

Mr Garry West  
Ku-ring-gai /Hornsby Delegate  
Council Boundary Review  
GPO BOX 5341  
SYDNEY NSW 2001

28 February 2016

Dear Mr West

**RE: SUBMISSION TO COUNCIL BOUNDARY REVIEW - Ku-ring-gai Council and Hornsby Shire forced amalgamation**

We strongly object to the council boundary changes proposed for Ku-ring-gai.

In our view, the proposal to amalgamate Ku-ring-gai with Hornsby is fundamentally flawed and undemocratic and highly politically driven – not community driven. There has been no credible or sound evidence produced to support the government's claims that Ku-ring-gai residents would benefit from the proposed boundary changes and a forced amalgamation with Hornsby Shire.

The Baird Government proposal is highly flawed and has many disadvantages that will adversely affect the residents and the majority of people living in the Ku-ring-gai Council area. The Baird Government is relying on flawed KPMG documents which have been thoroughly analysed and criticised by experts, councils, community groups and residents alike.

We submit that you have no basis, after listening to approximately 100 speakers on the day of the Public Inquiry, who spoke honestly, rationally and passionately against the proposal to propose the boundary changes. The proposed council boundary changes have no merit and should not proceed. Ku-ring-gai Council should be recommended to continue to stand alone as responsible for the Ku-ring-gai local government area.

**Our reasons for strongly opposing a merger with Hornsby are as follows:**

**Criterion 1: "Financial advantages or disadvantages of the proposal to residents and ratepayers."**

**Claim no. 1:** "Ku-ring-gai ratepayers will receive a \$70 million benefit over 20 years and receive NSW Government funding of \$20 million to meet merger costs" (Merger Proposal brochure from NSW Government).

**Response:**

- This claim is both false and misleading. The claimed \$70 million benefit includes the \$20 million from the government.
- The claimed forecast savings of \$70 million over 20 years (which overlook negative and degraded outcomes) are only to be realised in future years, and is one of the smallest savings among the proposed amalgamations.
- The claimed savings are less than 1.4 % of total 20 year expenditure, which cannot seriously be considered a good reason to amalgamate.

- The government's refusal to allow access to the KPMG report is sufficient justification for the public to assume that the claimed saving would not withstand independent scrutiny. The report can have no credibility without independent review.
- KPMG's assumptions have been scrutinized, and some are seriously flawed:
  - Claimed labour savings of 7.4% are not supported by any evidence but are based on "half of what you would expect from a corporate merger" (Mike Baird on 2GB, February 11).
  - In fact, in Queensland, staff expenditure for amalgamated Councils rose for each of the 3 years following the 2008 amalgamations, and for the 7 years post 2008 staff costs have risen by 5% p.a. for amalgamated Councils compared with 3.7% for non-amalgamated Councils (Prof. B. Dollery).
  - The cost of staff redundancies has been based on the wrong award and has been severely under estimated (Prof. B. Dollery).
  - The assumed efficiency saving of 3% on materials and contracts is based on no empirical evidence.
  - The assumed saving of \$30,000 p.a. expenditure per Councillor is flawed (and is trivial in scale).
  - Transition costs assumed to be 1.5% of merged operating expenditure in the first year are significantly less than the experience in Queensland where the 'first round' costs were \$9.3 million on average for metropolitan Councils.
- There has been no risk assessment or risk adjustment of the KPMG estimates, which would normally be expected in a financial analysis of any Government proposal.
- "Once allowance is made for differences in income levels and business activity, there is no evidence for any cost savings in larger Council units in Sydney" (Prof. P. Abelson, Mosman Council).
- "Without evidence that similar savings have been achieved in other amalgamations, the KPMG assumptions are simply guesswork" (Prof. B. Dollery).
- "Problems with KPMG's assumptions render the modeling (by KPMG) too flawed to employ in the decision making process on local government mergers" (Prof. B. Dollery).
- The KPMG analysis is very rough and does not consider the impact of Hornsby of transferring the suburb of Epping to Parramatta Council. Epping is proposed to become a major commercial hub over the next few years. This real uplift in value had not been adequately valued or assessed for Hornsby Shire and hence the claimed financial benefits are at best spurious and dubious. Transferring part of Epping Town Centre to Parramatta Council could be detrimental to the financial stability of the merged council with the loss of 20,000 residents
- The review does not take into account the possible transferring the whole of Roseville Chase to Willoughby Council ( Willoughby Council has belatedly put in the submission to the Council Boundary Review) of a further 1836 residents from Ku-ring-gai. We have had no time in which to evaluate this proposal.
- The Baird Government has redefined the concept of "profit" to come to a level of "profit" well below the audited and reported levels. It has been claimed (SMH 30 June 2015) that if the Baird Government level of profitability was defined under the same accounting policy, it would currently be operating at a loss of \$1.8 billion per year. Perhaps there is a very good case for amalgamating State Governments not local councils.
- Rather than a saving the proposed merger would result in a net cost of \$82.1 million over 20 years, and if the cost of equalising services is taken into account, then the net merger costs

