

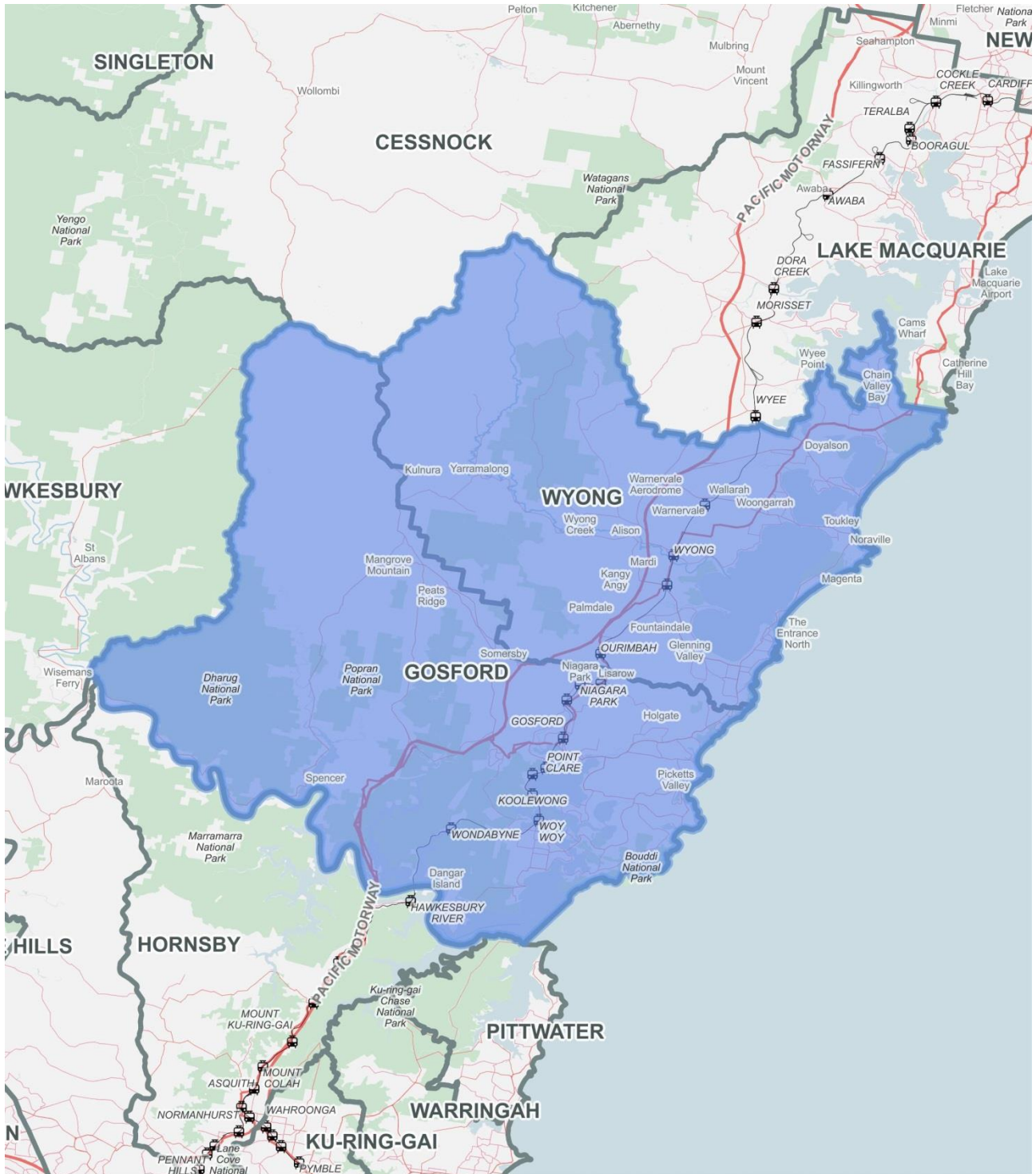
Merger Proposal:

Gosford City Council Wyong Shire Council

JANUARY 2016



Figure 1: Proposed new local government area



Proposed merger: Gosford and Wyong

Data sources: Land and Property Information
Datum and Projection: GDA94



- Proposal Area
- Current LGA Boundaries
- Suburbs
- Waterbodies
- Open space
- Roads
- Rivers
- Rail

MINISTER'S FOREWORD

Four years of extensive consultation, research and analysis have demonstrated that change is needed in local government to strengthen local communities.

Independent experts have concluded that NSW cannot sustain 152 councils – twice as many as Queensland and Victoria.

After considering the clear need for change, the Independent Local Government Review Panel (ILGRP) research and recommendations, the assessment of councils by the Independent Pricing and Regulatory Tribunal (IPART), council merger preferences, community views and the unique needs and characteristics of each area, I am putting forward the proposal to merge the local government areas of Gosford and Wyong.

The proposed merger will create a council better able to meet the needs of the community into the future and will provide significant benefits for the community.

This document details the benefits the merger will provide to communities, including:

- a total financial benefit of \$135 million over a 20 year period that can be reinvested in better services and more infrastructure;
- a projected 119 per cent improvement in annual operating results;
- potentially reducing the reliance on rate increases through Special Rate Variations (SRVs) to fund local infrastructure;
- greater capacity to effectively manage and reduce the infrastructure backlog across the two councils;
- improved strategic planning and economic development to better respond to the changing needs of the community;
- effective representation by a council with the required scale and capacity to meet the future needs of the community; and
- providing a more effective voice for the area's interests and better able to deliver on priorities in partnership with the NSW and Australian governments.

