 2016.
3. Responses to Submissions to the delegate on the Merger Proposal



Submission to the Delegate on the Merger Proposal for Ashfield, Leichhardt and Marrickville Councils



Prepared by: Leichhardt Council

Date: 23 February 2016

Customer Service, 7-15 Wetherill Street, Leichhardt NSW 2040 PO Box 45, Leichhardt NSW 2040
Phone: (02) 9367 9222 Fax: (02) 9367 9111 Email: leichhardt@lmc.nsw.gov.au www.leichhardt.nsw.gov.au

WORKING WITH THE COMMUNITY



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11. Such other factors as it considers relevant to the provision of efficient and effective local government in the existing and proposed new areas.	97
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Background

On 6 January 2016, the Minister for Local Government, the Hon. Paul Toole MP, under section 218E (1) of the *Local Government Act 1993*, proposed the merger of the Ashfield, Leichhardt and Marrickville local government areas. On the same day, the Minister referred this merger proposal to the Chief Executive of the Office of Local Government (OLG) for examination and report under the *Local Government Act 1993* (the Act).

The Chief Executive has delegated the function of examining and reporting on the proposal to a Delegate – in our case, the Delegate is Ms Cheryl Thomas. In examining and reporting on the merger proposal, the Delegate will conduct a public inquiry, call for written submissions, and prepare a report with due regard to the factors in section 263(3) of the Act. The factors in the Act include (but are not limited to) financial considerations, communities of interest, elected representation, employment of staff, provision of services and facilities, and the attitude of residents and ratepayers.

The report of the Delegate is presented to the Minister for Local Government as well as the independent Local Government Boundaries Commission for comment. Once the Minister has received the report prepared by the Delegate and the Boundary Commission's comments on this report, the Minister will make a decision on whether or not to recommend the implementation of the proposal to the Governor of NSW. The final decision on the merger proposal is not expected until the middle of 2016.

The Delegate, in accordance with section 263(3) of the *Local Government Act 1993*, in preparing their report must have regard to the following factors:

- the financial advantages or disadvantages of the proposal to the residents and ratepayers of the areas concerned;
- the community of interest and geographic cohesion in the existing areas and in any proposed new area;
- the existing historical and traditional values in the existing areas and the impact of change on them;
- the attitude of the residents and ratepayers of the areas concerned;
- the requirements of the area concerned in relation to elected representation for residents and ratepayers at the local level, the desirable and appropriate relationship between elected representatives and ratepayers and residents and such other matters as considered relevant in relation to the past and future patterns of elected representation for that area;
- the impact of the proposal on the ability of the council to provide adequate, equitable and appropriate services and facilities;
- the impact of the proposal on the employment of the staff by the council;
- the impact of the proposal on any rural communities in the resulting area;
- the desirability (or otherwise) of dividing the resulting area or areas into wards
- the need to ensure that the opinions of each of the diverse communities of the resulting area or areas are effectively represented; and
- any other factors relevant to the provision of efficient and effective local government in the existing and proposed new areas.



Members of the public, including Councils, have been encouraged by the Minister to make a formal written submission to the Delegate. Submissions close on Sunday, 28 February 2016.

The following submission was formally adopted by Council at its Ordinary Meeting on 23 February 2016.



Executive Summary

Leichhardt Council has carefully and diligently considered the Minister's proposed merger of Ashfield, Leichhardt and Marrickville Councils, including examining the impacts (positive and negative) of the merger proposal on the Leichhardt Municipality and surrounding councils.

This work has unequivocally demonstrated that the merger proposal should not proceed on the basis of the criteria that the Delegate must consider in assessing the merger proposal that is outlined in section 263(3) of the *Local Government Act 1993*. Specifically, the merger proposal fails on the following grounds:

1. Financial.

- The financial disadvantages of the merger proposal significantly outweigh the advantages. Specifically, the merger will result in increased rates for some Leichhardt residents (due to higher land values in Leichhardt than in Ashfield and Marrickville) and reduced services and service standards – in turn adversely impacting local businesses, the local economy, ratepayers and residents, and those most vulnerable in our community.
- The superior option for Leichhardt Council and its community is to remain a stand-alone council.
- The stand-alone option is more financially sustainable than the merger proposal (i.e. it meets all financial sustainability benchmarks earlier than the merged council) and is the best option to keep rates low and service standards high.
- The peer reviewed evidence indicates that the advantages of council mergers (both in Australian and internationally) are overstated and estimated savings have never materialised in a single jurisdiction. The literature also indicates that the new larger council will be met with significant diseconomies of scale.
- The KPMG analysis which underpins the Government's merger proposal is based on erroneous and over simplified assumptions, including minimising the costs associated with the merger (e.g. ICT costs and redundancies) in order to artificially inflate the calculation of expected benefits from any merger.
- The superior option for all three councils - Leichhardt, Ashfield and Marrickville Councils - is to remain stand-alone councils.
- Leichhardt Council challenges the State Government assertion that the Local Government Sector is broken as being false and misleading. There is no evidence to suggest this from State Government reports and records such as the Office of Local Government's Annual Reports and Performance Reviews nor the IPART Fit for the Future process. Leichhardt Council calls on the State Government to either provide support for its comments or apologise to the NSW public. In fact, a report released this month by LG Solutions has shown that Council's in NSW are now reporting a surplus to the tune of ½ million dollars a day (14/15 audited figures) (www.lgsolutions.net.au).
- A thorough review of Local Government funding should be commissioned by the State Government, in cooperation with Local Government, to ensure strong and stable funding for the local government sector. Whether big or small, local government cannot perform to a high level without strong and stable funding.



2. Community of interest and geographic cohesion.

- The rich and diverse history of the harbour fronted suburbs that make up Leichhardt Council share a natural affinity creating a cultural and social harmony that distinguishes them from our geographical neighbours.
- The form and character of the Leichhardt suburbs are all unique to the Leichhardt LGA with little similarities to Marrickville and Ashfield LGAs. For example :
 - Annandale – with its characteristic housing types and scales ranging from the grander buildings located on the Johnston's St ridge reducing to the smaller cottages towards the creek lines.
 - Balmain, Birchgrove and Rozelle – with its rich industrial history including the 19th century workers cottages and the unique topography of the Balmain Peninsula forming part of the drowned valley landscape of Sydney Harbour
 - Lilyfield – with its old historical estates, old stock routes (e.g. Catherine St and Lilyfield Rd) and the magnificent Callan Park with its many heritage classified early settlement buildings
 - Leichhardt – with its distinctive rural history, imposing 19th century houses and sweeping views towards the city and westwards.
- The merger will result in a loss of a sense of identity and place in Leichhardt as it is merged with neighbouring Councils that do not share a similar sense of community i.e. there is no shared community of interest.
- Leichhardt is unique. Its uniqueness is derived from the strong sense of identity and attachment to place of its residents. Such attachment to place is not an 'emotional' consideration that should be easily dismissed in any assessment of the merger proposal. Attachment to place (otherwise known as place identity) by residents is important as it is a component of self-identity and includes memories, ideas, feelings, attitudes, values, preferences, meanings and concepts of behaviour and experience which contribute to satisfaction of an individual's biological, physiological, social and cultural needs.
- Strong place attachment in Leichhardt has developed from its relative geographical self-containment, historical areas, scale of place and local focus. Leichhardt Council has the appropriate governance structure and scale to support this strong local focus and attachment to place.
- Council contends that place attachment is an important consideration that is not based on 'emotive arguments' and that the local focus of Leichhardt Council is important to maintaining the biological, psychological, social and cultural health and wellbeing of our community and its individuals. Leichhardt's unique character and local focus supports an individual's and communities' sense that they live somewhere that is distinctive, where continuity is valued and the ability to influence social and environmental outcomes is achievable.
- Specifically, the three councils share no real community of interest in respect to local representation and active citizenship. Leichhardt is the exemplar of a council that highly values community involvement in local issues and decision-making processes. This will be lost in a new merged council.
- The three councils also differ in their attitude and policies with regard to built form, heritage and in their council planning instruments. For example, Leichhardt has strong heritage controls and moderated development which are not replicated in the other two councils.



- There are significant differences between the three areas in terms of population density, cultural and ethnic diversity, and levels of socioeconomic disadvantage/advantage, household income and wealth. The three areas are indeed unique and the proposed merger will force together communities that are very different in their views and aspirations.
- There is little community of interest amongst the three councils in relation to services provided by the local council. For example, In Leichhardt, the services provided to the local community are of a very high standard and this reflects our community's preference and willingness to pay (e.g. grass verge mowing, local parks, child care and the Leichhardt Park Aquatic Centre). Our residents are also supportive of these services being provided by experienced in-house council staff rather than being outsourced to third party providers motivated solely by the bottom line. This is a characteristic unique to Leichhardt and not necessarily shared by the other two councils.
- The stand-alone option remains the superior option for the Leichhardt community and the communities of Ashfield and Marrickville.

3. Existing historical and traditional values in the existing areas.

- Leichhardt's historical and traditional values remain at the very core of our community and its identity
- The current scale of our local government area and Councillor representation means that the particular character of this area, and the way people engage with local democracy and issues, is very effective.
- The merger proposal, which will increase the size of the local government area and reduce community representation, will undermine the fabric of this community and their very strong local links to place, each other and the decision-making process.
- Council and its communities have found that demand for redevelopment can be at odds with heritage objectives. Our local focus means that our cultural heritage is well understood and highly valued. This is a defining characteristic and a merger with other Councils may result in less emphasis on the retention of our places of cultural significance.
- The diversified service based economy is a core strength of Leichhardt and is derived from established businesses in our main streets and employment lands. Leichhardt Council and its communities seek to retain that mixed use character and our position is different from that being promoted in Marrickville where there has been support for large scale rezonings and loss of employment lands. This represents a fundamental, and very important, difference between the two council areas and the aspirations of our communities.
- The community has been instrumental in Leichhardt Council being an organisation that is held to account in its policy development and governance arrangements.
- Council's well established local focus, the character and history of our spaces and buildings, the participatory nature of governance and commitment to local and broader environmental sustainability matters are very important and may well be at risk in a new Council with differing priorities.
- Amalgamations threaten to weaken Council's environmental sustainability as the new organisation responds to varied community values and new financial resource constraints.



4. The attitude of the residents and ratepayers of the areas concerned.

- The majority of residents (89 per cent) are aware of the State Government's plan to reduce the number of councils in NSW.
- The community's preference is for Leichhardt Council to remain a stand-alone council into the future. Specifically:
 - Almost two-thirds (63 per cent) of residents stated their preference for standing alone.
 - Only 26 per cent of residents supported the State Government's merger proposal.
- 85 per cent of residents had concerns that there would be risks associated with a merger. A reduction in the quality of local services/facilities and a lack of responsiveness were seen as primary risks.
- Leichhardt residents and ratepayers are overwhelmingly opposed to forced amalgamations and supportive of Leichhardt Council remaining a stand-alone council into the future. This is a firmly held view of the local community as demonstrated by two statistically valid surveys commissioned by Leichhardt Council in 2015 and 2016.

5. The requirements of the area concerned in relation to elected representation for residents and ratepayers at the local level.

- The merger proposal will result in a significant loss of local representation.
- Each new councillor will, because of the very large population, be representing the equivalent of almost 15,500 - compared to less than 5,000 currently for Leichhardt Councillors. This is the equivalent, under the merger proposal, to approximately 3.5 councillors (rather than the current 12 councillors) for the entire Leichhardt population of around 58,000 people.
- One of the most troubling aspects of the merger proposal is that local representation in the inner west is being eroded far more than in other areas of metropolitan Sydney and beyond.
- The Merger Proposal includes only 12 councillors in the new Council. This is counter to the NSW Government's stated policy to have an uneven number of councillors.
- If the merger proposal is implemented, Leichhardt Council recommends to the Delegate that the new council comprise 15 councillors. This is consistent with other merger proposals across metropolitan Sydney, and responds to the increased workload expected of Councillors and the complexity and scale of issues before them. It also facilitates the creation of wards if so decided by the new Council.
- The merger proposals will see a reduction in representation for 2.5 million people across Sydney and a further 1.8 million across the State will see no improvement in representation at all. The public expects improvements in representation as part of Local Government Reform.



6. The impact of any relevant proposal on the ability of the councils of the areas concerned to provide adequate, equitable and appropriate services and facilities.

- All three councils provide a range of services (some unique) to their local communities and the service standards between the three councils vary considerably.
- The merger proposal will, through a process of service harmonisation, result in either:
 - a reduction of services and standards across the new council to the detriment of the local community, or
 - increasing the service to the other areas which will impose significant costs on the new council and community.
- In Leichhardt's case, the merger proposal will not provide for improved services contrary to the Merger Proposal without imposing new costs (i.e. user charges or taxes) on the local community. This is because Leichhardt already provides the highest level of service delivery in some areas in comparison to its neighbouring councils e.g. grass verge mowing.
- Faced with increasing service costs in a new merged council, this may well prevent the introduction of new services and instead reduce service levels and standards to meet budget imperatives. In this regard, the new council's financial prosperity (or otherwise) is almost entirely dependent upon sacking many staff (many involved in direct service delivery) which, if the peer reviewed evidence is a guide, may never be realised. A case in point is the recent merger experience in Queensland where staffing costs grew by 8 per cent a year following mergers.
- If the new council is unable to shed staff, it will then need to reduce services accordingly or impose new charges and taxes (rate increases) on the local community to continue to provide services at their current levels.
- Stand-alone remains the superior option for the Leichhardt Community. This will ensure the continued high level of service delivery that the residents have become accustomed to and council is readily able to afford.

7. The impact of any relevant proposal on the employment of the staff by the councils of the areas concerned.

- The merger proposal will have a significant and overwhelmingly negative impact on the employment of staff in each of the three councils.
- The merger proposal states that more than 85 per cent (or \$84 million over 20 years) of gross savings arising from the merger are based on reductions in staffing levels in the new council.
- Redundancies will negatively impact service delivery and result in a loss of corporate/community knowledge and commitment to local values.
- Staff made redundant will find it difficult, if not impossible, to find suitable alternative employment. This is because mass redundancies will occur across the entire local sector at the same time as a result of the Government's forced amalgamations agenda. Employees will then have to compete with their colleagues and peers for employment.
- The NSW Government will have to put in place a structural adjustment package to provide for these staff.



- The KPMG Technical Paper (dated 19 January 2016) assumes that each of the three Councils lose 4 Directors per Council (i.e. twelve in total). This assumption is incorrect in our case as there are only 7 Directors on senior staff contracts currently in place. The result is that KPMG have overestimated gross financial benefits arising from the merger in the order of \$22 million over 20 years.
 - The KPMG Technical Paper also assumes a General Manager and four Directors for the new Council, but ignores the additional support staff required so the new General Manager can address all the tasks of the current General Managers; and similarly for the new Directors.
 - The stand-alone option remains superior to the merger proposal in terms of employment of staff.
- 8. The impact of any proposal on rural communities in the areas concerned.**
- This factor is not relevant to the merger proposal relating to Ashfield, Leichhardt and Marrickville Councils.
- 9. The desirability (or otherwise) of dividing the resulting area or areas into wards.**
- The Council in its final submission to the Delegate on the merger proposal for Ashfield, Leichhardt and Marrickville has the option to clearly outline its preference for the new Council to be divided into wards or to abolish all wards if it so chooses.
 - When making any submission, Council needs to consider the following issues:
 - If Council favours Wards, the Wards for the new, amalgamated area will need to have populations the same, with only a 10 per cent variation each.
 - Any revised Council Ward system will need to consider how many Councillors the new Council will have (the Act allows between 5 and 15 under section 224) and how many Councillors each Ward will return (in accordance with the 10 per cent rule cited above). The draft amendments to the Local Government Act favour a system of Councils with odd numbers of Councillors ostensibly to prevent deadlock situations. Given that each Council currently has 12 Councillors and the new entity will be much larger than the current three, it is assumed that all the Councils may seek a membership of 15 Councillors
 - The new Council can vary the proposed Wards at a later time via the mechanisms prescribed in the *Local Government Act 1993*.
 - Wards, if favoured, need to ensure that the level of representation of the various diverse communities in the new Council will not result in one community or another being advantaged or disadvantaged.



10. The need to ensure that the opinions of each of the diverse communities of the resulting area or areas are effectively represented.

- Reducing access to Council and elected representatives negatively impacts the capacity of residents in the local government area to deliver the stated policy objectives of the Local Government Charter.
- The community's ability to have effective input in significant matters will suffer with a large council. By reducing the means to contribute via councillor representation and council committees, the communities ability to participate effectively in the big issues facing the new Council, including the scoping and master planning of major sites (e.g. Bays Precinct, Parramatta Road, WestConnex, etc.), will be limited leading to a reduced ability to have your say at the local level.

11. Such other factors as it considers relevant to the provision of efficient and effective local government in the existing and proposed new areas.

- Leichhardt Council meets the scale and capacity elements as defined by the Independent Local Government Review Panel and contrary to the Merger Proposal conclusions.
- Leichhardt Council is able to govern effectively and provide a strong voice for its community. This includes the strategic delivery of projects and regional planning, addressing challenges and opportunities (e.g. infrastructure backlog and maintaining financial sustainability), effectively partnering with other tiers of government to deliver community services and infrastructure projects and to operate as an effective, efficient and modern organisation.
- Leichhardt Council has a proven record in delivering a range of comprehensive and innovative policies and programs to meet both the immediate needs as well as future challenges confronting its local community and broader region.
- Merging Ashfield, Leichhardt and Marrickville Councils will not improve the strategic capacity of local government in the combined new areas, either for the individual councils as they currently stand, or as a whole if the proposal is adopted.
- If the NSW Government proceeds with forced amalgamations, then it will need to give consideration to the organisation of the Interim Council and governance arrangements to ensure a smooth transition to the new council.
- Leichhardt Council proposes a number of recommendations with respect to the interim and new council governance arrangements if the merger proceeds, including:
 - All councillors and senior staff remain in place until the election of the new council in March 2017. This is consistent with the Minister's and the Premier's promises to Councillors and will allow the Councils themselves to undertake work on how the amalgamation should work in terms of management structure, finance, planning and the like, and present this to a new Council for adoption after it comes into being. The new Council can adopt, amend, or reject these proposals.
 - Existing senior staff should also be retained after the new Council elections to ensure retention of corporate history and effective, on-going service delivery. The senior staff will also be invaluable in assisting with the development and establishment of a new organisational structure.



- The new council should comprise 15 councillors which is consistent with other merger proposals across metropolitan Sydney and would ameliorate in part the loss of local representation.
- Further, the Government should give due consideration to increasing the remuneration of councillors to reflect the complexity and increased workload of councillors in the new council
- Allow the election of the new Mayor to be determined by the new council.
- All of these recommendations are based on robust evidence and will enable the smooth transition to and effective operation of a new council.
- The Leichhardt Community are rightly concerned that the merger will carry considerable risks, particularly in relation to the retention of existing facilities and services. The principal concern was with the decline in services and facilities.
- In the event that the merger proposal proceeds the new council must endeavour to allay the concerns of its community and commit to the retention of existing facilities, services and offerings.

Accordingly, Leichhardt Council calls on the Delegate to reject the Minister's merger proposal for Ashfield, Leichhardt and Marrickville Councils and instead recommend that Leichhardt Council (and its neighbours) remain a stand-alone council. Importantly, this is also the position that is firmly supported by our community as well as by the communities of Ashfield and Marrickville councils.

Leichhardt Council highlights to the Delegate the policy inconsistency in the NSW Government's position on Council amalgamations which will result in a diminution in local decision-making and representation. Other state wide policy/organisational reforms, designed to improve management efficiency and cost savings, have been recently reviewed in order to restore local decision making. Two examples illustrate this policy inconsistency: (a) The creation of Local Hospital Networks in 2011 which were driven primarily by a desire to restore greater decision-making (to meet local needs) through new Local Health Districts and boards; and (b) The government's stated policy to return local planning powers to local communities (through their Councils).



Leichhardt Council: Current position

1. The Leichhardt Municipality

The Leichhardt Municipality stands on land that traditionally belonged to the Gadigal and Wangal people of the Eora nation. It is a unique area with a long cultural heritage and a special beauty that comes from its Sydney Harbour location and its old suburb origins.

Leichhardt is one of the oldest municipalities in New South Wales having been incorporated as a local government area in 1871. In 1949 the municipalities of Annandale and Balmain were amalgamated with Leichhardt. In 1967, the boundaries of our local government area were varied to include Glebe and parts of Camperdown. Further in 2003, the boundaries of our local government area were again varied, this time excluding Glebe and Forest Lodge which now fall under the City of Sydney.

The Leichhardt Local Government Area (LGA) includes the suburbs of Leichhardt, Lilyfield, Balmain (including Balmain East), Birchgrove, Rozelle and Annandale and has a population of approximately 58,131 people, situated within an area of 1,003 hectares (11km²).

Map 1: The Leichhardt Municipality





The key characteristics of the LGA are:

- Leichhardt has a diverse age profile, with increasing numbers of families with children and older people.
- Over the last ten years the LGA has increasingly become an attractive place for young professionals seeking to raise their growing families. This has resulted in a baby boom in the LGA with the 0-4 age group over the last 5 years.
- Leichhardt is also becoming older, with both the proportion of residents aged over 60 years and the LGA's median age increasing, in line with broader national trends.
- Residents are well educated and affluent with a high proportion of professionals and managers, as well as a high average income.
- Leichhardt is known for its Italian residents and culture. Languages other than English spoken at home include Italian (3 per cent), Greek (1.4 per cent), Spanish (1.0 per cent), Cantonese (0.8 per cent) and Mandarin (0.7 per cent).
- Leichhardt residents have a significantly higher participation rate (40 per cent) in interest and/or action groups, compared to a national average of 18.5 per cent, affirming the high level of social capital in the area, and commitment to achieving the strategic vision of *Leichhardt 2025+*.

A brief snapshot of the Leichhardt LA is provided in Table 1.

Table 1: Leichhardt Council – General Statistics

General statistics as at the 2011 Census	
Five year population growth	6.2%
Population aged 0-4	8.2%
Population aged <19	11.2%
Population aged >20 <59	64.9%
Population aged >60	15.7%
Aboriginal and Torres Strait Islanders	1.0%
Language Other than English	15.1%
Median age	37
Population density (residents per km ²)	5,250.09
Average Household Size	2.8
Median weekly household income	\$2,234
Access to Internet at Home	81.4%
Socio-Economic Index Rating (1 lowest)	142
Completion of Bachelor or Higher degree	44%



Council creates multidisciplinary teams, working with government, key stakeholder organisations and community members to achieve the community vision contained within *Leichhardt 2025+*. Priorities include:

- Connecting people to each other and to place; Enlivening arts and cultural life (including activating the live music industry, performance and visual arts); Improving health and wellbeing, including through social justice initiatives and Healthy Ageing initiatives; Strengthening community capabilities, including through programs and services for young children and families.
- Creating a liveable place, including integrated planning, reducing private car dependence for all travel, and addressing issues of affordable housing for key workers.
- Creating a sustainable environment by Council working to achieve carbon neutrality, and with community commitment to biodiversity, energy efficiencies and waste reduction.
- Supporting thriving businesses through business activation, marketing and promotion, and infrastructure initiatives on the high streets.

Council seeks information from the community, advises the community and involves the community in planning and advisory forums, guided by the Community Engagement Framework. Measured in 2010, over 20 per cent of residents had participated in a community consultation or attended a public or Council meeting, well above the state average of 7.6 per cent.

Council has demonstrated the proven capacity to effectively engage with its community on important matters – this is an area where Leichhardt Council excels as demonstrated by its award winning Reconciliation Action Plan and its positive engagement with the LGBTIQ community. Council's ability to effectively connect with its community is demonstrated in the 2015 Community Satisfaction Survey that shows that 98 per cent of Leichhardt Residents are pleased with Council's overall performance, with 89 per cent happy with their quality of life in Leichhardt

Council is responsible for the management of a significant range of infrastructure assets. These assets represent an important public investment and are critical to community well-being and safety. These assets include public roads, footpaths, seawalls, bridges, wharves, stormwater drainage networks, parks, reserves, recreational facilities, property and buildings. The combined replacement cost is over \$750 million.

Council has a strong focus on asset management with a dedicated team to deal with asset planning. This team is underpinned by a leading practice Asset Management Plan, Policy and Strategy, with a robust governance framework through the Asset Management Committee. The Asset Management Plan, and in particular the asset renewal program, is based on community accepted service levels and actual condition assessments and is fully funded in the Long Term Financial Plan (<http://www.leichhardt.nsw.gov.au/Budget1516>).

With its focus on asset management (both immediate and longer-term), the Office of Local Government's Infrastructure Audit assessed Leichhardt Council's infrastructure management to be "Very Strong".



The Leichhardt Local Government Area is divided into four electoral wards (see Map below):

- Birrabirragal (Balmain)
- Eora (Leichhardt-Lilyfield)
- Gadigal (Annandale-Leichhardt)
- Wangal (Rozelle-Lilyfield).

Each ward is represented by three Councillors. One Councillor is elected each year to serve the role of Mayor.

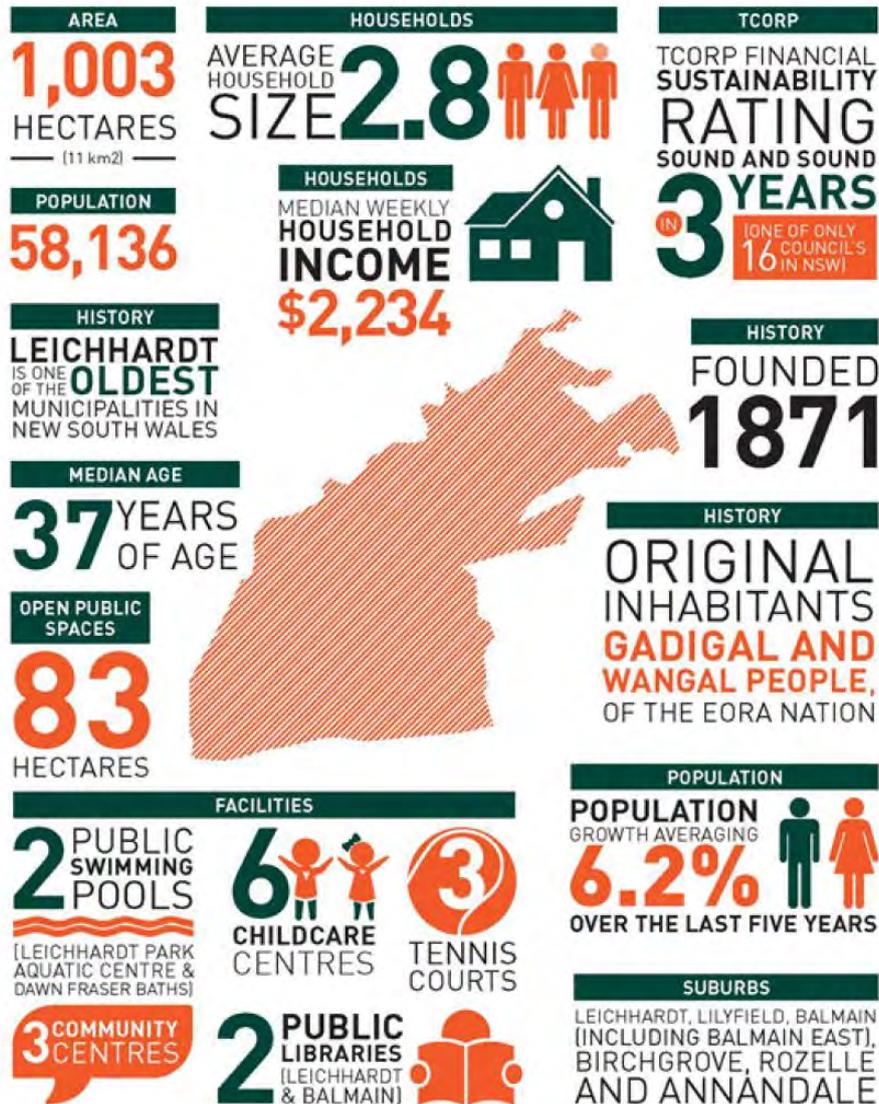
Council elections are held every four years. In 2004, Leichhardt Council, in consultation with the Metropolitan Local Aboriginal Land Council, adopted the names Birrabirragal (Balmain), Wangal (Rozelle-Lilyfield), Gadigal (Annandale-Leichhardt) and Eora (Leichhardt- Lilyfield) for its four ward structure in recognition of coastal Sydney's Aboriginal history.

Map 2: The four electoral wards





Leichhardt at a glance



Source: Leichhardt Council 2015, *Annual Report 2014-15*.



2. Leichhardt Council – key challenges and opportunities

Leichhardt Council is well positioned to meet the key challenges and opportunities (Both internal and external) it confronts over the coming decade. These are summarised below:

Strengths	Weaknesses
<ul style="list-style-type: none"> • Sound financial management (independently verified by TCorp and Morrison Low). • Very strong infrastructure management and delivery (supported by the Office of Local Government’s Infrastructure Audit). • Continuous business improvement (“Living within our means” efficiency program). • Integrated planning and reporting (evidenced by the Office of Local Government’s recent Better Practice Review). • The Long Term Financial Plan which enables Council to meet all 7 Fit for the Future financial benchmarks. • Back-office service delivery e.g. procurement, IT and finance. • Front-line service delivery e.g. library services and recreational facilities compare extremely favourably to similarly sized councils in terms of service offering and usage, and efficiency and effectiveness (Source: <i>Public Library Statistics 2012-13: Public Library Services in New South Wales</i>). • Community consultation and engagement. Council won the prestigious 2012 R.H. Doherty Award for Excellence in Community Consultation – Callan Park Master Plan. • Working collaboratively with other councils on a regional and sub-regional basis. 	<ul style="list-style-type: none"> • Rate pegging which constrains Council’s ability to match income against community supported spending needs and to meet the cost of inflation (NB: Rate peg decisions in 2014-15, 2015-16 and 2016-17 are well below the rate of inflation in the Sydney CBD). • State and Federal Government cost shifting continuing to impose ever increasing financial burdens on local councils. Cost shifting conservatively costs Leichhardt Council an additional \$6 million per annum and these costs are rising.



Opportunities	Threats
<ul style="list-style-type: none"> • Greater resource sharing through SSROC and the formation of a strong Joint Organisation. • Opportunity to undertake back-office functions for neighbouring councils e.g. payroll, finance, HR and procurement. • Opportunity to deliver cross council services e.g. library and recreational facilities. • Implementation of many of the Independent Review Panel's recommendations relating to revenue reform and governance. • Large infrastructure projects impacting the municipality including the Bays Precinct Urban Renewal Project and the Parramatta Road Urban Revitalisation. 	<ul style="list-style-type: none"> • Competitors to local business units (e.g. recreation and aquatic centres). • Further cost shifting from state and federal governments – current cost \$6 million per annum and growing. • Rate peg leading to an inability to meet rising external costs and CPI. • The forced merger of councils with little shared community of interest or financial advantage. • Temporary inconvenience to the community with an expanded infrastructure renewals program from 2015/16 onwards. • Broader economic conditions. • Overdevelopment of urban renewal projects.

3. Leichhardt Council – A financially sustainable and well managed Council

One of Leichhardt Council's key strengths is its superior financial health.

Leichhardt Council is recognised as one of NSW's top performing Councils and the NSW Treasury Corporation (TCorp) confirmed that Leichhardt Council is in the top 10 per cent of councils in NSW for financial performance (TCorp 2013). The NSW Government also recognised Leichhardt's strong asset management (Local Government Infrastructure Audit 2013) and strong performance in governance and organisational best practice (Promoting Better Practice Review 2015).

Leichhardt Council will meet all 7 Fit for the Future benchmarks outlined by the State Government by 2020 (and all but one benchmark in 2015-16). This will be achieved by Council using its own resources and is not reliant on increased borrowings, a special rate increase or any reduction in service levels/offers. Principally, the benchmarks will be achieved through a continued priority towards sustainable asset management along with a targeted internal efficiency program known as "Living within our means" initiated by Council in late 2013. This program is delivering over \$2 million per annum in Budget savings that have then been dedicated to infrastructure renewal over the 10 year life of the Long Term Financial Plan.



An Examination of the Section 263 Factors

This section provides a detailed examination of the section 263 factors. In providing this analysis, Council will demonstrate that remaining a stand-alone entity remains the superior option for the Leichhardt community.



1. The financial advantages or disadvantages (including the economies or diseconomies of scale) of any relevant proposal to the residents and ratepayers of the areas concerned

Summary of the financial advantages and disadvantages

The key points from this section are as follows:

- The financial disadvantages of the merger proposal significantly outweigh the advantages. Specifically, the merger will result in increased rates for some Leichhardt residents (due to higher land values in Leichhardt than in Ashfield and Marrickville) and reduced services and service standards – in turn adversely impacting local businesses, the local economy, ratepayers and residents, and those most vulnerable in our community.
- The superior option for Leichhardt Council and its community is to remain a stand-alone council.
- The stand-alone option is more financially sustainable than the merger proposal (i.e. it meets all financial sustainability benchmarks earlier than the merged council) and is the best option to keep rates low and service standards high.
- The peer reviewed evidence indicates that the advantages of council mergers (both in Australian and internationally) are overstated and estimated savings have never materialised in a single jurisdiction. The literature also indicates that the new larger council will be met with significant diseconomies of scale.
- The KPMG analysis which underpins the Government's merger proposal is based on erroneous and over simplified assumptions, including minimising the costs associated with the merger (e.g. ICT costs and redundancies) in order to artificially inflate the calculation of expected benefits from any merger.
- The superior option for all three councils - Leichhardt, Ashfield and Marrickville Councils - is to remain stand-alone councils.
- Leichhardt Council challenges the State Government assertion that the Local Government Sector is broken as being false and misleading. There is no evidence to suggest this from State Government reports and records such as the Office of Local Government's Annual Reports and Performance Reviews nor the IPART Fit for the Future process. Leichhardt Council calls on the State Government to either provide support for its comments or apologise to the NSW public. In fact, a report released this month by LG Solutions has shown that Council's in NSW are now reporting a surplus to the tune of ½ million dollars a day (14/15 audited figures) (www.lgsolutions.net.au).
- A thorough review of Local Government funding should be commissioned by the State Government, in cooperation with Local Government, to ensure strong and stable funding for the local government sector. Whether big or small, local government cannot perform to a high level without strong and stable funding.



Introduction

There are a number of financial considerations to reflect upon in the proposed merger of Ashfield, Leichhardt and Marrickville Councils. These include the financial sustainability of the proposal; the financial benefits (or otherwise); the numerous risks that confront the new council and how these risks may impact the realisation of the estimated benefits of the merger; the economies of scale arising from the merger; and the impact on the local community, particularly on local businesses, ratepayers and those most vulnerable within our community. Each of these matters is explored in this submission.

Financial sustainability

The financial sustainability of the proposed merged council is a product of its individual constituent entities. Therefore, to determine the financial sustainability of the proposed merger it is important that we present the individual financial position of the 3 councils and then look at the proposed consolidated entity. In this regard, we have used the Fit for the Future benchmarks devised by the State Government as indicators of financial sustainability. These are the same indicators used by IPART in its Report titled *Assessment of Council's Fit for the Future Proposals* (October 2015) and are used by Leichhardt Council itself in measuring its financial sustainability over the period of its Long term Financial Plan.

a. Individual assessments

The financial assessment of Ashfield, Leichhardt and Marrickville Council demonstrates that:

- All 3 councils are "Fit for the Future" as determined by the 7 Fit for the Future benchmarks. The only thing that varies is the timeframe in which each council achieves all 7 benchmarks. This information is presented in Table 2. It is noted that Ashfield Council was not deemed to have achieved the efficiency measure (i.e. Real Operating Performance) by IPART. However, updated modelling by Morrison Low to reflect the latest 14/15 annual financial statements show that Ashfield now meets this benchmark by 2020.
- Each Council is financially sustainable and therefore can justify its stand-alone position. In fact, the financial position of each of the three council is superior to several councils that have been allowed to remain stand-alone including (but not limited to) Blacktown and Camden Councils.
- Leichhardt Council is the most financially sustainable council in the Inner West in that it achieves all 7 benchmarks well before both the other councils individually and the proposed merged council.



Table 2. The financial sustainability of the 3 Inner Councils

Indicator	Leichhardt	Marrickville	Ashfield	All 3 Councils
Operating Performance	Yes (14/15)	Yes (16/17)	Yes (18/19)	Yes (17/18)
Own Source Revenue	Yes (14/15)	Yes (14/15)	Yes (14/15)	Yes (14/15)
Asset Renewal	Yes (14/15)	Yes (16/17)	Yes (15/16)	Yes (15/16)
Debt Service Cover	Yes (14/15)	Yes (14/15)	Yes (14/15)	Yes (14/15)
Asset Maintenance	Yes (14/15)	Yes (18/19)	Yes (18/19)	Yes (17/18)
Infrastructure Backlog	Yes (19/20)	Yes (19/20)	Yes (23/24)	Yes (19/20)
Real Operating Performance	Yes (14/15)	Yes (17/18)	Yes (19/20)	Yes (17/18)
Total	7	7	7	7
	Fit for the Future			

Source: Source: Morrison Low 2015, *Updated Inner West Business Case Model*, Leichhardt Council, November, available at <http://www.leichhardt.nsw.gov.au/Community-Issues/Council-Amalgamation/Council-Amalgamation>, FFF Submissions by the 3 respective councils (www.ipart.nsw.gov.au).

In the case of Leichhardt Council, the stand-alone option remains financially superior to any and all merger proposals recommended by the Independent Local Government Review Panel and the State Government (see Table 3). This is supported by independent consultants Morrison Low (see **Attachments 1 & 2**).

The principal reasons that the stand alone option remains the superior position for Leichhardt Council are as follows:

- The financial benchmark indicators for asset renewal, infrastructure backlog and asset maintenance ratio are all achieved much earlier than the 3 council merger proposal.
- Leichhardt’s financial position is currently much sounder than Ashfield and Marrickville Councils who are both running deficit operating results for this year (predicted for surplus in subsequent years however).
- The healthy financial position of Leichhardt Council is based on sound financial management and underpinned by a well-developed and ongoing business improvement/efficiency program (i.e. internal resources). Whereas, the financial position of both Marrickville and Ashfield Councils in the future is supported by a Special Rate Variation.
- Leichhardt Council has a well-managed and fully funded infrastructure program and as such infrastructure backlog figure is much lower than both Ashfield and Marrickville Councils - \$5.4 million compared to Ashfield’s \$23.6 million and Marrickville’s \$9.2 million.



Table 3

LEICHHARDT COUNCIL - FIT FOR THE FUTURE CRITERIA RESULTS

		2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	
		IPART ASSESSMENT											
BENCHMARK	Operating Performance Ratio (greater than or equal to break-even average over 3 years)	Meet or improve within 5 years	4.3%	5.6%	2.2%	1.8%	1.8%	2.0%	1.7%	1.7%	1.5%	1.5%	1.5%
	Own Source Revenue Ratio (greater than 60% average over 3 years)	Meet or improve within 5 years	86.2%	87.5%	86.7%	89.2%	91.2%	91.2%	91.2%	91.2%	91.2%	91.2%	91.2%
Building and Infrastructure Asset Renewal Ratio (greater than 100% average over 3 years)	Meet or improve within 5 years	X	93.6%	136.9%	166.6%	168.5%	154.2%	136.6%	119.2%	103.6%	103.6%	104.2%	
	Infrastructure Backlog Ratio (less than 2%)	Meet or improve/Inform within 5 years	X	6.7%	4.9%	3.8%	2.7%	1.7%	1.6%	1.5%	1.5%	1.4%	
Asset Maintenance Ratio (greater than 100% average over 3 years)	Meet or improve/Inform within 5 years	✓	127.8%	108.6%	113.8%	118.5%	121.8%	122.6%	123.0%	123.8%	123.8%	127.5%	
	Debt Service Ratio (greater than 0 and less than or equal to 20% average over 3 years)	Meet within 5 years	✓	1.4%	2.1%	2.4%	2.3%	1.8%	1.8%	1.5%	1.3%	1.3%	
A decrease in Real Operating Expenditure per capita over time	Decreasing	✓	1.8%	1.3%	1.2%	1.2%	1.3%	1.2%	1.2%	1.2%	1.3%	1.3%	



Leichhardt Council does not just excel financially in comparison to the other two Inner West Councils, but also in comparison to all other councils in NSW. As previously stated, Leichhardt is recognised as one of NSW's top performing Councils and the NSW Treasury Corporation (TCorp) confirmed that Leichhardt Council is in the top 10 per cent of councils in NSW for financial performance (TCorp 2013). The NSW Government also recognised Leichhardt's strong asset management (Local Government Infrastructure Audit 2013) and strong performance in governance and organisational best practice (Promoting Better Practice Review 2015).