rises to \$283.5 million over 20 years. There is simply no case for the proposed merger on financial grounds.

**Claim no. 2:** “Two thirds of Councils have expenditure greater than revenue” (Mike Baird on 2GB, February 11).

**Response:**

- Councils being amalgamated in Sydney made a profit of \$28 million, whereas Councils not being amalgamated made a loss of \$61 million.
- Ku-ring-gai Council is financially fit for the future, so this claim is not a valid reason for their forced amalgamation.
- The Merger Proposal brochure misrepresents Ku-ring-gai Council's operating budget as running at a deficit when, in fact, it is running at a surplus.
- Ku-ring-gai council is financially sound and has achieved operating surpluses every year for the past 10 years.
- Ku-ring-gai council is rated by TCorp as being in the top 16 financially strongest out of 152 councils in NSW ;
- Ku-ring-gai council's Net Operating Result for 2014/15 was a surplus of \$22.15 million after allowing for depreciation on assets.
- A report released this month by LG Solutions has Ku-ring-gai Council ranked in the top ten of councils with an operating surplus for the 2014-2015 financial year. LG Solutions analysed NSW councils 2014-2015 financial data to produce a comparison of operating surpluses.
- Ku-ring-gai's operating surplus “was \$13.460 million before capital expenditure. This is a jump on the previous financial year's result which was 76% less at \$3.117 million.
- Ku-ring-gai's proposed merger partner Hornsby Shire was ranked even higher in the list, coming in third with an operating surplus for 2014-2015 of \$17.142 million before capital expenditure was taken into account.

**Claim no. 3:** “The system is broken: \$359 million was lost by NSW Councils in 2013/14” (NSW Government advertising).

**Response:**

- The Federal and NSW governments reduced funding of NSW Councils by \$375 million in 2013/14, so it's not surprising they had a shortfall that year.
- Ku-ring-gai Council, in fact, has a balanced budget this year and is forecast to have a balanced budget for many years going forward. Ku-ring-gai Council is clearly already 'fit for the future'!
- The Baird Government advertising is clearly designed to pull the “wool over the eyes” the majority of NSW residents who are not well informed and can easily be swayed by deceptive and misleading advertising. The advertisements do not comply with ACCC standards for advertising.

**Claim no. 4:** “Reducing the reliance on rate increases ..... ratepayers get a better deal” (Merger Proposal brochure).

**Response:**

- Despite the Government's “policy to freeze existing rate paths (sic) for four years”, the home-owning ratepayers of Ku-ring-gai can expect their rates to increase by approximately 50% after four years, based on the land values of Ku-ring-gai Council areas published by the Valuer General.

- In fact, experts in Ku-ring-gai have calculated a merger with Hornsby will cost the combined Council just under \$300 million over 20 years – not a saving of \$70 million as spruiked by the State Government. Clearly either rates will have to increase exponentially or services will be substantially cut if a merger goes ahead.
- Ratepayers of Ku-ring-gai would be severely disadvantaged by the increase in rates, and would have no influence over where their money is spent (being represented by only 6 out of 9 Councillors). There would be no proportional benefit to Ku-ring-gai ratepayers or residents.