With the merger savings, NSW Government funding of \$20 million – and a stronger voice – the new council will be better able to provide the services and infrastructure that matter to the community, projects like:

- improve road networks;
- continued upgrades to local water and wastewater infrastructure to ensure clean waterways and beaches;
- investing in wastewater infrastructure to ensure clean waterways and safe food, for oyster farmers and others that rely on the natural environment;
- promotion of the region for tourism and business; and
- management and maintenance of open spaces, cultural and recreational facilities.

The savings, combined with the NSW Government's policy to freeze existing rate paths for four years, will ensure that ratepayers get a better deal.

A suitably qualified delegate of the Chief Executive of the Office of Local Government will consider this proposal against criteria set out in the *Local Government Act (1993)*, and undertake public consultation to seek community views.

I look forward to receiving the report on the proposal and the comments of the independent Boundaries Commission.



Minister Paul Toole

January 2016

EXECUTIVE SUMMARY

The communities of Gosford and Wyong share common characteristics and connections and will benefit by up to \$135 million from a merged council with a stronger capability to deliver on community priorities and meet the future needs of its residents.



Introduction

This is a proposal by the Minister for Local Government under section 218E(1) of the Local Government Act (1993) for the merger of Gosford City and Wyong Shire local government areas¹. This merger proposal sets out the impacts, benefits and opportunities of creating a new council.

The creation of this new council will bring together communities with similar expectations in terms of demands for services, infrastructure and facilities.

The proposal has been informed by four years of extensive council and community consultation and is supported by independent analysis and modelling by KPMG.

The proposal is consistent with the 2013 findings of the Independent Local Government Review Panel (ILGRP), which recommended further investigation of an amalgamation of these councils.

IPART determined that both Gosford City and Wyong Shire councils satisfy key financial performance benchmarks. However, operating individually, each council has limited scale and capacity to effectively deliver on behalf of residents and meet future community needs.

The new council for the new local government area will not only oversee an economy that shares many similar residential, workforce and industry characteristics, but will have enhanced scale and capacity to help it deliver on local infrastructure

priorities such as investment in upgrades to local water and wastewater assets.

Impacts, Benefits and Opportunities

A range of benefits and opportunities has been identified from the proposed merger, including a stronger balance sheet to meet local community needs and priorities.

Analysis by KPMG shows the new council has the potential to generate net savings to council operations. The merger is expected to lead to more than \$115 million in net financial savings over 20 years. Council performance will also be improved with a projected 119 per cent increase in annual operating results achieved within 10 years.² This means there will be a payback period of three years, after which the merger benefits will exceed the expected merger costs.

The analysis also shows the proposed merger is expected to generate, on average, around \$10 million in savings every year from 2020 onwards. Savings will primarily be from the redeployment of back office and administrative functions; streamlining of senior management roles; efficiencies from increased purchasing power of materials and contracts; and reduced expenditure on councillor fees.³

The NSW Government has announced a funding package to support merging councils which would result in \$20 million being made available should the proposed merger proceed.

¹ The end result if the proposal is implemented is that a new local government area will be created. For simplicity throughout this document, we have referred to a new council rather than a new local government area.

² Operating results refer to the net financial position after subtracting total expenditure from total revenue in a given financial year.

³ NSW Government (2015), Local Government Reform: Merger Impacts and Analysis, December.

These savings may enable the new council to reduce its reliance on rate increases to fund new and improved community infrastructure.

Each of the two councils is currently seeking or has recently received approval for Special Rate Variations (SRVs) from IPART. For example:

- Gosford City Council intends to request an SRV of 9.5 per cent over a one-year period in 2017–18; and
- Wyong Shire Council has an approved cumulative SRV of 17.6 per cent over a four-year period from 2013–14.

The proposed merger is also expected to result in simplified council regulations for many residents and businesses in the Gosford and Wyong council areas, given each council is currently responsible for separate and potentially inconsistent regulatory environments. Regulatory benefits include consistency in approaches to development approvals, health and safety, building maintenance, traffic management and waste management.

The proposed merger will provide significant opportunities to strengthen the role and strategic capacity of the new council to partner with the NSW and Australian governments on major infrastructure projects, addressing regional socio-economic challenges, delivery of services and focus on regional priorities. This could assist in:

- reducing the existing \$228 million infrastructure backlog across the Gosford and Wyong area;

- improving liveability and boosting housing supply to meet population growth across the area;
- preservation of key environmental areas e.g. beaches; and
- supporting economic growth and urban development while enhancing the standard of living and lifestyle that local residents value.

While a merged council will increase the current ratio of residents to elected councillors, the new ratio is likely to be comparable with levels currently experienced by other communities across regional NSW.

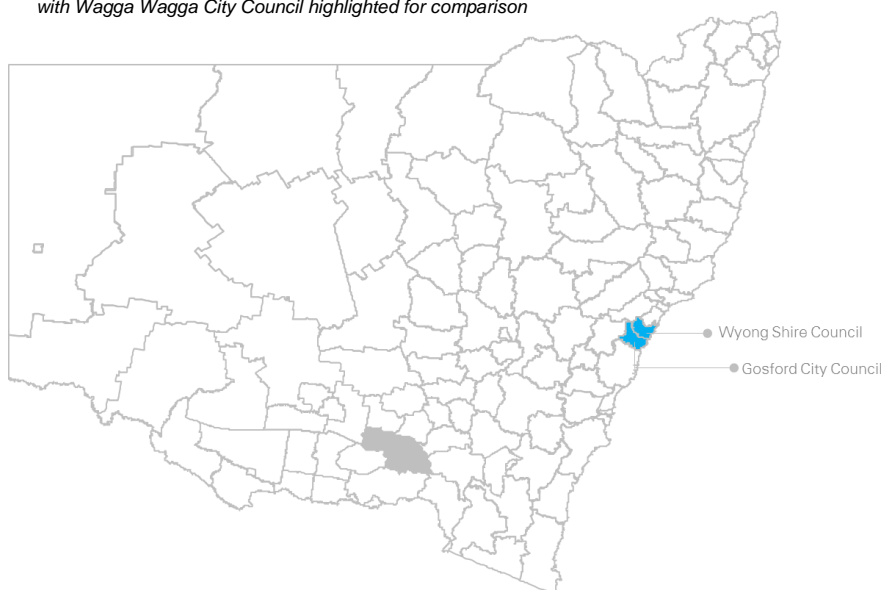
Next Steps

This merger proposal will be referred for examination and report under the *Local Government Act (1993)*.