It is important to highlight that Leichhardt Council will meet all 7 Fit for the Future benchmarks outlined by the State Government by 2020 (and all but one in 2015-16), that this will be achieved by Council using its own resources and is not reliant on increased borrowings, a special rate increase or any reduction in service levels/offerings. Principally, the benchmarks will be achieved through a continued priority towards sustainable asset management along with a targeted internal efficiency program known as "Living within our means" initiated by Council in late 2013.

Leichhardt Council challenges the State Government assertion that the Local Government Sector is broken as being false and misleading. There is no evidence to suggest this from State Government reports and records such as the Office of Local Government's Annual Reports and Performance Reviews nor the IPART Fit for the Future process. Leichhardt Council calls on the State Government to either provide support for its comments or apologise to the NSW public. In fact, a report released this month by LG Solutions has shown that Council's in NSW are now reporting a surplus to the tune of ½ million dollars a day (14/15 audited figures) (www.lgsolutions.net.au).

There is also no evidence to support claims that local government revenue and expenses are growing rapidly and thus imposing additional costs on local communities. In fact, the exact opposite counter is true as shown below:

1. Local Government revenue is stable. Revenue from the Local Government sector (from OLG Comparative Statistics) compares very tightly with State Government revenues (from ABS Government Finance statistics). It shows that local government revenue has not been growing faster than State Government revenue. In fact, the ratio of the two revenue streams is very stable and is currently 16.3 per cent (Table 4).

Table 4 Ratio of local to State Government revenue

Revenue (\$bn)	2005-06	2007-08	2009-10	2010-11	2012-13	2013-14
Local Government	\$7.3	\$8.1	\$9.4	\$10.0	\$11.0	\$11.3
State Government	\$44.1	\$49.4	\$60.0	\$60.6	\$63.5	\$68.9
% Local	16.5%	16.4%	15.6%	16.5%	17.4%	16.3%

Sources: Office of Local Government *Comparative Statistics* and ABS *Government Finance Statistics* (multiple years).

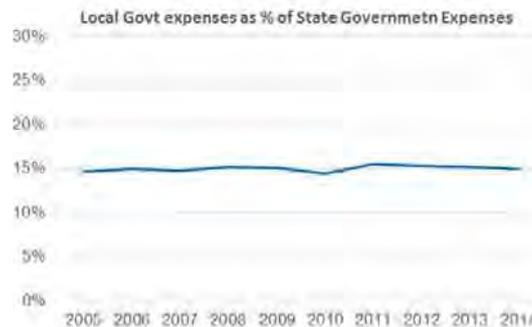


Local Government revenue for metropolitan Councils has been stable. Since the turn of this century, OLG Comparative Statistics for Local Government Areas show that the proportion of revenue collected by metropolitan Councils (including metropolitan fringe Councils) has been consistent at about 50 per cent. The population of metropolitan Councils (including metropolitan fringe Councils) has also been consistent over this period at 63 per cent to 65 per cent of the population of NSW.

The data show that over the past five years (ending 2013-14) that the average revenue per capita collected by metropolitan (including metropolitan fringe Councils) has been relatively stable, in the range of 55% to 57%. At the broad level, there have been no changes in the proportion of revenue for metropolitan and non-metropolitan Councils.

- Local Government expenses are well-contained. ABS Government Finance Statistics show that when Local Government expenses are compared against State Government the ratio has been constant over the past decade. That is, Local Government expenses are well-contained and are not increasing any faster than State Government expenses (Chart 1).

Chart 1: Local Government expenses as a % of State Government expenses



Source: ABS, Government Finance Statistics (various years)

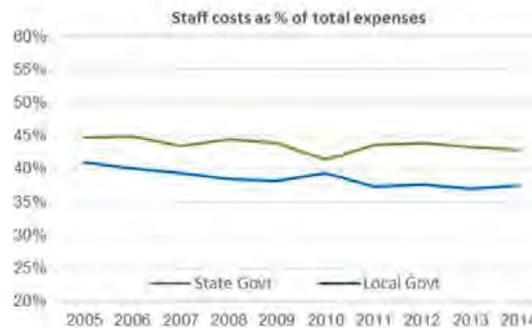
There also appears to be some public commentary which suggests that staff expenses at the Local Government area level exceed that of State Government. This is not supported by official government finance statistics. For the past decade, staff expenses for the NSW Local Government sector have been consistently and significantly lower than for NSW State Government.

Over the past five years, staff expenses for the NSW Local Government sector have averaged at 38 per cent of total expenses of local government across NSW. For NSW



State Government, staff expenses have been much higher at 43 per cent of total State Government expenses (Chart 2).

Chart 2 Staff costs as a % of total expenses



Source: ABS, Government Finance Statistics (various years).

At the same time the Local Government Sector across New South Wales has been containing expenses, the State Government has shifted more and more costs onto local councils. According to the latest survey by Local Government NSW, the State Government has added \$670 million in costs to the sector through cost shifting. This amounts to 6.96 per cent of local government's total income before capital amounts. What is more, cost-shifting is estimated to have increased significantly from \$380 million in 2005/06 to \$670 million in 2013/14 (see www.lgnsw.org.au).

Council argues that a thorough review of Local Government funding should be commissioned by the State Government, in cooperation with Local Government, to ensure strong and stable funding for the local government sector. Whether big or small, local government cannot perform to a high level without strong and stable funding.

Further, Leichhardt Council notes that if indeed there are any financial problems in the sector it seems to have a higher incidence for large Councils rather than smaller councils. Yet the focus of the State Government is on merging smaller councils – this seems counter-intuitive.

b. The merged council proposal: The benefits and costs

1. Council's independent modelling

Analysis by independent consultants Morrison Low indicates that the amalgamation proposition of Marrickville, Leichhardt and Ashfield Councils is financially "fit for the future" at a high level (modelling of each of the 7 financial benchmarks is provided in Morrison Low 2015, *Updated Inner West Business Case Model*, Leichhardt Council, November, available at



<http://www.leichhardt.nsw.gov.au/Community-Issues/Council-Amalgamation/Council-Amalgamation>

However, when compared to the stand-alone option for Leichhardt Council, the independent modelling undertaken by Morrison Low is unequivocal:

In terms of financial sustainability, the stand-alone option remains the superior option for the Leichhardt community.

This modelling (and international peer reviewed evidence) highlights a range of significant financial disadvantages arising from the merger proposal which will negatively impact on the new entity and the community, including:

- *Merger costs are significant.* The modelling assumes merger costs in the order of \$33.5 million during the first 4-5 years alone. These costs relate to (amongst other things) staff redundancies, the implementation of a single IT system across the new council, corporate branding and the like. These costs are significant and will not result in any benefit to the local community through increased services and service levels.

The modelling also demonstrates that the costs associated with the merger may be more significant than set out in the business case. In this regard, merging back office systems in government and the private sector is notoriously difficult and there is no example across either the Commonwealth or State Governments in Australia (with perhaps the exception of the ACT) where back office consolidation has realised any significant ongoing saving. For example, the Western Australian Government invested more than \$1 billion in corporate and shared services reform and the WA Audit Office found that this program did not yield a single dollar in benefit. The program was subsequently disbanded at great cost to the taxpayer.

- *Staffing levels are reduced and services cut.* These savings, which will see our combined workforce fall by more than 10 per cent, will have a negative impact on the local community which will experience either reduced services or cuts to services in order to achieve the savings targets. Councils over past years have significantly reduced staffing levels whilst maintaining service levels. There is very little room left to move any without adversely impacting on services.
- *Cultural issues.* The cultural integration of the council organisations may not go well with the uncertainty of job continuation, change and the like. This will result in low morale and increased staff turnover rate. This would reduce business performance and prolong the time it takes for the predicted efficiencies to be achieved. Furthermore, the new Council will not be able to attract staff if the image of the new Council is one of disarray and dysfunction.
- *Governance issues.* Perhaps the most immediate risk to the expected financial benefits arising from the merger proposal, and outlined by Morrison Low, arises from the fact that the future council who will make many of these key decisions is yet to be elected. Its political alignment, policy program and priorities will not be known for some



time and may impact on the realisation of planned benefits. The Queensland mergers have provided an insight into organisational dynamics. Organisations through the transition were reluctant to commit the incoming council so decisions were often taken with a short term view or deferred if possible. The newly elected councils initially entered a learning phase taking time to become familiar with their new responsibilities and communities. While organisations continued to operate, it tended to be without a strategic framework or overall plan. There is a risk that a form of organisational inertia may occur, delaying the realisation of merger benefits.

- *Diseconomies of scale.* There is evidence to indicate that organisational and behaviour inefficiency rises with the size of the bureaucracy – a finding supported by the academic literature - refer to Abelson, P. and Joyeux, R, 2015, "Smoke and Mirrors: Fallacies in the NSW Government's Views on Local Government Financial Capacity," *Public Money & Management*, July, pp. 315-320). In fact, Professor Peter Dollery (in Dollery et al 2012, *Councils in Cooperation, Shared Services and Australian Local Government*, Federation Press, Sydney; Dollery et al 2013, 'An evaluation of amalgamation and financial viability in Australian local government', *Public Finance and Management*, 13, pp. 215-238) in an empirical analysis of the 2008 Queensland amalgamations has shown that most amalgamated councils now operate under diseconomies of scale.
- *Smaller is better.* International and national evidence about council amalgamations does not support the basic economic assumption underpinning the merger proposal that larger councils are more efficient and effective than smaller councils. In fact, the evidence reveals the exact opposite – smaller councils are more efficient, effective, financially sustainable and better represent their local communities (See references to Professor Dollery and Dr Abelson cited above).

The challenges associated with merging: service levels, organisational operating procedures, systems, processes, policies, plans and organisational behaviours pose significant risk to the realisation of the estimated benefits of any merger. In contrast, the stand-alone position is one of strength and through continuity will ensure the delivery of ongoing benefits to the local community.



2. The NSW Government's modelling of the financial benefits of the merger proposal

The NSW Government, in announcing the merger proposals in January 2016, released modelling by KPMG of the potential financial impacts of the merger. The merger report concluded that "the merger is expected to lead to around \$88 million in net financial savings over 20 years." (NSW Government 2016, *Merger Proposal: Ashfield Council, Leichhardt Municipal Council, Marrickville Council*, January, p. 3).

This report is fundamentally flawed and grossly overestimates the financial benefits of the merger proposal by not accurately capturing all costs associated with the merger. The most serious deficiencies are as follows:

- Senior staff savings are grossly overestimated as they are based on broad generalisations of staffing structures rather than on specific information. For example, there are seven senior officers in the three councils of Ashfield, Leichhardt and Marrickville (as well as three General Managers) whereas KPMG assumes each council has 4 senior officers (plus a General Manager). The result is that KPMG have overestimated gross financial benefits in the order of \$22 million over 20 years – considerably higher if CPI is applied.
- Redundancy payments have been calculated based on national employment awards, not Council contracts which are quite different. Specifically, KPMG appear to have used 16 weeks as their benchmark for redundancy payments whereas the Local Government Awards provides a maximum payout of 34 weeks. This is significant for Leichhardt Council which has more than 200 workers with in excess of 10 years services and would be eligible (if made redundant) to the maximum redundancy payments of 34 weeks.
- ICT costs are estimated at \$3.35 million (plus a 30% contingency) (to use KPMG's words - an "ICT veneer solution") whereas our modelling assumes ICT costs in the order of ten times that amount (\$35 million). Our costs are benchmarked against industry best practice, including the recent amalgamation of Auckland City Council. The KPMG numbers therefore grossly underestimated the ICT costs associated with the merger by a factor of ten.
- Reduction in costs of materials after amalgamation are excessive (3 per cent of total expenditure or \$11 million over 20 years) which assumes that Councils are not already achieving scale economies. Leichhardt Council currently uses the purchasing power of SSROC (16 councils) on all major procurement contracts. Bringing together the three councils (which are all part of SSROC) will not in and of itself produce additional procurement savings as all three Councils are already SSROC members.
- Staffing levels are presumed to fall over the modelling period – staff efficiencies in the order of 7.4 per cent (roughly 85 staff in the case of our merger proposal). However, this assumption is not supported by evidence and is in direct contrast to the experience in Queensland where staffing costs grew by 8 per cent a year following mergers.



If KPMG's model accurately captured the true costs of the merger, the financial benefits would be considerably less (in the order of just \$20 million over 20 years) and the key financial indicators (e.g. Operating Result and Operating Performance Ratio) would take many more years to return to a positive trajectory (well beyond 2020). Accounting for the true costs of the merger would raise serious questions about the financial sustainability of the new council for many years.

The KPMG model therefore compares unfavourably to the positive financial position of all three councils articulated in their Long Term Financial Plans. In each case, the stand alone option is the superior one for Ashfield, Leichhardt and Marrickville communities.

In summary, the KPMG analysis of the financial benefits arising from the merger proposal is grossly overstated – by more than \$65 million (ICT, procurement and senior staff savings alone). This is a fundamental error and one that undermines the very basis of the Government's claims on the financial benefits of that the merger proposal of Ashfield, Leichhardt and Marrickville Councils.

The financial impact on key stakeholders - local businesses, residents and ratepayers and the vulnerable

The financial impact of the merger proposal extends well beyond the three councils and their bureaucracies and elected representatives. It will also have a significant impact on local businesses, residents and ratepayers and the most vulnerable within our community. These impacts, which are overwhelmingly negative, are detailed below:

a. Impact on local businesses

The loss of local employment and the consolidation of Council administration centres across the Inner West will have significant negative externalities on local businesses. In this regard, in 2013-14 alone Leichhardt Council spent close to \$3 million with local suppliers – this excludes the many hundreds of thousands of dollars staff spent on goods and services from local businesses close to Council. The consolidation of Council employees in one building (more than likely in a central location to the new LGA) will have a profound impact on the local economy.

The withdrawal of significant funds from the local economy resulting from the merger will only add to the issues facing our main streets across all three council areas. In recent years our high streets have been struggling due to a variety of factors, including (but not limited to) global financial events and changes in customer behaviour towards online shopping. Recent independent research undertaken in our LGA has recorded high street vacancy rates averaging 13-15 per cent, with some areas as high as 22 per cent. This is not an issue that is unique to Leichhardt but many of our once bustling retail high streets have fallen into a state of decline.

Leichhardt Council has resourced and implemented a range of projects and initiatives aimed at enlivening, revitalising and restoring our main streets to their former glory and rightful place at the heart of our community. This work is ongoing. The merger proposal will not only



undermine these efforts but could be the final blow to our main street businesses and many will simply close their doors.

b. Impact on ratepayers

Modelling the changes in rates in a merger is very difficult to do with any degree of accuracy. Presently there are a number of significant differences in the rating systems of the councils which impact on the rates charged to an individual property. The key examples are that one has base rates (Ashfield) and the other two (Leichhardt and Marrickville) a minimum rate as well as large variations in the proportion of rates borne by business and residential rate payers. For example in Ashfield businesses bear just 5 per cent of the rates whereas in Marrickville that proportion rises to 10 per cent. Currently, Leichhardt has the highest average residential (\$1,199) and business rates (\$7,051). In comparison Marrickville has the lowest average residential rate (\$855) and Ashfield the lowest average business rate (\$4,641) (see Figures 1 & 2).



Figure 1 Average residential rate (2014)

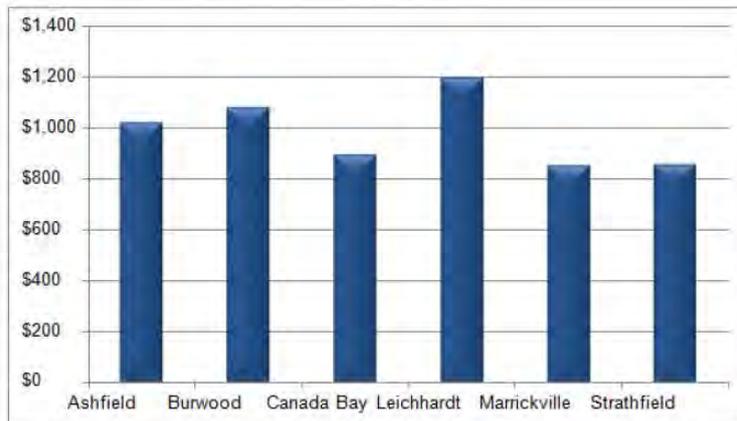
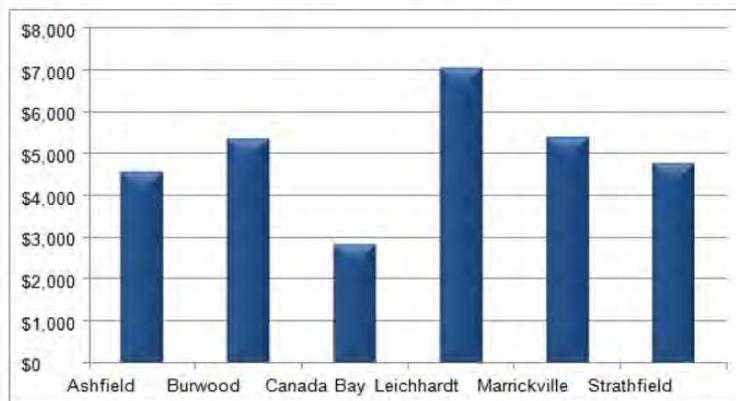


Figure 2 Average business rate (2014)



Source: OLG, *Your Council Report*, accessed on 20 January 2015 at <http://olg.nsw.gov.au/public/my-local-council/yourcouncil-website>

A merged council would ultimately set a single rating system across the inner west and regardless of the approach there would be some properties where rates would rise and others where rates would reduce. A key driver for this would be land value and residents with comparatively high value properties would bear a higher proportion of the rates.

Land values are much higher in the Leichhardt Municipality than in both Ashfield and Marrickville – this can be demonstrated by total average land values per property. As a result, residential rates may rise in Leichhardt under the merger proposal. The exact quantum is not known at this time but in previous modelling of the impact on Leichhardt residents of the six



merger proposal (Independent Local Government's Review Panel's preferred option) residential rates were expected to rise by over 3 per cent in Leichhardt (under the ad valorem system).

c. Impact on low income and/or disadvantaged residents

The merger may negatively impact low income and/or disadvantage residents but the extent of this impact will be a matter of policy for any new entity. By way of an example, each of the three councils has a differing voluntary pensioner rates rebate with Leichhardt Council offering the most generous concession – in addition to the statutory concession, Council rebates 100 per cent of the domestic waste management charge and the storm water management service charge to pensioners who have been ratepayers/residents of the municipality for 10 years or longer. In 2015-16, the total pensioner concession is valued at \$1,350,000 (i.e. \$510,000 - statutory concession, and \$840,000 - Council voluntary concession).

Leichhardt Council is also unique within the inner west as it enables pensioners to accrue their rates debt. This policy directly benefits residents that are most vulnerable (i.e. income poor) and enables them to remain in their homes. This policy would have to be reviewed by the new council to ensure uniformity.

Should the new council seek to harmonise concessions across the new council area (i.e. either eliminate the council voluntary concession or make it uniform), it will either impose new costs on community (and those most vulnerable), and/or new costs on the merged entity. Either way, the impact will be felt in the local community either directly or by a reduction in services.

Also vulnerable under a new merged council are the application of subsidized fees and charges, and the suite of services and programs currently offered to support low income and disadvantaged residents in each council area.



2. The community of interest and geographic cohesion in the existing areas and in any proposed new area

Summary of communities of interest

The key points from this section are as follows:

- The rich and diverse history of the harbour fronted suburbs that make up Leichhardt Council share a natural affinity creating a cultural and social harmony that distinguishes them from our geographical neighbours.
- The form and character of the Leichhardt suburbs are all unique to the Leichhardt LGA with little similarities to Marrickville and Ashfield LGAs. For example :
 - Annandale – with its characteristic housing types and scales ranging from the grander buildings located on the Johnston’s St ridge reducing to the smaller cottages towards the creek lines.
 - Balmain, Birchgrove and Rozelle – with its rich industrial history including the 19th century workers cottages and the unique topography of the Balmain Peninsula forming part of the drowned valley landscape of Sydney Harbour.
 - Lilyfield – with its old historical estates, old stock routes (e.g. Catherine St and Lilyfield Rd) and the magnificent Callan Park with its many heritage classified early settlement buildings.
 - Leichhardt – with its distinctive rural history, imposing 19th century houses and sweeping views towards the city and westwards.
- The merger will result in a loss of a sense of identity and place in Leichhardt as it is merged with neighbouring Councils that do not share a similar sense of community i.e. there is no shared community of interest.
- Leichhardt is unique. Its uniqueness is derived from the strong sense of identity and attachment to place of its residents. Such attachment to place is not an ‘emotional’ consideration that should be easily dismissed in any assessment of the merger proposal. Attachment to place (otherwise known as place identity) by residents is important as it is a component of self-identity and includes memories, ideas, feelings, attitudes, values, preferences, meanings and concepts of behaviour and experience which contribute to satisfaction of an individual’s biological, physiological, social and cultural needs.
- Strong place attachment in Leichhardt has developed from its relative geographical self-containment, historical areas, scale of place and local focus. Leichhardt Council has the appropriate governance structure and scale to support this strong local focus and attachment to place.
- Council contends that place attachment is an important consideration that is not based on ‘emotive arguments’ and that the local focus of Leichhardt Council is important to maintaining the biological, psychological, social and cultural health and wellbeing of our community and its individuals. Leichhardt’s unique character and local focus supports an individual’s and communities’ sense that they live somewhere that is distinctive, where continuity is valued and the ability to influence social and environmental outcomes is achievable.



- Specifically, the three councils share no real community of interest in respect to local representation and active citizenship. Leichhardt is the exemplar of a council that highly values community involvement in local issues and decision-making processes. This will be lost in a new merged council.
- The three councils also differ in their attitude and policies with regard to built form, heritage and in their council planning instruments. For example, Leichhardt has strong heritage controls and moderated development which are not replicated in the other two councils.
- There are significant differences between the three areas in terms of population density, cultural and ethnic diversity, and levels of socioeconomic disadvantage/advantage, household income and wealth. The three areas are indeed unique and the proposed merger will force together communities that are very different in their views and aspirations.
- There is little community of interest amongst the three councils in relation to services provided by the local council. For example, in Leichhardt, the services provided to the local community are of a very high standard and this reflects our community's preference and willingness to pay (e.g. grass verge mowing, local parks, child care and the Leichhardt Park Aquatic Centre). Our residents are also supportive of these services being provided by experienced in-house council staff rather than being outsourced to third party providers motivated solely by the bottom line. This is a characteristic unique to Leichhardt and not necessarily shared by the other two councils.
- The stand-alone option remains the superior option for the Leichhardt community and the communities of Ashfield and Marrickville.

The Leichhardt community and identity

The rich and diverse history of the harbour fronted suburbs that make up Leichhardt Council share a natural affinity creating a cultural and social harmony that distinguishes them from some of their geographical neighbours. The following gives a detailed description of the form and character of the Leichhardt suburbs – all unique to the Leichhardt LGA with little similarities to Marrickville and Ashfield LGAs.

Lilyfield

The Lilyfield area was first developed as rural estates favourably sited for views out into the waterways on the main ridge between Leichhardt and Balmain, and accessed via Balmain Road. The area remained as estates long after townships had formed at Balmain and Rozelle, and the nucleus of Leichhardt was developing from Parramatta Road.

Garry Owen was by far the largest estate. Its sale for an asylum (now known as Callan Park) in the 1870's was a major influence on its development, and was opposed at the time by residents. While the presence of the asylum probably depressed residential expansion, it also provided an increase in housing for the asylum staff. The Nanny Goat Hill area formed part of the Garry Owen Estate, and was subdivided in the 1880's.



Broughton House was the other major estate in the area, and was later sold to the asylum with residential subdivision of the adjoining streets of the Leichhardt Park area. South of Lilyfield Road, subdivisions followed the suburban expansion of Leichhardt.

Catherine Street was constructed parallel to Balmain Road, initially as a stock route giving access to the Glebe Island Abattoirs. It was formerly known as Abattoir Road. It forms a north/south spine to this part of Lilyfield and eastern Leichhardt.

Lilyfield was always part of the Leichhardt LGA and is a smaller locality with less defined community focus than the other suburbs. Its main centre is a group of shops known as the Orange Grove Plaza. Lilyfield can develop a stronger identity through the development of cultural and recreational facilities along the Iron Cove foreshores, principally on the Rozelle Hospital site.

Lilyfield, like other areas of the municipality has many small, detached houses. Generally they are modest, single storey dwellings, often timber. This is a very distinctive building form that Council and its community have worked hard to retain whilst still making provision for contemporary alterations and additions.

Annandale

Annandale's north/south streets have a particularly distinctive character and scale. This is in response to topography, and the character of house type and style related to the period of development. Higher and grander buildings are located on the Johnston Street ridge, reducing in scale towards the creek lines.

Subdivision of Annandale began in 1876. It was promoted as a middle class suburb in the boom period, with Johnston Street marketed as "the finest street in the colony". It was set out with a generous street grid, with major streets running north-south and most building orientation to east and west. The cross streets allow views east across the Glebe ridge to the city, and to Leichhardt and Lilyfield to the west. This westerly aspect denotes it locally as the 'sunset suburb'.

Although strongly defined by its topography and street pattern, its incremental development over several decades has resulted in a considerable variety of building form and style. Consequently, the whole of Annandale is protected as a Conservation Area.

Initial development produced a number of grand buildings, which form the landmarks of the Johnston Street ridge. These are; *the Witches Houses* and *The Abbey* marking the northern end, the *Town Hall* and the *Hunter Baillie Church* towards the middle, and the unified commercial facades of *the Goodman's Buildings* at Parramatta Road to the south. Off the main ridge, the land was subdivided for smaller houses and terraces.

Following the financial collapse in the 1890s, many holdings were re-subdivided to smaller lots with development in styles of the Federation Period. The original intention of creating a strongly urban, formal townscape, was not carried through to completion. However the architectural quality of buildings is high and a unity of design is apparent in Annandale Street and the minor streets.



The physical and social hierarchy is clearly expressed in the contrast between substantial housing on the ridge and more modest terraces and semi-detached cottages on the slopes. The built form reinforces the topography and allows views out to the valleys and adjoining ridges.

The earliest development in an Italianate style, occurred at the south end towards Parramatta Road, probably related to tram access, as well as some pockets of workers cottages in the valleys which probably related to adjoining industry. Avenue plantings reinforce the structure and formality of the north/south streets. High canopy trees are important in foiling buildings, particularly on the eastern and western slopes. The greening of the valleys reinforces the peninsula character.

Balmain, Birchgrove and Rozelle

The overall built form and topographic character of Balmain and Rozelle is quite similar, and the distinction between the two suburbs is not easily identifiable. For the purpose of the suburb profiles, Balmain and Rozelle are dealt with together, with distinctive sub areas defined by changing topographic and landscape character.

The Balmain Peninsula lies at the north end of a ridge that runs through the suburbs of Leichhardt, Lilyfield, Rozelle and Balmain. It forms part of the drowned valley landscape of Sydney Harbour, as a rocky promontory with fingers of land dropping steeply to the waterline. Headlands and embayments alternate with the bays reclaimed behind seawalls.

Balmain's development was substantially influenced by its geographic isolation from the city, with convoluted access by land, and better access by water. Initially, it was attractive as a rural retreat and commuter suburb, as was Hunters Hill. However, its marine villas to the foreshore edges, and the hamlets along Darling Street, were swamped by rapid urbanisation by major industry, principally Mort's Dock from the 1840's. The village quality was transformed into a bustling industrial town, except to the more remote areas of Birchgrove or/and Elkington Park, which remained as middle class enclaves.

Balmain's development as a township, separated from the city, resulted in an incremental growth. This has provided a considerable variety of form, style and land use, in contrast with the homogeneity of suburban estate development elsewhere.

Local character is determined largely by geography, character, orientation, slope and aspect. For example, the gentle slopes to Mort Bay with a regular grid of streets, of workers' cottages, are distinctive from the knoll to the east end, and the villas surrounding Birchgrove Park. But similar to the slopes of Rozelle.

Darling Street follows the main ridgeline and forms the spine from which streets fall into the valleys and towards the water. This allows a variety of views, from Darling Street. Views range between the south east towards Pyrmont, east towards the City, northerly to the main Harbour and north shore, and north west to Iron Cove and the Parramatta River.



The interplay of land and water and contrasts between soft and hard landscape features, water and vegetation and between the domestic texture of cottages on the slopes and grander buildings and towers on the ridge, serve to dramatise the topography. This is very apparent in the narrow streets which lead away from Darling Street in Balmain. The scale of maritime activity along the shorelines, particularly to the south eastern edge of White Bay, and the constant reference point to the city skyline beyond, are also important attributes of its sense of place.

Leichhardt

The Leichhardt area is built on the gentler undulations of the clay/shale which overlie Sydney sandstone. Leichhardt's street pattern and building form are very important to its character. Its elevation and long slopes facilitate views out to the east, across the ridge of Annandale to the City, Haberfield to the west, and the north shore to the north. Horizontality, across a gentle landscape to horizons are part of its flavour, in contrast to the rugged and more dramatic character of the harbour edge suburbs.

Leichhardt first developed as rural estates strung along the north/south ridge accessed off Balmain Road. Houses were sited on the higher slopes for views out. The major estate was Elswick with an imposing 1840s house located on the westerly slope to Haberfield on what is now Thornley Street. An example of houses of this period is "Rutherglen" at 243 Balmain Road, which looks east to the city.

Balmain Road as the road route to Balmain follows the main ridge line. Catherine Street was built later as a parallel and wider stock route accessing the Glebe Island abattoirs. The eastern and western edges were defined by deep estuarine reaches of Iron Cove (the Hawthorne Canal) to the west and Rozelle Bay (whites Creek) determining a predominantly north/south street pattern following the contour and access from Parramatta Road. The east/west street patterns are hence more broken as the bridge crossings came much later.

Suburbs in the Leichhardt LGA have a very distinctive character in response to the distinctively different landscape types and the time of development. This is reflected in distinctive local character and identity, something that is unusual in a large city such as Sydney. The sandstone or timber buildings and streets dictated by topography and harbour in Balmain are so different to the gracious terrace and tree lined streets of Annandale. However, common to all of our suburbs and neighbourhoods is a urban character and form which is focused on the public domain – our streetscapes and parks - and the people we meet there.

Other differences between the council areas

The communities of Ashfield, Leichhardt and Marrickville have a number of demographic similarities but also a number of significant differences. It is these very material differences which will completely undermine the sense of community within Leichhardt (and in the two other council areas) where it to be merged with Ashfield and Marrickville Councils.



Communities of interest are more likely to have similar interests and needs from their council, whereas people who do not share a community of interest are more likely to have different needs from their council. In this section we explore the communities of interests between the three councils covering a range of socio-economic indicators.

Leichhardt contends that the strongest community of interest is the community of Leichhardt itself and that the governance framework which Leichhardt Council represents is the best framework for this community. Leichhardt Council is financially viable and also reflects the unique characteristics of this place and people. The Merger Proposal states that the communities of Leichhardt, Marrickville and Ashfield are 'bound by their sense of place as part of Sydney's Inner West' (p.14). It also suggests that circulation of the Inner West Courier and the Leichhardt Marrickville Community Transport Group are examples of 'sense of place'. In fact they are examples of activities, not 'sense of place'. Leichhardt is a distinct area and community within the Inner west. The Inner West is not a homogenous place.

Sense of Place (also known as Place Identity, Place Attachment) is a complex matter. Anton et al (2014)¹ notes that people with high levels of place attachment report greater social and political involvement in their communities are more likely to work together to achieve a desired outcome such as protecting the environment and social and physical features that characterise neighbourhoods (see also Raymond et al 2010)². Leichhardt resident engagement with the planning and design process, commitment to community participation and high levels of representation are consistent with this definition of strong place attachment.

Another characteristic which contributes to its strong place attachment/identity is that Leichhardt is physically quite self-contained as it is bordered by the waterways of Hawthorne Canal, Sydney Harbour, and Johnsons Creek as well as the ridgetop of Parramatta Road which runs along the former tidal extent of our creeklines. Such physical characteristics have, from earliest times, contributed to a unique place identity and Lewicka (2010)³ notes that people identify most strongly with distinguishable places rather than areas whose edges are not clearly defined. This is a cognitive function of individuals and relates to objective spatial considerations.

The historical character and scale of Leichhardt have also contributed to place attachment. The walkable nature of our neighbourhoods, our creeklines and the scale of its streets and buildings feel familiar and secure. Lewicka (2010) found that "*residents of historical areas were significantly more attached to districts than were residents filled with post-war apartment blocks.*"

The differences between the three local government areas are pronounced. A few of the key differences are outlined below:

¹ Anton, C.E. & Lawrence, C., 2014. Home is where the heart is: The effect of place of residence on place attachment and community participation. *Journal of Environmental Psychology*, 40, 451–461.

² Raymond, C.M., Brown, G. & Weber, D., 2010. The measurement of place attachment: Personal, community, and environmental connections. *Journal of Environmental Psychology*, 30(4), 422–434.

³ Lewicka, M., 2010. What makes neighbourhood different from home and city? Effects of place scale on place attachment. *Journal of Environmental Psychology*, 30(1), 35–51.



a. Local representation and active citizenship

The issues of local representation are discussed in detail later in this submission. In brief, the reduction in Councillor representation under the merger proposal will not benefit any of the three councils. Each council is unique and is a community of interest in its own right. Under the current merger proposal our highly valued communities of interest will be lost. This is demonstrated by Leichhardt residents' opposition to mergers.

The Leichhardt community is geographically well connected and physically quite self-contained (as mentioned above). Our very distinct landscape and self-containment contributes to a strong sense of place and separate identity which is expressed in strong community participation, civic activism, social justice, environmental values, creative expression, built forms and active recreation. These principles which Leichhardt holds dear are not necessarily replicated in either Ashfield or Marrickville.

The Leichhardt community has developed the vision that Council and Community will work together to form a sustainable and liveable community. Leichhardt local government area is characterised by a strong sense of belonging to each other, and to the places where people live, as documented in the Community Wellbeing Survey and Report (IRIS Research 2010).

Leichhardt has a very active structure of community advisory committees, involving residents in decision-making and planning for our local community. In this regard, Leichhardt has more such local community advisory groups than its neighbouring councils:

- Ashfield – 7 community committees
- Marrickville – 9 community committees
- Leichhardt – 16 community committees and 7 community precincts.

One outcome of any merged Council would be a reduction in Leichhardt residents' input to council decision-making via the community advisory committees. Council's community consultation processes have identified that this is an important issue for our community.

The ILGRP commissioned a report into community level governance options. It identified provisions that might be made within local government legislation to promote more active citizenship and enhance diversity on community voice. This included consideration of the creation of local boards, precinct committees, wards, strategies to improve diversity and participation particularly women and young people. These considerations have not, as yet, been incorporated by the State Government into the reform agenda but have featured as a critical area of discussion amongst the inner west Councils.

b. Built form and heritage

There is marked difference between the Ashfield, Marrickville and Leichhardt Councils approach to planning and development as indicated by the planning controls prescribed in our various Local Environment Plans (LEPs) (see Table 5).



Table 5 Local Environmental Plans (LEP) Provisions

	Ashfield	Leichhardt	Marrickville
Max Building Heights	29m	32m	32m
Max Floor Space Ratios	3:1	2.15:1	3.7:1
Heritage Items	668	811	308
Heritage Conservation Areas	50	19	36

Source: Morrison Low 2015, *Inner West Councils, Fit for the Future – Shared Modelling*, February, available at <http://www.leichhardt.nsw.gov.au/Community-Issues/Council-Amalgamation/Council-Amalgamation>

Maximum building heights and FSRs for each council vary considerably with FSRs much greater in Ashfield and Marrickville than in Leichhardt. This has a significant impact on the built environment which varies considerably between the three areas.

In terms of heritage controls, Ashfield has the highest number of conservation areas, and Leichhardt has the most individually listed heritage items. The largest heritage conservation areas across the region are Haberfield and the Balmain peninsula.

c. Population Profile

All three councils are forecast to experience much higher rates of growth between 2011 and 2031 than they did over the 2001 to 2011 period. The forecast growth rate for Ashfield (19 per cent) and Leichhardt (18 per cent) is slightly lower than for Marrickville (21 per cent) between 2011 and 2031 (Source: *New South Wales Local Government Areas: Similarities and Differences, A report for the Independent Local Government Review Panel*, NIER, March 2013).

However, while projected population growth is comparable to Ashfield and Marrickville, a significant impact (which is not accounted for in the data) is predicated by the planned development in the Bays Precinct. This will result in the provision of dwellings for a population of over 20,000 persons. This development will significantly increase the population projections for Leichhardt Council over the next few decades which are out of step with its two neighbouring councils.

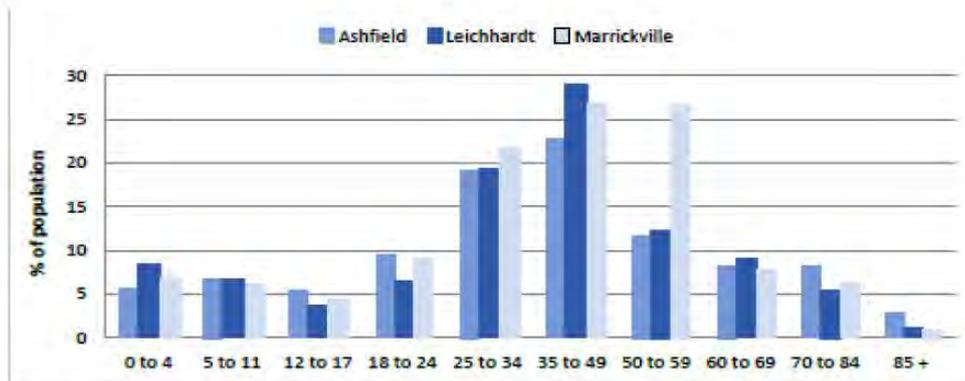
Different age groups have different service needs and preferences. The age structure of a community provides an insight into the level of demand for aged based services and facilities as well as the key issues on which local government will need to engage with other levels of government in representing their community.

Figure 3 provides the age structure of the population across the three local councils. What this data shows is that Leichhardt has a very high proportion of residents in the 35-49 age group. There has been an increase in the proportion of youth, largely resulting from the recent “Baby Boom”. In the last ten years Leichhardt has experienced a growth in the 0-4 age group of 62 per cent - by 1,800 - compared to a state growth of 9 per cent, and the 5-14 age group has increased by 20 per cent - by nearly 900 - compared to a state decline of 2 per cent. Over the last decade the number of children aged 0-4 years has increased and the number of children aged 5-11 years has increased.



From 2006-2013 Leichhardt Municipality public primary school enrolments increased an average of 53 per cent, with some schools seeing an increase of more than 100 per cent.

Figure 3 Age structure

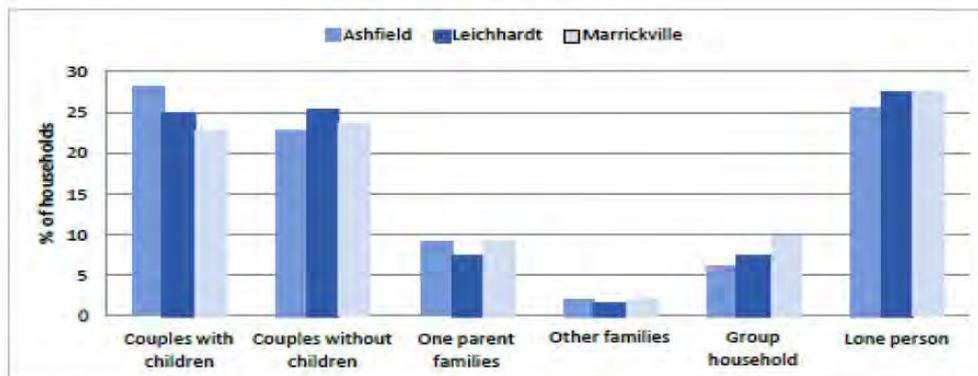


Source: Morrison Low 2015, *Communities of Interest Report: Marrickville, Leichhardt and Ashfield Councils*, November.

d. Household structure

Household structure as measured in the 2011 Census indicates that in 2011 family households dominated Leichhardt although it contained less family households than in Ashfield (Figure 4). However, Leichhardt had a higher proportion of lone person households. The traditional built forms in Leichhardt have, in the past meant that many families left the LGA as they grew. However, an increasing trend to renovate and enlarge homes has meant that many families are choosing to remain in the area. Leichhardt has recently been recognised as having the highest volume of home renovations per dwelling in Australia.

