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**PROPOSED MERGER OF  
(PARTS OF) AUBURN CITY, HOLROYD CITY AND  
PARRAMATTA CITY COUNCILS**

**Comments by the NSW Local  
Government Boundaries Commission  
on the Report by the Delegate  
of the Acting Chief Executive Officer  
of the Office of the Local Government**



**APRIL 2016**

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**Local Government Boundaries Commission**  
GPO Box 5341  
Sydney NSW 2001

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The Hon Paul Toole MP  
Minister for Local Government  
Level 17 NE  
52 Martin Place, SYDNEY NSW 2000

Dear Minister

**Proposed merger of (parts of) Auburn City, Holroyd City and Parramatta City councils**

The Local Government Boundaries Commission provides its comments on the Delegate's Report into the above merger proposal under section 218F(6) of the *Local Government Act 1993*.

Yours sincerely

A handwritten signature in black ink that reads 'Bob Sendt' in a cursive script.

RJ Sendt  
Chairperson  
22 April 2016

## 1. Summary of Local Government Boundaries Commission comments

The Boundaries Commission has reviewed the Delegate's Report on the proposed merger of Auburn City Council (part), Holroyd City Council (part) and Parramatta City Council (part) to determine whether it shows the legislative process has been followed and the Delegate has taken into account all the factors required under the *Local Government Act 1993* (the Act).

The Commission has assessed that:

- the Delegate's Report shows that the Delegate has undertaken all the processes required by section 263 of the Act,
- the Delegate's Report shows that the Delegate has adequately considered all the factors required by section 263(3) of the Act, with the exception of the factor listed under subsection 263(3)(e2) (employment),
- the Delegate's recommendation in relation to the proposed merger is supported by the Delegate's assessment of those factors.

## 2. Summary of the merger proposal

On 6 January 2016, the Minister for Local Government referred a proposal to merge the local government areas of Auburn City Council (part), Holroyd City Council (part) and Parramatta City Council (part) to the Acting Chief Executive of the Office of Local Government for examination and report under the Act. The following map shows the proposed new council area (shaded in green).



The proposal would have the following impacts on population across the three councils.

Council	2014	2031
Auburn City Council (part)	76,048	n.a.
Holroyd City Council (part)	106,878	n.a.
Parramatta City Council (part)	36,221	n.a.
New Council	219,147	295,000

Source: NSW Government, January 2016, *Merger Proposal: Auburn City Council (part), Holroyd City Council (part), Parramatta City Council (part)*, pp 7 and 14.

The Acting Chief Executive delegated the function of examining and reporting on each of the proposals to a number of people, known as 'Delegates'. Delegates were required to examine and report upon each merger proposal rigorously and fairly. The examination process includes Delegates calling for submissions and holding a public inquiry on each proposed council merger. Delegates prepared a report on the proposal and provided that report to the Local Government Boundaries Commission.

### 3. Role of the Local Government Boundaries Commission

The Local Government Boundaries Commission is an independent statutory authority constituted under section 260 of the Act. The Boundaries Commission examines and reports on any matter referred to it by the Minister in relation to the boundaries of local government areas and the areas of operation of county councils.

The Boundaries Commission has several functions under the Act. In the current context (where the Minister has elected to refer the proposal to the Office of Local Government, rather than the Boundaries Commission, for examination), the most relevant Commission functions are set out in section 218F(6) of the Act. This section requires:

- the Chief Executive to furnish the report on the examination of the merger proposal to the Boundaries Commission for review and comment, and
- the Boundaries Commission to review the report and send its comments to the Minister.

The Commission's role does not involve re-examining the advantages and disadvantages of the proposed mergers, accepting submissions or holding public inquiries.

### 4. Delegate's recommendations

The Delegate's key recommendation is that the merger proposal be implemented.