Local communities have an important role to play in helping ensure the new council meets their current and future needs for services and infrastructure and will have an opportunity to provide input on how the new council should be structured.

Local communities will have an opportunity to attend the public inquiry that will be held for this merger proposal and an opportunity to provide written submissions. For details, please visit www.councilboundaryreview.nsw.gov.au

Figure 2: Map showing boundaries for the proposed new council with Wagga Wagga City Council highlighted for comparison



INTRODUCTION

This merger proposal has been informed by an extensive four-year consultation and review process.

The NSW Government has been working with local councils and communities since 2011 to strengthen council performance and ensure local government is well placed to meet future community needs.

A first key step in that process was the ILGRP's comprehensive review of local government and subsequent recommendations for wide-ranging structural reform and improvements to the system. In response, the NSW Government initiated the *Fit for the Future* reforms that required each local council to self-assess against key performance indicators and submit proposals demonstrating how they would meet future community needs.

The NSW Government appointed IPART in 2015 to assess each council's submission. IPART has now completed its assessment of 139 proposals (received from 144 councils) and concluded 60 per cent of councils are 'not fit' for the future. Many of these councils did not meet the elements of the 'scale and capacity' criterion (refer Box 1 below).

Gosford City and Wyong Shire councils each submitted *Fit for the Future* proposals to remain as standalone councils. In assessing each council's submission, IPART determined that neither of the two councils was 'fit' to stand alone and that a merger was needed to achieve the required scale and capacity to meet the needs of residents now and in the future.

In the consultation period that followed the release of the IPART report, both councils nominated each other as potential merger partners.

Box 1: Overview of scale and capacity

Key elements of 'scale and capacity'

Scale and capacity is a minimum requirement as it is the best indicator of a council's ability to govern effectively and provide a strong voice for its community. At a practical level, this includes being able to:

- undertake regional planning and strategic delivery of projects;
- address challenges and opportunities, particularly infrastructure backlogs and improving financial sustainability;
- be an effective partner for the NSW and Australian governments on delivering infrastructure projects and other cross-government initiatives; and
- function as a modern organisation with:
 - staffing capacity and expertise at a level that is currently not practical or economically possible for small councils;
 - innovative and creative approaches to service delivery; and
 - the resources to deliver better training and attract professionals into leadership and specialist roles.

A NEW COUNCIL FOR THE GOSFORD AND WYONG AREA

The proposed new council will be responsible for infrastructure and service delivery to around 331,000 residents across the Gosford and Wyong area.

The creation of a new council provides the opportunity to bring together the communities from across the local government areas of Gosford and Wyong. These communities have similar lifestyles, use similar services and have a common identity as residents of the Central Coast. The Central Coast has one of the highest indigenous populations in NSW. The Darkinjung community and the area of the Darkinjung Local Aboriginal Land Council are closely aligned with the proposed boundaries of the new council.

The new council will be responsible for infrastructure and service delivery to more than 386,000 residents by 2031. This reflects the expected population growth across the region of 0.9 per cent per annum.⁴

The proposed merger aligns with the approach of the NSW Government's Draft Central Coast Regional Plan. The NSW Government has identified a number of priorities that are directly relevant to the proposed new council. For example:

- growing and diversifying the economy, growing Gosford City Centre as a priority location for employment;
- focusing growth in identified regional economic corridors stretching from Somersby to Erina and from Tuggerah to Warnervale;
- accelerating the supply of new housing, with an emphasis on delivering new housing in existing and committed growth areas;
- sustaining productive rural landscapes and promoting investment in rural and natural resource industries; and
- protecting the natural environment, including its coastline and preparing the region to manage natural hazards and climate change risks.




The establishment of a new council will also provide an opportunity to generate savings and efficiencies and reduce duplication, including through streamlining senior executive positions and potentially the many layers of current regulations. An overview of the current performance of the two existing councils and the projected performance of the new proposed entity is provided in Figure 3.

The new council will therefore provide a stronger balance sheet to help meet the service and infrastructure needs of its local communities.

In addition, while IPART found each of the two councils satisfy financial performance criteria, it also found that each council's ability to effectively advocate for community priorities is affected by a lack of scale and capacity. A merged council will improve this, with an enhanced scale and capacity to better plan and coordinate investment in critical infrastructure and services. This should also put the new council in a better position to advocate to the NSW and Australian governments for the regional investments that will be needed for the future.

⁴ NSW Department of Planning & Environment (2014), NSW Projections (Population, Household and Dwellings).