Figure 4 Household types



Source: Morrison Low 2015, *Communities of Interest Report: Marrickville, Leichhardt and Ashfield Councils*, November.



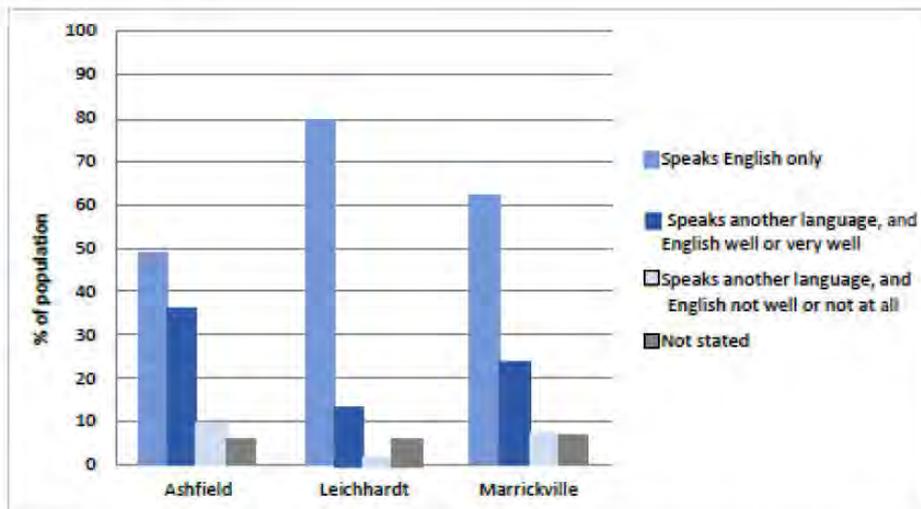
e. Birthplace, religion and education

Leichhardt has a higher proportion of Anglo-Celtic residents compared to Ashfield and Marrickville and lower proportion of multilingual residents. There is likewise a much higher proficiency in English and lower proficiency in other languages than neighbouring councils. Our residents nevertheless include members of a small but diverse range of non-English speaking countries, notably Italian post-war migrants and their families, and including increasing numbers of Chinese.

Leichhardt has the highest percentage of residents who speak English only (79 per cent), followed by Marrickville (62 per cent) and Ashfield (49 per cent). Ashfield has a much higher percentage of residents who speak another language and English well or very well (36 per cent) and a slightly higher percentage of residents who speak another language and English not well or not at all than Marrickville and Leichhardt (Figure 5).

While there is a lower proportion of declared religion affiliation in Leichhardt than other parts of NSW, a higher proportion of residents express participation in holistic wellbeing practices such as meditation and yoga (18 per cent) than religious practice (14 per cent).

Figure 5 Language



Source: Morrison Low 2015, *Communities of Interest Report: Marrickville, Leichhardt and Ashfield Councils*, November.



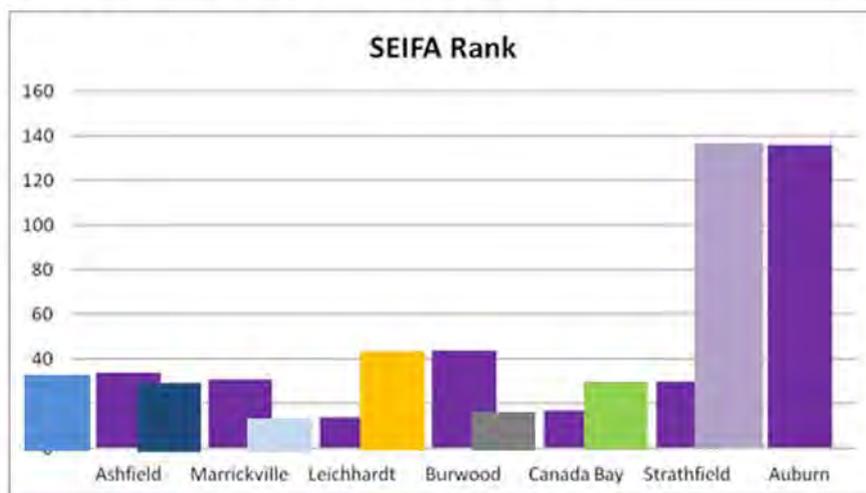
f. Levels of education and income

Leichhardt residents are well-educated, and in comparison to neighbouring Ashfield and Marrickville have comparatively higher Year 12 or equivalent qualifications, highest Bachelor or higher degrees. Leichhardt is home to University of Sydney with Sydney College of the Arts at Callan Park, University of Tasmania campus, Australian Institute of Music, TAFE, and Sydney Community College which offers certified Vocational Education and Training courses.

Overall, Leichhardt is an affluent community, and is significantly higher than Ashfield and Marrickville in terms of annual household income. It also experiences a much lower level of socio-economic disadvantage.

The SEIFA Index of Disadvantage measures the relative level of socio-economic disadvantage based on a range of census data. The SEIFA Index provides a ranking of all 152 NSW Councils, with 1 being the most advantaged area (Figure 6).

Figure 6 SEIFA Ranking of the Inner West Councils



Source: Morrison Low 2015, *Inner West Councils, Fit for the Future – Shared Modelling*, February, available at <http://www.leichhardt.nsw.gov.au/Community-Issues/Council-Amalgamation/Council-Amalgamation>

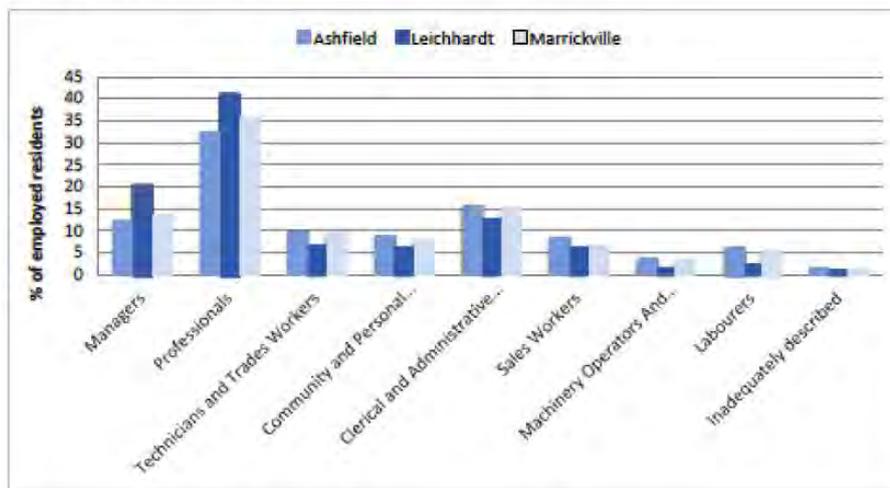
One of the most perverse outcomes from the merger proposal is that the new council will result in a lower SEIFA ranking for Leichhardt and a higher ranking for both Ashfield and Marrickville (Merger Proposal p. 14). This is important from a financial perspective for many Commonwealth and State Government grants are based on the SEIFA rankings, for example, childcare and pre-school funding.



Under the current merger proposal, the Leichhardt community (which is one of the wealthiest in NSW) will receive more grant funding for pre-schools and childcare as its SEIFA ranking is reduced in the new Council. At the same time, Ashfield and Marrickville will receive less grant funding as their SEIFA ranking are increased in the new Council. This will have a direct financial impact on parents who will have to pay more for existing services in Ashfield and Marrickville as Commonwealth and State Government grants are reduced.

Occupations vary considerably between the three areas. Leichhardt has the highest proportion of both Professionals and Managers relative to Ashfield and Marrickville. Ashfield and Marrickville have higher proportions of clerical and administrative workers, technicians and trades workers, and community and personal services (Figure 7).

Figure 7 Occupations



Source: Morrison Low 2015, *Communities of Interest Report: Marrickville, Leichhardt and Ashfield Councils*, November.



g. Cost of housing and housing affordability.

The cost of housing is high and affordability of housing an issue for all three communities. Affordable housing is any housing that costs moderate-to-low income earners less than 30% of their net weekly income and therefore conveys the notion of “reasonable” housing costs in relation to income. Expenditure above this may result in housing stress.

Weekly housing rental payment statistics indicate that Leichhardt residents who are renting pay significantly more in rent than Greater Sydney averages, including Ashfield and Marrickville. For example, 2011 census data indicates 16.1 per cent of Leichhardt residents who are renting paid \$550-\$649 per week compared to 7.1 per cent of Greater Sydney residents. The percentages for weekly rental costs higher than \$550 were all higher for Leichhardt residents than Greater Sydney averages. It is expected that these costs will have increased significantly since the last data collection, indicated by recent NSW Valuer General Report of increase in land values by 24 per cent in Leichhardt since last benchmarked in 2013.

http://www.valuergeneral.nsw.gov.au/data/assets/pdf_file/0006/207681/Ashfield_Final_Report_2015.pdf

Summary

A merged council will force together a diverse mix of communities with broadly varying socioeconomic characteristics. While diversity of the community is welcomed and valued, spreading this across an LGA of more than 185,000 residents compared to Leichhardt's 57,000 residents will inevitably mean a significant reduction or loss of sense of belonging and place. This will have impacts on community cohesion, individual and groups sense of place and identity. Council contends that place attachment is an important consideration that is not based on 'emotive arguments' and that the local focus of Leichhardt Council is important to maintaining the biological, psychological, social and cultural health and wellbeing of our community and its individuals. Leichhardt's unique character and local focus supports an individual's and communities' sense that they live somewhere that is distinctive, where continuity is valued and the ability to influence social and environmental outcomes is achievable.

The rich and diverse history of the Leichhardt Council harbour fronted suburbs (Lilyfield, Rozelle, Birchgrove, Balmain and Balmain East accounting for well over half the entire LGA) share a natural affinity creating a cultural and social harmony that distinguishes them from their geographical neighbours. This 'peninsula' character distinguishes itself completely differently to the other precincts within a merged Inner West council.

Of most concern is that the significant reduction in Councillor representation under a new Inner West council will not be able to reasonably reflect the diversities of such a large and broad community mix.

The stand-alone option remains the superior option for the Leichhardt community.



3. The existing historical and traditional values in the existing areas and the impact of change on them.

Summary of the impact on existing historical and traditional values

The key points from this section are as follows:

- Leichhardt's historical and traditional values remain at the very core of our community and its identity
- The current scale of our local government area and Councillor representation means that the particular character of this area, and the way people engage with local democracy and issues, is very effective.
- The merger proposal, which will increase the size of the local government area and reduce community representation, will undermine the fabric of this community and their very strong local links to place, each other and the decision-making process.
- Council and its communities have found that demand for redevelopment can be at odds with heritage objectives. Our local focus means that our cultural heritage is well understood and highly valued. This is a defining characteristic and a merger with other Councils may result in less emphasis on the retention of our places of cultural significance.
- The diversified service based economy is a core strength of Leichhardt and is derived from established businesses in our main streets and employment lands. Leichhardt Council and its communities seek to retain that mixed use character and our position is different from that being promoted in Marrickville where there has been support for large scale rezonings and loss of employment lands. This represents a fundamental, and very important, difference between the two council areas and the aspirations of our communities.
- The community has been instrumental in Leichhardt Council being an organisation that is held to account in its policy development and governance arrangements.
- Council's well established local focus, the character and history of our spaces and buildings, the participatory nature of governance and commitment to local and broader environmental sustainability matters are very important and may well be at risk in a new Council with differing priorities.
- Amalgamations threaten to weaken Council's environmental sustainability as the new organisation responds to varied community values and new financial resource constraints.



Introduction

Leichhardt's historical and traditional values remain at the very core of our community and its identity and are reflected in Council's contemporary strategic direction, as outlined in *Leichhardt 2025+*. These are fundamental to the identity, character and functioning of the community:

- Community Well-Being
- Accessibility
- Place Where we Live and Work
- A Sustainable Environment
- Business in the Environment
- Sustainable services and assets.

Council implements a comprehensive community Engagement Framework, open Council, Committees and resident based Precinct committees and the feedback is that Council's local focus, the character and history of our spaces and buildings, the participatory nature of governance and commitment to local and broader environmental sustainability matters are very important. The current scale of our local government area and Councillor representation means that the very particular character of this area and the way people engage with local democracy and issues works, for this community.

The merger proposal to increase the size of the local government area and reduce community representation will undermine the fabric of this community and their very strong local links to place, each other and the decision making process and on this basis is not in the best interests of our community.

In this section we outline the 6 key objectives of Council's community strategic plan – *Leichhardt 2025+* - that are the focus of Council's engagement with the local community. We argue that each of these characteristics is threatened by the merger proposal as Ashfield and Marrickville Councils take a different approach to their advancing their own diverse communities.



Community well-being

The challenge for planners at all levels of government is to address inequality associated with differences in income, health, education, crime rates and employment¹ in Australian society. Understanding this, governments develop holistic plans to support the wellbeing of individuals and the community alike

For Leichhardt Council this means a commitment to ensuring:

- Fairness in the distribution of resources
- Rights are recognised and promoted
- People have fairer access to the economic resources and services essential to
- meet their basic needs and to improve their quality of life
- People's views are valued and listened to in Council deliberations
- People have better opportunities for genuine participation and consultation about decisions affecting their lives.

The Leichhardt community has directed Council to adopt a strengths-based approach to community capacity building while responding to current and future situations predicted by social research. According Council's Community Plans, to adopt a strengths-based approach to community capacity building while responding to current and future situations predicted by social research.

The Leichhardt community places emphasis on being a socially rich and diverse community where the needs of the entire community are considered and inform Council policy direction. Council's Community and Cultural Plan includes five strategic objectives which were informed by community participation:

1. Connecting People to Each Other

People living, studying and working in the Leichhardt LGA tend to be passionate about the area and active in key issues that affect them. This is demonstrated by the high number of residents participating in interest and action groups as compared to National and State averages (Table 6).



Table 6 Membership of interest groups – Leichhardt LGA

Group/s (rank order)	per cent (%)		
	Leichhardt	Australia	NSW
Trade union, professional / technical association	14.7%	7.3%	7.1%
Body corporate or tenants' association	13.8%	3.5%	5.0%
Civic group or organisation	12.0%	3.1%	2.7%
Environmental or animal welfare group	9.4%	5.0%	4.8%
Human and civil rights group	6.9%	2.2%	2.2%
Consumer organisation	5.0%	1.0%	0.6%
Political party	3.3%	1.3%	1.1%
Other civic or political organisation	4.9%	-	-
None	59.9%	81.4%	81.7%

Source: Leichhardt Wellbeing Survey 2010 (IRIS Research available at www.leichhardt.nsw.gov.au).

Community members have high agency – interacting, advocating and generating activities, as well as partaking in activities generated by others.

Local people respond strongly to local issues and broader societal issues that impact them. High levels of participation are aligned with a strong sense of participation within the community.

Merging into a much larger council with reduced local representation will negatively impact the agency, capability of local representation and priority given to local residents.

2. Connecting People to Place

Leichhardt LGA has beautiful local areas and unique neighbourhoods. Residents are proud of their local parks and waterways and the heritage and character of the local government area and want to retain this for future generations. Leichhardt LGA has a small, diverse Indigenous population (around 0.8 per cent) with a long-established Aboriginal community participating in community life across the inner west and eastern Sydney local government areas. The area has a strong heritage and some significant sites including middens on the foreshore of Iron Cove at Callan Point

As identified in the Community Wellbeing Survey and through community engagement process many neighbourhoods in the LGA have a strong identity that locals want to maintain. People are generally friendly to each other and many neighbours know each other, although not perhaps to the extent that they did in the past.

Part of this sense of belonging rests in being assured the community's values are known, respected, and applied by the local government area.



Merging into a larger organisation will diminish this sense of belonging to neighbourhoods while being witnessed, known and respected by the local government authority and the attention paid to local needs.

3. Developing Community Strengths and Capability

The local government charter makes local government responsible for planning for and providing appropriate services to its community. People are looking to Council for leadership, advocacy and investment in building community strengths and capabilities.

Leichhardt residents have made significant contribution to Council planning and policy development, in particular the 1,200 plus residents engaged in developing the Community Strategic Plan *Leichhardt 2025+*, and additionally the thousands of residents involved in developing the Community and Cultural Plan Healthy Ageing, Reconciliation, Access Policy and Public Art.

Residents place a premium on the importance of addressing social indicators of health and wellbeing, and the need to build strong and capable local capacity in order to address larger societal issues (Leichhardt Community and Cultural Plan: 10 Year Strategic Service Plan). Residents volunteer in programs such as Linked In Mentoring which provides alternative learning environments for young people at risk of leaving the school environment; and volunteer in social inclusion programs in Council's community facilities.

Residents participate in strengths-based community development, seeking to build and foster capability, evidenced by the high level of participation in civic and social arenas. Half of the resident population in Leichhardt (49.6 per cent) had done unpaid voluntary work in the previous twelve months, compared to 27.3 per cent of all Australians.

A key component of volunteering is participation in Council's 16 Committees which provides active forums for residents to contribute to wellbeing outcomes in their local areas. 22 per cent of residents have participated in a community consultation or attended a public or council meeting compared to a NSW benchmark of 7.6 per cent.

Residents incorporated in a much larger council area will be impacted by the logistics of distance, and the lower level of proportional representation by their elected representatives in terms of opportunities for volunteering for Council committees.

4. Enlivening the Arts and Cultural Life

Leichhardt has a strong history of being a leader in creative industries, with a higher proportion of residents engaged in arts and cultural life when benchmarked across the rest of Australia (Table 7).



Table 7 Participation in groups – Leichhardt LGA

Group/s (rank order)	Per cent (%)		
	Leichhardt	Australia	NSW
Sport or physical recreation group	34.2%	34.2%	31.8%
Social clubs providing restaurants or bars	31.8%	-	23.9%
Arts, music or drama	26.4%	9.0%	8.3%
Adult education, other recreation or special interest group	18.0%	12.9%	11.5%
Holistic i.e. meditation, yoga, astrology, tarot	17.2%	-	-
Spiritual practice, Religious group or organisation	13.7%	19.7%	20.7%
Craft or practical hobby group	8.8%	8.5%	7.9%
Other social groups (e.g. heritage group) (please specify)	6.9%	-	-
Ethnic / multicultural club	4.5%	4.0%	3.4%
None	28.5%	37.3%	37.2%

Source: Leichhardt Wellbeing Survey 2010 (IRIS Research available at www.leichhardt.nsw.gov.au).

When Residents were also asked if they have been actively involved in community support groups or taken part in an activity organised by such groups, a quarter of the resident population (24.9 per cent) indicated involvement in Arts, music and drama. When you add in other groups such as performing arts (13.4 per cent), visual arts (17.9 per cent) and multimedia/film (14.8 per cent), this adds up to a very high involvement in the arts by Leichhardt residents.

There is a strong grass roots arts community living alongside professionals from a wide range of creative industries including increasing numbers of media, film professionals and musicians and writers. The LGA is home to many art and cultural organisations and many support activities in the Sydney CBD. Legs on the Wall have their home in the Big Red Box in Lilyfield, and numerous small arts organisations have moved into the same precinct. Leichhardt Espresso Chorus is an outstanding locally-based non-audition choir which has reached national prominence. The Metropolitan Orchestra is an important recent development in the Sydney music scene, and along with the Leichhardt Celebrity Band, draws audiences to the heritage-listed town halls.

Leading training and cultural bodies have their home in the local government area, including The NSW Writers Centre, Sydney Community College, Sydney International Conservatorium of Music and Sydney College of the Arts. Commercial galleries are found throughout the area and a small number of artist studios for hire are dispersed in Leichhardt, Rozelle and Balmain.

The community recognises the significance of Council partnering with arts and cultural organisations and groups to build audiences, generate footfall to our high streets, and contribute to the vitality of parks, venues and our local neighbourhoods. Merging into a much larger organisation places at risk the level of interaction and support between local residents and these key organisations that has been facilitated by Council through grants, in kind support and partnerships customised to foster creative expression, build audiences, and particularly enhance access to arts experience by people on low incomes.



5. Promoting Health and Well Being

The Leichhardt community is a community that has a strong sense of connection to emerging ideas around sustainability, biodiversity, healthy environments and food production.

Residents actively engage in community gardens and micro plots growing vegetables and natives, and seek access to organic and fresh foods, healthy eating and cooking programs and urban forests with thriving flora and fauna, integrated with strong biodiversity policies and programs.

The Leichhardt community has initiated strategies in Council's Community Strategic Plan and The Healthy Ageing Plan to foster creative expression and wellbeing aligned with research indicating that participation in cultural activities has health and wellbeing benefits. Council is taking the leadership on initiatives supporting age-friendly precincts, dementia-friendly practices and not only are many Leichhardt residents involved in sports as spectators, but 36.4 per cent are or have been actively involved in sports/recreation groups and 33.9 per cent are or have been involved in fitness groups.

As well as supporting individual programs such as Healthy Older People Eating, Tai Chi, Gentle Exercise, Heart Moves and Learn to Swim programs, Council facilitates the LGA-wide Sporting Alliance which fosters skills development and participation in sports administration, decision-making and leadership.

The existing community seeks opportunities to participate in social inclusion programs that will bring diverse communities together, addressing issues around social disadvantage, and providing real opportunities for social enterprise, participation and wellbeing.

Accessibility

Leichhardt is characterised by walkable, mixed use neighbourhood and Council and its residents and visitors have long recognised that this is a sustainable urban form which promotes community connections, health and wellbeing and the economic vitality of its main street environments. Council does not support the construction of the WestConnex motorway and pursues policies which promote integrated land use and transport planning. To encourage increase in active transport and reduce private car dependency, Council is developing pedestrian and cycle networks and adopted the Integrated Transport Plan 2013-2023.

Council's objectives in reducing car dependency also reflect the traditional urban form of the LGA. Council's Integrated Transport Plan, which was the subject of much community engagement and discussion, reflects this position.

- **Integrated Transport Plan 2013-2023:** The Integrated Transport Plan was adopted in 2014. It is designed to increase the mode share for sustainable transport by increasing walking, cycling and public transport use; reducing private car dependency; integrating transport with land use and community activities; and providing equitable transport solutions for the whole community.
- **Carshare:** In 2012-13, 1,129 Leichhardt residents were members of a car share scheme in the LGA. Council has dedicated 21 publicly-available parking spaces to car share schemes to date.



- **Bicycle networks:** There have been 62.17km of bicycle-related works completed by Council from 2007-08 to 2012-13.
- **Bike Plan 2015:** Council is recently adopted a new Bike Plan and includes budget for its implementation each year.
- **Big Bike Day:** Leichhardt Council has been running Big Bike Day since 2000 to provide an opportunity for residents to cycle on Leichhardt's streets and find out more about cycling in Sydney. Participants meet in War Memorial Park to get a free bicycle check before joining in a group cycle around the LGA. Other activities in the park include unicycle lessons, bike races, a cycle track and face-painting. After the group ride, participants return to the park for a free lunch and to enjoy the activities.
- **Access Committee:** Council's Access Committee consists of local community members who meet to discuss and inform Council policies. They were involved in the preparation and review of sections of Council's new DCP.

Place where we live and work

The Leichhardt LGA has a population density of 55.11 persons per hectare – the fourth densest local government area in NSW. As such, the urban form and its cultural significance are of paramount importance to our community.

Significantly, 44 per cent of the total LGA land area and 56 per cent of residential zoned land is located within a heritage conservation area reflecting the valuable legacy of built heritage, particularly from the first century of its development (1840-1940). Council and residents of the area place a high value on their cultural heritage and this is reflected in the fact that 748 built heritage items, 66 landscape heritage items, four archaeological heritage items, four Aboriginal sites and 24 other heritage items (this category includes fences, bridges, kerb and guttering and war memorials) are listed within Leichhardt's Local Environmental Plan (LEP). Council and its communities have found that demand for redevelopment can be at odds with heritage objectives. In particular, rising property values have placed small houses, very much part of the Leichhardt landscape, under threat from redevelopment. Council's Heritage Committee is a vibrant, well attended Committee which is actively engaged in discussions and advocacy about heritage issues. Other Committees and the Resident Precinct Committees regularly engage with heritage related issues. Our local focus means that these values are well understood and are highly valued. This is a defining characteristic that is not as well represented in Marrickville or Ashfield and a merger with those Councils will result in less emphasis on the retention of places of cultural significance.

Aboriginal sites, places and objects are important to the rich heritage of the area. These sites and places are of great significance to Aboriginal communities, providing direct links to culture, knowledge and environment. On the publicly accessible foreshores of Iron Cove, the risk of disturbance, either deliberate or accidental, is considerable.

Council's policies, Local Environmental Plan and Development Control Plan plus our merit based assessment process are applied to accommodate current land-use patterns and styles, be responsive to economic factors whilst maintaining the historic and heritage values of the area. These policy settings have been developed and repeatedly tested by Council through the implementation of its comprehensive Community Engagement Framework to inform the preparation of key documents including *Leichhardt 2025+*, the Community and Cultural Plan,



Integrated Transport Plan, Environmental Sustainability Plan, Local Environmental Plan and Development Control Plan.

Council's *Leichhardt Local Environmental Plan (LEP) 2013* and the Development Control Plan (DCP) were adopted in 2013 and provide a mechanism for Council to pursue planning and design outcomes including:

- sustainable and contemporary building and place design
- transit-oriented development
- heritage conservation
- active streets and laneways, and
- a diversity of land use that supports economic, environmental and social sustainability.

The Leichhardt community has also placed significance on key areas of open space, many of which are located in foreshore areas and which also have historical and cultural significance to the community:

- Callan Park
- Ballast Point Park
- Mort Bay
- Whites Creek Valley Park.

Connection to its maritime history remains important to the Leichhardt community and is often expressed in its keen desire for improved public access to the harbour foreshore, most recently in its submission to UrbanGrowth NSW's Call for Big Ideas. Individuals and groups within our community have been active for many years to promote quality open space provision. Council most recently recognised this by resolving to name a portion of the foreshore trail after Tom Uren, a former local resident and Federal Member of Parliament.

A sustainable environment

Leichhardt Council and its community have been rigorous in its consideration of environmental sustainability issues and now have an extensive program of capital works and environmental education programs. In July 2015 Council adopted a new Environmental Sustainability Strategy which focuses on achieving the community aspirations for reducing its carbon footprint (Council is already a Carbon Neutral organisation), reducing climate changing activities and developing resilience to climate change and reducing waste to landfill. The communities' ongoing commitment to environmental sustainability is expressed in the many events, works and programs which Council implements including:

- **SecondHand Saturday:** Leichhardt Council continues to run SecondHand Saturday each year, a giant neighbourhood garage sale held in individual households to encourage reuse and diversion of waste from landfill. There were 1,254 registered garage sales from 2010-2014.
- **Food recycling in multi-unit dwellings:** Around 39 per cent of the waste from Leichhardt household garbage bins is food waste. Residents that live in a unit with shared garbage bins can swap one or more garbage bins for food bins. Council sends



the food waste to EarthPower where food waste is converted to green electricity and a nutrient-rich by-product fertiliser. This has resulted in an average of 100 tonnes of food waste diverted annually. Building on the success of the program, Leichhardt engaged a consultant to develop a Community Engagement and Participation Plan in 2014. The aim of the plan is to increase food collected in the food recycling service by 250 tonnes by 2016 (Herriman et al. 2014).

- **Swap events:** Regular Council swaps for adult clothing, kids' toys and clothing, and books and media items have been enormously popular in creating an opportunity for reuse rather than disposal of items. Up to 140 people have participated in each event. Participants have saved money and avoided consumption by picking up an item at these events in exchange for another.
- **Home composting:** Council sells Bokashi bins, compost bins and worm farms at the administration centre to help residents reduce organic waste to landfill. Council held several 'composting tea parties' with training and free giveaways of kitchen bench top bins and compost bins for 60 local residents. Regular composting and worm farming workshops have been delivered via the Treading Lightly workshop program. Council has also produced the 'Leichhardt is making compost - it's easy!' video that allows residents who are unable to attend workshops to access information about composting within their home or from Council libraries.
- **Office worm farming:** Council's main administration building has diverted an average of 1.2 tonnes of food annually via worm farms on-site. Worm farm education has taken place in Council's libraries, through staff Sustain-Ability eNews and for Leichhardt childcare centres as part of the Little Green Steps program.
- **Sustainable Shopping Guide:** Leichhardt has an online sustainable shopping guide focusing on food, as food consumption is responsible for 49 per cent of an average Australian's ecological footprint. It lists local businesses and markets that sell sustainable food including Fairtrade products. Included in the guide are helpful hints for environmentally responsible food choices and a map of participating business.
- **Treading Lightly:** The Treading Lightly series of workshops have included:
 - DIY upholstery at which participants were given the opportunity to repair and refurbish furniture rather than buying new.
 - Composting, growing food, natural pest management and chemical-free cleaning workshops, reducing the need to purchase toxic cleaning products and chemical fertilisers and sprays, and enabling residents to supplement food purchases and reduce packaging by growing their own.
 - Making old clothes new, upcycling jewellery and sustainable basketry to show residents the value of repair and how to extend the life of their pre-loved favourites.
- **Love Your Lane:** The Love Your Lane program provided two new tile inlays made by local children and parents in an illegal dumping laneway hot spot, together with Love Your Lane street signs and brochures providing information to residents on reuse and appropriate disposal options for their unwanted goods. The Treading Lightly DIY Upholstery workshops also formed part of the program to show residents the value of 'dumped' items once restored.
- **Sustainable Schools:** Council continues to run environmental workshops within schools including composting, worm farming, growing your own kitchen garden, non-



toxic personal care and avoid, reuse, recycle. Each year most schools within the Leichhardt LGA participate. On average, 15 workshops are held each year with participation from approximately 500 students each year.

- **Bower reuse and referral service:** Council provides funding to support The Bower reuse and referral service.
- **Extended producer responsibility:** Leichhardt Council now has a permanent drop-off for TVs, computers and peripherals under the National TV / Computer Product Stewardship Scheme.
-

Biodiversity is also an important issue for Council and the local community.

Leichhardt LGA has been extensively developed since European settlement, with loss of natural habitat leading to local extinctions and declines in native plant and animal species. Regardless, Leichhardt still supports over 100 species of native bird and at least seven native reptile species, four frog species and three native mammal species. Areas in the LGA that contain sufficient vegetation to provide habitat for a relatively high diversity of native fauna include the Rozelle-Lilyfield rail corridor, foreshore land at the White Bay container terminal and a small patch of remnant bushland at Callan Park.

Threatened species recorded in the Leichhardt LGA include the Eastern Bentwing Bat, Pied Oyster Catcher and the Grey-headed Flying Fox (the only listed threatened species that is seen regularly). A bat survey on Goat Island identified the vulnerable East Coast Freetail Bat along with 4 other micro-bats (Leary 2007). These bats are likely to visit the LGA due to the proximity of Goat Island to the Balmain peninsula. A population of Long-nosed Bandicoots has been identified living in the light rail corridor in Marrickville and similar habitat is available in the same rail corridor found in the Leichhardt LGA.

Whites Creek Wetland is the most significant freshwater wetland in the LGA. Four species of frog, Eastern Snake-necked Turtles, aquatic birds, native and introduced fish species, and macro invertebrates have been recorded there. The harbour environment in Iron Cove, despite water and sediment pollution, contains beds of sea grass and estuarine salt marsh habitat. A range of visiting shore birds can be seen wading and feeding on Iron Cove's mudflats.

Large birds such as Australian Magpies and Noisy Miners dominate because they can aggressively defend and expand their territories in the open vegetation structure provided by parks, street trees and mown grass areas. Small insect-foraging bird species need shrub and mid-storey vegetation layers for security and are therefore less common. Some species of native fauna occur only in small, isolated populations in areas that have been fenced off and left unmanaged. The structural diversity of vegetation is just as important as floristic diversity; the presence of a dense middle and ground layer of shrubs is a very important factor in maintaining the presence of small birds and improving opportunities for them.

In 2014, the Institute for Sustainable Futures at the University of Technology Sydney assessed the land surface cover of 139 local governments across Australia including the Leichhardt LGA (Jacobs et al. 2014). They assessed percentage of cover across the four designated cover classes: (i) hard surfaces, (ii) trees, (iii) shrubs and (iv) grass and bare ground. The survey identified that the Leichhardt LGA has an estimated tree canopy cover of



20.3 per cent in comparison to the City of Botany Bay with 12.1 per cent canopy cover (the lowest in Sydney) and Pittwater with 59.3 per cent (the highest in Sydney). Leichhardt has similar tree canopy cover compared to that of Burwood, Canada Bay and North Sydney councils.

In addition, the study estimated that Leichhardt LGA has 59 per cent hard surface cover. This is the third highest hard-surface area of the urban areas included in the analysis behind City of Sydney (69 per cent) and Marrickville (63 per cent). The combination of relatively low vegetation and high hard-surface cover is a concern in terms of urban heat impacts. In 2015 council engaged UTS to undertake a 'Heat Island Study' to assist in the development of principles for reducing heat as this represents an ongoing issue in the LGA.

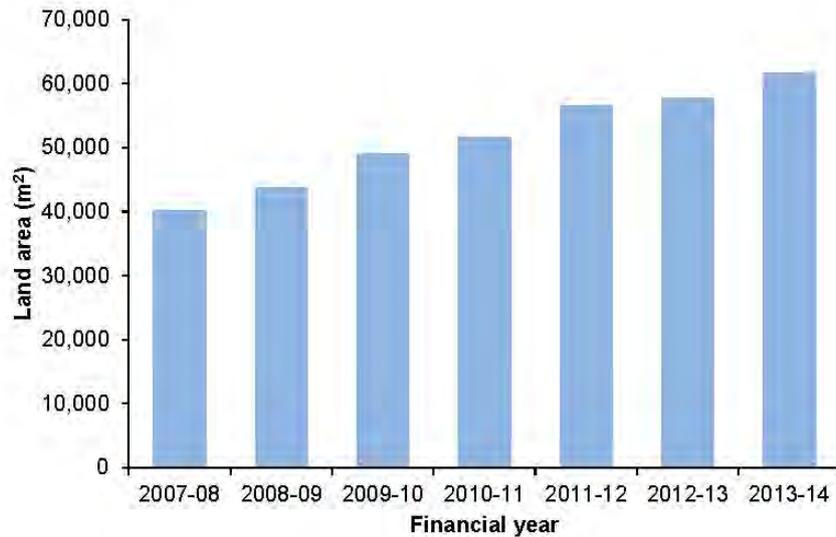
All rain that falls on the Leichhardt LGA drains to Sydney Harbour. Because stormwater runoff transports sediment, pollutants and litter, our practices anywhere in the LGA directly affect the harbour's ecology and its recreational and economic value. When rainfall exceeds the capacity of the stormwater system, flooding occurs in parts of the LGA. Rising sea level will reduce the capacity of the stormwater system over time as high tides and storm surges enter stormwater pipes at various times of year.

Some ways in which Council promotes improved biodiversity include:

- **Leichhardt Native Revegetation and Biodiversity Management Plan:** Endorsed in 2013, this plan documents how Council will maintain and enhance biodiversity values in the LGA. The plan also outlines a number of areas where additional native revegetation will be established (Figure 8).



Figure 8 Total land (m²) in the Leichhardt LGA dedicated to native revegetation over seven years.



- Rozelle Bay Community Native Nursery:** A brand new Community Native Nursery was built at Wisdom Street, Annandale. The facility provides opportunities for increased native revegetation in Council’s parks.
- Bushcare program:** Council supports bushcare groups which are well attended. Council and the community have continued to improve and expand areas of bushland revegetation over the years. The number of currently active volunteers remains steady at 35 with a total of 2,788 volunteer hours worked in 2013-14 (this figure does not include one-off planting days such as National Tree Day). In 2013-14, the amount of native revegetation on public lands increased from 57,700m² to 61,600m². This has been achieved by means of an additional 700m² of native revegetation at the Callan Park bushland remnant; 2,500m² of native revegetation behind the Glover Street Oval in Callan Park; and 700 m² of native revegetation at King George Park. In 2013-14, there were 9,375 native tubestock planted. All tubestock planted in 2013-14 were sourced from the Rozelle Bay Community Native Nursery.
- Local fauna monitoring:** A local fauna monitoring page has been included on Council’s website so that residents can help Council monitor sightings of fauna within the LGA. Council has recently engaged consultants to undertake a fauna survey which will assist in development management practices.



Impacts of the merger proposal on environmental sustainability

Leichhardt Council has a proud history of demonstrating leadership and commitment to environmental sustainability. Our strong strategic, financial and policy commitment to environmental sustainability mirrors the value our local community places on environmental sustainability.

This commitment was formally recognised with Leichhardt Council winning the prestigious Local Sustainability category of the New South Wales Local Government Excellence in the Environment Awards in 2012. In the same year, Leichhardt Council became only the second council in NSW to be certified as carbon neutral by the Federal Government's National Carbon Offsets Standard (NCOS) Carbon Neutral Program.

Rather than resting on its laurels the new Leichhardt Environmental Sustainability Plan 2015 – 2025 adopted in 2015 has set Council a target for Council operations to be 100% renewable by 2025 and research is underway on how Council will meet this goal.

The Environmental Sustainability Plan 2015 – 2025 adopted in July 2015 builds on our success by outlining the strategic direction for Leichhardt Council in relation to environmental sustainability to the year 2025.

The Plan responds to the priorities identified by our community through rigorous community consultation. In developing the Plan, residents reported that improvements made to the local environment over many years are contributing positively to their quality of life in the municipality and in Council satisfaction surveys the environment is consistently identified as equal highest of resourcing priorities of local residents. The message is clear: our community wants a Council that demonstrates sustainability leadership, helps advocate for the community, holistically manages the natural and built environment, and provides opportunities to build capacity for sustainable living.

Council's commitment is further demonstrated through our commitment to open government and community participation via the council committee system, most notably the Environment and Climate Change Committee, Heritage Committee, Bicycle and Planning and Urban Design.

In terms of resourcing Leichhardt Council funded a number of significant projects, for example, the Leichhardt Park Aquatic Centre Cogeneration System, solar projects on multiple buildings, a leading community native nursery, bushcare program, a community environmental grants program and a comprehensive environmental education program.

Amalgamation threatens to weaken Council's environmental sustainability as the new organisation responds to varied community values and new financial resource constraints.



Business in the community

Leichhardt has historically been a mixed use urban environment focused on main street retail and commercial strips along Darling Street, Norton Street, Booth Street and Parramatta Road. Most residents are within easy walking distance of those, or smaller, centres.

Commercial and industrial land uses accommodating many local service industries are also scattered throughout the LGA with concentrated pockets of industrial land remaining in Camperdown and Moore Street. Residents and councillors have, through the planning process sought for those industrial areas to be retained so that they are available to provide essential goods and services to the community, local employment, places for the creative industries to flourish and to retain our walkable, mixed use, sustainable neighbourhoods. The Industrial lands attract good rental returns and are highly sought after.

In developing its Employment and Economic Plan Council sought feedback from its community, including residents and businesses and found that people have:

- a strong sense of community – given the choice many residents prefer to support local businesses than go elsewhere
- a high level of interest and participation in the arts, cultural and creative sectors
- a high quality of life as a result of the cultural heritage of the area, access to good schools and medical services and our proximity to the CBD and harbour
- a high regard for the rich variety of cultural heritage

The diversified service based economy is a core strength of Leichhardt and is derived from established businesses. Our supply of employment lands, as well as our main street retail centres have historically, supported that diversity and is also seen as a good opportunity for our community who want to be able to continue to accommodate and access a diversity of local and business and employment uses including the creative industries, professional services, population serving industries, health, education and retail. Leichhardt Council and its communities seek to retain that mixed use character and our position is different to that being promoted in Marrickville where there has been support for large scale rezonings and loss of employment lands. This represents a fundamental, and very important, difference between the two council areas and the aspirations of our communities.

Sustainable services and assets - Accountable civic leadership

The Leichhardt community has been instrumental in Leichhardt Council being an organisation that is held to account in its policy development and governance arrangements. All Council meetings are open to all members of the community who are able to speak and make representation to Councillors. This is something that many community members avail themselves of. Council also has an extensive Committee structure and Resident Precinct Committee (discussed elsewhere in this report).



