

GENERAL PURPOSE STANDING COMMITTEE NO. 6
INQUIRY INTO LOCAL GOVERNMENT IN NEW SOUTH WALES
Supplementary questions: Marrickville Council

Answers are to be returned to the Committee secretariat by Friday 21 August 2015

1. What additional services are provided by micro councils compared to larger councils?

We are not aware of additional services that are provided by micro councils as compared to larger councils. Councils provide services that are required by their communities. The danger in amalgamating councils with different services, is that some of those services are likely to be lost in the larger amalgamated council due to the need to make cost savings to compensate for the implementation costs associated with amalgamations.

The relative value and relevance of a service to its community is far more important than the number of services a council provides to its community.

Smaller councils generally have a more intimate knowledge of their community's needs and tailor their services accordingly.

2. How do your councillors better serve local residents than councillors in larger councils?

Marrickville Councillors currently serve 6,800 residents each, allowing them to respond to email and other enquiries and to be familiar with a proportion of their resident population. They do this on a part time basis without 'electorate' style offices, with no staff and the provision of minimal support and services from the council organisation.

Councillors live and work in the small area they represent. They engage with residents and ratepayers on a daily basis and become intimately familiar with the issues impacting their area.

The amalgamated Inner West Council would mean that each Councillor would serve a population of 22,000 residents each, across a much larger geographic area; a much more difficult number of residents to respond to and be familiar with. It is not only the volume of enquiries that will impact on Councillors but also the quality of that engagement.

Even if it was physically possible to manage a 3 fold increase in the volume of enquiries, it would come at the expense of time Councillors could afford to each enquiry (and therefore, affect quality and/or constituent satisfaction).

What is likely to transpire is a departure from part-time, largely voluntary Councillors to full-time Councillors commanding larger remuneration for their efforts. It is unlikely that the community would be supportive of that approach.

3. Is there an inherent conflict of interest for councillors with regard to merges?

Councillors could be seen to be protecting their positions on Council in their opposition to forced amalgamation. Let us remember, however, that Councillors are paid a little over \$18,000 p.a. for a job that takes a great many hours per week of their time – they are hardly protecting a sustainable form of employment in opposing amalgamations.

There are cogent reasons to view forced amalgamation as a backward step. It will be much harder to be elected in a larger Council unless you have a large party machine and financial backing to support you. This logically favours the two major political parties. It will also be far more difficult for independents,

women with family responsibilities and sole parents to be elected and to then provide the necessary service and attention to constituents. While it could be argued that the same could be said for members of Parliament at the State and Federal level, only local government councillors represent their constituents on a part-time basis with no support staff.**4. If there is a conflict, how should this be resolved?**

Councillors should have the support of their local communities, so robust community consultation should be undertaken prior to any amalgamations or mergers of Councils. If the community disagrees with councillors about forced amalgamations then this should be clear from the consultation.

5. If sector wide local government reform is necessary, but councils do not engage voluntarily, what should the government do?

Many of the 65 recommendations from the Independent Review Panel have nothing to do with amalgamations. These other recommendations should be implemented. Most Councils recognise the need for reform, and would be willing to follow a shared services / joint organisations model. State Government should make the necessary changes to the Local Government Act which encourage and facilitate shared services and joint organisations, and should continue to hold councils accountable to the 'improvement plans' submitted. To rely solely on forced amalgamations and to ignore the many recommendations for improvement is not logical. It will represent a lost opportunity.

There is a view that reform is not negotiable. Councils who do not voluntarily engage in reform run the risk of being left behind by others in the sector.

The State Government could mandate that all improvement plans are independently audited.

The new practice of issuing Improvement Notice Orders, should be continued where appropriate.

6. Do you believe the Financial Assistance Grants criteria should not include a minimum funding guarantee, so that FAGs can be redirected to councils that need it most?

There is a willingness by larger metropolitan Councils to be able to build in a phased redistribution of FAGs, if there were greater capacity to set rates without lengthy IPART submissions. The FAGs could be gradually reduced, so as to lessen the financial burden for those Councils that will receive a reduction, and eventually, no FAGS.

Other options might include:

1. Maintain a minimum funding guarantee (but reduce it gradually over time)
2. Distribute say 95% of the total pie (\$360m) using the existing formula
3. The balance of funds (5% = \$18m) could be allocated on a 'special needs' basis
4. Criteria to be developed by Grants Commission targeting 'disadvantaged and/or isolated' communities