Figure 3: Council profiles⁵

	Gosford City Council	Wyong Shire Council	New Council
			
Population (2014)	171,992	159,015	331,007
Area	941 sq km	740 sq km	1,681 sq km
IPART Rating	NOT FIT	NOT FIT	This merger proposal is consistent with the findings of the ILGRP (2013) and IPART's Fit for the Future assessments (2015). The new council will likely have enhanced scale and capacity to better meet the future service and infrastructure needs of the community.
Operating Revenue (2013–14)	\$186.0m	\$159.7m	\$512.2m (projected 2019–2020)
Operating Result (2013–14)	\$12.6m	\$25.5m	+\$14.3m projected improvement to 2019–20 operating results
Asset Base	\$3.3bn	\$2.4bn	\$5.7bn
Infrastructure Backlog	5 per cent	3 per cent	4 per cent

Sources: Australian Bureau of Statistics, Department of Planning and Environment, Office of Local Government, Council Long Term Financial Plans, Fit for the Future submissions to IPART and IPART Assessment of Council Fit for the Future Proposals.

Note: Totals may not sum due to rounding. Estimates of the new council's operating performance and financial position is based on an aggregation of each existing council's projected position as stated in respective Long Term Financial Plans (2013–14). In addition, it is assumed efficiency savings are generated from a merger, and this is reflected in the projected 2019–20 operating result for the new council. Further details are available in NSW Government (2015), Local Government Reform: Merger Impacts and Analysis, December.

⁵ 2013-14 operating revenue figures were corrected on 20 January 2016.

BENEFITS, OPPORTUNITIES AND IMPACTS

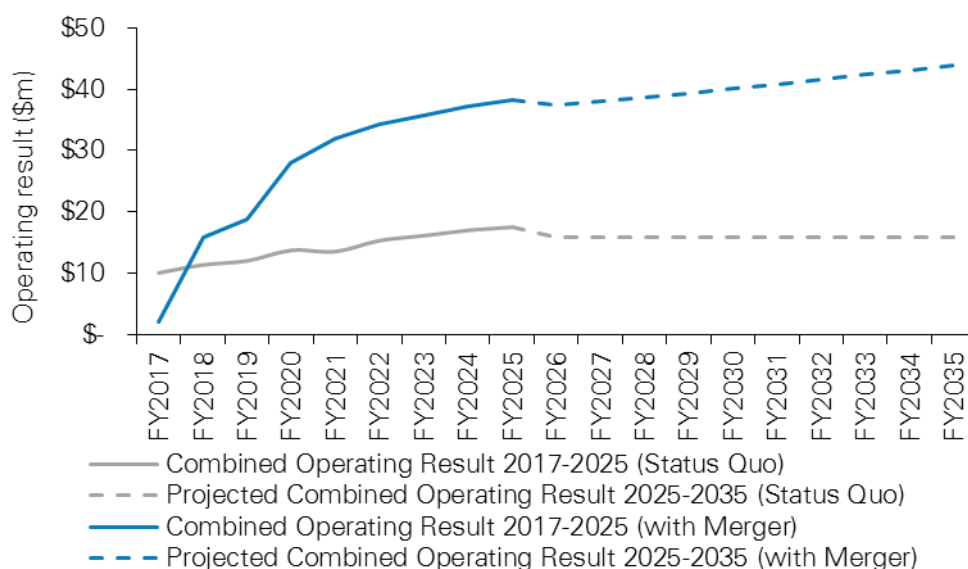
The proposed merger has the potential to provide a \$135 million benefit to communities over 20 years which could support investment in critical local infrastructure and services and/or be utilised to address rate pressures.

Financial Benefits of the Proposed Merger

Analysis by KPMG in 2015 shows the proposed merger has the potential to generate a net financial saving of more than \$115 million to the new council over 20 years. Council performance will also be improved with a projected 119 per cent increase in annual operating results achieved within 10 years. The proposed merger is also expected to generate, on average, around \$10 million in net savings every year from 2020 onwards.⁶ Consequently, the merged council will have a balance sheet that is stronger and in a better position to meet local community needs and priorities.

Figure 4 illustrates how the proposed merger will lead to growing improvements in the operating performance of the new council compared with the current projected operating performance of each of the existing two councils.

Figure 4: Projected operating results of the Gosford City and Wyong Shire councils, with and without a merger



Note: Operating results refers to the net financial position and is calculated as operating revenue less operating costs. It excludes revenue associated with capital grants and expenditure on capital items.

Source: Council Long Term Financial Projections (2013–14)

Gross savings over 20 years are modelled to be due to:

- streamlining senior management roles (\$112 million);
- efficiencies generated through increased purchasing power of materials and contracts (\$17 million); and
- a reduction in the overall number of elected officials that will in turn reduce expenditure on councillor fees (estimated to be \$3 million).⁷

In addition, the NSW Government has announced a funding package to support merging councils which would result in \$20 million being made available should the proposed merger proceed.

⁶ NSW Government (2015), Local Government Reform: Merger Impacts and Analysis, December.

⁷ NSW Government (2015), Local Government Reform: Merger Impacts and Analysis, December.

