

**MM-1 MAYORAL MINUTE, STATE GOVERNMENT FORCED
AMALGAMATION**

Department Executive Services

Author Initials: AT

REPORT

I read with disbelief the comments of the State Member for Drummoyne in today's Inner West Courier, where he referred to Canada Bays response to the State Governments forced amalgamation with Burwood and Strathfield Councils as "shambolic".

I agree with the State Member in one sense that the word "shambolic" is relevant in describing the process the State Government has undertaken since it abandoned its 'forced amalgamation pledge' and adopted its Fit for the Future Program.

The Office for Local Government's Fit for the Future process commenced with Councils being told to submit either a merger proposal or stand alone proposal. The threshold criteria provided was based on the "ill defined" category of scale and capacity, not financial sustainability as Council's were led to believe.

There was no clear direction given; although it was intimated that "scale" was around the 250,000 population mark as this is where any merged entity would be eligible to access funding to be provided.

The City of Canada Bay participated proactively in prospective merger discussions with, Strathfield, Burwood, Leichhardt, Marrickville and Ashfield;- identified in the Independent Governments Review Panels 2013 Report and endorsed by the State Government as our recommended merger partners.

Although our preference has always been to "stand alone" The City of Canada Bay has taken a leadership role in ensuring if forced mergers were to proceed, we would put the best interests of our community at the forefront of our decision making.

To that end, being aware that Strathfield, Ashfield, Leichhardt and Marrickville Councils wished to stand alone.

- We proposed the only merger option available to Canada Bay, that would meet the scale and capacity criteria, and also had the support of the adjoining councils (Burwood and Auburn).
- We submitted as required by the State Government our merger proposal to IPART and were deemed "Fit for the Future" based on the scale and capacity criteria and financial sustainability criteria.

Then on 6 January 2016, the Minister for Local Government announced a merger proposal for the City of Canada Bay, Burwood and Strathfield Councils that;

- Provided no rationale to explain the Governments about turn in direction.
- Did not satisfy the scale and capacity criteria set by the State Government in its Fit for the Future Program.
- Included Strathfield Council that did not wish to be part of the merger process and had resolved to vehemently oppose any forced amalgamations.

It should also be noted that most of the amalgamation proposals, submitted by the Minister, now being considered don't match the Independent Review Panels recommendations or IPARTs assessments, which were the basis of the Fit for the Future program.

Further the Governments lack of transparency to release the KPMG reports said to form the basis of the Governments Business Case for proceeding with mergers also raises questions.

I also note the comments of the NSW Parliamentary inquiry who in its review of the process undertaken by the State Government labelled it "flawed" because of its lack of transparency and consultation.

So "shambolic" is certainly the right word, but I would suggest that the adjective sits comfortably in describing the State Government's process that we have had to endure during the last 18 months, rather than our response to it.

I would remind Councillors of our submission to delegate Mr. Richard Colley in response to the Ministers proposal which clearly recognised that while our preference remained "stand alone", if there is to be a merger we will use the opportunity to build upon our achievements to date, capitalise on the positive culture to form a new entity that is able to support the diverse needs of this community.

The City of Canada Bay will continue to provide strong leadership through the merger process, with the long term interests of our community as our first priority.

RECOMMENDATION

THAT Council write to the Minister for Local Government advising that Council is disappointed by the comments from the State Member for Drummoyne regarding Council's approach to the merger process given that despite our preference to stand alone Council has taken a proactive approach to ensure our community is not disadvantaged.