The Delegate also made the following other recommendations:

- *the council of the proposed merger, if approved, should have 11 Councillors, including the Mayor, and not be divided into wards.*
- *if the merger proceeds a new name be chosen which does not reference the name of any of the existing councils.*

- *consideration should be given to some of the minor boundary adjustments put forward by Blacktown Council, Auburn Council, Holroyd Council and Parramatta Council, in submissions, as outlined in the Delegate's Report.*

## 5. The Commission's detailed comments

### 5.1 Review of the process followed by the Delegate

Under the Act, the Delegate is required to undertake certain processes in examining a merger proposal. These processes include holding an inquiry, allowing members of the public to attend meetings as part of the inquiry and calling for submissions. As part of its review of the Delegate's Report, the Commission has looked at whether these processes were followed.

In total the Delegate considered 256 written and verbal submissions from the public, community and other organisations and councils.

The Delegate held two public inquiries on 4 February 2016 at the Holroyd Function Centre.

***The Commission's view is that the Delegate has met the relevant requirements.***

### 5.2 Review of the Delegate's consideration of the factors specified in the Act

Under section 263(3) of the Act, the Delegate is required to have regard to a range of factors when considering a merger proposal.

***Overall, the Commission's view is that the Report shows the Delegate adequately considered all the factors.***

The Commission has formed this view based on its review of the discussion presented in the Delegate's Report. The Commission specifically considered whether the extent of that discussion adequately canvassed the range of issues raised in the written submissions made to the Delegate and the views expressed at the public hearings.

The Commission makes the following comments relating to each factor:

#### 5.2.1 Financial factors

Section 263(3)(a) of the Act requires the Delegate to have regard to:

*"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".*

The Delegate noted that Auburn Council received a negative financial sustainability rating from the Treasury Corporation, with Holroyd and Parramatta councils receiving a neutral rating. With regard to IPART, the Fit for the Future assessments deemed all three councils not-fit on Scale and Capacity but they all satisfied the Financial criteria.

The Delegate outlined current financial information disclosing operating surpluses across all three councils concluding this would result in an operating surplus for a merged council. The Delegate noted significant concern from councils in relation to potential rates increases but concluded that current legislation would provide a newly merged council the opportunity to structure their rating arrangements to fit the needs of their community.

The Delegate considered the financial advantages and disadvantages of the proposal on residents and ratepayers, and concluded that the advantages of the proposed merger are greater than the disadvantages.

***The Commission's view is that the Delegate adequately considered the issues under this factor.***

### **5.2.2 Communities of interest**

Section 263(3)(b) of the Act requires the Delegate to have regard to:

*“the community of interest and geographic cohesion in the existing areas and in any proposed new area”.*

The Report noted that the new council would incorporate residential areas, interspersed with industrial and retail space. Industrial space includes the train maintenance depot at Auburn and the Yennora industrial precinct. There is green space associated with Prospect Reservoir as well as along the waterways of Prospect Creek, Duck River and Little Duck Creek. Rookwood Cemetery occupies a large amount of land in the east of the new council.

The Delegate noted themes from the community of interest factor within submissions include the Maltese community association with Holroyd Council (being over 8 per cent of the current Holroyd Council) and their association with the Mays Hill area, the relationship of Granville area with Parramatta Council and the history of Granville.

The Delegate concluded that the demographics of the areas proposed for merger are similar in terms of background and needs and do not present any impediments to the proposed merger.

***The Commission's view is that the Delegate adequately considered the issues under this factor.***

### **5.2.3 Historical and traditional values**

Section 263(3)(c) of the Act requires the Delegate to have regard to:

*“the existing historical and traditional values in the existing areas and the impact of change on them”.*

The Report noted that all three Councils submitted information on its history. Auburn Council highlighted the history of Granville as a suburb and in terms of local governance noting the creation of Granville municipality in 1885. Holroyd City Council in its submission pointed out the historical and traditional connection of the Mays Hill/ Granville area including the Mays Hill Cemetery, Pitt Row Headmaster's Cottage and the site of the first Council Chambers. The Maltese community connection is underlined by the fact that the “suburbs of Pendle Hill and Greystanes in Holroyd are

the most prominent sites of Maltese settlement in Western Sydney”. Parramatta City Council’s submission discussed Parramatta’s long and varied history, noting that the Borough of Parramatta was established in 1861 and was amalgamated in 1948 with Dundas, Ermington, Rydalmere and Granville councils to form the current City of Parramatta.