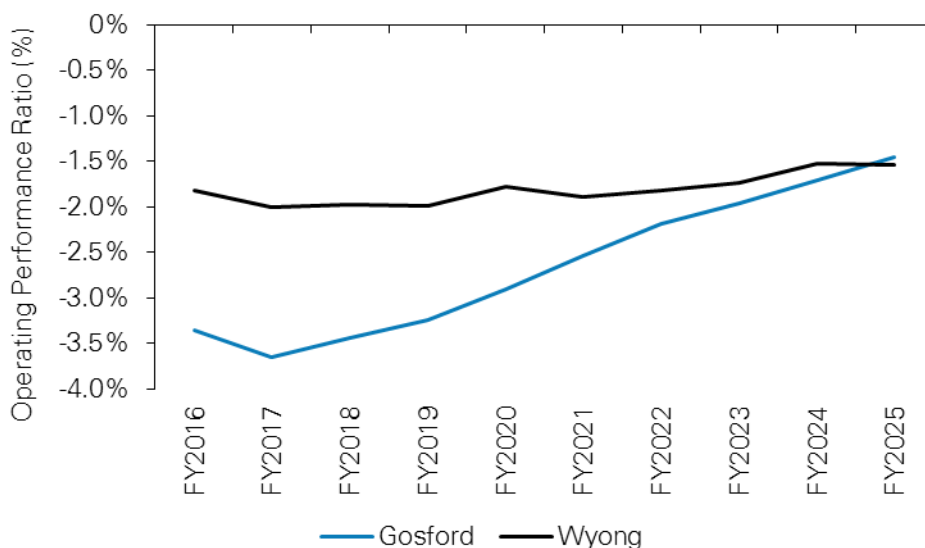
The implementation costs associated with the proposed merger (for example, information and communication technology, office relocation, workforce training, signage and legal costs) are expected to be surpassed by the accumulated net savings generated by the merger within a three-year payback period.

Merger benefits could be reinvested to:

- improve infrastructure – annual savings could be redeployed towards infrastructure renewal or capital works – such as road maintenance and upgrades – and could lead to, on average, additional expenditure of \$115 million over 20 years;
- continued upgrades to local water and wastewater assets, including beaches
- enhance service delivery – redeployment of duplicate back office and administration functions and streamlining of senior management roles could provide the basis for employing an additional 202 frontline staff for services. This could include services such as improving access to education and skills training, and promoting tourism and marketing of the area as a place to work and live; and/or
- reduce rate pressures – annual savings could be used to reduce the use of SRVs to fund community infrastructure and/or avoid future rate increases.

The expected operating performance ratio of each council over the next 10 years is illustrated in Figure 5.⁸

Figure 5: Projected operating performance ratio by council (2016–2025)



Note: Operating performance ratio measures a council's ability to contain operating expenditure within operating income.

Source: Council Long Term Financial Plans (2013–14)

The operating performance of each council is mixed, although neither council is expected to contain operating expenditure within operating income over the next 10 years. This merger proposal will provide the new council with the opportunity to strengthen its balance sheet and provide a more consistent level of financial performance. Overall, the proposed merger is expected to enhance the financial sustainability of the new council through:

- net financial savings of \$115 million to the new council over 20 years;
- a forecast 119 per cent increase in the operating result of the merged entity in 2025;
- achieving efficiencies across council operations through, for example, the redeployment of duplicated back office roles and administrative functions, and streamlining senior management roles;
- establishing a larger entity with a broad-based operating revenue that is expected to exceed \$590 million per year by 2025;

⁸ This ratio measures a council's achievement of containing operating expenditure within operating revenue. It is important to distinguish that this ratio is focussing on operating performance and hence capital grants and contributions, fair value adjustments and reversal of revaluation decrements are excluded.

- an asset base of approximately \$5.7 billion to be managed by the merged council; and
- greater capacity to effectively manage and reduce the \$228 million infrastructure backlog across the area by maintaining and upgrading community assets and improve services.

The Local Government Act contains protections for three years for all council employees below senior staff level.

Opportunities for Improved Services and Infrastructure

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 \$228 million infrastructure backlog across the two councils. Examples of local infrastructure and service priorities that could be delivered by merger-generated include projects like:

- major projects that improve the Central Coast's water and waste water infrastructure;
- preservation of key environmental areas as outlined in Gosford City's Coastal Open Space System, and Wyong Shire's Tuggerah Lakes Estuary Management Plan;
- the development of cultural facilities;
- improvements to local roads, including addressing congestion pinchpoints;
- management and erosion control of the Central Coast's iconic beaches and waterways; and
- management and maintenance of open spaces and recreational facilities, projects like the development of the Tuggerah Regional Sporting and Recreation Complex.

Regulatory Benefits

There are currently 152 separate regulatory and compliance regimes applied across local council boundaries in NSW. These many layers of regulations are making it hard for people to do business, build homes and access services they need. NSW businesses rated local councils as second to only the Australian Tax Office as the most frequently used regulatory body, and highest for complexity in dealings.⁹

It can be expected that the proposed merger will result in simplified council regulations for many Gosford City and Wyong Shire residents and businesses. Gosford City Council and Wyong Shire Council are each responsible for separate and potentially inconsistent regulatory environments. A merged council provides an opportunity to streamline and harmonise regulations.

Adopting best practice regulatory activities will generate efficiencies for a merged council and benefit local residents and businesses. For example:

- a small business across the Gosford and Wyong area will have just a single local council regulatory framework to understand and comply with; and
- residents can have greater confidence that development applications will be subject to a more uniform process than the existing variation in regulations, which can add to the cost and complexity of home renovations and building approvals.

Impact on Rates

Each of the two councils is currently seeking or has recently received approval for SRVs from IPART. For example:

- Gosford City Council intends to request an SRV of 9.5 per cent over a one-year period in 2017–18; and
- Wyong Shire Council has an approved cumulative SRV of 17.6 per cent over a four-year period from 2013–14.

The savings generated by a merger may enable the new council to reduce reliance on rate increases to fund community infrastructure.

⁹ NSW Business Chamber (2012), Red Tape Survey.

In addition, the proposed merger will bring together a range of residential, farmland and business premises across the area, providing the new council with a larger rate base on which to set ratings policies and improve the sustainability of council revenue. Table 1 outlines the mix of business and residential rating assessments that underpin current rate revenue across the area.