4. The attitude of the residents and ratepayers of the areas concerned.

Summary of the attitude of residents and ratepayers

The key points from this section are as follows:

- The majority of residents (89 per cent) are aware of the State Government's plan to reduce the number of councils in NSW.
- The community's preference is for Leichhardt Council to remain a stand-alone council into the future. Specifically:
 - Almost two-thirds (63 per cent) of residents stated their preference for standing alone.
 - Only 26 per cent of residents supported the State Government's merger proposal.
- 85 per cent of residents had concerns that there would be risks associated with a merger. A reduction in the quality of local services/facilities and a lack of responsiveness were seen as primary risks.
- Leichhardt residents and ratepayers are overwhelmingly opposed to forced amalgamations and supportive of Leichhardt Council remaining a stand-alone council into the future. This is a firmly held view of the local community as demonstrated by two statistically valid surveys commissioned by Leichhardt Council in 2015 and 2016.

Introduction

Leichhardt Council highly values community input on all matters relating to the operational and strategic direction of the Council. In this regard, Council has undertaken a comprehensive community engagement program to ascertain the community's views on all the proposals to amalgamate the Council that have advanced over the past year. This includes consultation on the Minister's current merger proposal involving Ashfield, Leichhardt and Marrickville Councils and the Independent Local Government Review Panel's preferred merger proposal involving the amalgamation of the 6 Inner West Councils (i.e. Ashfield, Burwood, Canada Bay, Leichhardt, Marrickville and Strathfield Councils). These key findings from these two separate programs are detailed below.

Community consultation on the Ashfield, Leichhardt and Marrickville merger proposal

On 19 January 2016, Council resolved to commence a public information campaign to inform the community of the Minister's merger proposal involving Ashfield, Leichhardt and Marrickville Councils. This included the distribution of a brochure to all residents and businesses in the municipality on the merger proposal and the examination process, and encouraging the community to participate in that process. Further, the Council resolved to conduct a statistically valid phone survey to poll the opinion of local residents and ratepayers on whether or not the Government's merger proposal should proceed, their concerns and expectations for what the merger would mean for them and their priorities for their local council's future policy direction.



Micromex Research, an independent (ISO 20252 quality certified) market and social research firm, were engaged by Council to undertake a statistically valid and demographically representative telephone survey to determine the attitudes of our residents to the merger proposal. Details on the methodology and sample size are provided below:

- The telephone survey was conducted during the period from 1-3 February 2016. 301 interviews were conducted which provides a statistically valid survey result with a 95% confidence level. This means that if the survey was replicated with a new 301 residents, that 19 times out of 20 we would expect to see the same results.
- The sample had been weighted by gender and age to reflect the 2011 ABS community profile of Leichhardt Council.
- The interviewing was conducted in accordance with the AMSRS Code of Professional Behaviour.

The key results of the survey are provided below (the full report from Micromex Research dated February 2016 is provided at **ATTACHMENT 3**):

1. A high level of awareness of residents to the NSW Government's plan for council Mergers (Figure 9).
 - 89 per cent of residents were aware of these plans – this is up from 78 per cent of residents in a survey conducted in March 2015 (see next section).
 - 10 per cent of residents were unaware of the Government's merger plans and 1 per cent did not know or where unsure.



Figure 9 Awareness of the NSW Government's plans for Council Mergers

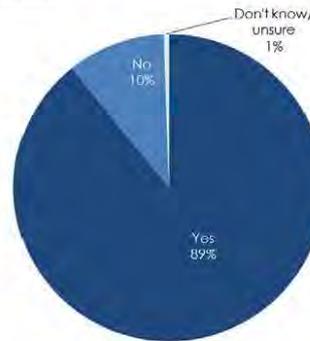
Awareness of the NSW Government's Council Mergers

Q2. Before this call, were you aware of the NSW Government's plan to merge councils in NSW?

The following was read to residents before commencement of the survey:

The NSW Government has been seeking to transform local government in NSW.

As part of the review, councils were required to demonstrate how they would become financially sustainable, provide effective and efficient services, have the scale and capacity needed to meet the needs of communities, and partner with the NSW Government.



	Overall	Male	Female	18-34	35-49	50-64	65-74	75+	Ratepayer	Non ratepayer
Yes	89%	89%	89%	74% ↓	95%	97%	100%	96%	96% ↑	77% ↓
No	10%	10%	11%	25%	5%	3%	0%	4%	4%	22%
Don't know/unsure	1%	1%	0%	2%	0%	0%	0%	0%	0%	2%

Base: N=301

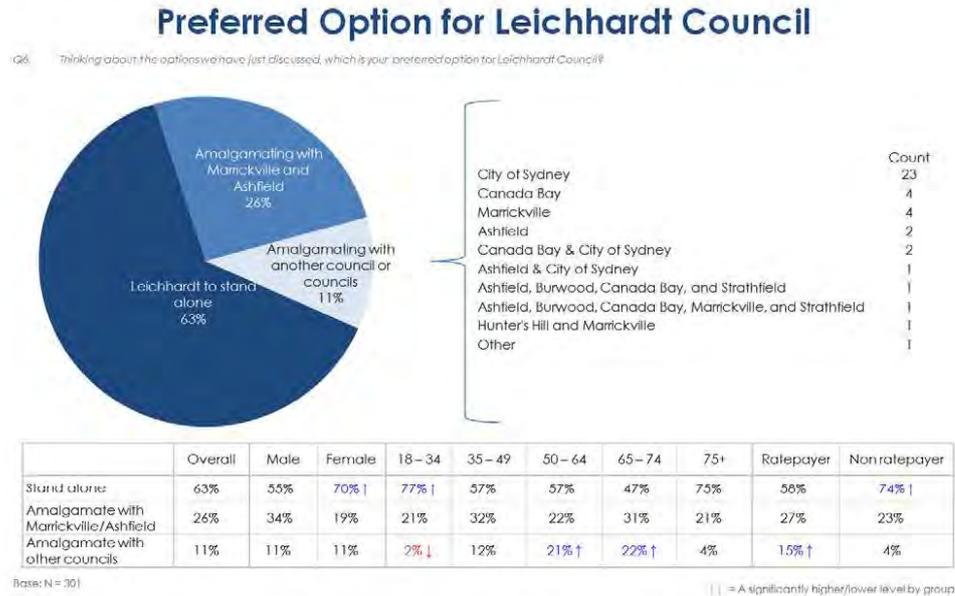
↑ ↓ = A significantly higher/lower level by group

Source: Micromex Research 2016, Leichhardt Council – 2016 Community Research, February.

2. The community's preferred option is for Leichhardt Council to stand alone (Figure 10).
 - 63 per cent of residents (i.e. almost two-thirds) stated their preference for standing alone. This was particularly so for females (70 per cent) and those aged 18-34 (77 per cent) and 75+ (75 per cent)
 - Only 26 per cent of residents preferred the amalgamation with Marrickville and Ashfield councils.
 - 11 per cent of residents preferred to amalgamate with other councils, including the City of Sydney (Predominantly).



Figure 10 Preferred Option for Leichhardt Council

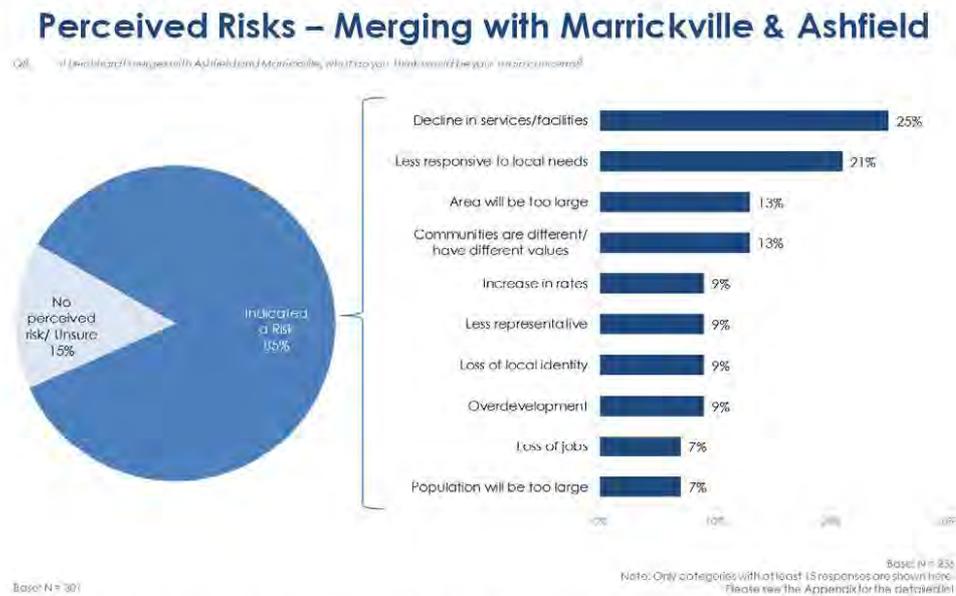


Source: Micromex Research 2016, Leichhardt Council – 2016 Community Research, February.

3. The community had concerns that there would be risks associated with a merger (Figure 11).
 - 89 per cent of residents indicated a risk with a merger with Marrickville and Ashfield Councils.
 - The top 2 risks identified included a decline in services/facilities (25 per cent) and the view that the merged council would be less responsive to local needs (21 per cent).



Figure 11 Perceived risks of merging with Marrickville and Ashfield Councils.



Source: Micromex Research 2016, Leichhardt Council – 2016 Community Research, February.

Summary: An overview of the survey findings

The survey reveals that the community is overwhelming opposed to the amalgamation of Leichhardt Council with Ashfield and Marrickville councils as proposed by the Minister for Local Government. Further, the community is supportive of Leichhardt Council remaining a stand-alone council into the future.

Consultation on the Independent Local Government Review Panel’s merger proposal – i.e. the 6 inner west council merger proposal

On 24 February 2015, Council resolved to commence a community engagement program to inform residents and businesses about the NSW Government proposed amalgamation of Leichhardt Council with Ashfield, Burwood, Canada Bay, Marrickville and Strathfield Councils (the IGRP’s preferred merger proposal for the inner west). This program was intended to educate the community on the costs/benefits of any proposed amalgamation, to determine the community’s views on amalgamations and the future of Leichhardt Council.

Every household and business in the LGA was hand delivered detailed information in mid-March 2015 from Council on the reforms, including advice on the outcomes of the independent modelling of the impacts of the amalgamation and a survey for residents and businesses to complete on this matter.



Information booths were also held over March and April in prominent locations in Leichhardt, Annandale, Lilyfield, Rozelle and Balmain. Again, these booths were designed to inform the community and to gain their views on amalgamations. This was supplemented with 3 formal community workshops in March, April & May.

A summary of the engagement outcomes are presented below.

The community's response to amalgamations

Council undertook formal (statistically valid) surveys to gauge the community's views on amalgamations. The surveys and results are presented below:

1. Random telephone survey

This survey was undertaken by Piazza Research, an independent (ISO 20252 quality certified) market and social research firm, in March 2015. A total of 304 responses were achieved: for a 95 per cent confidence interval, this sample size provides results accurate to within a +/- 5.6 per cent margin of error for overall results, which is considered reliable for this type of research.

To ensure that this random phone survey was unbiased and objective, Council first sought and gained assurance from Piazza Research who structured the questions for simple awareness raising and the amalgamation facts, therein providing options to answer positively or negatively with no attempt to sway or suggestion to respondents that a positive or negative answer is 'preferred' or 'correct' or 'better' etc.

The telephone survey (source: Piazza Research Pty Ltd, *Leichhardt Municipal Council Community Survey 2014-15*, April 2015) found:

- A high awareness of the State Government's Fit for the Future amalgamations plans for local councils:
 - 78 per cent of local residents were aware of the amalgamation plan proposed by the State Government.
- Little support for the proposed amalgamation of Leichhardt Councils with Ashfield, Burwood, Canada Bay, Marrickville and Strathfield Councils:
 - 61 per cent of local residents were not very/not at all supportive towards the new amalgamated council; 17 per cent were supportive or very supportive of amalgamation.
- Majority support for Leichhardt Council to remain a stand-alone (non-amalgamated) council:
 - 55 per cent of local residents stated that they preferred the Leichhardt Council to remain as a stand-alone council; 19% said they preferred an amalgamated council.
- The three most common reasons for preferring the stand-alone option were: they feared they would lose individual voice on local issues (42 per cent); thought smaller councils are easier to manage (26 per cent) and there was "no need to change" (17 per cent)



2. Online survey and reply paid/letters: Details

In December 2014, Council launched an online survey and in March 2015, every household and business in the LGA was provided detailed information on the reform program, including independent advice on the financial costs/benefits of the NSW Government proposed amalgamation of Leichhardt Council with its inner west neighbouring councils. This information pack also included a survey which residents could complete and return to council via a reply paid envelope – questions were similar to those employed by Piazza Research. A total of 1,378 survey responses were received (147 of which were reply paid mail responses, the balance on line and each with a unique ISP) by mid May 2015.

The results follow:

- A high awareness of the State Government's Fit for the Future amalgamations plans for local councils:
 - 76 per cent of respondents were aware of the amalgamation plan proposed by the State Government.
- Little support for the proposed amalgamation of Leichhardt Councils with Ashfield, Burwood, Canada Bay, Marrickville and Strathfield Councils:
 - 76 per cent of respondents were not very/not at all supportive towards the new amalgamated council; 18 per cent were supportive or very supportive of amalgamation.
- Majority support for Leichhardt Council to remain a stand-alone (non-amalgamated) council:
 - 72 per cent of respondents stated that they preferred the Leichhardt Council to remain as a stand-alone council; 19 per cent said they preferred an amalgamated council.

Summary: An overview of the survey findings

The surveys reveal that the community is overwhelming opposed to the amalgamation of Leichhardt Council with Ashfield, Burwood, Canada Bay, Marrickville and Strathfield councils as proposed by the NSW Government. Further, the community is supportive of Leichhardt Council remaining a stand-alone council into the future.



5. The requirements of the area concerned in relation to elected representation for residents and ratepayers at the local level, the desirable and appropriate relationship between elected representatives and ratepayers and residents and such other matters as it considers relevant in relation to the past and future patterns of elected representation for that area.

Summary of the impact on local representation

The key points from this section are as follows:

- The merger proposal will result in a significant loss of local representation.
- Each new councillor will, because of the very large population, be representing the equivalent of almost 15,500 - compared to less than 5,000 currently for Leichhardt Councillors. This is the equivalent, under the merger proposal, to approximately 3.5 councillors (rather than the current 12 councillors) for the entire Leichhardt population of around 58,000 people.
- One of the most troubling aspects of the merger proposal is that local representation in the inner west is being eroded far more than in other areas of metropolitan Sydney and beyond.
- The Merger Proposal includes only 12 councillors in the new Council. This is counter to the NSW Government's stated policy to have an uneven number of councillors.
- If the merger proposal is implemented, Leichhardt Council recommends to the Delegate that the new council comprise 15 councillors. This is consistent with other merger proposals across metropolitan Sydney, and responds to the increased workload expected of Councillors and the complexity and scale of issues before them. It also facilitates the creation of wards if so decided by the new Council.
- The merger proposals will see a reduction in representation for 2.5 million people across Sydney and a further 1.8 million across the State will see no improvement in representation at all. The public expects improvements in representation as part of Local Government Reform.

Introduction

The merger proposal will result in the loss of political governance and local representation. However, no evidence has been provided by the NSW Government or any of its investigating bodies that larger councils with fewer elected representatives are more efficient and effective than smaller councils. In fact, Dr Peter Abelson from Applied Economics Pty Ltd (and the current Mayor of Mosman) has provided evidence that suggests the opposite – that is, bigger councils provide poorer services at higher costs ("The Economics of Local Government," July 2013, available at www.mosman.nsw.gov.au).

The issues of the economics of local government reform have been dealt with elsewhere in this submission, the focus of this section is on the impact the merger proposal will have on elected representation. The question that remains unresolved here is why the Government is seeking to reduce representation in the first place when the peer-reviewed evidence suggests that smaller councils are more efficient and effective and better represent the interests of their communities than larger councils.



Local representation

The merger of the 3 inner west councils will have a significant and negative impact on local representation. The number of people represented by each councillor will increase significantly under the merger proposal making it more difficult for residents to access their councillors and the council.

Table 8 outlines the ratio of residents to elected councillors in the merger proposal for Ashfield, Leichhardt and Marrickville Councils. This table clearly shows loss of local representation for residents. The ratio of residents to councillors will grow from 1 Councillor per 4,845 in Leichhardt to 1 in 15,499 in the merged council. This represents a significant loss to local representation as residents will experience less access to Councillors and the Council bureaucracy.

Table 8 Loss of local representation in the proposed Ashfield, Leichhardt and Marrickville merger

Council	No. of Councillors	Number of Residents (2014)	Residents per councillor
Ashfield	12	44,498	3,708
Leichhardt	12	58,136	4,845
Marrickville	12	83,356	6,946
Merged council	12	185,990	15,499

Source: NSW Government (2016), Merger proposal: Ashfield, Leichhardt and Marrickville Councils, January, accessed on 14 January 2016, available at the following weblink: <https://www.councilboundaryreview.nsw.gov.au/>

This loss of local representation is just a feature of the inner west merger proposal. In fact, all councils across Metropolitan Sydney subjected to a merger proposal will experience a loss of local democracy. In summary, under the Government’s merger proposals (14 in all across metropolitan Sydney):

- The average no. of residents per councillor is 1:15,637.
- The highest no. of residents per councillor is 1:23,399 (Bankstown and Canterbury Councils).
- The lowest no. of residents per councillor is 1:10,188 (Botany Bay and Rockdale Councils).

Table 9 shows the ratio of residents to elected councillors in each of the merger proposals across Metropolitan Sydney. This information was sourced from the merger proposal documents issued by the Office of Local Government in January 2016. These documents are available at the following weblink: <https://www.councilboundaryreview.nsw.gov.au/>



Table 9 Local Representation across metropolitan Sydney

Council	No. of Councillors	Number of Residents (2014)	Residents per councillor
Hunter's Hill, Lane Cove and City of Ryde Councils			
City of Ryde	12	114,598	9,550
Hunter's Hill	7	14,689	2,098
Lane Cove	9	34,807	3,867
Merged council	12	164,094	13,675
Manly, Mosman and Warringah (Part) Councils			
Manly	9	44,786	4,976
Mosman	7	30,276	4,325
Warringah (part)	10	155,289	15,529
Merged council	10	153,008	15,301
Ashfield, Leichhardt and Marrickville Councils			
Ashfield	12	44,498	3,708
Leichhardt	12	58,136	4,845
Marrickville	12	83,356	6,946
Merged council	12	185,990	15,499
Burwood, City of Canada Bay and Strathfield Councils			
Burwood	7	36,053	5,150
Canada Bay	9	87,480	9,720
Strathfield	7	39,481	5,640
Merged council	9	163,014	18,113
Hurstville and Kogarah Councils			
Hurstville	12	85,886	7,157
Kogarah	12	61,030	5,086
Merged council	12	146,916	12,243
Parramatta (part), Auburn (part), The Hills (part), Hornsby (part) and Holroyd (part) Councils			
Parramatta			
Auburn	10	85,446	8,545
The Hills	12	187,703	15,642
Hornsby	10	168,614	16,861
Holroyd	12	111,100	9,258
Merged council	15	211,503	14,100
Auburn (part), Holroyd (Part) and Parramatta (part) Councils			
Auburn	10	85,446	8,545
Holroyd	12	111,100	9,258
Parramatta	15	189,932	12,662
Merged council	15	223,369	14,891
Botany Bay and Rockdale Councils			
Botany Bay	7	44,742	6,392
Rockdale	15	108,072	7,205
Merged council	15	152,814	10,188

Leichhardt Municipal Council

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Council	No. of Councillors	Number of Residents (2014)	Residents per councillor
Hawkesbury and The Hills (part) Councils			
Hawkesbury	12	65,527	5,461
The Hills	12	158,842	13,237
Merged council	12	224,369	18,697
Pittwater and Warringah (Part) Councils			
Pittwater	9	63,338	7,038
Warringah	10	155,289	15,429
Merged council	10	140,680	14,068
Bankstown and Canterbury Councils			
Bankstown	12	200,357	16,696
Canterbury	10	150,626	15,063
Merged council	15	350,983	23,399
Hornsby (part) and Ku-ring-gai Councils			
Hornsby	10	168,614	16,861
Ku-ring-gai	10	120,978	12,098
Merged council	15	289,592	19,306
North Sydney and Willoughby Councils			
North Sydney	13	71,025	5,463
Willoughby	13	74,166	5,705
Merged council	13	145,191	11,169
Randwick, Waverley and Woollahra Councils			
Randwick	15	143,776	9,585
Waverley	12	71,769	5,981
Woollahra	15	58,619	3,908
Merged council	15	274,164	18,278

Source: NSW Government 2016, Merger Proposals, January, available at the following weblink: <https://www.councilboundaryreview.nsw.gov.au/>

One of the more troubling aspects of the merger proposal for inner west residents is that local representation is being eroded far more here than in other areas of metropolitan Sydney and beyond. For example:

- The no. of residents per councillor is higher in the Ashfield, Leichhardt and Marrickville merger proposal (1:15,499) than 8 other merger proposals (including Hunter's Hill, Lane Cove and Ryde; Manly, Mosman and Warringah; Hurstville and Kogarah; Parramatta, Auburn, The Hills, Hornsby and Holroyd; Auburn, Holroyd and Parramatta; Botany Bay and Rockdale; Pittwater and Warringah; North Sydney and Willoughby).
- The North Shore Councils (incl. Manly, Mosman and Warringah; Pittwater and Warringah; and North Sydney and Willoughby) (with the exclusion of Ku-ring-gai and Hornsby) have a lower average no. of residents per councillor than the Inner West Councils (i.e. Ashfield, Leichhardt and Marrickville; Burwood, Canada Bay and Strathfield). An average of 1:13,512 on the North Shore compared to an average of 1:16,806 in the inner west.



In summary, the merger proposals will see a reduction in representation for 2.5 million people across Sydney and a further 1.8 million across the State will see no improvement in representation at all. The public expects improvements in representation as part of Local Government Reform.

Communities also expect equal representation across local government areas in capital cities and elsewhere. However, if the mergers proceed unequal representation will be a defining feature of local government reform in New South Wales. For example, if the mergers proceed, the five Councils in Sydney with the best representation will average 1 Councillor per 11,300 people while the five Councils in Sydney with the poorest representation will average 1 Councillor per 21,500 people. Even harder to explain is that both Bankstown-Canterbury and Botany-Rockdale Councils will have 15 Councillors each yet Bankstown-Canterbury will have 200,000 more people than Botany-Rockdale (Table 10). This unequal representation can easily be resolved if the mergers are disbanded.

Table 10 Local Representation across metropolitan Sydney – before and after mergers

	Councillors /Population (now)	Councillors /Population (after merger)	Change
Municipality of Hunters Hill	2,070	13,675	11,604
Woollahra Municipal Council	3,845	18,278	14,433
Ashfield Council	3,681	15,499	11,818
Lane Cove Municipal Council	3,777	13,675	9,898
Mosman Municipal Council	4,283	15,301	11,018
Hawkesbury City Council	5,426	18,697	13,271
Strathfield Municipal Council	5,480	18,113	12,633
Leichhardt Municipal Council	4,772	15,499	10,727
Manly Council	4,915	15,301	10,386
Waverley Council	5,892	18,278	12,386
Burwood Council	5,043	18,113	13,070
Kogarah City Council	5,034	12,243	7,209
Marrickville Council	6,877	15,499	8,622
North Sydney Council	5,327	11,169	5,842
Pittwater Council	6,897	14,068	7,171
Willoughby City Council	5,627	11,169	5,542
Randwick City Council	9,487	18,278	8,791
City of Canada Bay Council	9,434	18,113	8,679
Auburn City Council	8,337	14,891	6,554
Hurstville City Council	7,072	12,243	5,171
The Council Botany Bay	6,185	10,188	4,003
Holroyd City Council	9,074	14,891	5,817
Ku-ring-gai Council	11,903	19,306	7,403



Canterbury City Council	14,885	23,399	8,514
Ryde City Council	9,379	13,675	4,296
Rockdale City Council	7,114	10,188	3,074
Bankstown City Council	16,415	23,399	6,985
The Hills Shire Council	15,297	18,697	3,400
Fairfield City Council	15,494	18,697	3,203
The Council Hornsby	16,686	19,306	2,621
Parramatta City Council	12,308	14,100	1,792
Blacktown City Council	21,679	21,769	90
Warringah Council	15,264	15,301	37
Campbelltown City Council	10,303	10,303	0
Liverpool City Council	17,760	17,760	0
Wyong Shire Council	15,736	15,736	0
Council of the City of Sydney	19,192	19,192	0
Gosford City Council	17,075	17,075	0
Penrith City Council	12,695	12,695	0
Sutherland Shire Council	14,879	14,879	0

Source: NSW Government 2016, Merger Proposals, January, available at the following weblink:
<https://www.councilboundaryreview.nsw.gov.au/>

Not only will representation be significantly and negatively impacted by these reforms, but the number of proposed metropolitan councils is inconsistent with other States.

The number of metropolitan Councils proposed for Sydney is 25. After amalgamations occurred in Victoria, the number of metropolitan Councils became 31, six more than for Sydney. In Adelaide, which has a quarter of the population of Sydney, there are 20 Councils while Perth now had 29. As such should the merger take place, the number of capital city Councils will be:

- Sydney – 25 Councils
- Melbourne – 31 Councils
- Perth – 29 Councils
- Adelaide – 20 Councils.

Hobart has 6 Councils. Yet, if the same approach was taken as in Sydney, there would be only 1 Council for the entire city of Hobart which would amount to a complete removal of Local Government from this city.

The new Bankstown-Canterbury Council alone will have a population which is about 100,000 bigger than the city of Hobart.

On a population ratio basis, the number of Councils in Sydney will be far lower than for other States which is a considerable disadvantage for the people of Sydney.



Number of councillors

The Merger Proposal states that the new council is to comprise of 12 councillors – the same numbers in each of the individual councils. Importantly, the Merger Proposal also states that:

“Ashfield, Leichhardt and Marrickville communities will have an opportunity to shape how a new merged council will be structured, including the appropriate number of elected councillors.” (p. 11)

Leichhardt Council recommends to the Delegate that if the merger proposal is to proceed then the new Council should consist of 15 councillors which is the maximum number currently permitted under the *Local Government Act 1993*. The reasons in support of this proposal are as follows:

- The significant increase in the number of residents represented by each Councillor and the corresponding workload.
- To compensate (in part) for the loss of local representation outlined in the Merger Proposal. The increase in representation to 15 councillors would improve the ratio of residents to councillors significantly – from 1 councillor to 15,499 residents (current proposal) to 1 councillor per 12,399 residents.
- To ensure consistency across metropolitan Sydney on the ratio of Councillors to residents.
- To reflect the increase in the complexity and geographic reach of the issues before council.
- To account for the increase in the size and complexity of the new bureaucracy – the new council will have operating revenue of \$264 million and an asset base of over \$1.3 billion.
- The current proposal of 12 councillors is contrary to the policy direction of the NSW Government i.e. to have an uneven number of councillors. 15 councillors would satisfy this policy requirement as allowing the option of Wards to proceed.
- 15 Councillors will not preclude the formation of wards if the new Council so chooses (13 Councillors will not allow for wards).



6. The impact of any relevant proposal on the ability of the councils of the areas concerned to provide adequate, equitable and appropriate services and facilities.

Summary of the impact on services and facilities

The key points from this section are as follows:

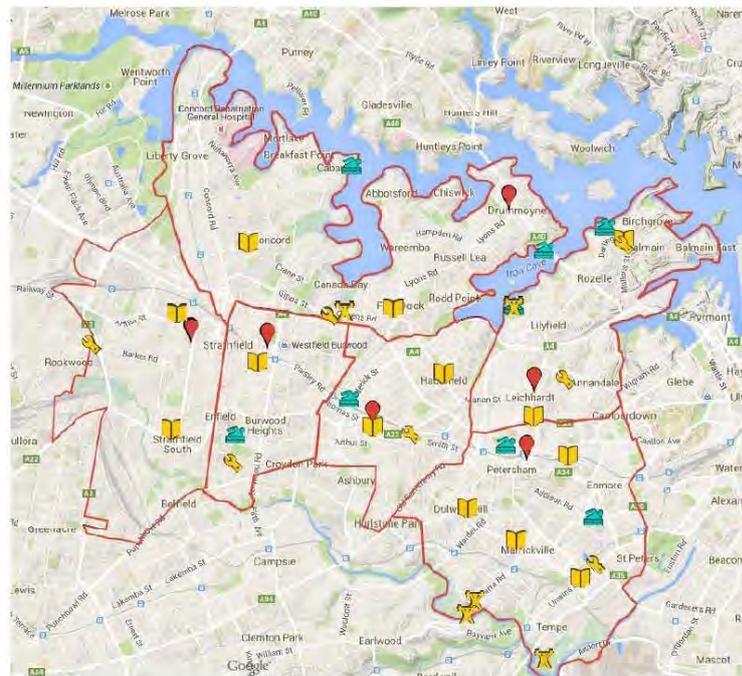
- All three councils provide a range of services (some unique) to their local communities and the service standards between the three councils vary considerably.
- The merger proposal will, through a process of service harmonisation, result in either:
 - a reduction of services and standards across the new council to the detriment of the local community, or
 - increasing the service to the other areas which will impose significant costs on the new council and community.
- In Leichhardt's case, the merger proposal will not provide for improved services contrary to the Merger Proposal without imposing new costs (i.e. user charges or taxes) on the local community. This is because Leichhardt already provides the highest level of service delivery in some service areas eg grass verge mowing comparison to its neighbouring councils.
- The tenuous financial position of a new merged council may also prevent the introduction of new services and instead call for a reduction in services and standards to meet budget imperatives. In this regard, the new council's financial prosperity (or otherwise) is almost entirely dependent upon sacking many staff (many involved in direct service delivery) which, if the peer reviewed evidence is a guide, may never be realised. A case in point is the recent merger experience in Queensland where staffing costs grew by 8 per cent a year following mergers.
- If the new council is unable to shed staff, it will then need to reduce services accordingly or impose new charges and taxes (rate increases) on the local community to continue to provide services at their current levels.
- Stand-alone remains the superior option for the Leichhardt Community. This will ensure the continued high level of service delivery that the residents have become accustomed to and council is readily able to afford.

Introduction

The range of services and facilities provided by any council to its community varies significantly from place to place. Not only do the types of services vary, but the levels of service will often be quite different from council to council. Figure 12 highlights the locations of some key council services including council offices, libraries, depots, swimming pools and recreation centres in the Inner West.



Figure 12 Key services and facilities of the inner west



	Council Offices
	Public Libraries
	Swimming Pools
	Recreation Centres
	Council Depots

Source: Morrison Low 2015, *Inner West Councils, Fit for the Future – Shared Modelling*, February, available at <http://www.leichhardt.nsw.gov.au/Community-Issues/Council-Amalgamation/Council-Amalgamation>

The councils of Ashfield, Leichhardt and Marrickville are reflective of the broader local government industry and exhibit many variations on the types and levels of service that they offer to their communities despite their relative proximity. There are obviously cost implications for the councils providing different services and levels of service.

There are a range of examples where services vary across council borders within the inner west and those variations can be in the form of: providing a particular service or not doing so; differing methods of delivering services (in house, outsourced, collaborative); variety in the levels of service delivered (frequency, standard); and pricing.



The issue of the provision of children's services is an example. Ashfield Council does not directly provide centre based child care services while Leichhardt and Marrickville Councils each have a portfolio of council operated child care centres or preschools (four and six respectively) with more in the planning stages at Leichhardt (a new centre in Leichhardt is scheduled to open in late 2016).

The provision of aquatic facilities is another area that demonstrates a range of approaches across the councils involved. All of the 3 inner west councils provide at least one aquatic facility. However those facilities range across a spectrum from ocean baths to swimming centres to full aquatic and leisure centre developments. Each council undertakes the full management of their facilities including the operation of the centres by day labour however the user pricing of these facilities varies across the councils - from \$6.00 to \$7.50 (a range of up to 25 per cent) for a single casual adult entry, each of the three councils providing facilities charges a different fee.

Another example arises from the fact that most of the councils offer a verge mowing service of some description. Variation is demonstrated in the service standards, such as frequency of mowing, but most significantly in the eligibility of property owners to access the service. In most council areas eligibility revolves around age or infirmity except for residents in Leichhardt and Marrickville. In these council areas the service is a regular programmed services and is provided across the local government area to all areas with a grass verge.

Set out in Table 11 is a high level review of a range of council service and the variations in those among the councils of the inner west.

The integration of services with differing service levels often leads to standardising those service levels at the highest level of those services that are being integrated. This is quite often a response to a natural desire to deliver the best possible services to communities as well as the need to balance service levels to community expectations across the whole area. However it does pose the risk of increased delivery costs and/or lost savings opportunities. Similarly, introducing services that are not currently delivered in one or more of the former council areas to the whole of the new council area will incur additional costs.

In our case therefore, amalgamations won't provide for improved services largely because of the unsustainable financial position of the new merged council (compared with the stand alone position). In some cases, services might have to be reduced or a rate increase sought to maintain service standards.



Table 11 High Level Comparison of Services and Service Levels across Ashfield, Leichhardt and Marrickville Councils

	Ashfield	Leichhardt	Marrickville
Governance			
Number of Councillors	12	12	12
Population per Councillor	3,708	4,845	6,946
% Total Expenditure on Governance and Administration	33%	22%	27%
Ratepayers			
- residential	15,141 (95%)	22,347 (92%)	30,217 (90%)
- business	834 (5%)	1,833 (8%)	3,238 (10%)
- total	15,975	24,180	33,455
Administration			
Number of Equivalent Full Time Employees	173	466	536
Population per staff member	254	120	156



	Ashfield	Leichhardt	Marrickville
SERVICES			
Administration			
Customer communication	Quarterly community newsletter (IH) Quarterly business newsletter (IH) Weekly Mayoral Column (IH)	Quarterly community newsletter (SS)	Quarterly community newsletter (IH) Monthly e-newsletter (IH)
Customer service calls (avg) answered per day	200 - 300	260	N/A
Response to customer requests	90% requests responded within 10 days	>70% enquiries resolved at first point of contact and < 3 minutes wait front counter and telephone	>70% enquiries resolved at first point of contact and < 5 minutes wait at front counter
Internal audits conducted	3 - 4 per annum	>5 per annum	>5 per annum
Public Order and Safety			
Animal Control	7,051		
- Number of companion animals identified	59%	16,738	21,042
- Percentage companion animals identified and registered		50%	51%
Complaints response standard	Investigate complaints within 24 hours	Investigations commenced within 48 hours	Investigations commenced within 48 hours
Health			



	Ashfield	Leichhardt	Marrickville
Inspections:	Food shops as per FA guidelines (1 – 3 per annum) Food safety seminars Monthly immunization Clinic	Food shops annually	Food shops annually
Environment			
Noxious Plants and Insect / Vermin Control	Respond to complaints within 24 hours	Investigate and resolve within 2 weeks	N/A
Solid Waste Management	Weekly garbage (OS) Fortnightly recycling (OS) Fortnightly greenwaste (OS) Monthly E-waste (IH) Christmas tree / mattress collection	Weekly garbage (IH) Fortnightly recycling (OS) Fortnightly greenwaste (IH) E-waste (OS)	Weekly garbage (IH) Fortnightly recycling (OS) Fortnightly greenwaste (IH) Quarterly E-waste (OS)
-Avge domestic waste charge -Total domestic waste diversion rate -Clean-up household rubbish collections per year	\$382 36%	\$440 43%	\$488 41%
Street Cleaning/Graffiti removal	2 per annum Graffiti 48 hours Street sweeping 6-8 week cycle Town Centre daily Verge mowing – by eligibility	2 per annum Graffiti weekly Steam cleaning pavers 6 monthly Town Centre daily Street sweeping 20-40 day cycle Verge mowing 20 day cycle	On request Street sweeping and verge mowing 5 weekly cycle Town Centre Daily Graffiti in hot spots removed fortnightly, in parks – hierarchy basis 2 – 12 weeks
Drainage	GPTs emptied quarterly	Investigate and clean blocked drains within 2 working days	N/A



	Ashfield	Leichhardt	Marrickville
Stormwater Management	Stormwater management charge	Stormwater management charge	Stormwater management charge
Children's Services	Youth Centre Youth Theatre Mobile playgroup OSHC 3 Childcare Centres (leased to private providers)	4 child care centres (growing to 5). New Centre to Open in Leichhardt (Mary St) in late 2016 Family Day Care and Occasional Care. Plus one centre leased privately	6 child care centres 1 pre-school Vacation care Family Day Care 5 before & after care Mobile playgroup
Multicultural services	Development and facilitation	Development and facilitation	Development and facilitation
Other	Support other programs	Support other programs	Support other programs Meals on wheels provided to Marrickville and Leichhardt residents
Community transport	Own service	Own service	Own service
Animal control	Collection (IH) Pound (OS)	Collection (IH) Pound (OS)	Collection (IH) Pound (OS)
Housing and Community Amenities			
Public Cemeteries	None	None	None
Town Planning	s149 certificates within 5 days	s149 certificates within 4 days	s149 certificates within 5 days
Number of DAs determined	400	474	578
Mean gross days for DAs	39 days	91 days	72 days
DAs per existing dwellings	2.17%	2.09%	1.80%



	Ashfield	Leichhardt	Marrickville
Recreation and Culture			
Public Libraries	2 libraries Circulation per capita 9 Home Library delivery twice weekly	2 libraries Circulation per capita 10 Home library delivery weekly	4 libraries Circulation per capita 6 Home Library delivery
Art Galleries and art activities	Facilitate programs and activities	Facilitate programs and activities	Facilitate programs and activities 6 Galleries 4 sites
Community Centres and Halls	11 venues	7 venues	5 venues
Other Cultural Services	Facilitate programs and activities	Facilitate programs and activities	Facilitate programs and activities
Sports Grounds and Venues	5 sportsgrounds	11 sports grounds	10 sportsgrounds
Swimming Pools (number)	1 Aquatic Centre (IH)	1 Aquatic Centre (IH) 1 Swimming Centre (IH) – nationally heritage listed tidal pool (Dawn Fraser Baths)	2 Aquatic Centres (IH)
Parks and Gardens (Lakes)	48 ha open space 1.1 ha per 1,000 population Mow parks fortnightly in summer and monthly in winter (IH)	84 ha open space 1.5 ha per 1,000 population Mow parks monthly (IH)	117 ha open space 1.4 ha per 1,000 population Mow parks fortnightly in summer and monthly in winter
Other Sport and Recreation	2 off leash dog parks	Multiple off leash parks	10 off leash dog parks Debbie & Abbey Borgia Centre 3 Court multi-purpose indoor stadium Robyn Webster stadium



	Ashfield	Leichhardt	Marrickville
Transport and Communication			
Condition - % in 4 and 5 (Transport from ss7)	4%	4%	6%
-Road length (kms)	98	151	217
-Road length per capita (metres)	2.24	2.68	2.65
-Roads	Maintenance (IH/OS) Construction (OS)	Maintenance (IH/OS) Construction (OS)	Maintenance (IH/OS) Construction (IH/OS)
-Footpaths	Construction & maintenance (IH/OS)	Construction (IH/OS) Maintenance (IH)	Construction & maintenance (IH/OS)
-Marine facilities	None	Boat ramps, jetties, ocean baths, seawalls & dinghy storage sites	Jetty Seawall
Other Transport and Communication	Community bus	Community bus	Community bus
Fleet	Car fleet – (IH/OS) Heavy fleet – (IH/OS)	Car fleet – (OS) Heavy fleet – (IH/OS)	Car fleet – (IH) Heavy fleet – (IH)
Drainage - Delivery	Maintenance (IH) Construction (OS)	Maintenance (IH/OS) Construction (OS)	Maintenance (IH/OS) Construction (IH/OS)



	Ashfield	Leichhardt	Marrickville
Economic Affairs			
Legal advice	Outsourced	Outsourced & Internal	Outsourced
Security	Outsourced	Outsourced	Outsourced
Buildings	Maintenance (IH/OS) Construction (OS)	Maintenance (IH/OS) Construction (OS)	Maintenance (IH/OS)
Condition - % in 4 and 5 (buildings ss7)	21%	6%	15%

Notes

1. The purpose of this matrix is to provide a comparison of those services and activities which are different or only provided by some of the participating councils. Where the services and/or service levels are the same (or essentially the same) they have been excluded.

