

SUNBURY HUME

TRANSITION AUDIT

TRANSITION AUDITORS REPORT



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The Hon Natalie Hutchins MP
Minister for Local Government
1 Spring Street
MELBOURNE VIC 3000

Dear Minister

SUNBURY HUME TRANSITION AUDIT

On 2 April 2015 you appointed us as a local government panel to provide independent advice and recommendations on the separation of Sunbury from Hume City Council. We are pleased to provide our report for your consideration.

We are of the view that we have dealt with all of the issues covered by our terms of reference.

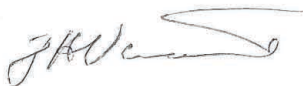
As outlined in the report, our approach was to ensure that affected community members had the opportunity to be informed regarding the potential implications of separation.

Although this has been a long standing and divisive issue in the Hume municipality, we were impressed by the eagerness for information on this issue and the willingness to engage. Whilst many different views were expressed, we believe that the matters that we have identified and addressed in our report capture the key issues involved in the separation.

Our report seeks to highlight the potential implications of separation on the proposed Sunbury council, Hume City Council and on residents and ratepayers. It also identifies the options open to Government and our recommendations regarding the way forward.

We take this opportunity to express our appreciation of the assistance provided by Local Government Victoria and in particular Ms Hannah Wood.

Yours sincerely



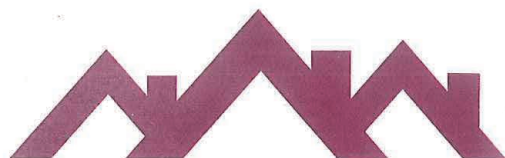
HON FRANK VINCENT AO QC
Sunbury Hume Transition Auditor

28 August 2015



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Executive Summary

On 2 April 2015, the Minister for Local Government, the Hon Natalie Hutchins MP, appointed Transition Auditors as a Local Government Panel under section 220A of the *Local Government Act 1989* to review the separation of the Sunbury area from the municipality of Hume.

The primary purpose of the review was to consider the process leading to the Order in Council dated 30 October 2014 constituting a Sunbury council and to examine the financial and non-financial implications of the separation on the two councils and the community.

There has been a long held desire expressed by a number of those residing in the Sunbury area for its separation from the City of Hume and the creation of a Sunbury municipality. This appears to have developed from a strong sense of pride in the semi-rural characteristics of the area and a belief that separation would provide stronger advocacy on behalf of the local community.

In order to identify the issues underpinning the desire to separate from Hume City Council and to determine whether the concerns raised in relation to the poll and the process that followed were justified, the Transition Auditors undertook an extensive information gathering and public consultation process.

Seven information sheets were produced and advertised in local newspapers in order to inform the community about the poll process, the various projections relating to the potential impact of separation on rates and services and population projections for the Sunbury municipality.

Submissions were sought via the last of these information sheets and 102 submissions were received.

Face to face meetings and a public information evening were held during the call for submissions to give community members the opportunity find out more about the potential implications and raise any questions or views.

A range of different views were expressed at the information evening, the face to face meetings and in the submissions received.

CONCLUSIONS ON THE ISSUES IDENTIFIED

1. A key problem was created by the decision to move straight from the poll, which presented a view about the level of support for separation, directly to what was effectively a process of implementation. The relatively limited consultation process undertaken by the Local Government (Sunbury out of Hume City Council) Panel through the Community Consultative Committee cannot be seen to address satisfactorily this deficiency.
2. There are well based concerns as to the viability of a new Sunbury council as an adequately functioning municipality. They relate to the following:
 - a. The presence of a real risk that rates in a new Sunbury municipality will substantially increase for many years to come or, alternatively, the types and levels of services the new council will be able to deliver will be significantly impacted.
 - b. The extent of any savings that could be achieved through innovative service delivery measures, upon which the new municipality would be partially reliant for viability. Without more concrete information, the prospective savings to be derived from the adoption of these extremely broadly described measures would provide a very insecure base for a decision as to the viability of the proposed municipality.
 - c. The obvious risk, based on the history of the Sunbury area, that the population growth projected and which proponents of separation argue would provide an adequate revenue base for a new municipality, may not be achieved for a substantial and indefinite period.
 - d. Further, if reasonably rapid and early growth and development did occur, it would of course involve significant cost and the demand for increased infrastructure and support. Based on the experience of other councils, it is also likely there will be a significant increase in demand upon

existing services and the provision of other services designed to accommodate the needs of a rapidly-changing multicultural community.