Table 1: Comparison of rateable businesses and residential properties (total and percentage share)

Council	Business rating assessments		Residential rating assessments	
Gosford City Council	3,224	5%	67,441	95%
Wyong Shire Council	2,613	4%	61,846	96%
Merged council	5,837	5%	129,287	95%

Source: NSW Office of Local Government, Council Annual Data Returns (2013–14).

Local Representation

The ratio of residents to elected councillors in each of the two councils is markedly similar. This reflects the similarity in resident populations and number of councillors. While the proposed merger will increase the ratio of residents to elected councillors, the ratio, based on councillor numbers in the existing councils, is likely to be similar to those currently experienced in other NSW councils, including Blacktown City Council (Table 2).

For the purpose of analysis of merger benefits, this proposal has assumed that the new Council will have the same number of councillors as Blacktown City Council, as this has a similar population to the proposed new council. The Government welcomes feedback through the consultation process on the appropriate number of councillors for the new council.

Some councils in NSW have wards where each ward electorate elects an equal number of councillors to make up the whole council. Community views on the desirability of wards for a new council will be sought through the consultation process.

Table 2: Changes to local representation in Gosford City and Wyong Shire

Council	Number of councillors	Number of residents (2014)	Residents per councillor
Gosford City Council	10	171,992	17,199
Wyong Shire Council	10	159,015	15,902
Merged council	15*	331,007	22,067
Blacktown City Council	15	325,139	21,676

* Gosford and Wyong communities will have an opportunity to shape how a new merged council will be structured and function, including the appropriate number of elected councillors. Fifteen elected councillors is the maximum number currently permitted under the NSW Local Government Act (1993).

Source: Australian Bureau of Statistics (2014), Estimated Resident Population 2014, and NSW Office of Local Government, Council Annual Data Returns (2013–14).

The new council will be in a position to use its larger scale and capacity to advocate more effectively for the needs of the Gosford City and Wyong Shire communities. As the new council will represent a more significant share of the broader region's population, and have a substantial economic base, it will be able to negotiate more effectively on behalf of its residents. It will also have improved strategic capacity to partner with the NSW and Australian governments, including on major infrastructure initiatives, community services and regional planning and development.

The many ways communities currently engage with these councils will continue, including through public forums, committees, surveys and strategic planning.

Councillors will continue to represent local community interests and will have the opportunity to take a more regional approach to economic development and strategic planning.

THE LOCAL COMMUNITY

The communities across the Gosford and Wyong area share common characteristics and connections. The proposed new council will have enhanced scale and capacity and be better placed to shape and deliver the economic development, community services and infrastructure that underpin the lifestyle of these communities.

Geography and Environment

The proposed new council will incorporate the communities currently within the Gosford City Council and Wyong Shire Council local government areas. These communities are located in the Central Coast Region of NSW, about 80 kilometres north of the Sydney Central Business District (CBD) and 80 kilometres south of the Newcastle CBD.

The area is known for its extensive coastline, ecologically rich bushlands and state and national parks. The natural environment is an important attraction for residents and considered an important asset by the community. It is also a key asset for the tourism industry, supporting adventure holidays, coastal activities and a number of popular hiking and mountain biking trails.

Local Economy

The local economy is characterised by:

- average household income that is both slightly below and somewhat above the regional NSW average of \$65,168 (\$63,664 for Wyong and \$72,294 for Gosford);
- varying unemployment rates: 4.8 per cent in Gosford and 7.7 per cent in Wyong, compared to the NSW regional average of 7.3 per cent;
- employment growth rates that are considerably higher than the regional NSW average of 0.58 per cent (2.2 percent in Gosford and 2.6 per cent in Wyong);
- post-school qualifications that are somewhat above and slightly below the NSW regional average of 53 per cent (58 per cent in Gosford and 51 per cent in Wyong); and
- similar industry composition, with the top two industries across both councils being retail trade and health care & social assistance.

Table 3 below provides a snapshot of the local business profile of each council. More than 20,000 local businesses across the area contribute more than 130,000 jobs to the local economy.

Table 3: Local business and employment profile

Council	Number of businesses	Local jobs	Largest sector
Gosford City Council	12,799	71,050	Health Care & Social Assistance
Wyong Shire Council	8,238	59,954	Retail Trade
Merged council	21,037	131,004	Health Care & Social Assistance

Source: Australian Bureau of Statistics (2014), *Business Counts and Employment by Industry*.

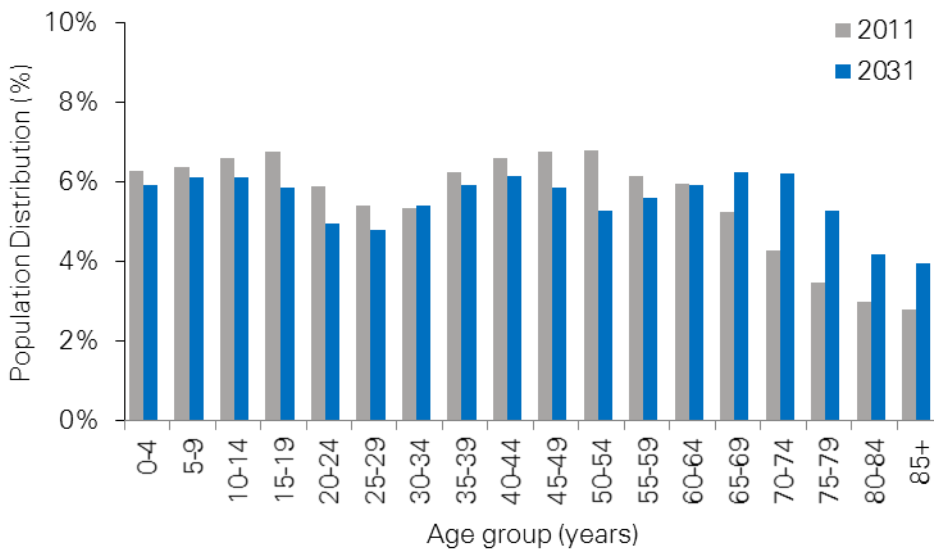
The area is well connected to the surrounding region. Both Gosford City and Wyong Shire councils are served by the Sydney-Newcastle Freeway, the Pacific Highway and the Newcastle railway line. These transport options allow some residents in the Gosford and Wyong areas to commute to Sydney and Newcastle for work. The regional transport infrastructure connecting the Central Coast to Sydney and Newcastle has also enabled supports significant travel for tourism.