2. IH = In House; OS = Outsourced (modes of service delivery)

Sources: Adapted from Morrison Low 2015, *Inner West Councils, Fit for the Future – Shared Modelling*, February, available at <http://www.leichhardt.nsw.gov.au/Community-Issues/Council-Amalgamation/Council-Amalgamation>; OLG 2015, *Your Council Report*, available at <http://olg.nsw.gov.au/public/my-local-council/yourcouncil-website>; Ashfield, Leichhardt and Marrickville Councils websites.



7. The impact of any relevant proposal on the employment of the staff by the councils of the areas concerned.

Summary of the impact on staff

The key points from this section are as follows:

- The merger proposal will have a significant and overwhelmingly negative impact on the employment of staff in each of the three councils.
- The merger proposal states that more than 85 per cent (or \$84 million over 20 years) of gross savings arising from the merger are based on reductions in staffing levels in the new council.
- Redundancies will negatively impact service delivery and result in a loss of corporate/community knowledge and commitment to local values.
- Staff made redundant will find it difficult, if not impossible, to find suitable alternative employment. This is because mass redundancies will occur across the entire local sector at the same time as a result of the Government's forced amalgamations agenda. Employees will then have to compete with their colleagues and peers for employment.
- The NSW Government will have to put in place a structural adjustment package to provide for these staff.
- The KPMG Technical Paper (dated 19 January 2016) assumes that each of the three Councils lose 4 Directors per Council (i.e. twelve in total). This assumption is incorrect in our case as there are only 7 Directors on senior staff contracts currently in place. The result is that KPMG have overestimated gross financial benefits arising from the merger in the order of \$22 million over 20 years.
- The KPMG Technical Paper also assumes a General Manager and four Directors for the new Council, but ignores the additional support staff required so the new General Manager can address all the tasks of the current General Managers; and similarly for the new Directors.
- The stand-alone option remains superior to the merger proposal in terms of employment of staff.

Introduction

The merger proposal will have a negative impact on the employment of staff in each of the three councils. This is because the savings quantified in the merger proposal issued by the NSW Government are almost entirely dependent upon the realisation of a significant reduction in staff across the three councils. The reduction in staff, which is estimated by the KPMG to generate gross savings in the order of \$84 million over 20 years, will be achieved through the reduction in the number of senior staff, through a the process of natural attrition and in the longer term reducing the overall staff numbers with a focus on removing the duplication of roles and creating greater efficiency in operations. This equates to approximately 50 staff across the three councils alone. Employment across the entire sector will contract due entirely the Government's forced amalgamations agenda – this will have significant multiplier



impacts across the entire NSW economy. Specifically, tax receipts will fall, unemployment will rise and Government support will be required.

The main areas in which staff will be reduced, according to our independent modelling undertaken by Morrison Low, are as follows: Governance and executive team; Corporate services; and Works and services. Details provided below.

Areas facing significant staff redundancies

a. Governance and executive team

The formation of a new entity will result in the rationalisation of the governance and executive management teams across all three councils. Table 12 summarises the expected staff reduction together with the associated timing for governance.

Table 12 Rationalisation of governance and executive teams

	Staff	Duplicated Services	Elected Members	On Costs
Transition Period	Nil	Nil	Nil	Nil
Short Term (1 to 3 years)	Streamlined management (General Managers and Directors) Sinking lid (voluntary)	General Managers, Directors, Mayoral/CEO support Council/Committee Secretarial Support	Reduced councillors and remuneration	Staff associated costs e.g. HR, accommodation, computers, vehicles
Medium Term (3 to 5 years)	Streamlined management (General Managers and Directors) Sinking lid (voluntary)			Staff associated costs e.g. HR, accommodation, computers, vehicles

Source: Morrison Low 2015, *Updated Inner West Business Case Model*, Leichhardt Council, November, available at <http://www.leichhardt.nsw.gov.au/Community-Issues/Council-Amalgamation/Council-Amalgamation>

The new council is likely to result in staff reductions in the following areas of governance:

- **Executive management** - There will be a short term rationalisation in the total number of executive managers required at the Tier 1 (General Managers) and Tier 2 (Directors) levels that is 3 GMs to 1, and 7 Directors to 4. Note that the KPMG merger proposal report mistakenly models a reduction of 12 Directors for our 3 councils – immediately indicating that anticipated expenditure reductions are overstated



- Rationalisation of governance services** - Under a single entity a number of the existing governance services would be duplicated and consequently staff will be reduced in these areas in the medium term. The expected efficiencies relative to this area are realised in the Corporate Services Section and will see a reduction in staffing in these areas in the order of between 30 and 40 per cent. The reduction in resources is only likely to occur in the medium term due to existing employment protection provisions (5 years for Leichhardt Council non senior staff)

b. Corporate Services

Corporate services incorporates most of the organisational and corporate activities such as finance and accounting, human resources, communication, information technology, legal services, procurement, risk management, and records and archive management. Across the councils there is likely to be some element of duplication so there should be efficiency opportunities as it relates to administrative processes and staffing levels.

The potential reductions in staff within the corporate services category are summarised in Table 13 below along with the indicative timing of when the efficiency is likely to materialise.

Table 13 Rationalisation of corporate services

	Staff	Duplicated Services	Elected Members	On Costs
Transition Period	Nil	Nil	Nil	Nil
Short Term (1 to 3 years)	Streamlined Management (General Managers and Directors) Natural attrition (voluntary)	General Managers, Directors, Mayoral/GM support Council/Committee Secretarial Support	Reduced councillors and remuneration	Staff associated costs e.g. HR, accommodation, computers, vehicles
Medium Term (3 to 5 years)	Streamlined Management (General Managers and Directors) Natural attrition (voluntary)			Staff associated costs e.g. HR, accommodation, computers, vehicles

Source: Morrison Low 2015, *Updated Inner West Business Case Model*, Leichhardt Council, November, available at <http://www.leichhardt.nsw.gov.au/Community-Issues/Council-Amalgamation/Council-Amalgamation>



Consistent with the dis-establishment of three councils and the creation of a single entity, there are a number of back office duplicated services that will likely be targeted including financial reporting, business systems, and administrative staff. Examples include: Finance & Corporate - including financial management, corporate planning, human resources, payroll, risk management & communications (phone, website and social media). Customer Service functions including local customer service centres and back office call centres will not likely reduce due to the already heavy demands across the 3 councils.

c. Works and services

In reducing supposed duplication across the three councils there will likely be a targeted reduction in employees in works and services, including Waste and Work (maintenance) units:

- Waste - The three councils currently provide their waste collection services through different delivery models. Marrickville and Leichhardt are undertaking some or all of the waste collection services in-house whereas Ashfield outsources the collection of waste.
- Works units –including day labour road and footpath maintenance, street sweeping and parks maintenance.

d. Areas of further staff reductions

Based on the experience from previous amalgamations in local government (In Australia and New Zealand) there are other areas where we would expect there to be opportunity to achieve efficiencies. These areas include management, staff turnover, procurement, business processes, and property/accommodation.



Overall impact on employment

The overall impact of the merger proposal on the employment of the staff by the councils of the areas concerned is significant. More than 50 staff will no longer have a job. While this may not appear to be substantial and that these jobs could be absorbed within the local economy (and nearby CBD), it is highly significant for local government employees for the following reasons:

- Local government, like government at all tiers, has a long serving workforce. For example, as at 20 January 2016, Leichhardt Council has over 200 employees with more than 10 years continuous service; 77 of which have more than 20 years' service.
- The redundancies will occur at a time as the industry across the board undergoes a significant downsizing as a result of the mergers. New employment will be difficult (if not impossible) to secure. A further complication may be that the new councils may restrict new jobs to internal candidates only further limiting employment prospects across the industry.
- Given staff uncertainty surrounding the establishment of a new council it is logical to conclude that many existing staff members will simply leave the organisation, and possibly the local government industry.

It is for the above reasons that those employees made redundant may find it difficult to find alternate and suitable employment. Given this it may be appropriate for the NSW Government to provide structural assistance to the sector in the wake of these merger proposals. This should at a minimum provide retrenched staff with access to appropriate training and development.



8. The impact of any proposal on rural communities in the areas concerned.

This factor is not relevant to the merger proposal relating to Ashfield, Leichhardt and Marrickville Councils.

9. In the case of a proposal for the amalgamation of two or more areas, the desirability (or otherwise) of dividing the resulting area or areas into wards

Summary of the impact of creating wards

The key points from this section are as follows:

- The Council in its final submission to the Delegate on the merger proposal for Ashfield, Leichhardt and Marrickville has the option to clearly outline its preference for the new Council to be divided into wards or to abolish all wards if it so chooses.
- When making any submission, Council needs to consider the following issues:
 - If Council favours Wards, the Wards for the new, amalgamated area will need to have populations the same, with only a 10 per cent variation each.
 - Any revised Council Ward system will need to consider how many Councillors the new Council will have (the Act allows between 5 and 15 under section 224) and how many Councillors each Ward will return (in accordance with the 10 per cent rule cited above). The draft amendments to the Local Government Act favour a system of Councils with odd numbers of Councillors ostensibly to prevent deadlock situations. Given that each Council currently has 12 Councillors and the new entity will be much larger than the current three, it is assumed that all the Councils may seek a membership of 15 Councillors
 - The new Council can vary the proposed Wards at a later time via the mechanisms prescribed in the *Local Government Act 1993*.
 - Wards, if favoured, need to ensure that the level of representation of the various diverse communities in the new Council will not result in one community or another being advantaged or disadvantaged.

This section will be amended once Council has formally resolved a particular way forward.



The legislative framework

Chapter 9, Part 1, Division 1 of the *Local Government Act 1993* (“the Act”) provides the legislative framework for Wards. The following legislative details are provided for information.

a. Constitution of an area, division of the area into wards or abolition of wards

The Act under section 218A provides that the Governor may *amalgamate two or more areas into one or more new areas*. This is the power the State is using to force the current amalgamation. Divisions 1 and 2 of the Act (sections 204 to 218) apply to the new area in the same way as they apply to an area constituted by a proclamation under section 204. However, section 212(2) (about public inquiries) does not apply. Once constituted, a Council (under s. 210 which applies to our situation) may divide its area into wards, abolish all wards, alter ward boundaries and name or rename a ward. Under section 213, the proclamation establishing the new Council may turn its mind to a number of items, including whether the area has Wards, and if so, what the Ward boundaries will be.

On the mechanics of establishing wards, the Act stipulates that the division of a council’s area into wards, or a change to the boundaries of a ward, must not result in a variation of more than 10 per cent between the number of electors in each ward in the area.

The following items b, c, and d apply to Councils which decide to create Wards or to vary Wards.

b. Consultation, public notice and exhibition of proposals regarding ward boundaries

Before dividing a council’s area into wards or altering a council’s ward boundaries, the council must (s. 210):

- (a) consult the Electoral Commissioner and the Australian Statistician to ensure that, as far as practicable, the proposed boundaries of its wards correspond to the boundaries of appropriate districts (within the meaning of the *Parliamentary Electorates and Elections Act 1912*) and census districts, and to ensure that the proposed boundaries comply with the 10 per cent variation noted previously, and
- (b) prepare and publicly exhibit a plan detailing the proposed division or alteration (the **ward boundary plan**).

Under section 210A, the council must give public notice of the following:

- (a) the place at which the ward boundary plan may be inspected,
- (b) the period for which the plan will be exhibited (being a period of not less than 28 days),
- (c) the period during which submissions regarding the ward boundary plan may be made to the council (being a period of not less than 42 days after the date on which the ward boundary plan is placed on public exhibition).



Further, the council must, in accordance with its notice, publicly exhibit the ward boundary plan together with any other matter that it considers appropriate or necessary to better enable the plan and its implications to be understood.

Any person may make a submission to the council regarding the ward boundary plan within the 42 day period and the council must consider submissions made in accordance with this section.

The *Local Government (General) Regulation 2005* (Part 11, Division 2, section 277) provides further details on the notice of changes to wards. This section of the Regulation states that if a council divides its area into wards, abolishes all its wards, alters its ward boundaries or names or renames a ward in its area, the general manager of the council must give notice of that fact and stipulates the notice to be given as follows:

- (a) by advertisement in a newspaper circulating generally in the council's area, and
 - (b) in writing displayed at the office of the council, and
 - (c) in writing delivered or sent to the Electoral Commission.
- (3) If, as a result of the changes referred to in this clause, there are any wards that are new or that have altered boundaries, the notice must include a written description of, and a map showing, the boundaries of the new wards or boundaries as so altered.

c. Approval to abolish all wards in council's area

Under section 210B of the Act, a council may resolve to make an application to the Minister to approve the abolition of all wards of the council's area. The council must give not less than 42 days' public notice of its proposed resolution.

After passing the resolution, the council must forward to the Minister a copy of the resolution, a summary of any submissions received by it and its comments concerning those submissions. The Minister may approve the application or may decline to approve it.

If the Minister approves the application, all the wards in the council's area are abolished with effect on and from the day appointed for the next ordinary election of councillors after the application is approved.

d. Ward boundaries

The Act (section 211) requires the council of an area divided into wards that they must keep the ward boundaries under review. If the following conditions (a and b below) are met the council must, as soon as practicable, alter the ward boundaries in a manner that will result in each ward containing a number of electors that does not differ by more than 10 per cent from the number of electors in each other ward in the area:

- (a) during a council's term of office, the council becomes aware that the number of electors in one ward in its area differs by more than 10 per cent from the number of electors in any other ward in its area, and



(b) that difference remains at the end of the first year of the following term of office of the council, the council must, as soon as practicable, alter the ward boundaries in a manner that will result in each ward containing a number of electors that does not differ by more than 10 per cent from the number of electors in each other ward in the area.

If the new Council decided that Wards would be advantageous, the procedures set out above at b, c, and d would be invoked to create new Wards. Any revised Council Ward system will need to consider how many Councillors the new Council will have (the Act allows between 5 and 15 under section 224) and how many Councillors each Ward will return. The draft amendments to the Local Government Act favour a system of Councils with odd numbers of Councillors ostensibly to prevent deadlock situations. Given that each Council currently has 12 Councillors and the new entity will be much larger than the current three, it is assumed that all the Councils will seek a membership of 15 Councillors.



10. In the case of a proposal for the amalgamation of two or more areas, the need to ensure that the opinions of each of the diverse communities of the resulting area or areas are effectively represented

Summary of the need to ensure diverse communities are represented

The key points from this section are as follows:

- Reducing access to Council and elected representatives negatively impacts the capacity of residents in the local government area to deliver the stated policy objectives of the Local Government Charter.
- The community's ability to have effective input in significant matters will suffer with a large council. By reducing the means to contribute via councillor representation and council committees, the communities ability to participate effectively in the big issues facing the new Council, including the scoping and master planning of major sites (e.g. Bays Precinct, Parramatta Road, WestConnex, etc.), will be limited leading to a reduced ability to have your say at the local level.

Introduction

Leichhardt residents are actively involved in policy making and willingly give their time to make a contribution. The merger proposal will negatively impact residents contribution to the policy making process by reducing access to political representatives and through the inevitable reduction of council committees.

Impact on diverse communities

Leichhardt Council is about true community governance i.e. public engagement in all decision making at the highest level. Council ensures deliberative democracy by actively drawing on the community, after thought and debate, to make informed decisions. In this way it has established its social capital.

Leichhardt pursues an open council policy providing council papers and agendas to the public and media seven days in advance of Council and Committee meetings. It gives residents the right to participate & speak freely at Council and committee meeting.

Residents of Leichhardt have become accustomed to participating in decisions that affect them directly. The Leichhardt community has expressed a strong desire to be informed of, to provide information for, and be involved in Council's planning and decision-making processes. The community's vision in *Leichhardt 2025+* is that *Community and Council will work together to promote Leichhardt as a sustainable, liveable and connected community*. Council's *Community Engagement Framework* expresses Council's commitment to open, participatory and transparent governance that forms the foundation of democratic, responsible government.

Residents of Leichhardt are assured of consistent means of engaging with Council on all aspects of local council business, across site-specific matters, to program and policy



development, service planning and implementation and strategic planning and governance.

Residents have open access to participate in and contribute to Committees of Council attended by Councillors and supported by Council staff, including:

- Seven Specialist Advisory Committees (e.g. Planning and Urban Design, Community, Culture and Recreation Committee, Heritage Committee, Access Policy Committee,)
- Eight Partnership and Co-ordination Groups (e.g. Bicycle Advisory Committee, Aboriginal and Torres Strait Islander Committee, Youth Council, Seniors Committee)
- Seven Precinct-based Committees
- Specialist Task Forces.

The committees of council ensure that all sectors of the community including young people, older people, and people with lived experience or with expertise in specialist policy, planning and social environments actively contribute to shaping Council's strategic direction, and program implementation in the community.

The local government charter requires Councils to consult with, and plan for their communities, and this in turn builds community participation and volunteering to create liveable and sustainable social environments. The Leichhardt Wellbeing Survey further reported that half of the resident population (49.6 per cent) had undertaken unpaid voluntary work in the previous twelve months, compared to 27.3 per cent of all Australians. A quarter (25.2 per cent) had spent time in the previous four weeks providing unpaid care, help or assistance to someone with a disability, long-term illness or problem related to old age.

These patterns of high levels of public participation in Leichhardt and voluntary assistance to others when benchmarked against the rest of NSW indicate a highly engaged, capable and effective community. Reducing access to Council and elected representatives negatively impacts the capacity of residents in this local government area to deliver the stated policy objectives of the Local Government Charter.

The community's ability to have effective input in significant matters will suffer with a large council. By reducing the means to contribute via councillor representation and council committees, the community's ability to participate effectively in the big issues facing the new Council, including the scoping and master planning of major sites (e.g. Bays Precinct, Parramatta Road, WestConnex, etc), will be limited and potentially silence the community's opposition to these projects.

Leichhardt Council prides itself on community involvement on both major and local issues. A merged council will adversely impact on the ability for the community to effectively engage and be heard.



11. Such other factors as it considers relevant to the provision of efficient and effective local government in the existing and proposed new areas.

Summary of other factors

The key points from this section are as follows:

- Leichhardt Council meets the scale and capacity elements as defined by the Independent Local Government Review Panel and contrary to the Merger Proposal conclusions.
- Leichhardt Council is able to govern effectively and provide a strong voice for its community. This includes the strategic delivery of projects and regional planning, addressing challenges and opportunities (e.g. infrastructure backlog and maintaining financial sustainability), effectively partnering with other tiers of government to deliver community services and infrastructure projects and to operate as an effective, efficient and modern organisation.
- Leichhardt Council has a proven record in delivering a range of comprehensive and innovative policies and programs to meet both the immediate needs as well as future challenges confronting its local community and broader region.
- Merging Ashfield, Leichhardt and Marrickville Councils will not improve the strategic capacity of local government in the combined new areas, either for the individual councils as they currently stand, or as a whole if the proposal is adopted.
- If the NSW Government proceeds with forced amalgamations, then it will need to give consideration to the organisation of the Interim Council and governance arrangements to ensure a smooth transition to the new council.
- Leichhardt Council proposes a number of recommendations with respect to the interim and new council governance arrangements if the merger proceeds, including:
 - All councillors and senior staff remain in place until the election of the new council in March 2017. This is consistent with the Minister's and the Premier's promises to Councillors and will allow the Councils themselves to undertake work on how the amalgamation should work in terms of management structure, finance, planning and the like, and present this to a new Council for adoption after it comes into being. The new Council can adopt, amend, or reject these proposals.
 - Existing senior staff should also be retained after the new Council elections to ensure retention of corporate history and effective, on-going service delivery. The senior staff will also be invaluable in assisting with the development and establishment of a new organisational structure.
 - The new council should comprise 15 councillors which is consistent with other merger proposals across metropolitan Sydney and would ameliorate in part the loss of local representation.
 - Further, the Government should give due consideration to increasing the remuneration of councillors to reflect the complexity and increased workload of councillors in the new council
 - Allow the election of the new Mayor to be determined by the new council.



- All of these recommendations are based on robust evidence and will enable the smooth transition to and effective operation of a new council.
- The Leichhardt Community are rightly concerned that the merger will carry considerable risks, particularly in relation to the retention of existing facilities and services. The principal concern was with the decline in services and facilities.
- In the event that the merger proposal proceeds the new council must endeavour to allay the concerns of its community and commit to the retention of existing facilities, services and offerings.

Scale and strategic capacity

The merger proposal is premised on the assumption that a bigger council (measured solely in terms of population) is more efficient and strategic, a more effective partner with other tiers of government and a stronger advocate for local communities – this is the scale and strategic capacity argument advanced in the Fit for the Future program, perpetuated by IPART and the basis of the Merger Proposal issued by the Minister in January 2016.

However, these arguments are not evidenced-based and no empirical evidence has been produced to support such arguments by the NSW Government, its investigative bodies (IPART and the Independent Local Government Review Panel) or in the peer-reviewed literature (see Abelson, P. and Joyeux, R, 2015, "Smoke and Mirrors: Fallacies in the NSW Government's Views on Local Government Financial Capacity," *Public Money & Management*, July, pp. 315-320; and Professor Dollery's recent submission to the Parliamentary Inquiry into Local Government, Submission No. 3 - <http://www.parliament.nsw.gov.au/prod/parlament/committee.nsf/V3ListSubmissions?open&ParentUNID=4418B0EDCF843FF9CA257E52001DC61A>).

Leichhardt Council argues that it has both scale (achieved through SSROC) and strategic capacity to be an efficient, effective and strategic player as a stand-alone entity. Specifically, Leichhardt Council meets all ten (10) elements of strategic capacity as prescribed in the Independent Review Panel's Final Report. Council's detailed responses to how it meets the strategic capacity elements are provided in detail at **Attachment 4**. In summary, Leichhardt Council is able to demonstrate:

- A robust revenue base and discretionary spending capacity. Council's LTFP and Annual Budget (<http://www.leichhardt.nsw.gov.au/Budget1516>) demonstrates Council's sound financial position in the short, medium and long term; our satisfactory revenue generation and our ability to increase discretionary spending in the future (if required) whilst still meeting the 7 Fit for the Future benchmarks.
- Scope to undertake new functions and major projects. The LTFP retains flexibility for new projects in both the immediate and longer terms.
- Ability to employ a wider range of skilled staff. Council's adopted Workforce Plan continues to allow the employment of a broad range of skilled staff. In addition, attracting and retaining skilled staff has never been an issue for Council given the



nature and importance of the work undertaken and positive workplace culture. In this regard, Leichhardt Council is widely known as a council or employer of choice for many staff. This will not be the case with a new unknown Council with low morale and a dysfunctional environment.

- Knowledge, creativity and innovation. This is evidenced by the Office of Local Government's recent Better Practice Review which indicated many areas in which Council is best practice, including strategic and corporate planning, the LTFP and Council's efficiency program.
- Advanced skills in strategic planning and policy. Council's continued focus on effective strategic planning and policy development through the recently restructured council and committee system, refocussing committees and key staff on policy development and review.
- Effective regional collaboration. Existing and continuing effective regional collaboration through the Southern Sydney Regional Organisation of Councils (SSROC) (e.g. resource sharing, aggregated procurement and advocacy) and the Sydney Metropolitan Mayors organisation. Further examples of effective regional collaboration include: Council working with 10 Central sub-regional councils to contribute to the NSW Department of Planning's Central Sub-Regional Plan; and Council working with the City of Sydney and Urban Growth NSW on the Bays Precinct Urban Renewal Project. Contrary to the State Government's paper which assumes savings from improved purchasing power from 1 to 3 Councils, Leichhardt already has the purchasing power of 17 councils through SSROC.
- Credibility for more effective advocacy. Through effective regional collaboration Council has been able to demonstrate effective and credible advocacy. Leichhardt Council is also a well-respected Council and one that leads on financial sustainability, infrastructure management and environmental sustainability.
- Capable partner for State and Federal agencies. This captures Council's proven ability to work with the other tiers of government to deliver essential infrastructure (renewals and expansion projects) and in addressing key emerging issues.
 - Resources to cope with complex and unexpected change. This is demonstrated by reference to the following activities: Council holds significant Reserves to manage contingencies as they arise
 - Council is continuously seeking to improve its use of resources, especially through shared services delivery improvements through the SSROC model.
 - Council's continuous improvement plan and financial strategies will continue to provide adequate resources (financial and non-financial) to meet and manage change.
- High quality political and managerial leadership. Council is well positioned with highly educated, experienced and professional managerial team. The Executive team has in excess of 70 years senior management experience at various tiers of Government.



Leichhardt Council is able to govern effectively and provide a strong voice for its community. This includes the strategic delivery of projects and regional planning, addressing challenges and opportunities (e.g. infrastructure backlog and maintaining financial sustainability), effectively partnering with other tiers of government to deliver community services and infrastructure projects and to operate as an effective, efficient and modern organisation – examples of each of these elements of “scale and capacity” are provided above and at **Attachment 4**.

Leichhardt Council also has a proven record in delivering a range of comprehensive and innovative policies and programs to meet both the immediate needs as well as future challenges confronting its local community and region. It has clearly showed it has the requisite scale and capacity in this area and the few examples provided below demonstrate these claims:

1. **Community engagement** – Council has demonstrated the capacity to effectively engage with its community on important matters. In fact, this is an area where Leichhardt Council excels as demonstrated by its award winning Reconciliation Action Plan and its positive engagement with the LGBTQI community. The Leichhardt Council RAP is regarded and promoted by Reconciliation Australia as best practice by Local Government. Council’s highly effective community engagement involves the community in discussion and advising Council through 16 specialist committees of Council and 7 community precincts.

Council has developed and delivered highly effective, and award-winning strategies and actions to the community, directed by evidence-based planning and specialist expertise in:

- Community and Cultural development
- Public Art and Placemaking
- Healthy Ageing
- Reconciliation Action Plans
- Access Inclusion Plans.

This leadership has been achieved through award-winning partnerships, such as the LinkedIn Mentoring Program and Hawthorne Canal Community Art Space, and action research programs such as the Dementia Café and Council’s Women In Leadership Program.

2. **Community wellbeing** – Council has led the development of policy and programs focused on improving community wellbeing. Recent examples include:
 - Use of Council Facilities for After School Care Policy. This policy has two objectives: a) To meet Council’s obligation under the Local Government Charter to plan and provide for the needs of children, in particular the needs of primary school age children and their families, and b) To optimise the use of Council community facilities for out of school hours care. The Policy has addressed growing demand from local families for out-of-school hours care (an area of policy largely neglected by the NSW Government) by providing access to a



quality after school care services that enrich children's lives, support families and build community.

- Home Modifications in Strata Dwellings. Leichhardt Council and City Futures Research Centre, University of NSW were jointly awarded the Planning Institute Australia Award (PIA) for a research report aimed at improving access for older residents and people with disability in their homes. The 2014 Planning Institute Australia Award for Planning Excellence (NSW) is in the category of cutting edge research and teaching.
 - Tweens program. The Stepping Up Tweens Program is a skills development and capacity building program for students in years 5, 6 and 7 (tweens) and their parents/carers.
 - Linked-In Mentoring Program. A school-based mentoring initiative in partnership with Sydney Secondary College (Leichhardt and Balmain). The program empowers and support female students in year 8, to keep them engaged and introduce them to alternate learning environments. This is achieved through the development of mentoring relationships with volunteer adult mentors. The program involves a series of program and activities where young people are accompanied by volunteer mentors. The Program received a commendation in the Local Government Award in 2012.
 - Site and Sound Arts. Site and Sound is an initiative from Leichhardt Council that aims to animate and enliven the Leichhardt Town Hall, a building that has been in community use for 128 consecutive years. The 2016 Program activated Leichhardt Town Hall as a cultural hub in order to provide invaluable and much needed space-in-kind to artists and showcase Leichhardt as a place where arts is energized and connected. Site and Sound invites arts and cultural practitioners to recognize their role in partnering with Leichhardt Council to build the capacity of their discipline and build audiences.
 - Community Garden Policy – innovative community partnerships fostering community connections, capability and well-being.
 - Open Space Strategy for Dogs – Leichhardt has the most open space dedicated to dogs off leash within a well-regulated environment.
3. Environmental sustainability and biodiversity. Council is a leader in environmental sustainability and biodiversity. Council was the second council in NSW to achieve carbon neutral certification and is leading the way in reducing car dependency. Council's Integrated Transport Plan 2013-2023, which was the subject of much community engagement and discussion, is specifically designed to increase the mode share for sustainable transport by increasing walking, cycling and public transport use; reducing private car dependency; integrating transport with land use and community activities; and providing equitable transport solutions for the whole community.

On the issue of biodiversity, Council is again a leader within NSW. The Native Revegetation and Biodiversity Management Plan, for example, clearly documents how Council will maintain and enhance biodiversity values in the LGA.



4. Economic development. Council's 10-year Employment and Economic Development Strategy is supporting the local economy, jobs growth and local business through an integrated and evidence-based service delivery plan. In addition, Council is leading the way in policy and service delivery in the area of economic development through its Mainstreet Revitalisation Policy, Renew Leichhardt and Off Broadway policies and strategies. These innovative policies are directly supporting small business, creative industries and the live music sector for the overall benefit of the local community.
5. Community Strengths and Capability. The local government charter makes local government responsible for planning for and providing appropriate services to its community. People are looking to Council for leadership, advocacy and investment in building community strengths and capabilities. Leichhardt residents have made significant contribution to Council planning and policy development, in particular the 1,200 plus residents engaged in developing the Community Strategic Plan *Leichhardt 2025+*, and additionally the thousands of residents involved in developing the Community and Cultural Plan Healthy Ageing, Reconciliation, Access Policy and Public Art.
6. Integrated Planning and Reporting. Council has developed and adopted a Community Strategic Plan, known as 'Leichhardt 2025+', a combined Delivery Program & Operational Plan and Resourcing Strategy consisting of three main components being the Long Term Financial Plan, Asset Management Plan and Workforce Management Plan. Community engagement informed the development of these documents and further bi annual Community Perception Survey's assist in developing our Delivery Program and annual budgets.

We see community engagement as being essential to gain an understanding of residents' perceptions, attitudes and satisfaction with the Council and Council services and to provide Council with direct resident feedback, which is used to strategically plan funding priorities and service delivery for the future.

As an extension to the NSW Government's Integrated Planning & Reporting Framework, Council also developed and adopted a suite of Strategic Service Plans to support the delivery of our Community Strategic Plan - Leichhardt 2025+, including a Community & Cultural Plan, Employment & Economic Development Plan, Environmental Sustainability Plan and Integrated Transport Plan. Each of these plans comprise of an integrated 10 year strategic service plan, supported by a 4 year service delivery plan that addresses the aspirations and challenges of the Leichhardt Local Government Area.

Our integrated approach to Integrated Planning & Reporting demonstrates how Council operates at a local level and maintains its regional focus on key issues affecting local government, thus ensuring key issues are not regarded in isolation.

Council's commitment is to maintain transparency and promote good governance, ensuring perpetual monitoring and review by adopting a quarterly reporting regime of our Delivery Program and Operational Plan.



Council further prepares an Annual Report each year and will prepare our an End of Term Report to report to our community how Council is progressing towards achieving the social, environmental, economic and civic leadership objectives of the Community Strategic Plan and how effective we have been in delivering the desired outcomes.

In summary, merging Leichhardt with Ashfield and Marrickville Councils will not improve the strategic capacity of local government in the combined new areas, either for the individual Councils as they currently stand, or as a whole if the proposal is adopted. In fact, recent evidence indicates (see Abelson and Dollery) that the merger will lead to diseconomies of scale and scope which will then impose significant new costs on the community. The stand-alone option is far superior in this regard and will ensure the delivery of efficient and effective services to the residents and ratepayers of Leichhardt.

Ensuring a smooth transition

In the event however that this scale and capacity argument falls upon deaf ears and the merger proposal therefore proceeds, the following recommendations are made in the best interests of our community for a smooth transition to a new council as well as for the most effective operations of the new council.

a. Interim Governance arrangements

Firstly, all existing Councillors and Senior Staff should remain in place until the new council elections.

On 18 December 2015, Minister for Local Government, the Hon. Paul Toole MP, wrote to the Mayor of Leichhardt and advised that:

“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.”

Some statements made by the Minister and the Premier since have appeared to cast doubt on this very clear statement that all the Councils and their representatives would remain in place until the new entity is created. However, the *Local Government Act 1993 (Act)* and the history of amalgamations made under Part 2A and 2B of Part 1, Chapter 9 of the Act demonstrates that the best way to proceed with an interim organisation is precisely as the Minister has already promised.

How new areas come into being

Once the procedure for amalgamation under Divisions 2A and 2B of Part 1 of Chapter 9 of the Act has occurred, the procedure for abolishing the previous areas and constituting the new area is set out in section 218A of the Act which reads:

- (1) The Governor may, by proclamation, amalgamate two or more areas into one or more new areas.
- (2) On the date specified in the proclamation as the date on which the areas are to be amalgamated:



- (a) the areas are dissolved, and
 - (b) the new area or new areas are constituted, and
 - (c) subject to section 218C, the councillors of the former areas cease to hold office.
- (3) Divisions 1 and 2 apply to a new area constituted by a proclamation under this section in the same way as they apply to an area constituted by a proclamation under section 204.
- (4) Section 212 (2) does not apply to the dissolution of a former area by a proclamation under this section.

References to Divisions 1 and 2 are references to the parts of the Act dealing with constituting an entirely new Council area where there had previously not been one, and includes provisions for naming, the ward boundaries (if any) the number of Councillors and administrative provisions. The most significant section is probably section 213, **Facilitating Provisions of Proclamations** which states:

- (1) A proclamation of the Governor for the purposes of this Division may include such provisions as are necessary or convenient for giving effect to the proclamation, including provisions for or with respect to:
- the transfer or apportionment of assets, rights and liabilities
 - the transfer of staff
 - the application of regulations
 - the alteration of ward boundaries
 - the holding of elections
 - the delivery or retention of records
 - the termination, cessation, dissolution or abolition of anything existing before the proclamation takes effect
 - the preservation or continuance of anything existing before the proclamation takes effect
 - the making of appointments
 - the inclusion or exclusion, as a constituent council of any related county council, of the council of any area constituted or dissolved by the proclamation.
- Note.** If a proclamation for the purposes of this Division transfers staff members (other than senior staff) from the employment of one council to another council, the provisions of Part 6 of Chapter 11 apply in relation to the transferred staff members.
- (2) Such a proclamation may:
- (a) apply generally or be limited in its application by reference to specified exceptions or factors, or
 - (b) apply differently according to different factors of a specified kind, or



- (c) authorise any matter or thing to be from time to time determined, applied or regulated by any specified person or body, or may do any combination of those things.

Section 213 is a non-exhaustive list of the issues a new Council may consider. While the Government may opt to appoint an administrator to take over and set about finalising all the section 213 factors, this is not how previous amalgamations have proceeded.

Section 218C goes on to specify the way in which the areas may be administered up until the new area comes into being:

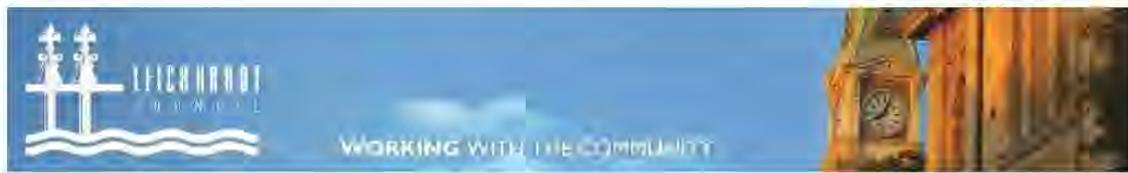
- (1) A proclamation of the Governor for the purposes of this Division may include provisions of the same kind as are referred to in section 213.
- (2) Such a proclamation may also include provisions for or with respect to:
 - (a) the appointment of administrators for any area constituted by the proclamation, and
 - (b) the continuation in office, as councillors of any area constituted by the proclamation, of any or all of the councillors of any area dissolved by the proclamation.

Note. If a proclamation for the purposes of this Division transfers staff members (other than senior staff) from the employment of one council to another council, the provisions of Part 6 of Chapter 11 apply in relation to the transferred staff members.

- (3) *Section 224 (1) does not apply to any councillors who continue in office by virtue of such a proclamation.*

The Act allows all contingencies ranging from sacking all Councillors immediately and appointing one administrator; to keeping all Councillors and senior staff in one new Council.

However, the only option which has been used in this type of wholesale amalgamation of two or more areas is that adopted in the transition from Concord and Drummoyne Councils to the Council of Canada Bay: allow the constituent Council areas to remain in place and in working order until the election for the new area, and create the new Council area on election of the new Councillors.



The experience of Canada Bay

Canada Bay came into existence on 1 December 2000. Its original areas, Concord and Drummoyne, were dissolved on 1 December 2000. The election for Canada Bay took place the next day. The Proclamation was signed by the Governor on 27 September 2000 and published in the Gazette on 29 September 2000.

Drummoyne and Concord remained in place for two months with the same GM's and senior management right up to the day with no administrator. All the Councillors remained in place right up to that time, as Councillors of the old Councils, not of the proposed new entity.

The appointment of GM for the new Council was not to take place until the new Council was elected (Proclamation clause 7).

The organisation structure remained in place for the new Council (Proclamation clause 12) as did all the staff positions (Proclamation clause 13). The Proclamation assumed that all positions, pay grades and responsibilities would stay the same until the Council reviewed its structure, as all Councils must, within the first year of operation, under section 333 of the Act (Proclamation clause 12 and 13).

While there was a duplication of senior positions, the new Council had the opportunity to consider for itself how best to determine management structure and rolls.

The Proclamation gave the new Council its initial Code of Conduct, Code of Meeting Practice, Local Approvals Policy and some other documents (Proclamation clause 10). However, most of these were merely adoptions of the existing Model Provisions.

The new Council, in line with the Delegate's recommendation, had no wards, and the election was also the forum for a vote on popularly elected Mayor (which was passed, and the first popularly elected Mayor was elected four years later).

While Canada Bay was formed only two months after the Proclamation, there is no reason at law or practically why a Proclamation could not be made on, say, 1 July 2016, announcing the creation of the new amalgamated entity; and foreshadowing the commencement date of this new entity on 16 March 2017, the day before the election.

By the same token, nothing in law or practice prevents all three Councils operating as they currently do, but preparing for that start date, for the following eight months.

Advantages of this interim structure

- A Proclamation which allows all three Councils to remain in place until the new Council area is constituted and its election has taken place is consistent with the Minister's and the Premier's promises to the community and Councillors. In effect, this is nothing more than carrying out the mechanism the Minister promised at the time that he announced his proposal.
- It allows the Councils themselves to undertake work, through change committees, on how the amalgamation should work in terms of management structure, finance, planning and the like, and present this to a new Council for adoption after it comes into being.



- The new Council can then adopt, amend, or reject these proposals when it has been elected by the people.
- The electors of the three areas have already given a mandate to the serving Councillors to represent them. It is these Councillors who will remain in place overseeing the change process undertaken by the management of the constituent Councils.
- Likewise, it is the elected representatives of the new Council which will accept, reject or amend the proposals offered by the three constituent Councils. If the consideration of the attitude of the electors under section 263 (3) (d) is genuinely a matter of interest to the State Government under the proposal, this is the mechanism for a change structure which must be favoured.
- In the period between the dissolution of the old Councils and creation of the new Council this measure will lower anxiety amongst the public and staff about the change process. The existing Councils will continue to provide the existing service, and the change to the new entity will take place seamlessly.
- This Interim Structure has already been tried and found successful in the case of Canada Bay.

b. New Council governance arrangements

Secondly, Leichhardt Council requests that the Delegate (and NSW Government) gives due consideration to a range of governance issues if it decides to proceed with the forced amalgamation of Ashfield, Leichhardt and Marrickville Councils. These include the number of councillors, remuneration of councillors and the Election of the Mayor. These issues are detailed below.

i. Number of Councillors

The Merger Proposal argues that the new council is to comprise of 12 councillors – this is the same number of councillors as the current councils. Importantly, the Merger Proposal also states that:

“Ashfield, Leichhardt and Marrickville communities will have an opportunity to shape how a new merged council will be structured, including the appropriate number of elected councillors.” (p. 11)

In this regard, Leichhardt Council proposes that the new Council comprise 15 councillors which is the maximum number currently permitted under the *Local Government Act 1993*. The reasons in support of this proposal are as follows:

- The significant increase in the number of residents represented by each Councillor and the corresponding workload.
- To compensate (in part) for the loss of local representation outlined in the Merger Proposal. The increase in representation to 15 councillors would improve the ratio of residents to councillors significantly – from 1 councillor to 15,499 residents (current proposal) to 1 councillor per 12,399 residents.