The Delegate considered that there is a similarity in the areas’ history and subsequent development. He concluded the proposed merger was unlikely to impact on the historical and traditional values of the area.

***The Commission’s view is that the Delegate adequately considered the issues under this factor.***

#### **5.2.4 Attitudes of residents and ratepayers**

Section 263(3)(d) of the Act requires the Delegate to have regard to:

*“the attitude of the residents and ratepayers of the areas concerned”.*

The Delegate noted that 61% of the submissions addressed the attitude factor. A strong theme noted was the concern amongst residents and ratepayers with the suspension and allegations against the current Auburn Council and subsequently to the perceptions of risks associated with the proposal to merge with Auburn Council.

One of the themes was for Holroyd to stand alone, and it is also noted that Holroyd Council, in their submission, refer to the results of the 2015 Community Satisfaction survey indicating a 90% satisfaction rate with Council services.

Another theme noted was the concern of some residents and ratepayers about losing areas of the existing council areas that are financially sound such as the Auburn North areas of Silverwater and Olympic Park.

The Delegate noted a clear level of concern of residents and ratepayers, but considered that the new merged council would be able to provide a new start for the area, particularly for Auburn.

The Delegate also acknowledged the clear high levels of “customer satisfaction” of residents as expressed by the community surveys and was confident that through ongoing engagement with the many communities of the new merged entity and financial viability that customer satisfaction could continue to be at high levels.

***The Commission’s view is that the Delegate adequately considered the issues under this factor, while noting the limited analysis provided.***

#### **5.2.5 Elected representation**

Section 263(3)(e) of the Act requires the Delegate to have regard to:

*“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”.*

The Delegate noted that only a small proportion of submissions raised concerns around elected representation.

The Report noted that the ratio of residents to elected councillors in each of the three councils is similar. Auburn has 10 councillors with a resident representation ratio of 1:8,545. Holroyd has 12 councillors with a resident representation ratio of 1:9,258. Parramatta has 15 councillors with a resident representation ratio of 1:12,662. A merged council with 15 councillors would have a resident representation ratio of 1:14,609.

The Delegate recommended that the newly merged council should have 11 elected representatives including a Mayor who is chosen by the councillors.

While the Holroyd and Parramatta Council submissions advocated for the proposed new council to have 15 councillors, the Auburn Council Administrator suggested the new council should have 9 councillors (including a popularly elected Mayor). The Delegate was of the opinion that as 9 councillors would give a ratio of 1 councillor to approximately 24,500 residents, increasing the number of councillors to 11, giving a ratio of 1 councillor to approximately 20,000 residents, would align more closely to the Blacktown ratio.

***The Commission’s view is that the Delegate adequately considered the issues under this factor.***

*The Commission notes that the Report (page 18) included a quote from Auburn Council’s submission attributing a statement concerning councillor numbers in new councils to the Boundaries Commission. These comments were in fact made in a 2004 boundary adjustment proposal by the then Minister for Local Government.*

### **5.2.6 Service delivery and facilities**

Section 263(3)(e1) of the Act requires the Delegate to have regard to:

*“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”.*

The Report noted that about 38% of submissions received identified issues in relation to this factor. A strong theme here was the concern about any potential effect on services from the loss of commercial revenue raising areas and whether there will be sufficient funding through rates and levies from the remaining residential and commercial areas for the provision of services.

There was also some discussion in submissions about volunteering and, for example, local government developing volunteers and the time it takes for volunteers to develop relationships with council. The Delegate expressed his understanding of the importance of volunteer service to local communities and the connection of volunteers to community members. He stated that it would be important in the transitional arrangements of the new council, should it proceed, to ensure the connection between volunteers and the local community remains.



The Delegate considered the commentary around the improved service levels in the proposal document, namely that “the efficiencies and savings generated by the merger will allow the new council to invest in improved service levels and/or a greater range of services and address the current infrastructure backlog across the three councils”. Given that the new Council would appear to be in a sound financial position, the Delegate concurred with this.