Residents of the Central Coast largely commute to a workplace within the area, with approximately 34,000 people commuting outside the area for work each day. The area is also relatively self-contained for retail, services and entertainment, reflecting the importance of Gosford in particular as a regional centre. Easy access to health, education and retail centres through road and public transport connections within the area and to Sydney, will be important to support the area's growing population. A merged council will be better placed to deliver these services and infrastructure in a coordinated manner.

Population and Housing

The new council will be responsible for infrastructure and service delivery to more than 386,000 residents by 2031 (Figure 6).

Figure 6: Change in population distribution, by age cohort (2011 v 2031)



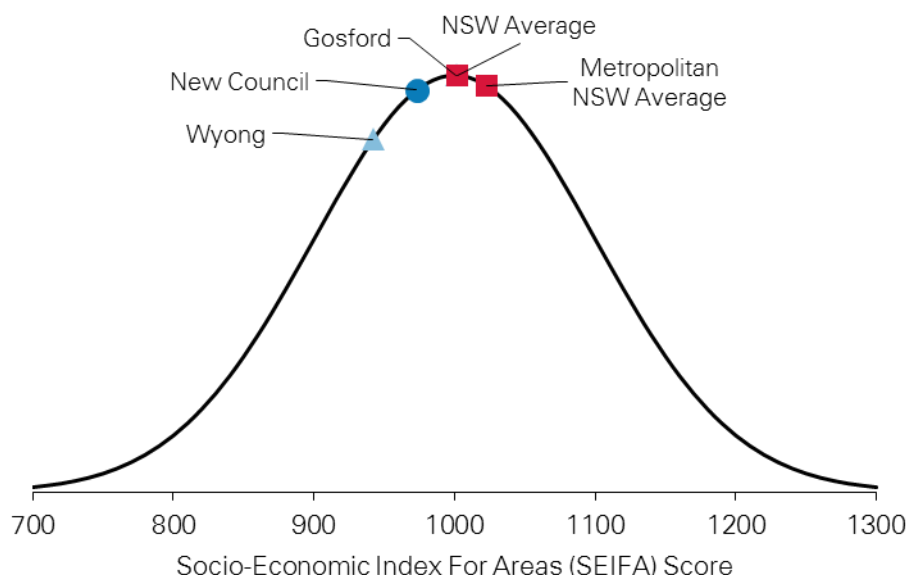
Source: NSW Department of Planning & Environment (2014), NSW Projections (Population, Household and Dwellings).

The Central Coast is a popular area for retirement and this is reflected in census statistics showing a larger proportion of people aged 65 and older than elsewhere in NSW. Moreover, like many regions across NSW, the Gosford and Wyong area will experience the impacts of an ageing population over the next 20 years.

A strong council with the appropriate scale and capacity is needed to respond and adapt to the changing service needs of the community. An ageing population is likely to increase demand for community health services, creation and maintenance of accessible parks and leisure areas and community outreach services.

In comparison with the rest of NSW, the Gosford City and Wyong Shire communities are slightly disadvantaged from a socio-economic standpoint. The Socio-Economic Index for Areas (SEIFA), illustrated in Figure 7, measures a range of factors to rate an individual council's relative socio-economic advantage. Gosford City and Wyong Shire councils have relatively similar socio-economic profiles with SEIFA scores that are a little below the NSW average. This reflects the common characteristics across the Gosford City and Wyong Shire communities in relation to, for example, household income, education, employment and occupation.

Figure 7: Comparison of councils' socio-economic profile



Source: Australian Bureau of Statistics (2011), SEIFA 2011 by local government area.

Table 4 outlines the current mix of housing types across the area. A merged council provides an opportunity to apply a more regional and strategic focus to planning for the additional 27,700 households and associated amenities that are predicted to be required by 2031. This approach can also help to ensure any pressures and challenges associated with population growth and housing development are not unreasonably concentrated in particular neighbourhoods.

Table 4: Dwelling types in the Gosford and Wyong area (total number and per cent)

Dwelling type	Gosford City Council		Wyong Shire Council	
Separate house	55,085	75%	53,412	81%
Medium density	15,108	20%	9,164	14%
High density	2,518	3%	2,017	3%
Other	1,007	1%	994	2%
Total private dwellings	73,718		65,587	

Source: Australian Bureau of Statistics, Census (2011), Dwelling Structure by local government area.

Shared Community Values and Interests

These communities are bound by their sense of place as part of the Central Coast. Box 2 below provides examples of community organisations, services and facilities that have a presence across the area, which indicate strong connections between the communities in the existing council areas.