- e. The adoption of a cross subsidy from Hume City Council to Sunbury in the present context and certainly for the lengthy period involved, would constitute a substantial shift from the well-established principle of local government that councils are to operate on the rate base generated within their municipal boundaries and may not be encompassed by the *Local Government Act 1989*.
- f. Splitting liabilities, intangible and movable assets and staff by 23.6% to Sunbury and 76.4% to Hume, as provided in the current Order in Council, would not be appropriate or equitable in the circumstances.

RECOMMENDATIONS

1. It is the view of the Transition Auditors that the separation of Sunbury from the municipality of Hume at this time is so problematic that it should not proceed. The reasons for this recommendation are set out in the full report and are summarised as follows:
 - a. The situation for all practical purposes has not changed since the issue was originally examined in 2000 by the first Local Government Panel and considered to be premature and at too high a cost to the Sunbury community.
 - b. It accords with the weight of financial advice prepared by the three different financial consultants that without significant external financial assistance, or the imposition of high annual rate increases and/or a reduction in services a separate Sunbury is unlikely to be financially sustainable on either a short term or long term basis.
 - c. It protects ratepayers from large annual rate increases that are forecast to continue for a long period of time resulting in financial strain for the people of Sunbury.
 - d. It protects Sunbury residents from potential service level reductions and is consistent with evidence that Sunbury residents receive proportionally the same or more services from Hume City Council than the rest of Hume.
 - e. It ensures capital works planned for Sunbury are delivered including the Sunbury Global Learning Centre.
 - f. It is consistent with long-term public policy objectives across the sector to support larger, more sustainable and efficient council structures.
 - g. If they occur, projected population increases would place Sunbury in a better position at some time in the future to support a council from its own rate base.
2. It is recommended that the Minister request the Hume City Council review their community engagement process in order to address the concerns raised through this process relating to the perception of disadvantage in Sunbury and inadequate advocacy on behalf of the Sunbury community.
3. It is also recommended that as a minimum, the following principles should apply to any proposal for the creation of a new municipality in Victoria:
 - a. Each new municipality should be viable and sustainable in its own right.
 - b. The allocation of revenues and expenditures should be equitable for the residents of each municipality.

- c. The views of the communities affected by the change should be taken into consideration. Each new municipality should have sufficient financial capacity to provide its community with a comprehensive range of municipal services and to undertake necessary infrastructure investment and renewal.¹
 - d. Each new municipality should have sufficient financial capacity to provide its community with a comprehensive range of municipal services and to undertake necessary infrastructure investment and renewal.
4. In the alternative, should the Minister not accept recommendation 1, the Transition Auditors recommend that a further poll be carried out on the following terms:
- a. Information on the potential implications of separation and the arguments for and against a new council to be provided to all eligible voters.
 - b. The poll be compulsory for all registered voters in the Hume municipality.
 - c. Given the unique circumstances (the two previous panel reports and the previous poll) and the need for finality, clear indication be given from Government that they will be bound by the outcome of the poll in the event that the majority of all eligible voters in Hume and the majority of all eligible voters within the proposed boundaries of Sunbury vote in favour of separation.
5. Acknowledging that a majority of voters within the proposed municipality and across Hume may be prepared to accept the potential for higher rates and/or a reduction in services, in order to secure separation, we strongly recommend that this should not occur with the payment of any form of cross subsidy from Hume City Council.

¹ These principles are based on the three basic principles of de-amalgamation set out in Blacher, Y, 2015, *Review of the process and policy implications of the proposal to establish a new Sunbury municipality*, Department of Environment, Land, Water and Planning, Melbourne, p.7.

1. APPOINTMENT

The Minister for Local Government, the Hon Natalie Hutchins MP, appointed Transition Auditors by Instrument of Appointment, dated 2 April 2015, as a Local Government Panel under section 220A of the *Local Government Act 1989* to review the separation of the Sunbury area from the municipality of Hume.²

1.1. Overview

There has been a long held desire expressed by a number of those residing in the Sunbury area for its separation from the City of Hume and the creation of a Sunbury municipality. This appears to have developed from a strong sense of pride in the semi-rural characteristics of Sunbury and a belief a stand alone council would provide stronger advocacy on behalf of the local community.

This has led to this matter being revisited on a number of occasions as well as a poll being conducted for the purpose of ascertaining whether Hume residents were in favour of the proposal 'to establish a new Shire of Sunbury'.³

The Local Government (Sunbury out of Hume City Council) Panel ('the Panel') established in consequence of this poll, recommended separation take place on 1 July 2015. However, the presence of issues concerning the process leading to, and the potential implications of, this separation, resulted in Local Government Victoria securing reports from Mr Yehudi Blacher⁴ and Deloitte Access Economics⁵ prior to this establishment date.