***The Commission’s view is that the Delegate adequately considered the issues under this factor, while noting the limited analysis provided.***

### **5.2.7 Employment impacts on staff**

Section 263(3)(e2) of the Act requires the Delegate to have regard to:

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

The Delegate noted the comments by Holroyd Council in its submission that in relation to staffing that “all Councils have agreed to work together to ensure that the best interest of the community and the staff is a priority”. The Delegate also noted the Parramatta Council comments that concerns raised by the community will be taken into consideration.

The Delegate concluded that on the basis of the employment protections that exist and comments in submissions from councils about working together with regard to staffing issues, he sees no impediment to the merger proposal based on this factor.

***The Commission’s view is that the Delegate did not adequately consider the issues under this factor.***

### **5.2.8 Rural impacts**

Section 263(3)(e3) of the Act requires the Delegate to have regard to:

*“the impact of any relevant proposal on rural communities in the areas concerned”.*

The Delegate noted the area covered by the proposal is within urban Sydney and there are no rural communities impacted by this proposal.

***The Commission’s view is that the Delegate adequately considered the issues under this factor.***

### **5.2.9 Wards**

Section 263(3)(e4) of the Act requires the Delegate to have regard to:

*“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”.*

The Report noted that Auburn Council utilises an electoral system incorporating two wards with five councillors from each. Holroyd has four wards with three councillors from each and Parramatta has

five wards with three councillors from each. The Delegate noted that the Administrator at Auburn Council does not support wards but that both Parramatta Council and Holroyd Council support a ward structure.

The Delegate did not recommend the creation of wards. He stated he was of the strong opinion that the creation of wards in the new area has the risk that the previous council areas will be maintained rather than establishing a Council with Councillors who are responsible for the whole of the new council area. In recommending this approach, he noted that the new council may decide to introduce wards at some stage, but in the interest of bringing together three separate council areas to function as a single new council he recommended that wards not be adopted.

The Delegate also conveyed a recommendation that policy initiatives such as place management can be used in the new council to ensure areas such as the Woodville ward area maintain their identity.

***The Commission's view is that the Delegate adequately considered the issues under this factor.***

### **5.2.10 Opinions of diverse communities**

Section 263(3)(e5) of the Act requires the Delegate to have regard to:

*“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”.*

As noted by the Report, the Auburn Council submission indicated that the population characteristics of the new proposed Council will present a number of community priorities and challenges. The Delegate noted in particular two key factors that are mentioned as requiring additional consideration:

- Significant socio-economic disadvantage – the combined area is set to have high proportions of residents who are experiencing multiple disadvantages, such as recency of arrival, poor or no English language skills, little or no familiarity with civic, political or social systems.
- Exceptional diversity – with such a diverse community, innovative ways to consult and engage the new communities in the business of Council will be required to maximise the potential for community education, awareness, participation and support of its initiatives and programs.

Parramatta Council highlighted the diversity of the Woodville Ward area that is proposed to be merged; “Woodville is also culturally diverse – there are 22 languages other than English with more than 100 people speaking that language at home.” The Delegate noted Parramatta Council has stated it believes that the opinion of each diverse community in the proposed LGA can be effectively represented.

The Delegate acknowledged the strong efforts by each council to engage with the diverse communities in their areas. The Delegate considered that the proposed new council will be able to engage with and provide the representation, service, facilities and community events that diverse

communities require. The current approaches used by the councils provide a strong framework for the new council to adopt to meet this factor.

***The Commission's view is that the Delegate adequately considered the issues under this factor.***

#### **5.2.11 Other issues**

Section 263(3)(f) of the Act requires the Delegate to have regard to:

*“such other factors as it considers relevant to the provision of efficient and effective local government in the existing and proposed new areas”.*

All three councils submitted suggested boundary changes with significant detail and reasoning. The Delegate considered that these boundary changes should be subject to negotiation between the new council and adjoining councils.

***The Commission's view is that the Delegate adequately considered the issues under this factor.***

*The Commission notes that suggested boundary adjustments are a matter for the Minister.*