Proper and full evaluation of the financial ramifications in the council boundary review proposal is impossible without the full “Cabinet in confidence” KPMG report and projections. It is referenced in the council boundary review proposals but the release has been refused by the Premier and Cabinet of NSW!

We understand the Office of Local Government (who is supposed to be briefing the Minister) has not received a copy of the “Cabinet-in-confidence” documents either. We understand, the Office of Local Government is being briefed by the Office of Premier and Cabinet as to the information which is allowed to be released by the Premier and Cabinet. What happened to the Baird Government promise of transparency?

We understand that no Delegate has been provided with a copy of the confidential KPMG material either. We wonder how a Delegate can determine responses if the Delegate has also been denied crucial information on which to review submissions? The “Cabinet-in confidence” KPMG documents are an integral part of Council Boundary Review statutory exhibition and contain modelling and assumptions used to determine the stated potential benefits. The withholding of these documents by the Baird Government is a denial of procedural fairness and a denial of natural justice.

## **Criterion 2: “the community of interest and geographic cohesion in the existing areas and in the proposed new area”**

### **Ku-ring-gai already has and has long had a long celebrated 100 years of community of interest and geographic cohesion.**

Ku-ring-gai has an active social, sporting and cultural life which contribute to its recognised sense of community.

Ku-ring-gai Council caters for a diverse range of ages and ethnic backgrounds with its activities and organisations.

Ku-ring-gai has vibrant community activities – Council chambers and municipal services, 4 libraries, various Seniors centres, Youth centres, many sporting ovals, local public parks and open spaces, markets, high achieving public schools, prestigious private schools, churches of numerous denominations and cultural clubs as well as attractive nine “main street” shopping precincts and several neighbourhood shopping villages and an increasing abundance of cafes and eating establishments encouraging social involvement.

Ku-ring-gai has a wide variety of active sporting associations, social groups, cultural associations and venues, and social and sporting clubs and venues.

**Ku-ring-gai has geographic cohesion which contributes to its community of interest.**

Ku-ring-gai is bordered on 3 sides by National Parks, the Lane Cove National Park, the Ku-ring-gai National Park and the Garrigal National Park. It is this which gives Ku-ring-gai much of its character, as the proximity to and orientation to National Parks is a feature of much of Ku-ring-gai's activity and the attraction to residents, ratepayers and visitors alike.

Ku-ring-gai is a Category 3 established urban area, located only 10 kms from the Sydney CBD recognised for its "rare tall canopy" "garden suburbs", "village atmosphere" "green heart of Sydney ", with an historic and social background rare in Australia. Ku-ring-gai's history helps to define it.

In contrast Hornsby is a Category 7 metropolitan fringe area consisting of mixed rural/residential and located on the outer fringe of the Sydney Metropolitan Area.

There is a lack of physical connections and cohesion within Hornsby and between the Ku-ring-gai Council area. A merged council would create four distinct physically separated areas three existing in Hornsby (rural, dispersed village settlements and residential including dense urban/commercial area) and the urban Ku-ring-gai Council area.

**Forcing Ku-ring-gai to amalgamate with Hornsby would severely damage Ku-ring-gai's sense of place and sense of community.**

All the more so Ku-ring-gai and Hornsby have very different identities and Hornsby residents are in the main apathetic to the merger with Ku-ring-gai. In fact the limited surveys carried out by Hornsby Council indicate more people either opposed or indifferent to the merger with Ku-ring-gai. Only 3 people spoke in favour of the merger with Hornsby at the Public Inquiry. To force Ku-ring-gai to amalgamate would turn a highly homogenous community spanning 54 km<sup>2</sup> to an area 650% great and 540 km<sup>2</sup> outnumbered by its neighbours who have no interest in or sympathy for its sense of community.

Ku-ring-gai council has a strong relationship with its community and consequently the community has a high expectation to be consulted and engaged in decision making. The Hornsby community is widespread and scattered over a large area. There is not the same relationship of the Hornsby community with their council and not the expectation that Ku-ring-gai residents have of their council in terms in the amount of consultation in decision making.