- To ensure consistency across metropolitan Sydney on the ratio of Councillors to residents.
- To enable the creation of Wards if so decided by the new council (13 Councillors will not allow for Wards).
- To reflect the increase in the complexity and geographic reach of the issues before council.
- To account for the increase in the size and complexity of the new bureaucracy – the new council will have operating revenue of \$264 million and an asset base of over \$1.3 billion.
- The current proposal of 12 councillors is contrary to the policy direction of the NSW Government i.e. to have an uneven number of councillors. 15 councillors would satisfy this policy requirement as allowing the option of Wards to proceed.

The new council requires adequate local representation. Leichhardt Council therefore recommends that the new council comprise of 15 councillors.

ii. Remuneration of Councillors

The merger proposal includes a significant increase in the number of residents represented by each Councillor (detailed above) but with no discussion of a commensurate increase in Councillor Remuneration. This oversight should be addressed through this process not only for this particular council (if formed) but for all metropolitan councils. In this regard, we note that under the Government's merger proposals for metropolitan Sydney, councillors will represent (in total) more constituents than both State and Federal Members of Parliament.

As noted in the Independent Panel's Final Report:

"The Panel's view [on councillor remuneration] is that decisions of the Remuneration Tribunal do appear to under-value the decision-making responsibilities of councillors. This may reflect an inadequate description of that role in the Act, and a tendency in some sections of local government to promote an image of 'volunteer' councillors rather than professionalism" (emphasis added, Independent Local Government Review Panel 2013, *Revitalising Local Government*, October p. 65).

If the NSW Government is serious about increasing the professional development and skills of local councillors, then it should adopt Recommendation 27 of the Independent Local Government Review Panel's that "Councillors who satisfactorily complete professional development programs should receive additional remuneration." If the merger proposals are forced through by the NSW Government then the issue councillor remuneration should feature as part of this program.

In this regard, Leichhardt Council supports the harmonisation of remuneration of councillors across all metropolitan councils based on population and that this reform is included in the current review of the *Local Government Act 1993*. Current remuneration of councillors is provided at **Attachment 5**.



iii. Election of the Mayor

The election of the Mayor is a matter for the new Council and its residents. Under the current *Local Government Act 1993*, the Mayor cannot be directly elected by the people from the formation of a new Council created by Division 2A and 2B of the *Local Government Act 1993 (Act)*. Although not stated explicitly in the Act, for the reasons set out below we are of the view that the Act **does not** allow the Governor, in the Proclamation establishing a new Council area under section 218A, to establish a popularly elected Mayor from the outset. You may have a constitutional referendum at the same time as the first election for the new area, but the Mayor elected by the people would only be elected at the next election.

The note to the Introduction to Chapter 10 of the Act (*How are people elected to civic office?*) states:

The Mayor may be popularly elected or elected by the councillors from among their number. The choice of method depends on a constitutional referendum as referred to in sections 228 and 229. A popularly-elected Mayor holds office for 4 years and is a councillor by virtue of being Mayor.

The implication is that a constitutional referendum must be held *before* a popularly elected Mayor can be voted upon. Section 35 of the *Interpretation Act 1987* says that notes of that nature are not part of the legislation, but they can be used to construe the meaning of legislation.

Therefore, it is our view that under the Act one cannot have a popularly elected Mayor unless there has first been a constitutional referendum under section 15 and following of the Act. It is not possible to have this referendum until the Proclamation establishing an area has been made.

It is possible to have the first election for the new Council under section 218A and the constitutional referendum at the same time. If this is the case, the popularly elected Mayor (if the referendum decides it) first stands for election four years later.

The Proclamation, in our view, cannot have the Mayor elected by the people from the outset. The Canada Bay Proclamation Gazetted 29 September 2000 followed this line (see **Attachment 6**).

Perceived risks of the merger and importance of retaining facilities/services and offerings into the future

The Leichhardt Community are rightly concerned that the merger will carry considerable risks, particularly in relation to the retention of existing facilities and services. This is shown by the recent research undertaken by Micromex Research which has shown that 85 per cent of residents had concerns that there would be risks associated with a

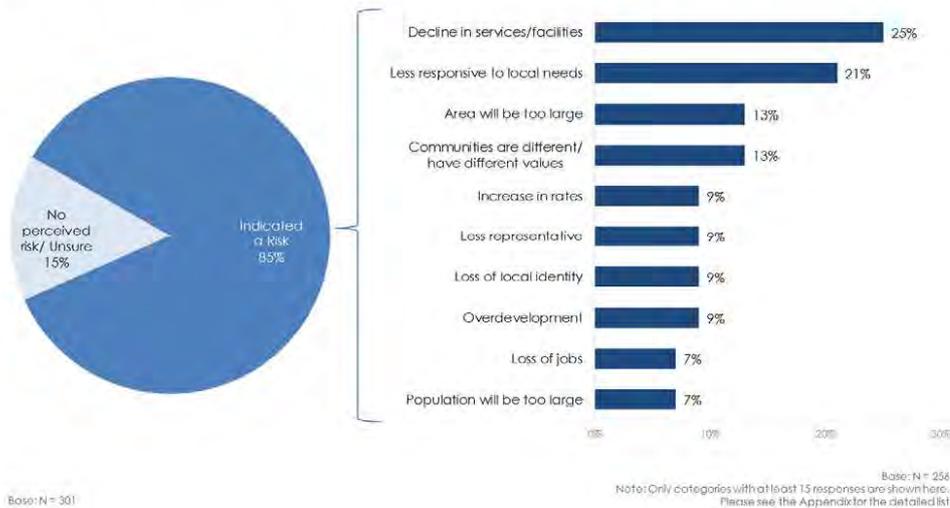


merger. In this regard, the principal concern was with the decline in services and facilities (Figure 13).

Figure 13 Perceived risks of merging with Marrickville and Ashfield Councils.

Perceived Risks – Merging with Marrickville & Ashfield

Q8. If Leichhardt merges with Ashfield and Marrickville, what do you think would be your main concerns?



Source: Micromex Research 2016, Leichhardt Council – 2016 Community Research, February.

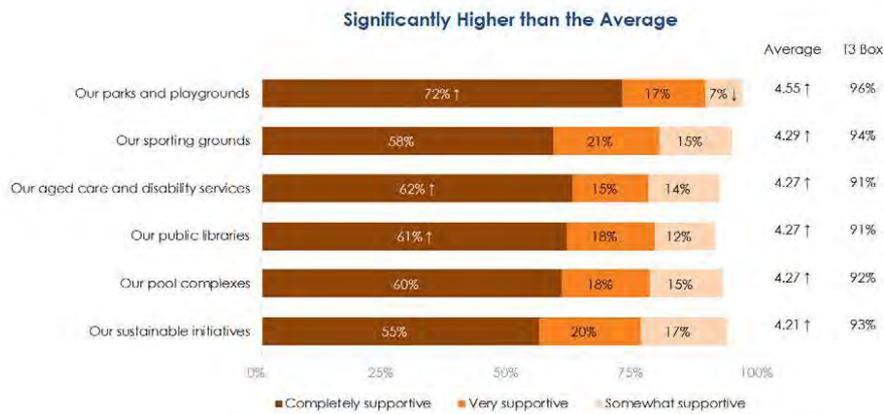
Micromex Research found that residents were most supportive of retaining these facilities/services/offerings in the event of a merger with the other councils, with “our parks and playgrounds” earning the highest rating of “completely supportive” from almost three-quarters of residents (72 per cent) (Figure 14).



Figure 14 Retaining facilities/services and Offering in a merger

Retaining Facilities/Services/Offerings in Merger

Q6a. Which of the following community facilities, services, and offerings currently provided by Leichhardt Council would you support to be protected and retained in a merger with Ashfield and Marrickville?



base (N = 301)

Scale: 1 = not at all supportive, 5 = completely supportive
 ↑ ↓ = significantly higher/lower than the average

Source: Micromex Research 2016, Leichhardt Council – 2016 Community Research, February.

In conclusion, in the event that the merger proposal proceeds the new council must endeavour to allay the concerns of its community and commit to the retention of existing facilities, services and offerings.



ATTACHMENTS

1. Morrison Low 2015, *Inner West Councils, Fit for the Future – Shared Modelling*, February, available at <http://www.leichhardt.nsw.gov.au/Community-Issues/Council-Amalgamation/Council-Amalgamation>
2. Morrison Low 2015, *Updated Inner West Business Case Model*, Leichhardt Council, November, available at <http://www.leichhardt.nsw.gov.au/Community-Issues/Council-Amalgamation/Council-Amalgamation>
3. Micromex Research 2016, *Leichhardt Council – 2016 Community Research*, February.
4. Response to scale and strategic capacity
5. Local Government Remuneration Tribunal: Current determination, effective from 1 July 2015
6. Canada Bay Proclamation



ATTACHMENTS 1 & 2

Both these attachments are available at Council's website as follows:

Attachment 1 - Morrison Low 2015, *Inner West Councils, Fit for the Future – Shared Modelling*, February, available at <http://www.leichhardt.nsw.gov.au/Community-Issues/Council-Amalgamation/Council-Amalgamation>

Attachment 2 - Morrison Low 2015, *Updated Inner West Business Case Model*, Leichhardt Council, November, available at <http://www.leichhardt.nsw.gov.au/Community-Issues/Council-Amalgamation/Council-Amalgamation>



ATTACHMENT 3: MICROMEX RESEARCH – 2016 COMMUNITY RESEARCH





Methodology & Sample

Data collection

Micromex Research, together with Leichhardt Council, developed the questionnaire.

Data collection period

Telephone interviewing (CATI) was conducted during the period 1st – 3rd February 2015. 197 of the 301 of respondents were selected by means of a computer based random selection process using the electronic White Pages. The remaining 104 respondents were number harvested via face-to-face intercept at a number of areas around the Leichhardt LGA, i.e. Orange Grove markets, Woolworths Balmain, Norton Plaza, light rail stops (Hawthorne Canal, Catherine St, Taverners Hill) and Marketown Marion St. A detailed explanation of number harvesting is in the Appendix.

Sample

N=301 interviews were conducted. A sample size of 301 provides a maximum sampling error of plus or minus 5.7% at 95% confidence. This means that if the survey was replicated with a new universe of N=301 residents, that 19 times out of 20 we would expect to see the same results, i.e. +/- 5.7%.

For the survey under discussion the greatest margin of error is 5.7%. This means for example, that an answer 'yes' (50%) to a question could vary from 44% to 56%. As the raw data has been weighted to reflect the real community profile of Leichhardt Council, the outcomes reported here reflect an 'effective sample size'; that is, the weighted data provides outcomes with the same level of confidence as unweighted data of a different sample size. In some cases this effective sample size may be smaller than the true number of surveys conducted.

Interviewing

Interviewing was conducted in accordance with the AMSRS Code of Professional Behaviour. Where applicable, the issues in each question were systematically rearranged for each respondent.

Data analysis

The data within this report was analysed using Q Professional.

Percentages

All percentages are calculated to the nearest whole number and therefore the total may not exactly equal 100%.

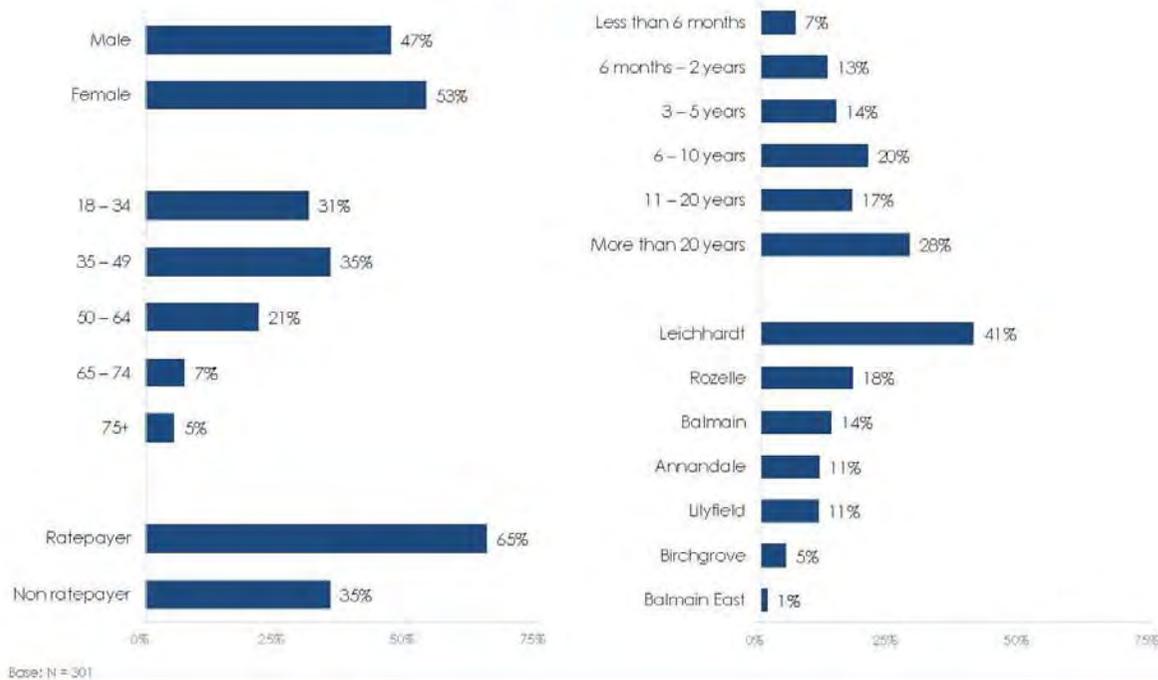


Sample Profile





Sample Profile



The sample has been weighted by gender and age to reflect the 2011 ABS community profile of Leichhardt Council



Detailed Findings





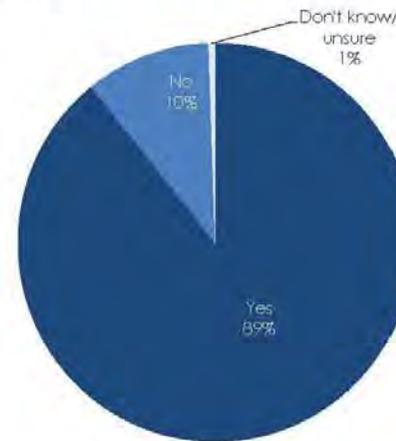
Awareness of the NSW Government's Council Mergers

Q3. Before this call, were you aware of the NSW Government's plan to merge councils in NSW?

The following was read to residents before commencement of the survey:

The NSW Government has been seeking to transform local government in NSW.

As part of the review, councils were required to demonstrate how they would become financially sustainable, provide effective and efficient services, have the scale and capacity needed to meet the needs of communities, and partner with the NSW Government.



	Overall	Male	Female	18-34	35-49	50-64	65-74	75+	Ratepayer	Non ratepayer
Yes	89%	89%	89%	74% ↓	95%	97%	100%	96%	96% ↑	77% ↓
No	10%	10%	11%	25%	5%	3%	0%	4%	4%	22%
Don't know/ unsure	1%	1%	0%	2%	0%	0%	0%	0%	0%	2%

Base: N = 301

↑ ↓ = A significantly higher/lower level by group.

89% of residents were aware of NSW Government's plans for merging councils throughout the state



Concept Statement

Residents were read the following before being asked further questions:

Leichhardt Council met all of the financial sustainability benchmarks required by the State Government. However, like most Sydney councils, Leichhardt failed the arbitrary 'scale and capacity' measure, which appears to mean population size – Leichhardt is simply not big enough.

The State Government then issued an ultimatum to councils to propose an amalgamation option. Leichhardt's first preference is still to stand alone. However, if they are forced into amalgamation, Leichhardt's second preference is to amalgamate with Marrickville and Ashfield Councils.

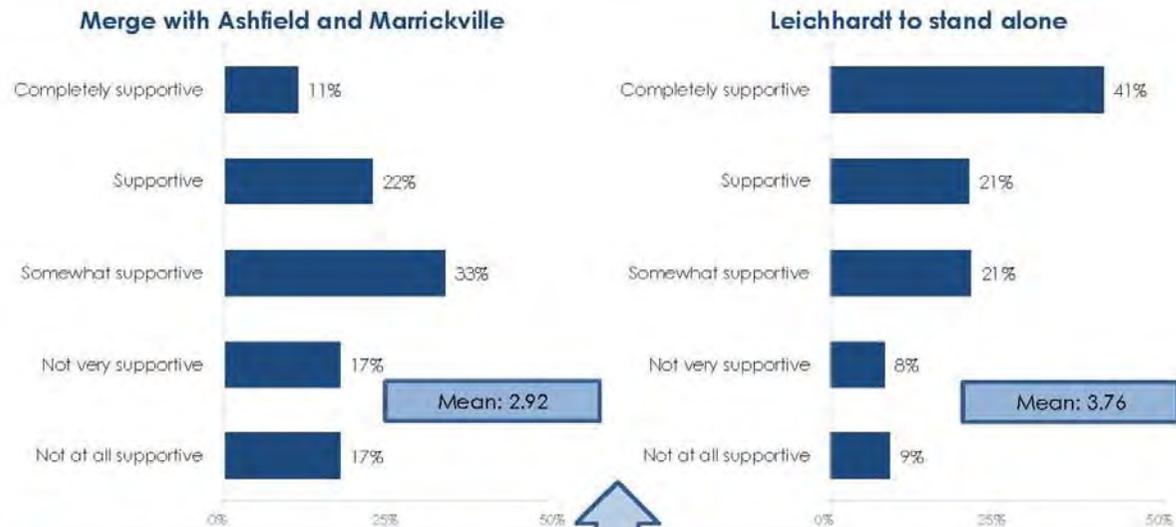
The resulting council would have a population of 185,990 and cover 36 square kilometres, from Sydney Airport to Balmain, and from Newtown to the edge of Burwood.

Now Leichhardt Council wants to know what its community thinks of the proposal to merge with Marrickville and Ashfield.



Summary of Support for Merger Options

- Q4. How supportive are you of Leichhardt Council merging with Ashfield and Marrickville?
 Q5. How supportive are you of Leichhardt Council standing alone?



NB// 'Somewhat supportive' is usually indicative of a contingent, guarded or an ambivalent response to the proposition. In the case above of the 33% of residents who are somewhat supportive of the merge option when asked Q6, 69% of them indicated that they would prefer that Leichardt stand alone

Base: N = 301

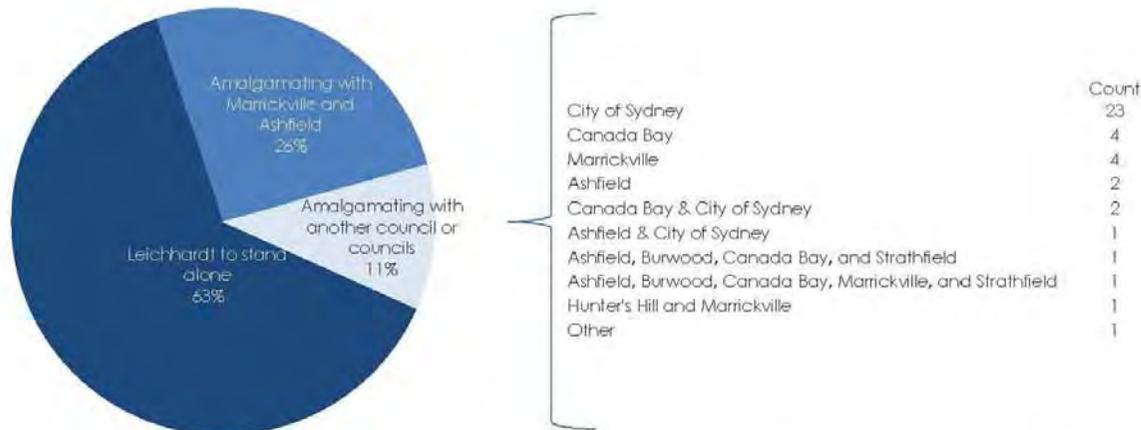
Scale: 1 = not at all supportive, 5 = completely supportive

Residents were significantly more supportive of Leichhardt Council standing alone than of merging with Ashfield and Marrickville Councils



Preferred Option for Leichhardt Council

Q6. Thinking about the options we have just discussed, which is your preferred option for Leichhardt Council?



	Overall	Male	Female	18 – 34	35 – 49	50 – 64	65 – 74	75+	Ratepayer	Non ratepayer
Stand alone	63%	55%	70% ↑	77% ↑	57%	57%	47%	75%	58%	74% ↑
Amalgamate with Marrickville/Ashfield	26%	34%	19%	21%	32%	22%	31%	21%	27%	23%
Amalgamate with other councils	11%	11%	11%	2% ↓	12%	21% ↑	22% ↑	4%	15% ↑	4%

Base: N = 301

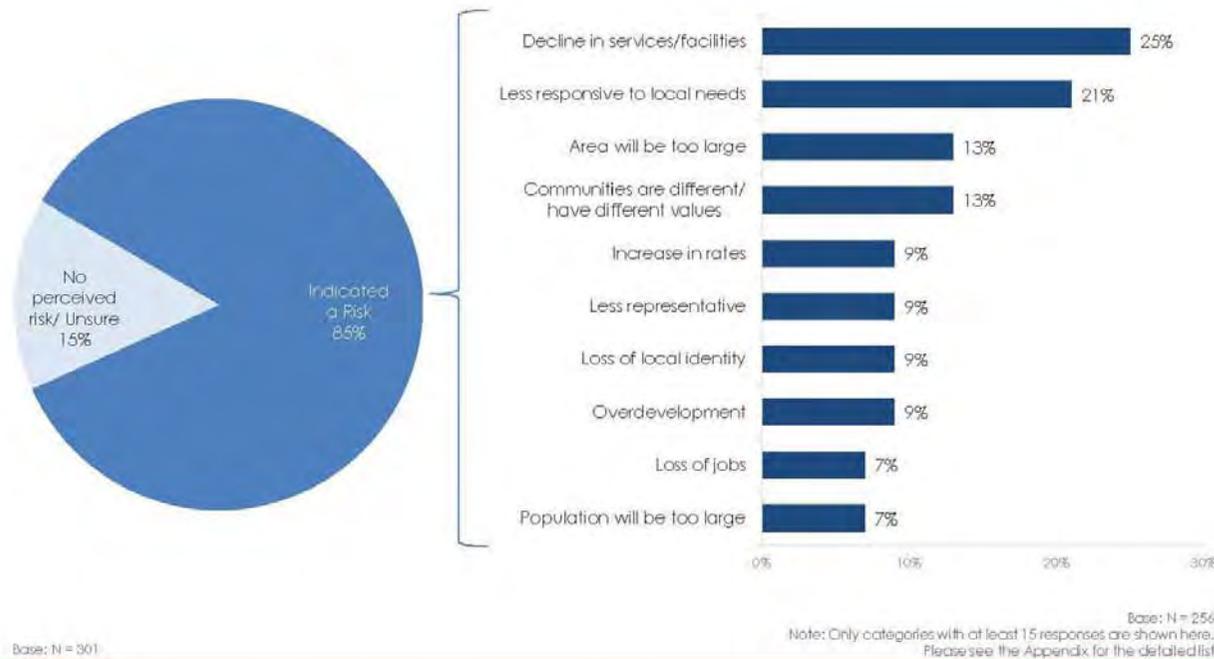
↑ ↓ = A significantly higher/lower level by group

Almost two-thirds of residents stated their preference for standing alone. This was particularly so for females, those aged 18-34 and non ratepayers



Perceived Risks – Merging with Marrickville & Ashfield

Q8. If Leichhardt merges with Ashfield and Marrickville, what do you think would be your main concerns?

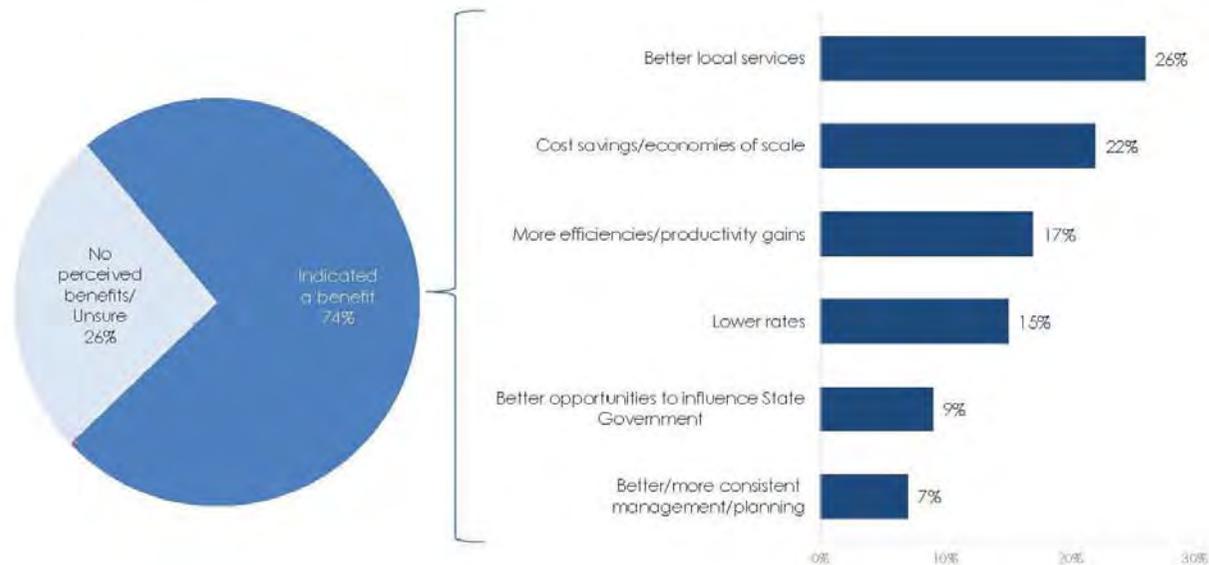


85% of residents had concerns that there would be risks associated with a merger.



Perceived Benefits – Merging with Marrickville & Ashfield

Q7. If Leichhardt merges with Ashfield and Marrickville, what do you hope would be the main benefits?



Base: N = 301

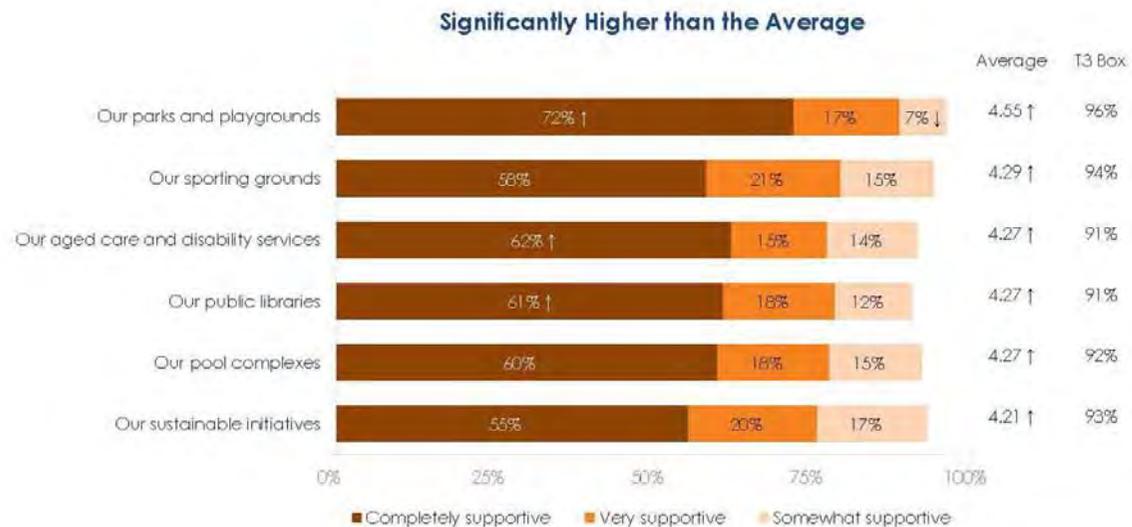
Base: N = 223
Note: Only categories with at least 15 responses are shown here. Please see the Appendix for the detailed list

75% of residents felt they there could be some benefits in event of a merger



Retaining Facilities/Services/Offerings in Merger

Q9a: Which of the following community facilities, services, and offerings currently provided by Leichhardt Council would you support to be protected and retained in a merger with Ashfield and Marrickville?



Base: N = 311

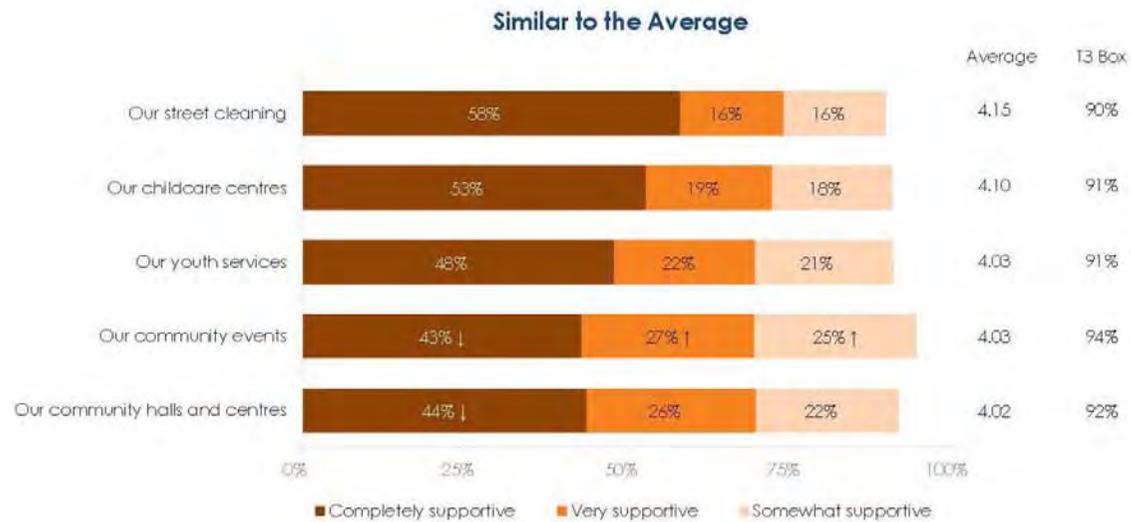
Scale: 1 = not at all supportive, 5 = completely supportive
 ↑ ↓ = Significantly higher/lower than the average

Residents were most supportive of retaining these facilities/services/offerings in the event of a merger with other councils, with 'our parks and playgrounds' earning the highest rating of 'completely supportive' from almost three-quarters of residents – reaching a high of 96% Top 3 Box



Retaining Facilities/Services/Offerings in Merger

ORD. Which of the following community facilities, services, and offerings currently provided by Leichhardt Council would you support to be protected and retained in a merger with Ashfield and Marrickville?



Base: N = 301

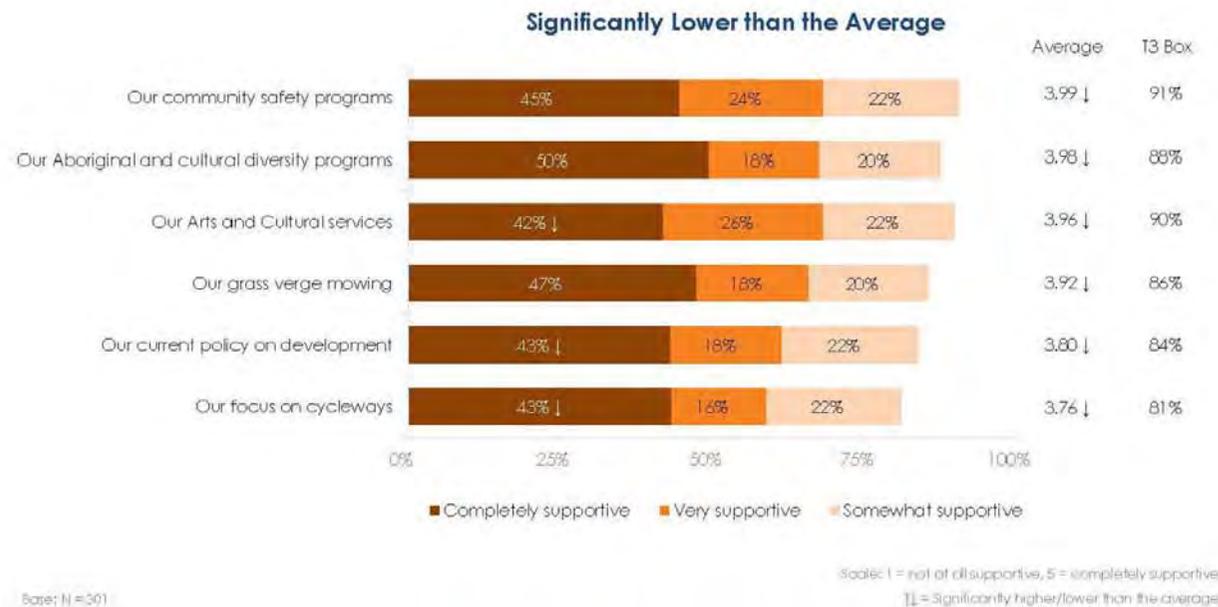
Scale: 1 = not at all supportive, 5 = completely supportive

These next 5 facilities/services/offerings were rated similarly to the average



Retaining Facilities/Services/Offerings in Merger

Q9a. Which of the following community facilities, services, and offerings currently provided by Leichhardt Council would you support to be protected and retained in a merger with Ashfield and Marrickville?



Base: N = 301

These 6 facilities/services/offerings had lower than average levels of support however even the lowest rated 'focus on cycleways' had a rating of Top 3 support score of 81%



Retaining Facilities/Services/Offerings in Merger

Q9b. Do you have any other priorities that you would like to see become or remain a part of any new council?

	Count
None/don't know	176
Parking (Enforcement, free, more)	19
Preventing overdevelopment	14
Recycling/waste management	11
Protecting Callan Park	8
Environment (Climate change, environmental concerns, tree management, air quality, etc.)	8
Public transport improvements	7
Improve/maintain roads	6
Childcare (affordability, more Council provided services)	5
Support local businesses	5
Conservation of heritage	5
Off leash dog parks	4
Maintaining/improving parks & playgrounds	4
Affordable housing	3
Community consultation	3
Revitalising the town centre	3
Area to remain similar despite the merge	2
Better town planning	2
Community gardens	2
Council delivering core services/less involvement in unnecessary matters	2
Lowering rates (or maintaining as is)	2
Maintaining sporting grounds	2
Multicultural events/programs	2
Provision of aged care services	2
Public amenities	2
Public seating	2

Response = 301

Please see the Appendix for the detailed list

The majority of residents did not have any further priorities, however, some were concerned about parking and overdevelopment



Conclusion





Conclusion

Awareness of the State Government Review

- The majority of residents (89%) were aware of the State Government's plan to reduce the number of councils in NSW

Community Preference

- 63% of residents feel that Leichardt should be able to stand alone, and only 26% of residents supported the State Government's proposal.
- Top 2 box monadic support for standing alone was significantly higher than support of merging (62% c.f. 33%)

Perceived Risks of a Merge with Marrickville and Ashfield

- 85% indicated some potential risks associated with a merger
- A reduction in the quality of local services/facilities and a lack of local responsiveness were seen as primary risks



Conclusion

Perceived Benefits of a Merge with Marickville and Ashfield

- 75% indicated some potential benefits associated with a merger
- Better local servicing and cost savings/economies of scale seen as potential benefits

Retaining facilities/services/offerings in the event of a merger

- Residents were strongly supportive of all the listed services. They were most supportive of retaining the following facilities/services/offerings:
 1. Our parks and playgrounds
 2. Our sporting grounds
 3. Our aged care and disability services
 4. Our public libraries
 5. Our pool complexes
 6. Our sustainable initiatives



Appendix





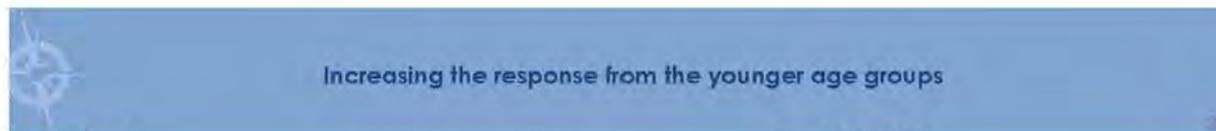
The Impact of Number Harvesting

To increase the response rate from the younger age groups in the community, particularly those aged 18-34, number harvesting was undertaken at key locations in the LGA.

Members of the community were approached by staff from Micromex and asked to contribute their mobile phone number in order to be contacted to conduct the research.

The following table illustrates the response rate from the 2 methods used to source numbers for telephone interviewing.

	Age 18 - 34	Age 35 - 49
Number harvesting sheet	47	53
White Pages phone list	10	46





Respondent Breakdown by Subcell

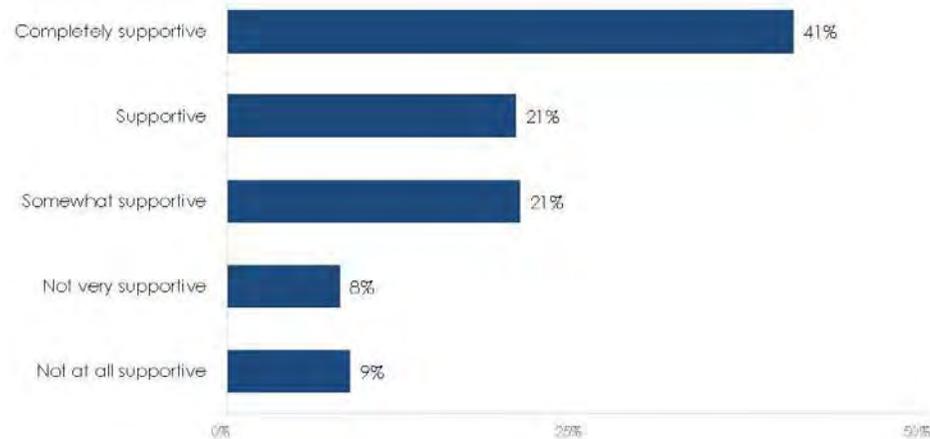
	Overall	Male	Female	18 - 34	35 - 49	50 - 64	65 - 74	75+	Ratepayer	Non ratepayer
Unweighted Base	301	127	174	57	99	82	45	18	224	77
Weighted Base	301	140	161	93	106	64	22	16	195	106

By using number harvesting (detailed on the previous slide), we were able to maximise the response rate of the younger age groups, i.e. 18-34 and 35-49.



Support for Leichhardt to Stand Alone

Q4. How supportive are you of Leichhardt Council merging with Ashfield and Marrickville?



	Overall	Male	Female	18-34	35-49	50-64	65-74	75+	Ratepayer	Non ratepayer
Stand alone	3.76	3.57	3.94	4.04	3.58	3.59	3.63	4.25	3.66	3.95

Base: N = 301

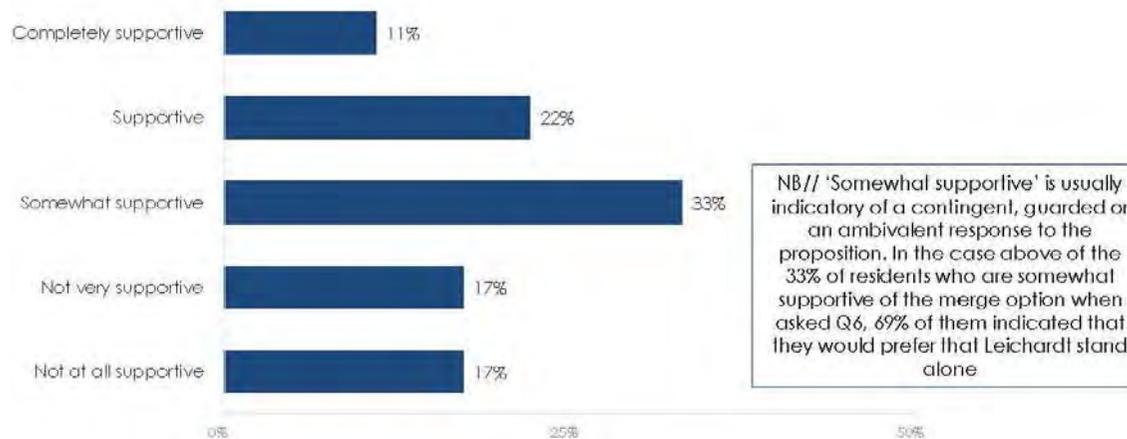
Scale: 1 = not at all supportive, 5 = completely supportive

There was a considerable amount of support for Leichhardt Council to stand alone, with 41% giving the highest rating of 'completely supportive'. This was steady across all demographics, with the youngest & oldest age groups rating slightly higher than those aged 35-74



Support for Merging with Ashfield and Marrickville

Q4: How supportive are you of Leichhardt Council merging with Ashfield and Marrickville?



