

**ITEM 15.6 NOTICE OF MOTION NO 17/2024 - HOLDING A POLL AT THE SEPTEMBER 2024 LOCAL GOVERNMENT ELECTIONS REGARDING COMMUNITY SUPPORT FOR A COUNCIL DE-AMALGAMATION**

**COUNCILLOR KORZY SUBMITTED THE FOLLOWING MOTION:**

**MOTION**

That Council:

1. Informs, at the first opportunity, the NSW Electoral Commission of Council's intention to conduct a Poll at the September 2024 local government elections asking electors the question: *"Do you support the de-amalgamation of Northern Beaches Council (NBC) to reinstate Pittwater, Warringah and Manly Councils?"*.
2. Undertakes an internal preliminary desktop analysis for a de-amalgamation of the three former council areas, addressing:
  - a. the financial advantages and disadvantages of a demerger.
  - b. the community of interest and geographic cohesion of the existing LGA compared to the former council areas.
  - c. the impact of a demerger on democratic representation for residents in each of the former council areas.
3. Receives a report on the preliminary analysis no later than 30 July setting out the details of the analysis and the process by which it will be publicised for residents before the Poll.

**BACKGROUND FROM COUNCILLOR KORZY**

I feel compelled to bring this motion forward now because I cannot ignore the wishes of the thousands of Pittwater residents who have signed petitions calling for a council demerger. After eight years as part of the Northern Beaches Council, I believe it's now time to give all residents a say.

The NSW state government forcibly amalgamated 45 councils across NSW into 20 new Local Government Areas in 2016, aiming to create economies of scale via larger councils. The mergers were based on purely financial criteria contained in a KPMG report - that the NSW government never publicly released - which purportedly claimed councils could collectively make savings of \$2 billion over 20 years.

However, before the amalgamations, Pittwater Council had carried out a statistically reliable survey that showed 89 per cent of its residents wanted to remain in their stand-alone council. Yet the mergers were carried out without giving residents a democratic vote on the issue.

Since 2016, many Pittwater residents have called for the return of their former council. De-amalgamation campaigners from the Protect Pittwater Association have collected thousands of signatures from that community since 2017 requesting the return of their LGA.

This mirrors campaigns across the state. To date demerger proposals have been either submitted (or prepared) by Inner West Council, Canterbury Bankstown, Snowy Valleys and Cootamundra-Gundagai. Bayside Council last month resolved to prepare a desktop financial analysis on demerging, and campaigners in Guyra have also presented their case to the Office of Local Government. Finally, Protect Pittwater handed a demerger proposal to the NSW government in May 2018, which disappeared until February 2020, when it was rejected - as was a community

proposal to demerge Snowy Monaro Council. It is likely that several more councils will hold a poll on demerging in September.

Even government ministers have condemned the 2016 council amalgamations. Former NSW Planning Minister Anthony Roberts described them as *“a failed piece of policy”* in March 2023. Furthermore, NSW Local Government Minister Ron Hoenig said in a letter to the Demerge NSW Alliance in July 2023 that:

*“I consider the policy of forced council amalgamations to have been one of the worst public policy decisions in the local government sector in many years”.*

Others, such as economist and local government expert, Dr Joseph Drew, have said the mergers *“largely failed to deliver”* economies of scale and financially sustainable councils. Even the Institute of Public Affairs stated two years after the mergers that because the KPMG report was never released in full to the public, or even public servants implementing the program, *“the evidential basis for the changes is difficult to fully establish”.*

There are now two Bills before the NSW Parliament seeking to create pathways to de-amalgamations. Late last year, Upper House MP Dr Amanda Cohn introduced a Bill into Parliament which would allow binding plebiscites to be held in regards to council de-amalgamations. Then in February, NSW Local Government Minister Ron Hoenig introduced a Bill to amend the law, removing provision of initial costs from the Local Government Act and requiring support of the merged council to proceed.

Despite widespread support from crossbench MPs, unfortunately neither Labor nor the Coalition have indicated they will vote for Dr Cohn’s Bill, which would provide a simple way forward, with the cost of a referendum borne by the state government. The Liberals have said they will amend the Labor bill, but not to create a direct pathway for a demerger referendum.

The issue is clearly gaining momentum, while the original objections to the merged councils remain valid. There has been a loss of democratic representation under NBC because, for example in Pittwater, the six councillors who represent residents from the former Pittwater Council area (three from Pittwater Ward and three from Narrabeen) can be outvoted on any issue by the nine others from the remaining three wards (Curl Curl, Manly and Frenchs Forest). That contrasts with the former Pittwater LGA, which had nine councillors representing only Pittwater voting on Pittwater issues, meaning we controlled our own destiny.

Secondly, the larger wards on NBC mean that it is much harder to be elected. Candidates need more resources, both financial and in terms of campaigners, so that it's very difficult for independents not supported by a party or even candidates from small parties to be elected.

Under Section 218 of the Local Government Act, councils have only 10 years in which to initiate a de-amalgamation and the cheapest way for a council to do this is via a poll held with a council election. Thus, it would be a relatively inexpensive way to gauge the sentiment of the community on the matter by holding a poll at the September 14 council election.

To inform residents before this poll, staff should prepare a desktop business case, with financial and other social modelling. This information should then be widely distributed in the community before the poll.

Finally, I note that this motion should not reflect on NBC staff, who I believe carry out their duties in the best interests of the community. In fact, letting the people have a say in September could allow the council to go forward into the next term safe in the knowledge that it has its residents behind it.

Financial: The cost of a poll is estimated to be around 10 per cent of the total election cost.

Timing: The Electoral Commission will require notification regarding a poll by early June.

## CHIEF EXECUTIVE OFFICER REPORT

In accordance with Council’s Code of Meeting Practice Clause 4.15(a) I offer the following report on this matter to assist Council in the deliberation of this motion:

The NSW Electoral Commission (the Commission) advises that councils may take a poll of electors for its information and guidance on any matter. Voting at a poll is not compulsory. The Commission requires poll questions to be carefully drafted and capable of being answered 'yes' or 'no'. The Commission asks councils considering conducting a poll to contact the Commission as soon as possible with the final wording of the question being required by 30 June 2024. Should Council resolve to conduct a poll and the resolved question requires any material amendments, the CEO will table the matter at the next available ordinary meeting for Council's further consideration.

The Commission estimates that each poll question increases the cost of the election by approximately ten percent. In the case of Northern Beaches, the increased cost of the election may be in the order of \$160,000 to \$200,000. The current draft 2024/25 Operational Plan sets aside \$1,730,000 for the holding of the 2024 local government election. It should be noted this is an estimate only and the final cost may be more or less than budgeted amount. To accommodate the anticipated increased cost of the election, and to satisfy clause 11.10 of the Code of Meeting Practice which requires all motions requiring the expenditure of funds to identify the source of funding, Council should allocate an additional \$200,000 when adopting the 2024/25 Operational Plan at its June ordinary meeting.

<b>TRIM file ref</b>	2024/291991
<b>Attachments</b>	Nil