A merger with Hornsby would severely alter the size of the council and the amount of representation that Ku-ring-gai residents currently have. Geographically the area would be six times larger and would be dealing with additional issues that affect rural and remote communities rather than the urban issues that are the business of Ku-ring-gai Council.

**Ku-ring-gai has no geographic connection with Hornsby, let alone any geographic cohesion.**

The congested Pacific Highway, in fact, represents an enormous, at times intolerable, geographical and physical barrier that everyone recognizes is a distinct separation between Ku-ring-gai and Hornsby communities. The distance from Roseville in the south to Hornsby in the north in a straight line from Roseville to the far border of Hornsby is 54 km on one of the most congested old highways in NSW.

The two areas are very different with Ku-ring-gai being an outstanding example of an intact urban 'arcadia' with a significant number of Inter-War recognised heritage conservation areas and while Hornsby has significant areas of rural land and includes remote communities, riverland settlements, urban and dense residential/ commercial areas.

Ku-ring-gai's area is approximately 85sq kms in size compared to Hornsby's area of 455 km<sup>2</sup> i.e. 5 times the size or 650% larger than Ku-ring-gai.

Ku-ring-gai's population is 120,979 which is predicted to grow to 157,040 by 2031 and Hornsby has a current population of 149,000 and predicted to grow to 193, 810 by 2031 so each council already has a large population.

The proposed merger would result in a population of 271,000 which is predicted to grow to 350,000 by 2031 which would be one of the largest and most unwieldy councils to manage in the state. The size of the merged council area would become 540km<sup>2</sup> which would make it one of the largest council areas in NSW.

**Criterion 3: "Existing historical and traditional values in the existing areas and the impact of change on them".**

Ku-ring-gai has a long history dating back to the early days of Sydney, since the opening of the north shore railway line in 1890, Sydney then became accessible to the North Shore and the fresh air that people were longing for. Ku-ring-gai is still regarded as one of the most liveable places in Sydney to live due to its beautiful heritage streets, tall tree canopy landscape and bushland character.

Ku-ring-gai has long held values of protecting the areas magnificent natural and built environment. Ku-ring-gai residents are passionate about preserving the visual landscapes and built heritage, protecting the treed landscaped and supporting community priorities through volunteering and actively engaging in future planning for the area, which has created a community with many common values.

The Hornsby Shire by its very make-up and nature of its various physical divisions, different development history and communities of interests do not share these values and shared interests.

A merger with Hornsby Shire will create a new entity comprised of competing and contradictory community values and objectives. We believe there will be an erosion of Ku-ring-gai 's historical and traditional community values which have been generated, implemented and retained over the past 100 years if merged with the Hornsby Shire.

**Criterion 4: “The attitude of the residents and ratepayers of the areas concerned”.**

Residents and ratepayers of Ku-ring-gai oppose the proposed amalgamation of Hornsby and oppose any forced amalgamation of Ku-ring-gai Council.

It is also clear that a large majority of residents and ratepayers (76%- 84%) in Ku-ring-gai are not in favour of the merger with Hornsby. This has been carried out by random and representative surveys and which show widespread community disagreement with a merger with Hornsby Council.

For many residents in Ku-ring-gai, the anti-merger sentiment is growing strong enough to affect their voting intentions at future State and Federal election and this was expressed verbally to the Delegate at the Pymble Public Inquiry by a number of people.

The attitude of Ku-ring-gai residents and ratepayers to any form of council amalgamation - let alone *forced* amalgamation - is absolutely clear. It is overwhelmingly opposed.

There is a very long history of Ku-ring-gai residents and ratepayers fighting to gain and retain independence and control of their local government.

Ku-ring-gai residents and ratepayers have not been given their democratic right to vote for or against this proposal for forced amalgamation and have expressed the strong desire for the Delegate to call for a Plebiscite.