	Overall	Male	Female	18-34	35-49	50-64	65-74	75+	Ratepayer	Non ratepayer
Amalgamate with Marrickville & Ashfield	2.92	3.06	2.80	2.82	3.15	2.92	2.97	1.94 ↓	2.92	2.93

Scale: 1 = not at all supportive, 5 = completely supportive

Base: N = 301

↓ = A significantly higher/lower level by group

There were relatively low levels of support for a merger with Ashfield and Marrickville Councils, with 34% stating they are not supportive of this move. Those aged 75+ were significantly less supportive of this option



Major Benefits – Merging with Marrickville & Ashfield

Q7: If Leichhardt merges with Ashfield and Marrickville, what do you hope would be the main benefits?

Better local services	20%	Similar values throughout the communities	1%
Cost savings/economies of scale	16%	Affordable housing	<1%
More efficiencies/productivity gains	12%	Better diversity within Council	<1%
Lower rates	11%	Better place to live	<1%
Better opportunities to influence State Government	6%	Control over Paramatta Road corridor	<1%
Better/more consistent management/planning	5%	Creation of jobs	<1%
Better local infrastructure	4%	Financial stability	<1%
More resources/sharing of assets/reduction in duplication	4%	Focus on schools	<1%
Additional funds for the area	3%	General improvements across the community	<1%
Public transport improvements	3%	Happier community	<1%
Larger population to contribute to rates	3%	Housing options improved	<1%
Quicker/streamlined services	2%	Informed of what is going on in surrounding neighbourhoods, not just own	<1%
Broader outlook/better diversity of opinions within Council	2%	Larger councils will allow for removal of State Government	<1%
Better financial stability/management	1%	More autonomous council	<1%
Bigger/better community events	1%	More interaction with Council	<1%
Cheaper parking	1%	More population to contribute to the rates	<1%
Council will be more sustainable/stable	1%	Other councils have a better reputation/management	<1%
Heritage matters are a concern in all areas	1%	Reduction of corruption	<1%
Improved facilities	1%	Reduction of noise pollution	<1%
Improved transport	1%	Relaxed planning controls	<1%
Less bureaucracy	1%	Zoning changes for schools	<1%
Less councillors/council involvement	1%	Other	2%
Multicultural benefits/changes to the community	1%		

Base: N = 223



Major Risks – Merging with Marrickville & Ashfield

Q8. If Leichhardt merges with Ashfield and Marrickville, what do you think would be your main concerns?

Decline in services/facilities	25%	Efficiencies will decline	1%
Less responsive to local needs	21%	Finding the right staff to service each area	1%
Communities are different/have different values	13%	Less consultation	1%
Area will be too large	13%	Not as beneficial as the other merger option	1%
Increase in rates	9%	Paying for parking	1%
Less representative	9%	Unhappy with other councils/poor reputation	1%
Loss of local identity	9%	Unsure how the merger would work	1%
Overdevelopment	9%	West Connect development	1%
Loss of jobs	7%	Currently happy with everything, concerned about changes in general	1%
Population will be too large	7%	Diminished focus on small businesses	<1%
It will take longer to have applications approved/issues resolved	5%	Environmental policies will decline	<1%
Funds may not be equally distributed across area	3%	Government will have too much control of the area	<1%
Taking on other councils' debts	3%	Impact of a cruise terminal	<1%
Councillors/council will be less accessible/have personal contact	2%	Lack of arts funding	<1%
Distance of council chambers/service centres	2%	Less structure with a large council area	<1%
Heritage buildings will not be protected	2%	Loss of commitment to Green values	<1%
It will take longer to have applications approved/issues resolved	2%	Loss of green space	<1%
Loss of resources	2%	Merging the councils will be too difficult	<1%
Over politicising/too much bureaucracy	2%	No accountability/transparency	<1%
Reduced quality of customer service	2%	Not cost effective	<1%
Callan Park will be sold off/developed	1%	Too many changes for the area	<1%
Changes to public transport	1%	Too many councillors for one area	<1%
Concerned about corruption in a larger council	1%	Which suburb will have the council	<1%
Cost of amalgamating	1%		

Base: N = 256



Retaining Facilities/Services/Offerings in Merger

Q9b. Do you have any other priorities that you would like to see become or remain a part of any new council?

	Count
None/don't know	176
Parking (Enforcement, free, more)	19
Preventing overdevelopment	14
Recycling/waste management	11
Protecting Callan Park	8
Environment (Climate change, environmental concerns, tree management, air quality, etc.)	8
Public transport improvements	7
Improve/maintain roads	6
Childcare (affordability, more Council provided services)	5
Support local businesses	5
Conservation of heritage	5
Off leash dog parks	4
Maintaining/improving parks & playgrounds	4
Affordable housing	3
Community consultation	3
Revitalising the town centre	3
Area to remain similar despite the merge	2
Better town planning	2
Community gardens	2
Council delivering core services/less involvement in unnecessary matters	2
Lowering rates (or maintaining as is)	2
Maintaining sporting grounds	2
Multicultural events/programs	2
Provision of aged care services	2
Public amenities	2
Public seating	2

Base: N = 301



Retaining Facilities/Services/Offerings in Merger

Q9b. Do you have any other priorities that you would like to see become or remain a part of any new council?

	Count		Count
Activities for seniors	1	Lambeth Park parking	1
Additional public rubbish bins	1	Local representation	1
Adopt a Verge program	1	Magic Yellow Bus for children	1
Community events	1	Maintain services/facilities	1
Consistency of planning regulations	1	Maintain small businesses in the area	1
Continue anti-dumping initiatives	1	Maintaining identity of council area	1
Council efficiencies	1	Mental health programs	1
Cruise ship terminal	1	More schools	1
Cycleways	1	Neighbourhood watch program	1
Development application transparency	1	Noise pollution	1
Encouraging composting of kitchen waste	1	Opposing West Connect	1
Financial support for pensioners	1	Pool maintained by Council	1
Focus/attention/recognition of resident needs	1	Protecting community values	1
Footpaths	1	Protecting wildlife	1
General improvements with Council	1	Put the Rozelle nuns photograph in the library	1
Get involved with Bays Precinct	1	Recognising land rights for Indigenous Australians	1
Happiness index	1	Regeneration of bushland	1
Improve responsiveness of Council	1	Representation of local area	1
Improve services/facilities	1	Retain current Councillors and staff	1
Improved streetscapes	1	Second hand Saturdays	1
Improving diversity within the community	1	Street cleaning	1
Information on services provided in the LGA	1	Studio space for artists	1
Justice of the Peace services	1		

Based: N=301



Appendix B





**Leichhardt Municipal Council
Community Survey
February 2016**

Good afternoon/evening I am conducting a survey on behalf of Leichhardt Municipal Council about proposed changes in local government.

Q1. How long have you lived in the Leichhardt Local Government Area?

- Less than 6 months
- 6 months – 2 years
- 3 – 5 years
- 6 – 10 years
- 11 – 20 years
- More than 20 years

Q2. What suburb do you live in?

- Annandale *
- Balmain
- Balmain East
- Birchgrove
- Cockatoo Island
- Leichhardt
- Lilyfield
- Rozelle

* Crosses with City of Sydney

The NSW Government has been seeking to transform local government in NSW.

As part of the review, councils were required to demonstrate how they would become financially sustainable, provide effective and efficient services, have the scale and capacity needed to meet the needs of communities, and partner with the NSW Government.

Q3. Before this call, were you aware of the NSW Government's plan to merge councils in NSW?

- Yes
- No
- Don't know/unsure

Leichhardt Council met all of the financial sustainability benchmarks required by the State Government. However, like most Sydney councils, Leichhardt failed the arbitrary 'scale and capacity' measure, which appears to mean population size – Leichhardt is simply not big enough.

The State Government then issued an ultimatum to councils to propose an amalgamation option. Leichhardt's first preference is still to stand alone. However, if they are forced to amalgamate, Leichhardt's second preference is to amalgamate with Marrickville and Ashfield Councils.

The resulting council would have a population of 185,990 and cover 36 square kilometres, from Sydney Airport to Balmain, and from Newtown to the edge of Burwood.

Now Leichhardt Council wants to know what its community thinks of the proposal to merge with Marrickville and Ashfield.

Note: Rotate order of Q4 and Q5

Q4. How supportive are you of Leichhardt Council merging with Ashfield and Marrickville? Prompt

- Completely supportive
- Supportive
- Somewhat supportive
- Not very supportive
- Not at all supportive

Q5. How supportive are you of Leichhardt Council standing alone? Prompt

- Completely supportive
- Supportive
- Somewhat supportive
- Not very supportive
- Not at all supportive

Q6. Thinking about the options we have just discussed, which is your preferred option for Leichhardt Council? Prompt

- Standing alone
- Amalgamating with Marrickville and Ashfield
- Amalgamating with another council or councils (please specify)

Note: Rotate order of Q7 and Q8

Q7. If Leichhardt merges with Ashfield and Marrickville, what do you hope would be the main benefits? Do not prompt RECORD VERBATIM

.....
.....
.....

CODE FRAME FOR REPORTING

- Better local services
- Better local infrastructure
- More efficiencies/productivity gains
- Cost savings
- Culturally and socially similar communities
- Better opportunities to influence State Government
- Lower rates
- More State Government funding
- Best option if Leichhardt is forced to merge
- I don't see any advantages
- Other codes designed by analyst



Q8. If Leichhardt merges with Ashfield and Marrickville, what do you think would be your main concerns? Do not prompt RECORD VERBATIM

.....

CODE FRAME FOR REPORTING

- Less responsive to local needs
- Not as beneficial as the other merger option
- Communities are different/have different values
- Taking on other councils' debts
- No evidence of benefits from amalgamations
- Higher rates
- Reduction in local services
- Population will be too large
- Less representative
- Area will be too large
- Overdevelopment
- I don't see any disadvantages
- Other codes designed by analyst

Q9a. On a scale of 1-5 where 1 means not at all supportive and 5 means completely supportive, which of the following community facilities, services, and offerings currently provided by Leichhardt Council would you support to be protected and retained in a merger with Ashfield and Marrickville? Prompt (Randomise)

	Not at all supportive		Completely supportive		
	1	2	3	4	5
Our pool complexes (LPAC and Dawn Fraser Pool)	<input type="checkbox"/>				
Our public libraries (Balmain and Leichhardt)	<input type="checkbox"/>				
Our community halls and centres (e.g. Leichhardt and Balmain Town Halls, Jimmy Little Centre, Hannaford Centre)	<input type="checkbox"/>				
Our sporting grounds (e.g. Birchgrove Oval, King George Oval)	<input type="checkbox"/>				
Our parks and playgrounds (like Pioneer Memorial Park, Birchgrove Park, playground upgrades)	<input type="checkbox"/>				
Our childcare centres (many council run centres with more planned, e.g. Mary Street)	<input type="checkbox"/>				
Our community events (e.g. Jazz or Opera in the Park, Footprints EcoFest, Pics in the Park)	<input type="checkbox"/>				
Our Arts and Cultural services (things like LOST, the Leichhardt Fringe Fest and public art works)	<input type="checkbox"/>				
Our youth services (homework & after school support, holiday activity program)	<input type="checkbox"/>				
Our current policy on development (Council lobbying to retain industrial land and to make sure areas like the Boys Precinct are not overdeveloped)	<input type="checkbox"/>				
Our community safety programs (mobile speed monitors, free child restraint checks)	<input type="checkbox"/>				
Our aged care and disability services (Home Maintenance and Modification Service; Healthy Ageing Plan)	<input type="checkbox"/>				

Leichhardt Municipal Council

Not at all supportive
 1 2 3 4 5

- Our Aboriginal and cultural diversity programs (Reconciliation Action Plan, EEO principles)
- Our focus on cycleways (free cycling courses, delivering more cycleways)
- Our sustainable initiatives (In 2012, Council became the 2nd Carbon Neutral Council in NSW)
- Our street cleaning
- Our grass verge mowing

Q9b. Do you have any other priorities that you would like to see become or remain a part of any new council? Do not prompt RECORD VERBATIM

.....

Demographic Information

The following information is used for demographic purposes only.

Q10. Please stop me when I read out your age group:

- 18 – 34
- 35 – 49
- 50 – 64
- 65 – 74
- 75+

Q11. Do you own or rent the property you are living in?

- I/We own/are currently buying this property
- I/We currently rent this property

Q12. Gender (determine by voice):

- Male
- Female

After we analyse the results from this research we may conduct resident focus groups to further investigate opinions.

R1. Would you be interested in participating in these focus groups?

- Yes
- No **(If no, go to end)**

R2. (If yes), what are your contact details?

Name:
 Telephone:
 Email:

We will be randomly selecting participants to ensure a good cross-section of the community and will be in touch with you if we do conduct the next stage of research.

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Telephone: (02) 4352 2388
Fax: (02) 4352 2117
Web: www.micromex.com.au
Email: stu@micromex.com.au



ATTACHMENT 4: Leichhardt Council – Scale and Strategic Capacity

Strategic Capacity Elements	Indicators	Responses
<p>More robust revenue base and increased discretionary spending</p>	<p>A diversified revenue base</p>	<p>Council has a diversified revenue base and is not reliant on grants or rates revenue alone to fund existing operations or new expansionary activities. For example, Council generates significant revenue from (amongst other things) parking meters, parking fines, and fees and charges (i.e. Pools, gyms, childcare) and investment income (see Financial Statements 2013-14).</p> <p>Leichhardt Council has a diversified revenue base with considerable investment income. For example, Council held financial assets (i.e. Cash and Cash Equivalents, and Term Investments) to the value of around \$70 million in 2014 (see Financial Statements 2013-14, Note 15).</p> <p>Council's diverse revenue base provides it with the capacity to undertake discretionary spending on expansionary projects. For example, in 2015-16 Council will provide a new childcare centre at a cost of \$4m, a new Learn to Swim Building and amenities at the Leichhardt Park Aquatic Centre at \$5m and \$900K for adaptive reuse of one of Council's prime heritage buildings. Council is also investigating opportunities to better utilise its current assets to achieve commercial rates of return.</p>
	<p>Historical/projected Cost containment</p>	<p>Council has a demonstrated record of historical and projected cost containment. This is outlined later in this proposal – see Improvement Action Plan. In summary, Council's efficiency program ("Living within its means") will deliver in excess of \$20 million over the next ten years in savings.</p>
	<p>Community's capacity and willingness to pay rates to fund services now and into the future</p>	<p>Council has balanced the service needs/expectations of the community and their capacity and willingness to pay rates in assembling the Resourcing Strategy (and LTFP). Council has also assessed its rating policy and analysed the community's median household income and socio-economic index to determine people's ability to pay rates into the future. Information provided below:</p> <ul style="list-style-type: none"> • Median weekly household income. In the 2011 Census, households in the Leichhardt Municipality had a median weekly household income of \$2,234. This was \$787 more than in Greater Sydney, and \$997 more than the NSW average. Further, 42% of households earned an income of \$2,500 or more per week in 2011 in the municipality. • The socio-economic indexes for areas (SEIFA). The SEIFA is produced by the ABS using Census data and is useful in identifying geographic areas that are relatively disadvantaged. An area with SEIFA index of 1,000 is considered average while an index of 600 or below is considered to be experiencing high levels of disadvantage. In 2012, the Leichhardt LGA scored 1,078.9 on the SEIFA index of disadvantage (this is above the score for Greater Sydney of 1011 and NSW of 996). In the municipality the SEIFA index scores range from a high of 1124.3 in Birchgrove to a low of 1037.2 in Lilyfield North. <p>With high median weekly household incomes and high SEIFA index score, Council is satisfied that the community can afford projected rates increases (rate peg increases) over the life of the LTFP.</p>



Strategic Capacity Elements	Indicators	Responses
		<p>In this regard, it is noted that there are no plans to increase rates above the rate peg across this period for either Business or Residential ratepayers. Council is fully able to fund its continuing operations and capital program over this period without the need to increase rates.</p> <p>To further alleviate the negative financial impact on households of any rate rise, the Council has a Pensioner Concession Policy and Financial Hardship Policy to assist those experiencing difficulties with paying rates. Further, the Council will continue to structure its rating policy on an ad valorem basis with a minimum rate applying into the future.</p>
<p>Scope to undertake new functions and major projects</p>	<p>Delivering new community infrastructure (expansive projects) and services</p>	<p>Council in its LTFP and 2015-16 Budget is delivering additional infrastructure (e.g. Child Care Centre; Public amenities). In addition, The LTFP provides for further expansive projects to meet community needs into the future. It is important for Council to not only achieve financial sustainability but must do so at the same time as delivering on social outcomes for the community.</p> <p>Recent examples of expenditure on new assets include:</p> <ul style="list-style-type: none"> • 3 new playing fields at Callan Park (\$2m) • Refurbishment of the State Heritage listed Bell's Store, East Balmain (\$2m) • A new council operated childcare centre (\$4m) • Major asset renewal and expansion at the Leichhardt Park Aquatic Centre (\$5m).
	<p>Delivering on community satisfaction</p>	<p>Leichhardt Council regularly monitors satisfaction among local residents with services provided. Between March and April 2015, the Council selected Piazza Research, an independent (ISO 20252 quality certified) market and social research firm, to conduct a community survey to measure resident satisfaction and to explore other issues within the local community. In April 2015, Piazza Research presented its report to Council (Attachment D) which found:</p> <p>Council's overall performance – overall 89% of residents rated Council's overall performance as satisfactory or better. Similar high satisfaction levels are demonstrated for our community events, libraries, aquatic centres, aged and youth services, arts and cultural services, childcare services and community centres. Roads maintenance has the highest of the infrastructure satisfaction ratings at a healthy 66% satisfaction level closely followed by footpath maintenance (61%) – confirming amongst other matters that the community is generally supportive of our asset maintenance levels.</p>



Strategic Capacity Elements	Indicators	Responses
Ability to employ wide range of skilled staff	Reduction real operating cost per capita	<p>Leichhardt Council will achieve a reduction in real operating cost per capita over the Long term Financial Plan. This is the result of Council having a well-defined and structured business improvement program to drive down the cost of service delivery while at the same time ensuring the highest level of service delivery to ours residents and ratepayers.</p> <p>Council's adopted Workforce Plan continues to allow the employment of a broad range of skilled staff. In addition, attracting and retaining skilled staff has never been an issue for Council given the nature and importance of the work undertaken and positive workplace culture.</p>
	Access to a global talent pool	Leichhardt Council draws its workforce from a global talent pool of skilled and capable staff. This is the product of its strategic position next to the Sydney CBD and its highly educated/professional population.
Knowledge, creativity and Innovation	Demonstration of innovative culture/outcomes	<p>This is evidenced most recently by the Office of Local Government's recent Better Practice Review Report (April 2015 copy following this table) which indicated many areas in which Council is best practice, including strategic and corporate planning, the LTFP and Council's efficiency program.</p> <p>Backing this up are the following awards/achievements attributable to a creative and innovative organisation :</p> <ul style="list-style-type: none"> • 2nd NSW council (City of Sydney Council being the 1st) to become accredited carbon neutral • Winner of the 2012 Local Government & Shires Associations' Excellence in the Environment Awards • Recognised as the most improved of all 152 NSW local councils for Development Assessment timeframes (2011/12 period) • Winner of the prestigious 2012 R H Doherty Award for Excellence in Community Consultation – Callan Park Master Plan • Rated as one of only 16 councils in NSW forecast by the NSW Treasury Corporation to remain financially 'sound or better' into the future. • Rated by the Local Government Infrastructure Audit (June 2013) for Infrastructure Management as very strong • Local Government Arts and Culture Award Winner 2012 (Public Art & Placemaking – Hawthorne Canal Community Artwork) • 2012 Local Government Aboriginal Network (LGAN) Council of the Year Award with a



Strategic Capacity Elements	Indicators	Responses
		<p>Leichhardt Council employee receiving the 2012 LGAN Non Aboriginal Staff Member Award.</p> <ul style="list-style-type: none"> • The Reconciliation Action Plan received the Encouragement Award in the Excellence in Governance section for the RH Dougherty Awards from Local Government NSW in 2014 • Leichhardt Council and City Futures Research Centre, University of NSW have been jointly awarded (November 2014) the Planning Institute Australia Award (PIA) for a research report aimed at improving access for older residents and people with disability in their homes.
	A thriving arts and cultural community	<p>Leichhardt Council recognises that arts and culture are an important aspect of any community, and welcomes the community's development, active engagement and involvement in cultural activities. The suburbs in Leichhardt are home to many creative industry workers and a range of outstanding public art pieces, such as the panoramic community mural at the Crescent in Annandale, the large number of Wall2Wall murals and the award winning mural mosaic located at the Hawthorne Canal Railway Underpass. The area is also home to several art and cultural organisations such as Legs on the Wall, the NSW Writers Centre, Sydney College of the Arts, the Italian Forum Cultural Centre, as well as many commercial galleries and artist studios.</p>
Advanced skills in strategic planning and policy development	Ability to plan for regional outcomes	<p>Demonstrated by Leichhardt Council's current regional/sub regional approach to working alongside its sub regional partners for:</p> <ul style="list-style-type: none"> • A Plan for Growing Sydney • The Bays Precinct • Westconnex • Parramatta Rd Urban Renewal.
	IPR Outcome Focused - Performance Achievements key performance indicators established and measured	<p>Council's Integrated Planning & Reporting documents - Delivery Program and Operational Plan, Resourcing Strategy - guides Council's direction, allocation of resources, and outlines the priorities Council will undertake during its term. The IPR documents are outcomes-focused with clearly defined and measurable key performance indicators. A tracking report is presented to Council every 3 months on the status of the KPIs and Budget performance. In this regard, the Office of Local Government commented in its recent "Better Practice Review" stated that Leichhardt Council is a best practice council in its IPR documentation and reporting.</p>



Strategic Capacity Elements	Indicators	Responses
		<p>An extract from the OLG's draft outcomes report to Leichhardt Council's recent Better Practice Review states :</p> <p><i>"Local councils have an important role in undertaking strategic community planning. The Integrated Planning and Reporting framework guides councils to carry out efficient long-term planning and delivery of services in partnership with the community.</i></p> <p><i>The review team found that Leichhardt Council has excellent Integrated Planning and Reporting processes in place and produces high quality, well-integrated, planning and reporting documents. The effective implementation of the framework puts the Council in a strong position to meet the priorities articulated in the Community Strategic Plan, Leichhardt 2025+.</i></p> <p><i>The maturity of Leichhardt Council's long-term planning is demonstrated by the Strategic Service Plans which sit under the mandated Integrated Planning and Reporting plans. These include the Community and Cultural Plan, the Environmental Sustainability Strategy, the Employment and Economic Development Plan, and an Integrated Transport Plan which all have a ten-year planning horizon and four-year delivery program.</i></p> <p><i>Underpinning the Council's high-level performance in this area is a long-standing commitment to extensively involving its community in decision-making processes. This commitment was formalised through the Council's Community Engagement Framework which was developed in 2010.</i></p> <p><i>The Council continues to strengthen its strategic planning and reporting on an ongoing basis. Examples of this work include:</i></p> <ul style="list-style-type: none"> <i>A 2013 review of the organisational structure to ensure alignment with the strategic goals and outcomes for Leichhardt 2025+, the various underlying Strategic Service Plans and the Delivery Program.</i> <i>Establishing the new position of Manager Customer Service and Corporate Planning to help drive and embed Integrated Planning and Reporting processes sustainably into the organisation. Through this position, the Council aims to achieve more effective annual and four-yearly planning. A key focus is also to develop more succinct and meaningful reporting for councillors and the community.</i>



Strategic Capacity Elements	Indicators	Responses
		<ul style="list-style-type: none"> Introducing a business planning process to clearly articulate how each business unit contributes to achieving the outcomes Leichhardt 2025+. This will involve mandatory progress reporting and monitoring at all levels to improve accountability and further integrate planning and reporting throughout the Council. Implementing specifically-designed software in the first quarter of 2014-15 to consolidate and streamline existing Integrated Planning and Reporting processes. The software will enable the Council to report across all aspects of Integrated Planning and Reporting as well as extend this reporting into its business planning processes.
	Development of new policy to accommodate community interests	<p>In 2013-14 alone, Leichhardt Council developed a range of new policies and programs (amongst others): Development and adoption of new Service Delivery Plans including the Public Art Policy, Site and Sound Grants Program, Like Art Beat Graffiti Program, Reconciliation Action Plan, Leichhardt Ageing Strategy, Busking Policy, Pedestrian Access Mobility Plan, Integrated Transport Plan, Laneway strategy, the Narrow streets (footpath parking) program, an updated Resident Parking Scheme Policy and a Flood Risk Management Plan. In addition, Council also adopted a new Local Environment Plan (LEP) and Development Control Plan (DCP).</p>
Effective regional collaboration	Extent of involvement in regional activities	<p>Existing and continuing effective regional collaboration through the Southern Sydney Regional Organisation of Councils (SSROC) (e.g. resource sharing, aggregated procurement and advocacy) and the Sydney Metropolitan Mayors organisation.</p> <p>SSROC comprises 16 Councils from Sutherland in the south to Canada Bay in the north with a combined population of 1.5 million residents. To date through its regional procurement programs, contract savings for all councils amount to approximately \$23 million per annum with further gains through shared land fill tenders (potential savings for one year alone of \$18m for the 7 participating councils - \$850,000 per annum in particular for Leichhardt Council); electricity contracts ((\$1.3m for 2104/15) and street lighting improvements (34 councils).</p> <p>With a strong priority for shared services extending beyond procurement, SSROC in March 2014 submitted to the State Government its Council of Mayors proposal – a regional/sub regional model to achieve increased strategic capacity and improved financial sustainability through :</p> <ul style="list-style-type: none"> A regional entity to oversee broad direction, advocacy and strategic planning A shared services group to oversee development of shared services, joint procurement and other operational activities – requiring councils to delegate a range of services to a regional entity. <p>Leichhardt Council continues to support this approach and as part of our council improvement proposal will seek through SSROC to fully develop the business case so this Joint Organisation model can be implemented.</p>



Strategic Capacity Elements	Indicators	Responses
Credibility for more effective advocacy	Demonstration of effective advocacy	Through effective regional collaboration Council has been able to demonstrate effective and credible advocacy. Specific examples include : <ul style="list-style-type: none"> • Bays Precinct to ensure meaningful and ongoing community consultation • Development of the Callan Park Draft Master Plan on behalf of the State Government • Strategic direction and assistance to the RMS in developing its Statewide Footpath Parking Policy.
Capable partner for the state and federal agencies	Delivery of regional services and/or infrastructure	This captures Council's proven ability to work with the other tiers of government to deliver essential infrastructure (renewals and expansion projects) and in addressing key emerging issues. Examples here include : <ul style="list-style-type: none"> • The Inner West Light Rail extension • The Greenway active transport link • The Callan park Master Plan along with 3 new playing fields and a proposed new regional skateboard facility (\$1m) • The progressive redevelopment of the Leichhardt Park Aquatic Centre as a regional recreational facility.
Resources to cope with complex and unexpected change	Positive operating result excl Capital Grants/contributions	Council will deliver a positive operating result for every year of the Long Term Financial Plan and beyond. This is a product of sound financial management which has been recognised by TCorp and Morrison Low. This t enables Council to ensure that it has appropriate resources to meet complex and unexpected changes in its operating environment. <p>This is demonstrated by the following:</p> <ul style="list-style-type: none"> • Council holds significant Reserves to manage contingencies as they arise. • Council is continuously seeking to improve its use of resources, especially through shared services delivery improvements through the SSROC model as covered above ; • Council's continuous improvement plan and financial strategies will continue to provide adequate resources (financial and non-financial) to meet and manage change.
High quality political and managerial leadership	Strategic decision making and engagement	Council is well positioned with highly educated, experienced and professional managerial team. The Executive team has in excess of 70 years senior management experience at various tiers of Government. The most recent demonstration of high quality managerial leadership is through the recent OLG Better Practice Review.
	Independent recognition of managerial excellence	Recognised as one of NSW's top Councils, TCorp confirmed Leichhardt Council as in the top 10 per cent of councils in NSW for financial performance (TCorp 2013). The NSW Government also recognised Leichhardt's strong asset management (Local Government Infrastructure Audit 2013) and strong performance in governance and organisational best practice (Promoting Better Practice Review 2015).



Strategic Capacity Elements	Indicators	Responses
	<p>Council recognised as a leader in the community</p>	<p>Leichhardt Council leads on community consultation and environmental sustainability. For example, in 2012, the Council won the prestigious R.H. Doherty Award for Excellence in Community Consultation for the Callan Park Master Plan. Council has a continued focus on environmental sustainability as is only the second council in NSW to receive carbon neutral accreditation and the first council in NSW to divest from investments in financial institutions that invest with the fossil fuels industry.</p> <p>Perhaps the best indicator is Council's bi annual community perception survey which rates :</p> <ul style="list-style-type: none"> • Councils overall performance at 89% for satisfactory or better • The community's quality of life at 98% above satisfactory • 69% of the community agreeing that Council encourages community participation and open government.
	<p>Level of community engagement</p>	<p>Leichhardt Council has a high level of community engagement as evidence by its community committees and local residents groups (Precincts). These committees are actively involved in policy and influencing the future direction of Council.</p> <p>Council has a strong track record engaging local residents. Measured in 2010, over 20% of residents had participated in a community consultation or attended a public or Council meeting, well above the state average of 7.6%. Residents participate online, in person, attend meetings, write submissions, and respond to surveys, as well as turning up to site visits, and participating in specialist Council Committees. Consultation for Fit for the Future engaged residents through social media, street-side consultation, surveys, and public meetings.</p>



Attachment 5: Local Government Remuneration Tribunal: Current determination, effective from 1 July 2015

Category (No. of Councils)	Council (and Population)	Cr Annual Fee		Mayor (additional Fee)		
		Minimum (\$)	Maximum (\$)	Minimum (\$)	Maximum (\$)	
Principal City (1)	Sydney (207,250)	25,040	36,720	153,200	201,580	
Major City (3)	Newcastle (160,021) Parramatta (189,932) Wollongong (206,794)	16,690	27,550	35,470	80,260	
Metropolitan Major (2)	Blacktown (325,185) Penrith (203,950)	16,690	27,550	35,470	80,260	
Metropolitan Centre (16)	Bankstown (200,357) Campbelltown (167,850) Fairfield (205,950) Gosford (171,992) The Hills (187,703) Hornsby (168,614) Hurstville (85,886)	Liverpool (211,200) North Sydney (71,025) Randwick (143,776) Ryde (114,598) Sutherland (229,800) Warringah (155,289) Willoughby (74,166) Wyong (159,015)	12,520	23,370	26,600	62,090



Category (No. of Councils)	Council (and Population)	Cr Annual Fee	Mayor (additional Fee)
	Lake Macquarie (201,500)		
Metropolitan (21)	Ashfield (44,498) Lane Cove (34,807)	8,330	18,380
	Auburn (85,446) Botany (44,742) Leichhardt (58,136)		17,740
	Burwood (36,053) Manly (44,786)		40,090
	Camden (84,400) Marrickville (83,356)		
	Canada Bay (87,480) Mosman (30,276)		
	Canterbury (150,626) Pittwater (63,338)		
	Holroyd (111,100) Rockdale (108,073)		
	Hunters Hill (14,689) Strathfield (39,481)		
	Kogarah (146,916) Waverley (71,769)		
	Ku-ring-gai (120,978) Woollahra (58,619)		

Note: The Tribunal's determination extends to Regional Rural (32) and Rural (77) Councils. These are not included in the table.

Source: <http://www.remtribunals.nsw.gov.au/local-government/current-igr-determinations>;
 Population data from OLG's Merger proposals, and Department of Planning, sourced 18/1/16, <http://www.planning.nsw.gov.au/Research-and-Demography/Demography/Population-Projections>



ATTACHMENT 6: CANADA BAY PROCLAMATION

29 September 2000

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Signed and sealed at Sydney, this 13th day of September 2000.

By His Excellency's Command

BOB DEBUS, M.P.,
Attorney General, Minister for the Environment,
Minister for Emergency Services,
Minister for Corrective Services,
and Minister Assisting the Premier on the Arts

GOD SAVE THE QUEEN!

GEOGRAPHICAL NAMES ACT 1966

PURSUANT to the provisions of section 10 of the Geographical Names Act 1966, the Geographical Names Board has this day assigned the geographical name listed hereunder.

Assigned Name:	Pambalong Nature Reserve
Designation:	Reserve
L.G.A.:	City of Newcastle
Parish:	Hexham
County:	Northumberland
Latitude:	32°51'30"
Longitude:	151°37'00"
C.M.A. Map:	Beresfield
1:1000,000 Map:	Newcastle 9232
Reference:	GNB 4701

Assigned Name:	Einlefeldt Reserve
Designation:	Reserve
L.G.A.:	Shire of Great Lakes
Parish:	Forster
County:	Gloucester
Latitude:	32°10'50"
Longitude:	152°30'30"
C.M.A. Map:	Forster
1:1000,000 Map:	Forster 9433
Reference:	GNB 4737

P. R. HARCOT, M.P.,
A/Chairman

Geographical Names Board,
PO Box 143, Bathurst NSW 2795

HERITAGE ACT 1977

Direction Pursuant to Section 34 (1) (a)
To List an Item on the State Heritage Register
44 Barden Street, Tempe – SHR No. 1412

IN pursuance of section 34 (1) (a) of the Heritage Act 1977, I, the Minister for Urban Affairs and Planning, having considered a recommendation of the Heritage Council of New South Wales, direct the Council to list the item of the environmental heritage specified in Schedule "A" on the State Heritage Register. This listing shall apply to the curtilage or site of the item, being the land described in Schedule "B".

ANDREW REFSHAUGE, M.P.,
Minister for Urban Affairs and Planning
Sydney, 30 August 2000.

SCHEDULE "A"

The property known as 44 Barden Street, Tempe, situated on the land described in Schedule "B".

SCHEDULE "B"

All those pieces or parcels of land known as Lot 1, D.P. 195769, and within a curtilage that is limited to include the front quarter of the property as shown on the plan catalogued HC 1897, in the office of the Heritage Council of New South Wales.

LOCAL GOVERNMENT ACT 1993

PROCLAMATION

GORDON SAMUELS, Governor
I, the Honourable Gordon Samuels AC, CVO, Governor of the State of New South Wales, with the advice of the Executive Council, and in pursuance of Part 1 of Chapter 9 of the Local Government Act 1993, do, by this my Proclamation:

- (a) declare that, on 1 December 2000, the Areas of Concord and Drummoyne are to be amalgamated so as to constitute a new area having the name the Area of Canada Bay, and
- (b) declare that, on 1 December 2000, the boundaries of the Area of Canada Bay are the same as the combined boundaries of the former Areas of Concord (as described by proclamation in Government Gazette No. 54 of 10 April 1981) and Drummoyne (as described by proclamation in Government Gazette No. 54 of 10 April 1981), disregarding the parts of those boundaries that are common to both Areas, and
- (c) declare that the provisions set out in the Schedule to this Proclamation are to apply, on 1 December 2000 (unless another date is stated), to the amalgamation effected by this Proclamation.

Signed and sealed at Sydney, this twenty seventh day of September 2000.

By His Excellency's Command,

HARRY WOODS, M.P.,
Minister for Local Government
GOD SAVE THE QUEEN!

Schedule

1 Definitions

In this Schedule:

amalgamation date means 1 December 2000.

former Area means the former Area of Concord or the former Area of Drummoyne.

former Council means the Council of a former Area (including Canada Bay Local Government Enterprise).

new Area means the new Area of Canada Bay.

new Council means the City of Canada Bay Council.

the Act means the Local Government Act 1993.

2 First election

- (1) The date of the first election of the Councillors of the new Council is 2 December 2000.

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- (2) The election is taken to be an ordinary election of the Councillors for the purposes of the Act and any Regulation under the Act.
- (3) For the purposes of:
- the entitlements of persons to be enrolled as electors for the new Area and to vote at the election, and
 - the entitlements of persons to be nominated for election as Councillors for the new Area at the election, and
 - the conduct of the election by the State Electoral Commissioner, and
 - any other matter relating to the election, the new Area is taken to have been constituted on the date of publication of this Proclamation and, for the same purposes, on that date:
- a reference in any Act, in any instrument made under any Act or in any document to any of the former Areas is taken to include a reference to the new Area and is to be read as a reference to the new Area, and
 - a reference in any Act, in any instrument made under any Act or in any document to any of the former Councils is taken to include a reference to the new Council and is to be read as a reference to the new Council.
- 3 Continuation in office of Councillors of former Councils**
Subject to section 234 of the Act, all persons who, immediately before the amalgamation date, were Councillors of a former Council are to continue in office, as Councillors of the new Council, until 2 December 2000.
- 4 Number of Councillors**
- The number of Councillors to be elected to the new Council at its first election is nine.
 - Subclause (1) does not limit the power of the new Council to redetermine, after the first election of its Councillors, the number of its Councillors under section 224 of the Act.
- 5 First meeting of new Council**
The first meeting of the new Council is to be held following the first election of Councillors of the new Council.
- 6 Election of Mayor following first election**
- The Mayor of the new Council is to be elected by the Councillors as referred to in section 227(a) of the Act.
 - A constitutional referendum to determine the basis on which the Mayor attains office is to be held on 2 December 2000.
- 7 Appointment of General Manager and other senior staff**
- The new Council is not to appoint a General Manager until after the first election of its Councillors.
 - If a contract, in force immediately before the amalgamation date, between a former Council and a senior staff member (including the General Manager) of that Council includes a provision requiring an appointment to be made during a period commencing on an amalgamation of areas, the period is taken to commence on 2 December 2000.
- (3) The operation of this clause is not to be regarded as a breach of contract between a former Council or the new Council and a senior staff member (including a General Manager).
- 8 Activities of former Councils**
- Anything that was done or omitted to be done by a former Council, and that had effect immediately before the amalgamation date, continues to have effect as if it had been done or omitted to be done by the new Council.
 - Anything that was commenced by a former Council may be completed by the new Council as if it had been commenced by the new Council.
 - Without limiting subclause (1), any approval, order or notice that was given or made by a former Council, and that had effect immediately before the amalgamation date, continues to have effect as if it had been given or made by the new Council.
- 9 Delegations**
Any delegation from a former Council that was in force immediately before the amalgamation date is taken to be a delegation from the new Council, and may be amended or revoked accordingly.
- 10 Codes, policies and plans**
- Each of the following codes, policies and plans of the new Council is, as far as practicable, to be a composite of the corresponding codes, policies and plans of each of the former Councils:
 - code of conduct (section 440),
 - code of meeting practice (Division 1 of Part 2 of Chapter 12),
 - local policies for approvals and orders (Part 3 of Chapter 7),
 - expenses and facilities policy (Division 5 of Part 2 of Chapter 9),
 - EEO management plan (Part 4 of Chapter 11),
 - management plan (Part 2 of Chapter 13).
 - Subclause (1) ceases to have effect in relation to a code, policy or plan of the new Council when that Council adopts a new code, policy or plan under the relevant provision of the Act.
- 11 Fees**
- The annual fee paid to each Councillor of the new Council and the annual fee paid to the Mayor of the new Council is to be equal to the higher of the corresponding fees paid by the former Councils.
 - Subclause (1) ceases to have effect in relation to an annual fee when the new Council fixes the annual fee in accordance with the appropriate determination of the Local Government Remuneration Tribunal.

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12 Organisation structure

- (1) The organisation structure of the new Council is, as far as practicable, to be a composite of the organisation structures of each of the former Councils.
- (2) In particular, any position that, immediately before the amalgamation date, was a senior staff position in relation to a former Council is taken to be a senior staff position in relation to the new Council.
- (3) This clause ceases to have effect when a new organisation structure is determined by the new Council under Part 1 of Chapter 11 of the Act.