Box 2: Shared community services and facilities

Shared values, services and facilities

Examples of community services which operate across the area include:

- local media, such as CoastFM 96.3, a community radio station with a following throughout the area, and the *Central Coast Express Advocate*, a free twice weekly paper serving the whole region;
- the Central Coast Community Women's Health Centre, a charitable organisation with three centres in the Gosford and Wyong area providing a diverse range of services including health services, advocacy, crisis support and childcare;
- Volunteering Central Coast which has been supporting local residents to connect with volunteering opportunities across the Central Coast region since 1986, including assisting people affected by long

term unemployment. The organisation also runs the Community Visitors Scheme to help meet the needs of vulnerable older people experiencing loneliness within the region; and

- Central Coast Mariners represents the Central Coast region in the national football league – the Hyundai A-League – and has a strong following throughout the Gosford and Wyong areas.

Gosford City and Wyong Shire councils have a track record of partnering to develop shared strategies on a number of issues. The two councils are participants in the Central Coast Regional Organisation of Councils, and the Hunter and Central Coast Joint Regional Planning Panel. This collaboration focuses on regional issues such as tourism, community safety, business enterprise promotion and developing a regional arts strategy. Additionally, both councils have a history of sharing human resources, including short term secondments of technical staff, councillor induction training, code of conduct training and professional development courses.

The councils have also successfully collaborated through the Central Coast Regional Economic Development and Employment Strategy (REDES), a regional initiative supported by the NSW Government and Regional Development Australia Central Coast. REDES has delivered strong regional collaboration resulting in a number of successful initiatives in the areas of education, new business investment, Infrastructure and innovation.

In its *Fit for the Future* submission to IPART, Gosford City Council outlined the many ways in which it currently works with Wyong Shire Council to deliver projects and services and develop joint strategies. Notable among these are the councils' shared waste collection services, collaboration on a number of compliance policies, such as animal and weed management, and the joint procurement of many council resources including bulk materials, water meters and herbicides.

The connections between the councils and communities are evident in these existing partnerships and collaborations. A new council will be better placed to deliver these services and projects into the future, without relying on voluntary collaboration.

CONCLUSION

This proposal to create a merged council has the potential to provide a range of benefits to local communities, including:

- a \$135 million financial benefit over a 20-year period that may be used to deliver better community services, enhance infrastructure and/or lower rates;
- a projected 119 per cent improvement in annual operating results that will strengthen the council's balance sheet and free up revenue for critical infrastructure;
- NSW Government funding of \$20 million to meet merger costs and provide a head start on investing in services and infrastructure that the savings from mergers will ultimately support;
- greater efficiencies through the redeployment of back office and administrative functions, increased purchasing power of materials and contracts, and reduced expenditure on councillor fees (all of which are expected, on average, to generate savings of around \$10 million every year from 2020);
- greater capacity to effectively manage and reduce the \$228 million infrastructure backlog across the two councils by maintaining and upgrading community assets;
- establishing a larger entity with a broad based operating revenue that is expected to exceed \$590 million per year by 2025;
- reducing the reliance on rate increases through SRVs to fund local community infrastructure projects and services;
- better integrating strategic planning and economic development to more efficiently respond to the changing needs of the community;
- building on the shared communities of interest and strong local identity across the area;
- providing effective representation through a council with the required scale and capacity to meet the future needs of the community; and
- being a more effective advocate for the area's interests and better able to deliver on priorities in partnership with the NSW and Australian governments.

NEXT STEPS

Every community will have an opportunity to help shape a new council for their area.

Community Engagement

This merger proposal will be referred to the Chief Executive of the Office of Local Government for examination and report under the *Local Government Act (1993)*. The Chief Executive proposes to delegate this function to a suitably qualified person. The delegate will consider this proposal as required under the Act, including against statutory criteria and hold a public inquiry. The delegate will also undertake public consultation to seek community views. The delegate is also required by the Act to provide the delegate's report to an independent Boundaries Commission for review and comment. The Minister for Local Government under the legislation may decide whether or not to recommend to the Governor that the merger proposal be implemented. For the factors a delegate must consider when examining a merger proposal (under Section 263 of the *Local Government Act (1993)*), please refer to the Appendix to this document.

Through the merger assessment process, there will be opportunities for communities and stakeholders to consider merger proposals and have their say. Each merger proposal will be the subject of a public inquiry where the community can hear about and discuss the proposal. Through the consultation process, the delegate will ensure that the opinions of each of the diverse communities of the resulting area or areas will be effectively represented.

Further information about the process is available on the Local Government Reform website at www.councilboundaryreview.nsw.gov.au, including:

- details about the proposed mergers;
- information about the delegate for your area;
- dates for public meetings; and
- a portal to provide a written submission.

Appendix

The following table outlines the factors that a delegate must consider under section 263 of the *Local Government Act (1993)* when examining a proposal. The section references outline where the criteria have been addressed in this merger proposal.

<i>Legislative criteria</i>	<i>Section reference</i>
(a) 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	Benefits, Opportunities and Impacts
(b) the community of interest and geographic cohesion in the existing areas and in any proposed new area	The Local Community
(c) the existing historical and traditional values in the existing areas and the impact of change on them	The Local Community
(d) the attitude of the residents and ratepayers of the areas concerned	There is a public consultation process which includes a public inquiry allowing for the views of residents and ratepayers to be considered.
(e) 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	Local Representation
(e1) 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	Benefits, Opportunities and Impacts
(e2) the impact of any relevant proposal on the employment of the staff by the councils of the areas concerned	Financial Benefits of the Proposed Merger
(e3) the impact of any relevant proposal on rural communities in the areas concerned	The Local Community
(e4) 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	Local Representation
(e5) 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	Next Steps
(f) such other factors as it considers relevant to the provision of efficient and effective local government in the existing and proposed new areas	Benefits, Opportunities and Impacts



For more information visit:
www.councilboundaryreview.nsw.gov.au

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