**Criterion 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”.**

**Ku-ring-gai residents and ratepayers want and require a meaningful relationship with their elected local government representatives. The proposed amalgamation of Ku-ring-gai with Hornsby would dramatically dilute that relationship to an unacceptable level and seriously damage grass roots democracy at the local government level.**

That relationship is seen as fundamental to residents and ratepayers feeling that they have or can have a real voice in the government of their local area. Currently we have 5 Wards represented by two elected councils for 12, 000 residents.

The existing number of 10 Ku-ring-gai Councillors is regarded as at or near the minimum number of elected representatives needed to maintain the desired relationship between residents and ratepayers on the one hand and their elected representatives on the other.

The proposal to force Ku-ring-gai to amalgamate with Hornsby would result in Ku-ring-gai's relationship with its 10 elected representatives being cut to 6 or less. That would be an unacceptable and unbalanced dilution of representation

**There is no evidence to suggest that having fewer representatives (or bigger councils) will make stronger local communities or stronger councils, as claimed by the government.**

The evidence from the resident's public verbal submissions to the Public Inquiry demonstrated that Ku-ring-gai residents are happy with the current level of representation and wish to retain a Ward system that allows for local representation.

**Councillors are a very cost-effective resource in local government and it is spurious to claim that amalgamation of councils will result in any significant savings through reducing the number of councillors.**

Councillors get an approximated allowance of 17,000 per year and the mayor gets about 30,000. You could pay for all the six councillors' and the mayor's allowances twice over and still have change from the General Manager's salary.

**Ku-ring-gai Councillors can better perform their important and legislated role in the present sized Ku-ring-gai Council.**

In the Local Government Act the role of the councillor as an elected person is defined as:

- to represent the interests of the residents and ratepayers
- to provide leadership and guidance to the community
- to facilitate communication between the community and the council.

These are all important roles for Ku-ring-gai Council and for the Ku-ring-gai community, and none of these roles would be improved under the proposed forced merger. Rather they would be much weaker, with fewer councillors covering a wider area and a critical lack of common community of interest.

[http://www.austlii.edu.au/cgi-bin/sinodisp/au/legis/nsw/consol\\_act/lga1993182/s232.html](http://www.austlii.edu.au/cgi-bin/sinodisp/au/legis/nsw/consol_act/lga1993182/s232.html)

**Larger councils have the tendency and propensity to become party political, with many councillors being affiliated with a major political party. Ku-ring-gai Council is proudly more independent of party politics and that is how the Ku-ring-gai community wants it to remain.**

In order to do their job properly, councillors need to be part of their community and act in the interests of their local constituents.

Councillors will not fulfil that responsibility adequately or to the standard of independence required if they are or feel they are beholden to the wishes or directives of an external body.

In the proposed amalgamated council, it is much more likely that the number of major party-oriented councillors would increase significantly, and community-oriented independent councillors would reduce.



Ku-ring-gai Council currently has 2 councillors representing major political parties (until the last election councillors only independents on council). Independent council representation leads to a focus on the community and local politics, rather than council being a conduit and agent for the implementation of major party policies (which in Ku-ring-gai merger would inevitably be state Liberal Party policies).

We understand there will be a push by the Liberal Party in future councils to run Liberal endorsed candidates. The Ku-ring-gai community has always preferred local grass roots representation with no party political interference.

**Councillors are representative of the Ku-ring-gai community in their occupational and gender mix and as such bring a diversity of experiences and perspectives reflective of the Ku-ring-gai community to Council deliberations and decisions. That would be lost with the proposed amalgamation.**

The present Ku-ring-gai Council has an efficient mix of professional working people and semi-retired people, both women and men, the majority being politically independent. The proposed amalgamated council would not retain that unique and effective mix. The Ku-ring-gai community would have a less representative council, as well as fewer representatives.

**Ku-ring-gai Councillors know their Ku-ring-gai community and understand their community needs. This would be lost or greatly diminished in the proposed amalgamated council, resulting in increased bureaucratic administration in place of grass roots representation.**

It is essential for the effective operation of local government that councillors know and understand their local community needs and interests. This knowledge and these connections are essential to the effective performance of local councillors and local government. But this will inevitably be lost in a council of the size proposed, in which it would not be realistic to expect councillors to be sufficiently across details of local matters to be able to make informed decisions.