13 Transfer of staff

- (1) Each member of staff of a former Council (a *transferred staff member*) is transferred to the new Council.
- (2) The terms and conditions of employment of a transferred staff member (including terms and conditions as to remuneration and allowances) are, on the staff member being transferred, to be the same as those on which the staff member was employed by the former Council from which he or she was transferred.
- (3) The senior staff of each former Council are taken to be senior staff of the new Council.
- (4) For the purposes of any law under which a transferred staff member is entitled to benefits in connection with his or her service as a staff member of the new Council, including benefits in the nature of leave and superannuation entitlements, service by the staff member with the former Council from which he or she was transferred is taken to be service with the new Council, but not so as to entitle the staff member to multiple benefits of the same kind in respect of the same period of service.
- (5) Any award or industrial agreement applying immediately before the amalgamation date to a staff member employed by a former Council is to continue to apply to the staff member on being transferred to the new Council until the award or agreement ceases to apply.
- (6) Subject to the terms of any award or industrial agreement, whether arising before or after the amalgamation date:
 - (a) a transferred staff member is not to be dismissed or retrenched by the new Council on the ground of redundancy, and
 - (b) the terms and conditions on which a transferred staff member is employed by the new Council are not to be varied so as to render them less advantageous to the staff member than the terms and conditions referred to in subclause (2), and
 - (c) a transferred staff member is not to be required by the new Council to work outside the general locality in which the staff member was required to work by the former Council immediately before the transfer if such a requirement would cause the staff member to suffer unreasonable hardship, except at the request, or with the consent, of the staff member concerned.

(7) The provisions of subclause (6):

- (a) do not apply to senior staff of the new Council, and
- (b) cease to have effect in relation to any other staff of the new Council on the date occurring 3 years after the amalgamation date.

14 Transfer of assets, rights and liabilities

- (1) The assets, rights and liabilities of the former Councils are transferred to the new Council.
- (2) The following provisions have effect in relation to any assets, rights or liabilities that are transferred by operation of subclause (1):
 - (a) the assets of the former Councils vest in the new Council by virtue of this clause and without the need for any further conveyance, transfer, assignment or assurance,
 - (b) the rights or liabilities of the former Councils become, by virtue of this clause, the rights or liabilities of the new Council,
 - (c) all proceedings relating to the assets, rights or liabilities commenced before the transfer by or against the former Councils or a predecessor of any of the former Councils, and pending immediately before the transfer, are taken to be proceedings pending by or against the new Council,
 - (d) any act, matter or thing done or omitted to be done in relation to the assets, rights or liabilities before the transfer by, to or in respect of the former Councils or a predecessor of any of the former Councils is (to the extent to which that act, matter or thing has any force or effect) taken to have been done or omitted by, to or in respect of the new Council.

(3) In this clause:

assets means any legal or equitable estate or interest (whether present or future and whether vested or contingent) in real or personal property of any description (including money), and includes securities, choses in action and documents.

liabilities means any liabilities, debts or obligations (whether present or future and whether vested or contingent), and includes liabilities relating to criminal acts.

rights means any rights, powers, privileges or immunities (whether present or future and whether vested or contingent).

15 General provisions with respect to transfers

- (1) A transfer effected by this Schedule takes effect on the amalgamation date.
- (2) The Minister may, by notice in writing, confirm a transfer effected by this Schedule.
- (3) Such a notice is conclusive evidence of the transfer.

16 Effect of transfer on third party rights

- (1) The operation of clause 14 (Transfer of assets, rights and liabilities) is not to be regarded:
 - (a) as an event of default under any contract or other instrument, or

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- (b) as a breach of contract or confidence or otherwise as a civil wrong, or
 - (c) as a breach of any contractual provision prohibiting, restricting or regulating the assignment or transfer of assets, rights or liabilities, or
 - (d) as giving rise to any remedy by a party to an instrument, or as causing or permitting the termination of any instrument, because of a change in the beneficial or legal ownership of any asset, right or liability.
- (2) No attornment to the new Council by a lessee from the former Council is required in relation to a transfer effected by clause 14.
- (3) No compensation is payable to any person or body in connection with a transfer effected by clause 14.
- (4) Subclause (3) does not affect the rights of any person or body in connection with the early termination of a contract between a former Council and that person or body.

17 Council records and reports

- (1) Until 30 June 2001:
- (a) the new Council's records may be kept:
 - (i) as a single set of records, or
 - (ii) as a continuation of the records of each of the former Councils, and
 - (b) if the new Council's records are kept as a continuation of the records of each of the former Councils, the new Council's financial transactions are to be apportioned between the various accounting records in such manner as the Council determines.
- (2) The new Council's financial reports for the year ending 30 June 2001 are to be prepared:
- (a) if the new Council's records are kept as a single set of records, in the form of a single report for the records for the whole of that year, or
 - (b) if the new Council's records are kept as a continuation of the records of each of the former Councils, in the form of separate reports for each set of records for the whole of that year.
- (c) In this clause, *records* includes accounting records.

18 Reports and reviews of new Council

A duty of the new Council under any Act, including a duty to report or review, which relates to a period before the amalgamation date, is to be performed by reference to the former Areas and the former Councils, as appropriate.

19 Statement of Intent

In proposing the amalgamation, the former Councils have asked that the new Council take account of their following views:

- The intention of the amalgamation is not to reduce staff numbers as a result of the amalgamation.
- The rating structures of the former Councils should be reviewed in the first term of the new Council.

MARITIME SERVICES ACT 1935

Notification

Limitation of Speed of Vessels within Certain Navigable Waters

THE Waterways Authority (the Authority), in pursuance of the provisions of Section 13SA of the Maritime Services Act 1935, does, from the date of publication of this notification in the Government Gazette REVOKE the notification appearing in Government Gazette No. 94 of 15 August 1969 which limits the speed of vessels in the area described as Lake Macquarie (Croudace Bay) Area.

Dated this 26th day of September 2000.

MATTHEW TAYLOR,
Chief Executive
Waterways Authority

MARITIME SERVICES ACT 1935

Limitation of Speed of Vessels Within Certain Navigable Waters

THE Waterways Authority (the Authority), in pursuance of the provisions of section 13SA of the Maritime Services Act 1935, does, from the date of publication of this notification in the Government Gazette:

- (a) Revoke the notification appearing in Government Gazette No. 134 of 22 November 1996 which limits the speed of vessels in the area described as Chaffey Dam (Northern) Area and Chaffey Dam (Southern) Area; and
- (b) Limit the speed of vessels of the Class set out hereunder in the area of navigable waters described in the First Column of the "Table of Area and Maximum Speed" set out hereunder, to a speed not exceeding that stated opposite that area in the Second Column of that "Table of Area and Maximum Speed"

Class: All vessels propelled by mechanical power, except vessels engaged in an activity authorised under an Aquatic Licence issued by the Waterways Authority pursuant to Clause 8 of the Water Traffic Regulations - NSW

TABLE OF AREA AND MAXIMUM SPEED

First Column	Second Column
Chaffey Dam (Northern) Area: The navigable waters of that part of Chaffey Dam enclosed between the dam wall and spillway and a line commencing from a point on the western shore approximately six hundred and fifty (650) metres from that dam wall and spillway in a generally south easterly direction to a point on the opposite eastern shore approximately two hundred (200) metres from that dam wall and spillway.	Eight Knots

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Notes from the Public Meeting on Council Amalgamations Monday, 15 February 2016

Welcome by the Deputy Mayor, Councillor Vera-Ann Hannaford to open the meeting commenced at 7.00pm.

Present: Deputy Mayor, Councillor Vera-Ann Hannaford, Councillor Craig Channells, Councillor John Stamolis, Councillor Michele McKenzie, Councillor Daniel Kogoy, Councillor Frank Breen and Councillor Rochelle Porteous.

Jamie Parker, MP (Member for Balmain)

Peter Head, General Manager
Matthew Phillips, Director Corporate & Information Services
Peter Gainsford, Director Infrastructure & Service Delivery
Mark Bonanno, Manager Legal Services
Helen Tola, Manager Customer Service & Corporate Planning

38 Community members

Apologies: Mayor, Councillor Darcy Byrne, Councillor Linda Kelly, Councillor Tony Constantino, Councillor Simon Emsley and Councillor John Jobling.

Thank you to members of our community, Councillors and Staff who attended the Public Inquiry in early February and people attending this evening.

Presentations were made by the Deputy Mayor, Councillor Vera-Ann Hannaford, Peter Head, General Manager and Matthew Phillips, Director Corporate & Information Services.

Councillors Porteous, McKenzie, Stamolis, Breen, Channells and Kogoy also addressed the meeting.



Comments made by members of the public include:

- Requesting that Council adds large banners across various streets including Norton Street, Pedestrian Bridge across Victoria Road and other prominent places such as town halls and buildings all around our LGA. *(A motion was moved and seconded prior to the conclusion of the meeting - See below).*
- Recent E news editions referenced Amalgamations at the bottom of the E News. This is the most important issue facing Council and should be at the top of E News. The most important issue is amalgamations and it needs to be recognised by everybody. Please ensure future editions have amalgamations referenced at the top.
- In the community people aren't happy about forced amalgamations! What figures are available in the KPMG report? Does the KPMG report deal with three councils or it is a generic report. The KPMG report provides a high level summary but does not detail the assumptions. Can someone send an email to Allan Jones telling him that a generic model may have been used?
- When the Caltex site was sold by the State Government to developers, we fought and then the State Government bought back the Caltex site and this become what we now know as Ballast Point. We need to fight amalgamations.
- It is Labour Party Policy to hold a plebiscite for this issue. Botany Council is holding a plebiscite of residents on 27 February 2016. A Council Poll on the NSW Government's proposal to merge Botany Bay City Council and Rockdale City Council will be held on Saturday 27 February 2016. Leichhardt Council can do this too. It will cost approximately \$130,000 and it is undemocratic if we don't. Mobilise those 2/3 of the population who oppose amalgamations. *(A motion was moved and seconded prior to the conclusion of the meeting - See below).*
- Thank you to staff who have worked above and beyond on amalgamations. The fact that no one here is suggesting any changes proves that the draft submission as prepared is a thorough report. *(A motion was moved and seconded prior to the conclusion of the meeting - See below).*



Prior to the conclusion of our Public Meeting the community moved the following motions:

MOTION (Moved Carole Allen, Seconded Hall Greenland)

1. **That Council organise large banners to be placed across the municipality including but not limited to the following locations:**
 - Council Town Halls
 - Across the Pedestrian Bridge at Victoria Road, Rozelle
 - Across Norton Street, Leichhardt
 - Across Johnston Street, Annandale
 - Across Darling Street, Balmain
 - Across Booth Street, Annandale
 - Leichhardt Park Aquatic Centre (LPAC)
 - Libraries
 - Birchgrove Oval

Adopted unanimously

MOTION (Moved Sean Ferns, Seconded Rosemary Gates)

2. **We demand that Leichhardt Council hold a plebiscite on the issue of amalgamations.**

Adopted unanimously, less 1 resident

REQUEST

That the General Manager, Peter Head pass on appreciation to all staff involved in preparing the draft submission and in relation to the amalgamations.

The Deputy Mayor, Councillor Vera-Ann Hannaford thanked all members of the community, Councillors and staff for attending the Public Meeting.

The community was encouraged to:



- Attend the 'Local Democracy Rally - Stop Forced Council Amalgamations'

When: Saturday 20 February 2016
Time: 11.30am to 12.30pm
Where: Meet outside Balmain Town Hall, Balmain

- Make a submission to the Delegate, Ms Thomas in writing online or by post by **5pm on Sunday, 28 February 2016.**

For further information, visit Council's website at: <http://www.leichhardt.nsw.gov.au/Community-Issues/Council-Amalgamation/Council-Amalgamation>

The meeting concluded at 8.30pm.

Phillips, Matthew

From: Richard Archer
Sent: Tuesday, 16 February 2016 8:40 AM
To: Feedback
Subject: re: Council Submission on Proposed Amalgamation

The draft Council Submission is thorough, incorporating all the issues raised by the proposed amalgamation of Leichhardt, Ashfield and Marrickville Councils. On a number of grounds I agree with the draft submission's opposition to the merger.

I only wish to emphasise the feeling of loss and anger my family and I and many of my fellow residents will feel if the merger proceeds.

Councils as representative governments provide a material form to communities where we express our values and confirm our place. This is not an abstract notion, but for long-standing residents in particular, a significant emotional experience linked to pride in our involvement and the many local relationships we have built up. All of which has a real boundary.

Tinker with this boundary and experience if we must. Where change is required, let's move on. However, where the proposed amalgamation is so demonstrably wrong as the submission shows, it is felt not only as a personal loss but as an attack on all of us who have cared for our community.

Richard Archer

17 February 2016

The General Manager
Leichhardt Municipal Council
PO BOX 40
Leichhardt NSW 2040

Submission regarding the proposed merger of Ashfield, Leichhardt and Marrickville Councils.

I am a ratepayer of Leichhardt Council, and former director over 21 years in two Sydney Local Government areas, North Sydney and Woollahra. I have read the proposal for the amalgamation of Ashfield, Leichhardt and Marrickville Councils. I have also considered the draft Submission to the Delegate by Leichhardt Council. I am of the view that there will not be the benefits claimed in the proposal, to ratepayers and users of Council services, through an amalgamation of the nature and scale envisaged. The modelling of benefits for the three Councils seems largely conjectural and suggests in fact adverse effects on rates and services, and poorer community/Council communication and representation. Experience elsewhere in Australia and overseas is that the estimated savings never materialise.

The proposal for the merger of Leichhardt, Marrickville and Ashfield is replete with assertions and aspirational statements. It is suggested that bigger Councils *'should'* be able to represent their communities more effectively, although there will be significantly fewer Councillors to speak for a larger, more diverse population.

It is argued there *'should'* be less, and potentially less contradictory, regulation, because one set of rules will apply in a larger area, although much of the present regulation imposed by Councils stems from State Government requirements (layer upon layer in the case of planning controls), and could be rationalised without mergers.

It is proposed that efficiency *'should'* improve, by cutting office and administrative costs (removing duplicate jobs) which *'could'* be redirected to *'frontline services'*. These sorts of efficiencies are achievable, and are being achieved in many Councils, without mergers.

It is argued that bigger Councils mean senior staff *'should be streamlined'* and numbers of Councillors reduced. The numbers involved here are not large - a handful of senior staff positions (the consultants' report appears to significantly overestimate the number) which in a larger Council will probably entail higher salary packages. The estimated saving of \$4m in Councillor fees over 20 years averages only \$67000 per Council per year; this could be achieved at any time by reducing the allowable number of Councillors: it doesn't need a merger.

It is suggested that bigger Councils *'should'* have improved buying power through larger contracts. This is presently and progressively being achieved through ROCs or joint Council operations - again there are other models than amalgamation.

It is argued somewhat tentatively that *'any savings'* made by merging *'could'* be redirected to addressing infrastructure backlogs or reducing need for Special Rate Variations, ignoring that one of the underlying reasons for substandard infrastructure and SRVs is State Government rate capping which has starved local government of adequate funding for decades. The one-off inducement payment of \$25m goes only a part way to redressing, without acknowledging, this funding shortfall.

Scale and capacity is the circular argument on which this whole exercise appears to be founded. A Council can only be *'fit'*, apparently, if it is big. So, although the three councils are found to meet financial criteria for *'fitness'*, by definition they do *'not fit'* on the criterion of *'scale and capacity'*. And why must these Councils be bigger? It seems this is to enable them to better lobby the State Government on behalf of their communities, (as the State will only take notice of big guys) and even more interestingly, to better deliver, presumably funded by the savings they will make, the planning and infrastructure required by, and to clear the way for, various regional projects the State Government has in mind - the Bays Precinct, redevelopment along rail and light rail lines, and WestConnex.

These are all projects to be run by statutory bodies on which the new Councils (even though bigger and responsible for larger communities in the affected areas) will have no voice, and little influence. They will remain the creature of State Government, to be amended, suspended or overridden when politically expedient, seen most clearly in the manipulation of Sydney City Council over the last half century or so.

I accept there is a case for improving efficiency of infrastructure provision and maintenance, and for reducing regulatory complexity, while maintaining a strong local voice, good consultation and community access to services: something along the lines of New Zealand's elected Community Boards providing a voice on local issues and larger City/District Councils managing strategic issues and infrastructure. I don't believe the present costly and disruptive merger proposals across Sydney will achieve this.

Warwick Hatton

SECTION 7 – MOTIONS OF WHICH DUE NOTICE HAS BEEN GIVEN

ITEM 7.2 CAMERONS COVE BUSHCARE GROUP

Division	Motions of which Due Notice has been given
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Cr Stamolis**Background**

The following was background to a Council Motion in 2010:

For some years, a group of local residents have wanted to form a bushcare group to manage the Camerons Cove site. It is hoped that this might be possible before the end of 2010, after the site is handed over to Leichhardt Council.

The opening of the hillside, in particular the boardwalk, was not until 2013 but there remains interest in the local community for the formation of a bushcare committee to look after this site.

A considerable amount of work was done on the hillside which included extensive replanting of large areas of the hillside and remediation. This made the area look exceptional but as the years have passed there has been no ongoing management of the site.

The photos below (taken in 2010) show the extent of works that, if maintained, would have seen the hillside location become one of the best bush regeneration projects in the inner-city. Unfortunately, it has become neglected and the excellent (and expensive) works seen below have not been maintained and cared for.

Recommendation

That Council investigate the formation of a bushcare committee made up of Council staff and local residents who will undertake care of the Camerons Cove hillside.

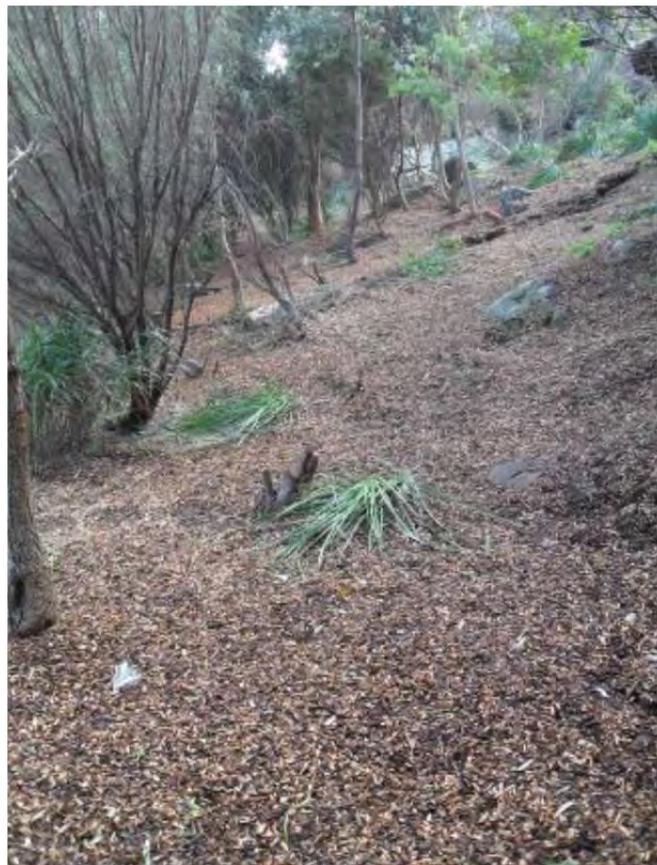
Officer's Comment

The area is currently being cared for competently by a bush regeneration contractor (Toolijooa) in a manner that is entirely consistent with the Leichhardt Native Revegetation and Biodiversity Management Plan. The bushcare site at Cameron's Cove has improved considerably since the handover of the site to Council. We now have 100% native coverage throughout western two-thirds the site (the area visible from the boardwalk and Jubilee Place) with very few weeds, and areas at the less visible eastern end are improving although a little weedy at the present time due to the very high rainfall during recent months. Over time, the areas at the eastern end of the site will improve.

Unfortunately, there have been issues with tree vandalism on the site. The appearance and ecological function of the site will be greatly improved if a continuous canopy of native trees can be established without interference from vandals. A continuous canopy of trees will also help with weed control.

To manage the contaminants that remain in the soil, a boardwalk was constructed as a means of allowing safe public access through the site that is close to the native vegetation, without bringing pedestrians into direct contact with the existing ground. If bush care volunteers were to be introduced, they would have to comply strictly with the Site Environmental Management Plan safety provisions (including primarily protective clothing and safety provisions in and around the cliff areas)









ITEM 7.3 HEALTHY AGEING PLAN IMPLEMENTATION

Division	Motions of which Due Notice has been given
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Cr Kelly**Background**

Initiatives adopted in the Healthy Ageing Plan are well under way - a proud moment for Leichhardt Council. Key initiatives including establishing a Men's Shed group, partnerships with local NGOs and the Local Health District to present the Dementia Café, Walking Groups established at Community facilities, and research into an Age Friendly Precinct is on course for our community members. In the first year of implementation, Council allocated \$40,000 realise the Healthy Ageing Plan.

In adopting the Healthy Ageing Plan, Council resolved in July 2015 (C318/15P) to continue to provide annual funding for its implementation. It is time to look ahead at priorities for this second Year of the Plan.

I would like to prioritise programs that support the health and wellbeing of our senior residents, and propose that Council allocates \$30,000 in 2016/17, supporting the Healthy Ageing Plan actions.

Recommendation

That Council considers supporting budget allocation of \$30 000 for the the following Healthy Ageing plan second year strategies in budget considerations for 2016/17:

- \$3,000 – Men's Shed facility costs
- \$6,000 – Initiate creative arts activities involving seniors, facilitated by skilled personnel which are undertaken in Council's community facilities to achieve wellbeing outcomes
- \$3,000 - Hold quarterly seasonal fitness sessions at the Seniors' Outdoor Gym
- \$3,000 – Carers program
- \$15,000 – Age Friendly Precinct project facilitators, to work from the Annandale Community Centre to generate the programs, activities and social inclusion amenity that will provide support and a sense of belonging for residents.

ITEM 7.4 ADDRESSING GENDER INEQUITY

Division	Motions of which Due Notice has been given
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Cr Kelly**Background**

Leichhardt Council is one of a few Councils in New South Wales committed to gender equity through the 50:50 Vision Councils for Gender Equity Program. Leichhardt has already been awarded with Bronze status, and staff are in the process of registering Council's achievements towards recognition with Silver Award status.

Initiatives assisting Council in achieving Silver Award status include

- The Women in Leichhardt Leadership Program, an internal skills development and year-long networking and leadership program for Council staff initiated in 2015
- The Women's Networking Breakfast, engaging local business women, residents, and women leaders in the not for profit and non-government sector
- Council's collaboration with local school businesses and not for profit groups in presenting the International Women's Day involving over 250 community participants.
- A strong contingent of Council representatives (staff and Councillors) at the NSW Australian Local Government Women's Association Conference

I recognise that this Council term has initiated and supported these achievements, and that these achievements take leadership, commitment and tremendous dedication by the Senior Management Team, and Council staff.

However I am also aware that in the Australian workforce, the pay gap persists between men and women, in spite of conscious policies at all levels of government, particularly in the public sector. Across the entire Australian workforce there exists, and I quote: **24.0%: overall gender pay gap in favour of men based on total remuneration, which includes salary, superannuation and discretionary pay including bonuses. On average, men working full-time in Australia earn over \$27,000 a year more than women working full-time.**<https://www.wgea.gov.au/wgea-newsroom/10-numbers-reveal-australia%E2%80%99s-workplace-gender-equality-challenge>

The Commonwealth's Workplace Gender Equality Agency attributes much of this to unconscious bias. Unconscious bias *is the result of messages (from a wide array of sources) introduced into our subconscious from an early age. Many of these prejudices that are deeply held in our unconscious can unconsciously influence how we act toward one another in our organizations.*<https://trainingmag.com/trgmag-article/unconscious-bias>

An effective response to unconscious bias, is ensuring that we are well-informed, have evidence-based data in our decision making, particularly when taking measures to address gender inequality.

Recommendation

That Leichhardt Council Allocate funds in the 2016/16 budget for:

1. Senior Management Team, Managers and Team Leaders to participate in Unconscious Bias Training.
2. Review of existing Workplace Gender Equality Agency reporting mechanisms and advise Council on a model, and evidence base, appropriate of Leichhardt Council to measure, monitor, and continue to promote gender equality in the work force.

Officer's comment

Council has identified a number of training providers that offers comprehensive unconscious bias training. One of which is developed by the Australian Human Resource Institute (AHRI), the national association representing people management professionals. Their training can be delivered to the Senior Management Team, all Managers and Team Leaders at a cost of approximately \$5,000.

Our current research suggests that only one NSW Council has participated in the WGEA reporting model. The low Council participation rate is most likely due to the Act's requirements of having only private organisations required to report. The low participation rate will restrict the availability of comparable data for local government.

This is compared to other reporting models which Council has participated in, such as the 50:50 Vision program, the LG Professional's PWC Survey and Council's InSync Staff survey, where results are specifically benchmarked across government councils.

ITEM 7.5 ACCESS COMMITTEE

Division	Motions of which Due Notice has been given
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Cr Kelly**Background**

Access is a basic right for all, and Leichhardt Council has recognised the necessity of supporting good access through sound social policy and effective urban planning and design.

Our Access Policy Committee is a Tier 2 Committee of Council, with a chairperson elected by Council.

The Access Committee has an important function in working with Council on key policy and planning matters. Membership of the Committee has been drawn from local residents, professionals and people living with and/or caring for people with disabilities. Participation by community members, representatives of local community organisations and government agencies is actively encouraged, however this committee has been frequently inquorate and recently Council responded to Council officers recommendation to reduce the number of members required for quorum.

This year the Access Committee will be the key stakeholder group in developing Council's new Disability Inclusion Plan. In promoting the Access Committee membership for 2016, Council should encourage contributions from subject matter experts in relevant fields to extend the capacity of Council to improve access and inclusion. Disability Non-Government Organisations, the Local Health District, sporting organisations and arts organisations should all be informed of the work of the Access Committee in 2016, and invited to participate.

Council needs to benefit from the contribution of the Access Committee in addressing the increasing impact on our community of dementia along with other matters identified in Council strategies, such as the age friendly precincts in the Health Ageing Plan. This committee is ideally situated to make our communities friendlier for people with dementia and their carers, and for our community members to age in place.

The Access Committee should take a lead in delivering actions to achieve dementia-friendly communities that have been prioritised in the Healthy Ageing Plan. Including:

- Initiate through SSROC a network to develop a key issues forum addressing construction noise impacts; seeking to influence key stakeholders in the industry

- Council to present an annual forum on key issues relating to ageing and dementia awareness, for example planning ahead, caring for someone with dementia.

Recommendation

That Council:

1. Invites subject matter experts - internal and external, to the membership of the Council Access committee, encouraging participation in Committee deliberations and building the capacity of this committee.
2. Invites members of local Disability organisations to membership of the Access Committee, and in particular encourages contribution to the forthcoming Disability Inclusion Access Plan.
3. Supports the Access Committee hosting a regional forum with SSROC on Dementia friendly design and noise issues, advancing Council's previous position in regards to supporting the amenity for those living with Dementia in our community.

**ITEM 7.6 LOCAL GOVERNMENT GUARANTEED HOUSING BONDS -
THE AUCKLAND MODEL**

Division	Motions of which Due Notice has been given
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Cr Emsley**Background**

Council's request to SSROC to research potentials of a local government housing bond were not supported by that body, SSROC's explanation of mid-2015 being that the demise of the federal NRAS scheme made exploration of a local government bond redundant. Auckland Council has recently announced an affordable housing bond which provides approximately \$30m for affordable housing, which could have application for Leichhardt the New South Wales context, perhaps in collaboration with other Council's.

Recommendation

That:

1. Council prepare a report on the feasibility and possible application of a Council-guaranteed or part-guaranteed housing bond, developed (i) in isolation and (ii) in collaboration with other council's, to assist community housing providers of affordable housing within the Leichhardt LGA.
2. A report be brought to the March Policy Meeting of Council and be drawn upon to inform Council's submission, on the topic of bonds, to the related federal government Treasury inquiry on potential affordable housing funding models closing [11 March](#) 2016.

**ITEM 7.7 SOCIAL AND AFFORDABLE HOUSING FUND -
EXPRESSION OF INTEREST**

Division	Motions of which Due Notice has been given
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Cr Emsley**Background**

In the approach to the last State election the State Government entered into a memorandum of understanding with the New South Wales Council of Social Service which provided a commitment to dedicate \$1billion of the money from the sale of 'poles and wires' to the establishment of an affordable housing fund. Expressions of interest in this fund close 29th February.

EOIs to the Fund are being undertaken by community housing providers and consortiums of those bodies. Council has been approach to partner with an applicant to the Fund to support the EOI stage. Development of a formal proposal will follow, with the closing date yet to be announced.

If an EOI indicating intent to initiate a proposal which is consistent with Council's standing policy on affordable housing is received by Council, it will hold significant promise for Council's contribution to local affordable housing.

As the proposal is at EOI stage only, Council will have opportunity to negotiate any adjustments to the proposal it requires down the track.

Council can position itself to obtain a portion of this distribution to affordable housing by State Government by partnering with an applicant to the Fund.

Recommendation

That Council:

1. Evaluate as soon as possible any request to support an Expression of Interest to the Social and Affordable Housing Fund which seeks a future contribution of Council's currently accumulated affordable housing funds, to support any suitable EOI to be lodged by closing date for EOIs for proposals to the Fund [on 29 February](#);
2. Agree to support any EOI it is requested to support that is found to be consistent with Council's existing policies for affordable housing;
 - a. in the event of more that one suitable request for support be received by Council, that the General Manager convene a suitably qualified panel to determine selection of the best applicant;
 - b. a detailed report on the EOI be brought to the next Policy Meeting of Council.

**ITEM 7.8 AMENDMENTS TO PLANNING CONTROLS FOR REMOVAL
OF A TREE WHERE A RESIDENT SUFFERS FROM A
SERIOUS MEDICAL CONDITION**

Division	Motions of which Due Notice has been given
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Cr Byrne

Background

Within the Leichhardt LGA, applications for tree removal are assessed against the relevant provisions of the *Leichhardt Development Control Plan 2013*, and the accompanying Tree Management Technical Manual.

There have been a small number of instances in recent years where residents have applied for tree removal on their properties, primarily because of the impacts that these trees have on their health. Where there has been no other justification for a tree's removal, these applications have refused on the basis that the Leichhardt Development Control Plan 2013 does not permit consideration of the health of residents. Council's current tree management controls correctly prioritise the preservation of trees. However with minor amendment, Council can provide for those with genuine medical conditions and give scope for officers to consider these conditions when assessing applications for tree removal.

A suggested approach is that where a tree is the primary and agitating source of a medical condition, which cannot be effectively treated/alleviated without the removal of the tree as a causing factor, that this be a specific matter for consideration. Council may consider removal where an application is supported by a medical certificate from a practicing and specialist medical practitioner (e.g. immunologist or allergy specialist) demonstrating that there is a direct link between the subject tree and the owners illness. Where the tree is considered to be of landscape significance and can only be identified as one contributing factor of many within the surrounding landscape with its removal likely to provide no overall benefit or medical relief (e.g. where allergens are airborne etc.), removal will not be supported.

Recommendation

That:

1. The following *Leichhardt Development Control Plan 2013* amendment be placed on public exhibition for 28 days in accordance with the requirements of the *Environmental Planning and Assessment Act 1979*; *Environmental Planning and Assessment Regulation 2000* and Council's adopted Community Engagement Framework:

a) Clause *C1.14.7 Criteria for Assessment* be amended by adding:

Control C13 ...

(h) the tree is the primary and agitating source of a medical condition, which cannot be effectively treated/alleviated without the removal of the tree as a causing factor.

Council may consider removal where an application is supported by a medical certificate from a practicing and specialist medical practitioner (e.g. immunologist or allergy specialist) demonstrating that there is a direct link between the subject tree and the owners illness. Where the tree is considered to be of landscape significance and can only be identified as one contributing factor of many within the surrounding landscape with its removal likely to provide no overall benefit or medical relief (e.g. where allergens are airborne etc.), removal will not be supported.

2. Delegate authority to the General Manager to makes changes to the draft amendment prior to public exhibition as a result of consideration by Council officers that of are minor changes that do not affect the substance of the provision.
3. A report be presented to Council at the completion of the public exhibition period detailing submissions received and the outcome of consultation with any public authorities.

Officer's comment

The premise of permitting tree removal where it is has been appropriately demonstrated to be affecting a person's medical condition and hence quality of life is sound.

It is been established through case law developed in the NSW Land and Environment Court when it has considered appeals under the *Tree (Disputes between Neighbours) Act 2006*. In this Act, the Court may direct the removal of a tree where it is "*likely to cause injury to any person*". Case law has established that for the purposes of the Act, "*injury*" encompasses allergic reactions or other medical conditions.

There are several other NSW councils with these types of clauses including Manly, Wollongong, Hurstville, Burwood, Lane Cove, Ashfield and Waverley Councils.

The proposed amendment is also consistent with Council's existing approach to requests for removal of street trees with the LGA.

**ITEM 7.9 MAKING LOCAL PRECINCTS COUNCIL COMMITTEES:
COSTS AND RESOURCES**

Division	Motions of which Due Notice has been given
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Cr Stamolis**Background**

It is highly regrettable that after 25 years of excellent service to the community that Council decided – by a narrow majority - to make the local precinct committees become committees of Council.

The timing is also odd. If Councils are amalgamated this year then, all of the work and expense to make this happen will be for several months at most, as any new Council will make its own decision about Precincts.

This decision was not made by the Precincts nor the many residents who attend the Precinct committee meetings. It was a decision imposed by Leichhardt Council on the independent precinct committees.

The precinct committees are a valuable asset to Council. Their representatives attend and participate in many forums which benefit our community. They lead community campaigns.

Precincts have challenged Council and have changed Councils' position on numerous issues such as the Rozelle Village development, the White Bay Cruise Ship terminal, the adoption of a major infrastructure program (2005), Bays Precinct, Westconnex, local heritage and more.

Precinct executive give freely of their time and they are involved in numerous Council committees.

The precinct committees are voluntary committees with minimal financial resources provided by Council. The new Council arrangements will see Council cost and resources being used:

- for Council staff to attend precinct meetings being paid overtime rates (and possibly other allowances) for around 50 nights a year
- for Council staff to take minutes and to write these up
- to make staff work overtime and late into the evening when it is not necessary for them to do so (especially when they could be with their families, friends or home)
- to create a significant load of unnecessary administrative work for Council staff at high cost overtime rates to the ratepayer
- to provide no public benefit at considerable cost to the ratepayer given that this work has been conducted for free for 25 years

Each year Council participates in a Cost-Shifting Survey which details how much cost other levels of government are forcing upon Council. Here, we see the reverse, Council is shifting a considerable cost to itself when there is no real need or benefit

for it to do so. It is important for Council and the public to be made aware of the extent of this shift of costs by Council to itself.

Councils' desire for control of the precincts comes at an unnecessary financial impost on ratepayers and impact on staff.

Recommendation

That Council:

1. Provide full costings of the work involved to date in forcing the Precincts to become committees of Council. This includes work on Council reports, meetings and other.
2. Provide costings and resources for the significant ongoing staff expense to implement Councils forced policy.

ITEM 7.10 BAN THE USE OF ROUND UP HERBICIDE IN ALL PUBLIC SPACES IN LEICHHARDT LGA

Division	Motions of which Due Notice has been given
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Cr Porteous**Background**

The World Health Organisation's International Agency for Research on Cancer last year upgraded its assessment of Round Up from "possible" to "probable" human carcinogen. California's Environmental Protection Agency intends to list the herbicide glyphosate, which is the active ingredient in Round Up as a carcinogenic chemical.

While Leichhardt Council uses weed steaming to remove weeds wherever possible. Leichhardt Council does still use Round Up in some situations. It is simply not acceptable to continue this practice which could potentially be putting lives at risk.

Recommendation

That Council puts an immediate ban on the use of Round Up Herbicide in all public spaces within the Leichhardt LGA.

Officers CommentUse of Glyphosate

Council's dominant weed control treatment methods are by non-chemical methods, and the Weed Policy limits chemical use to applications where other methods are not viable. Council's adopted Weed Policy (Dec 1998) applies an integrated weed management strategy:

- Use steam/hot water treatment for the footpaths and roadways, excepting streets with grass verges maintained by the area based teams.
- The area based teams use mechanical removal of weeds in the footpaths and roadways in those streets with grass verges not treated by the hot water system
- Use the steam/hot water system and hand-weeding in the parks and roadway garden beds wherever possible.
- Develop a cultural program for commencing with the playing fields and extending, dependant on budget availability to passive turf areas to increase the health and vigour of the turf and reduce the dependency on the chemical control of broadleaf weeds.
- Allow for the controlled use of selective and non-selective chemicals subject to the following strict guidelines:
 - a) Only the use of a less persistent chemical such as Roundup Biactive be allowed in these situations.

- b) A marker dye is used in conjunction with the chemical to denote where it has been used.
- c) If the garden beds adjoin residences then the residents are informed prior to the chemical being used.
- d) Only wiper wands and shielded spray heads be used to apply the chemical.
- e) A record of the use of the chemical be kept by the Coordinators
- f) Only suitably trained staff be allowed to apply this chemical.

The Australian Pesticides and Veterinary Medicines Authority (APVMA) advises that “concerns have been raised about human exposure to the common herbicide glyphosate following an International Agency for Research on Cancer (IARC) assessment which has classified glyphosate in a group of chemicals that is ‘probably carcinogenic to humans’.

The IARC assessment looks at the intrinsic toxicity potential or ‘hazard’ of the chemical glyphosate as a cancer-causing agent only. Other components of the toxicity of glyphosate are not taken into account. As part of the regulatory process undertaken by the APMVA and pesticide regulators in other countries, a hazard assessment is just one part of the overall risk assessment required to determine the risks for people using a formulated chemical product.

It is not the role of the IARC to consider how a formulated chemical product is used, or how human exposure can be minimised by following safety directions on a product label. In this regard, the findings of IARC cannot be directly compared to assessments conducted by regulatory authorities for the purposes of approval or registration of a pesticide product, in which are included appropriate risk mitigation measures to allow safe use. All glyphosate products registered for use in Australia have been through a robust chemical risk assessment process.

As Australia’s agvet chemical regulator, it is the role of the APVMA to consider all relevant scientific material when determining the likely impacts on human health and worker safety— including long and short term exposure to users and residues in food before registering a product. We consider the full range of risks—which include studies of cancer risks—and how human exposure can be minimised through instructions for use and safety directions.

The APVMA takes this new assessment seriously. In collaboration with the Office of Chemical Safety in the Department of Health, we are now examining the full monograph which was published by the IARC on 29 July 2015 to determine whether any regulatory action is necessary, including whether glyphosate should be formally reviewed. The APVMA has published international activity on glyphosate previously and has also considered the recent findings of the 2014 review of glyphosate completed by the German risk assessment authority.

A joint expert taskforce comprising scientists from the World Health Organisation (WHO) , national governments and universities has reviewed the information considered by IARC to determine whether there is a need to update previous assessments on glyphosate undertaken by the Joint FAO/WHO Meeting on Pesticide Residues (or JMPR) done in 2011, 2006 and 2003. The APVMA was

represented on this expert taskforce by the Director of its Chemical Review program, Dr Matthew O'Mullane.

In light of new studies that have become available, the taskforce recommended that the JMPR undertake a full re-evaluation of diazinon, glyphosate and malathion - this re-evaluation should consider all adverse human health effects, including carcinogenicity. This re-evaluation will be completed by May 2016 when an extraordinary meeting of the JMPR will be convened in Geneva, Switzerland, at WHO headquarters. The APVMA will continue to participate in these international assessments and to carefully consider assessments released by pesticide regulators in other countries such as the European Food Safety Authority (EFSA) and US Environmental Protection Agency (US EPA).

JMPR is an international expert scientific group administered jointly by the United Nations FAO and the WHO, which undertakes pesticide risk assessments for the purpose of establishing safe limits of pesticide residues in food important for international trade.

EFSA has completed a reassessment of glyphosate as part of the European Union (EU) pesticide renewal process, which included a consideration of the IARC assessment. EFSA considered an extensive body of scientific evidence, including a number of studies not assessed by the IARC, to reach the conclusion that glyphosate does not cause cancer in humans.

Using Glyphosate Products

Based on current risk assessment the label instructions on all glyphosate products—when followed—provides adequate protection for users.

People should follow the use and safety instructions on all chemical product labels as these are designed to reduce human exposure to the chemical product. If the label has been removed or damaged, you can search the APVMA's chemical database to find the safety information about registered products and permits.”

It is recommended that Council defer any consideration of changing its currently adopted Integrated Weed Management Strategy until further advice is received from the APVMA (which is expected in May 2016) and a subsequent report to Council no later than June 2016.