The inevitable result would be an increased reliance on council bureaucracy and a diminution in the effective role of councillors as grass roots representatives of their constituents.

If a council gets too large, such as the proposed forced merged council, councillors cannot possibly have the degree of local knowledge and understanding that they presently have when making decisions for and on behalf of the community. Their work load will double.

**Criterion 6: “The impact of the proposal on the ability of the council to provide adequate, equitable and appropriate services and facilities.”**

The proposal to merge Ku-ring-gai with Hornsby Shire would result in a reduction of the current level of services available in the Ku-ring-gai municipality.

Ku-ring-gai currently has a high percentage of people who are volunteers and provide their services on a voluntary basis to groups and programs organised by Ku-ring-gai Council. Examples of these voluntary services include Carers Support Groups; Community Visitors Scheme; Meals on Wheels; Seniors and Youth Services; community transport and early childhood programs.

The local connection that volunteers have with their Council and area would be broken if they were to be administered by the proposed amalgamated council based in Hornsby and with commonality of interest with Ku-ring-gai.

Small is beautiful when it comes to getting the most from local people who will not identify with a large bureaucracy located somewhere in Hornsby and beyond.

Several residents have been advised in a recent meeting in Ku-ring-gai with the Mayor and Ms Patricia Forsyth, The Executive Director of the Sydney Business Chamber (whose organisation has been lobbying the Baird Government to reduce the number of councils to 6 along with Ms Lucy Turnbull the Chair of the Greater Sydney Commission), that the Government will not be naming the new merged entity either ‘Ku-ring-gai’ or ‘Hornsby’ and that a new ‘neutral’ name will be chosen for the merged council. This would mean that all organisations with the name of Hornsby or Ku-ring-gai would be left with no association to that newly merged council area. Ku-ring-gai residents have not been consulted about this new ‘secret’ merged council name and it appears people with lobbyists and government connections, vested interests in development and business are being consulted about it but not the Ku-ring-gai community.

In such circumstances the local connection with the Ku-ring-gai area would be lost. Loss of identity is recognised as a significant factor in degrading or destroying willingness to volunteer. As a consequence services which rely on the great efforts of volunteers would be expected to decline or be terminated altogether.

Other services provided or subsidised by Ku-ring-gai Council would also be under threat if Ku-ring-gai was to be forced to amalgamate with Hornsby. Numerous other community services currently provided by Ku-ring-gai Council which could also be at risk of discontinuance under an amalgamated council seeking cost cutting would include the free transport system offered in Ku-ring-gai via the community bus.

It is inevitable that services would be reduced or abandoned altogether to achieve cost-cutting to meet accumulated debts of councils which Ku-ring-gai would be forced to amalgamate with under the proposal.

Many council services have been outsourced to private enterprise over many years. If this is at all a concern then councils can be directed to continue the outsourcing model to other services such as a cost reduction and efficiency programme. This can be done without amalgamating councils. In having properly resourced local councils supervising third party privatised service providers, a suitable level of control and rule based level of services can be applied to the current council areas without the need for forced mergers.

**Criterion 7: “The impact of any relevant proposal on the employment of staff by the councils of the areas concerned.”**

There will be significant staff employment losses in Ku-ring-gai as staff positions are progressively abolished. This will lead to loss of professional expertise, staff experience and on the ground knowledge of Ku-ring-gai and its environs which has been accumulating over the past 100 years. Loss of staff morale and job insecurity will have a detrimental impact on the day to day functioning of council.

There will be most likely be substantial disruption to local services and productivity during a transition period.

The \$10 million transition cost for amalgamation is grossly misrepresented and considered totally inadequate. The cost of updating and creating new IT systems is estimated to cost 10 times more than the Government is quoting which amount only allows for a simple band aid solution. The costs for a new IT system are estimated to be approximately \$30 million.

**Criterion 8: “The impact of the proposal on any rural communities in the resulting area.”**

Unlike Hornsby, there are no rural communities in Ku-ring-gai. This is what makes Ku-ring-gai quite geographically different to Ku-ring-gai. We are purely a residential metropolitan council with no rural or river land communities.

However, we have empathy and understanding for the many rural and regional communities in NSW who are being forced to merge by the Baird Government against their wishes. Rural mergers will severely reduce their capacity for employment that provides essential economic activity, job losses and threats to local services and facilities. This has not been adequately considered by the Baird Government’s merger proposals.

We support the many rural communities fighting to stand alone. There are other ways to reform local and regional councils than to amalgamate, which will not destroy local communities, local jobs and local economies.

**Criterion 9: “The desirability (or otherwise) of dividing the resulting area or areas into wards.”**

We support a Ward system. It has worked for 100 years in Ku-ring-gai. It is not “broken”. Retention of the ward system in the Ku-ring-gai council area will be necessary to provide local representation and grass roots democracy, and counter disinterest and a sense of disenfranchisement under a new merged council.

Wards are very important to maintain local representation. A NO ward system would severely undermine grass roots democracy and would be less accountable and transparent. A NO ward system would disenfranchise the community and would favour a political take-over of council. In a NO Ward system residents would have less say in how money is managed and future planning in a merged council. This is not in the public interest.

A merged council would potentially double the current workload of a councillor and would be impossible to manage taking into consideration the massive size of population and massive combined area of the two merged councils.

Ku-ring-gai Council already services one of the larger populated areas of metropolitan Sydney. Currently we have 5 Wards and 10 councillors. This would be reduced to a maximum of 6 councillors. However Hornsby would like to reduce the maximum of 13 councillors rather than 15 councillors over the merged council. This would reduce the representation further to Ku-ring-gai residents which have enjoyed a close connection and access to local ward councillors.

The residents of Ku-ring-gai would be in a minority in the merged council and would be reflected in the number of councillors representing Ku-ring-gai residents, who will be in a minority

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

The Public Inquiry at Pymble demonstrated there is very little community interest in the merger by Hornsby residents as there were less than a handful present at each Public Inquiry session and just 3 residents spoke in favour of the forced merger.

There is a very apparent strong community interest in the outcome of the Delegate’s Public inquiry in Ku-ring-gai by its residents. The majority of residents in Ku-ring-gai are opposed to a merger and see no real benefits or outcomes for the Ku-ring-gai ratepayers’ in a forced merger with Hornsby Council. This is clearly borne out in statistical surveys and from the number of speakers at the Public Inquiry against the merger with Hornsby.

Approximately 97 people spoke at the Public Inquiry opposed to the merger with Hornsby Shire over the two Public Inquiry sessions at the Pymble Golf Club. The overwhelming majority of the 700 residents attended the two sessions were from Ku-ring-gai and only a small number of residents who attended the Public Inquiry were from the Hornsby Shire area.

13 Ku-ring-gai community action groups have combined and letterboxed 30,000 flyers informing the community about the Council Boundary Review process and set up a website and Facebook site for informing and involving the community in the process over the possible merger with Hornsby. We are not aware of any such community group action in Hornsby by the 2 community action groups. There is apparent widespread apathy in Hornsby about the merger whereas there is widespread interest and opposition to the merger with Hornsby Shire in Ku-ring-gai.

Hornsby Mayor Steve Russell spoke at the afternoon Public Inquiry session but left following his address to the Delegate. Mayor Russell was apparently not interested in staying to hear what the vast majority of Ku-ring-gai residents present had to say about opposing the merger with Hornsby Shire. This apparent lack of interest in what Ku-ring-gai residents have to say is of great concern if Steve Russell is elected to be the Mayor of a merged council representing Ku-ring-gai residents. Ku-ring-gai Council has undertaken a rigorous process of communication and consultation with residents regarding the merger proposal. This included an independently conducted and statistically valid survey of many hundreds of residents. Hornsby Shire in comparison has not consulted its community on this issue since a survey was conducted in 2013. A letter was sent to all households in January 2106 by the Hornsby Mayor espousing his own advocacy for the merger with Ku-ring-gai Council but not inviting comments or further consultation with residents.

It is clear from the survey in 2013 that the majority of Hornsby residents are either apathetic, not interested or do not support the merger with Ku-ring-gai. Whereas the majority of the Ku-ring-gai residents are interested, informed and a clear majority are opposed to a forced merger with Hornsby Shire.

**Criterion 11: “Any other factors relevant to the provision of efficient and effective local government in the existing and proposed new areas.”**

Scale and Capacity: Ku-ring-gai’s current scale and capacity is fully functional and appropriate for Ku-ring-gai. With a current population of 120,000 residents Ku-ring-gai’s population is already large and increasing by Ku-ring-gai’s population by 25% in 2031. IPART puts Ku-ring-gai’s population in 2031 at 151,000. This does not take into account the changes to planning instruments by the Greater Sydney Commission in their proposed deliberations for additional development in the middle ring suburbs.

The Exempt and Complying Code amendments currently on public exhibition, are proposing changes to allow medium density proposals in R2 zones which currently do not allow townhouses and medium density dwellings. The Code changes will enable multiple dwellings on single residential blocks over much of Ku-ring-gai if they proceed and thus will increase population further than what is already taken into account from R4 high density development zonings.

Ku-ring-gai’s population, without a merger, will therefore already be the same size as the populations of the proposed new merged Councils of Pittwater/(part)Warringah at a combined 141,000, Manly/Mosman/(part) Warringah at 153,000, North Sydney/Willoughby Council at 145,000, Hurstville /Kogarah at 147,000, and Botany /Rockdale at a combined population of 153,000. The merger would therefore make Ku-ring-gai/Hornsby one of the biggest councils in population in NSW.

Regarding ‘capacity’, said to relate to a capacity to deliver major projects and partner with government, Ku-ring-gai already has the capacity to do this through the ROCS. The IPART Report relies on Scale only in the ‘Scale and Capacity’ criterion.

Best practise environmental management: Ku-ring-gai council delivers best practise environmental management e.g. climate change adaption strategy, community engagement programs, aboriginal heritage management program and natural areas strategic management.

Under a merged council with Hornsby the Ku-ring-gai’s Environmental Levy would cease and would not be renewed which would impact a the \$2 million best practise environmental management programmes put in place to minimise environmental degradation. This will not be made up by any increased spending resulting from the pitiful savings/efficiencies in a merged council.

To summarise:

This whole process has been politically driven not community driven. Forced amalgamations are based on the ideology and business models of the Business and Property Development Industry. They see large councils as a way of reducing community input in development and increased control of development across the state, driving a Sydney to become a global city to rival London and New York.

The Baird Government is increasingly being influenced by ex-Liberal party MPs and lobbyists (the presence of which have increased since the Liberal government was elected) and vested interests such as the Property and Development Industry, for which they rely on for large donations to fund election campaigns. Property development drives massive state revenue from stamp duty payments. Business and property development interests have been lobbying the Baird Government to force the amalgamation of councils over a number of years. They have now

succeeded in getting the Baird Government to change the Government's promise of "no forced amalgamations".

The forced merger involves abolishing a good, efficient, functional council, which attracts good staff, provides good services, is not losing money, has good working relationships with neighbouring councils (and ROCS) and works effectively with government, and replacing it with a new arrangement which will result in consistently negative, costly and degraded outcomes for Ku-ring-gai and its community.

Overall the 'Section s263 (3) Factors' set by law are clearly against changing the boundaries so as to effect the proposed merger. The 11 factors outlined in our submission clearly point to negative costly and degraded outcomes in Ku-ring-gai.

We are opposed to the merger as there has not been shown to be enough financial and qualitative gain to offset the clearly identifiable losses.

We would therefore urge you to find against the council boundary revision for Ku-ring-gai and against the forced merger of Ku-ring-gai Council with Hornsby Shire.

Yours sincerely

Kathy Cowley  
PRESIDENT