The Blacher Report

In the first of these reports, *Review of the process and policy implications of the proposal to establish a new Sunbury municipality* ('The Blacher Report'),⁶ Mr Blacher reviewed the process involved in the decision to establish the new municipality. Specifically, he directed attention to whether it provided a reasonable opportunity for those potentially affected to make an informed decision.

The Blacher report raised a number of questions relating to the adequacy of the poll of enrolled voters on which the decision to proceed was based. He expressed the view the process was unsatisfactory in a number of respects. Among them were:

1. The fact that the only information drawn to the attention of eligible voters relating to the potential consequences of separation was a reference to two lengthy and highly technical reports by KPMG, *Impact of potential secession of Sunbury from Hume*⁷ and *Hume City Council's Service Provision in Sunbury*⁸ ('the KPMG reports'). These reports were accessible only on the Local Government Victoria website and, in any event, had not been prepared for use in this way.
2. His criticism of the process established by the then Minister for Local Government following the poll. This, in his opinion, required the Panel to develop the kind of detailed proposal that should have been outlined prior to the vote to enable an adequately-informed decision to have been made by eligible voters.⁹
3. The fact the cross subsidy arrangements directed under the Order in Council made on 30 October 2014, required the ratepayers of one municipality to provide a long-term subsidy to another.¹⁰ This, he considered, was:
 - a. unprecedented;
 - b. inequitable from the perspective of the remaining Hume City Council residents; and

² Section 220A(a) of the *Local Government Act 1989* states that the Minister for Local Government may establish a Local Government Panel to conduct a review of any matter relating to local government restructuring.

³ See information sheet 1 in Appendix 2.

⁴ Mr Yehudi Blacher of the Nous Group of organisational consultants is a former Department of Planning and Community Development Secretary with experience in local government. Mr Blacher was involved in the major restructure of local government that occurred in the mid-1990s.

⁵ Deloitte Access Economics is one of the major consultancy firms in Australia, experienced in providing financial advice to governments.

⁶ Blacher, Y, 2015, *Review of the process and policy implications of the proposal to establish a new Sunbury municipality*, Department of Environment, Land, Water and Planning, Melbourne.

⁷ KPMG, 2013, *Impact of potential succession of Sunbury from Hume*, Department of Transport, Planning and Local Infrastructure, Melbourne.

⁸ KPMG, 2012, *Hume City Council's Service Provision in Sunbury*, Department of Planning and Community Development, Melbourne.

⁹ The Sunbury out of Hume Panel's Terms of reference can be found at <http://www.delwp.vic.gov.au/about-us/regions-and-locations/transition-auditors-to-guide-sunbury-council-proposal>.

¹⁰ Order in Council No G 44 dated 30 October 2014.

- c. established a *'curious precedent that rates from a particular business could be identified as being shared between municipalities'*.¹¹

The Deloitte Access Economics Report

The second report was prepared by Deloitte Access Economics who were engaged to carry out a review of the financial modelling that had been conducted for the purpose of assessing the viability of the proposed new municipality. These included the KPMG reports mentioned and two reports from CT Management Group *Indicative Financial Analysis*¹² and *Financial Analysis: Sunbury out of Hume Options 5 and 6*.¹³

This task required the analysis of the assumptions and methodologies contained in those reports and the provision of further advice on the impact on rates, services and employment for both municipalities in the event of separation.

Deloitte Access Economics challenged some of the assumptions and conclusions contained in the KPMG reports and, perhaps of more importance in the present context, the report secured from CT Management upon which the Panel had relied in forming its recommendations.¹⁴

The Deloitte report concluded:

'... if increases in Sunbury's rates revenue were to be held at 5.5% per annum over the period [10 years] as assumed by CT Management, it is likely that some material reduction in service levels and staffing would be required over the medium to longer term. To maintain current service levels and delivery of capital works, Sunbury would need to increase rate revenue by, at minimum, a further 3% per annum on average (to a total of 8.5% per annum) for at least the next 10 years....

This implies that over the long term, rate revenue in Sunbury would need to be in the order of 30% to 40% higher, compared to the estimates produced by CT Management, to prevent a deterioration in its financial position.

Further, [following] the expiration of the cross-subsidy from HWS [Hume without Sunbury] to Sunbury for the payment in lieu of rates from Melbourne Airport (due after 10 years according to the Order), an additional increase in rates revenue in Sunbury in the order of 6% would be required to maintain the council's financial position.

*Alternatively, should the cross-subsidy from HWS [Hume without Sunbury] to Sunbury not be provided at all, an additional rate increase in Sunbury in the order of 6% in the first year would be required (or a lesser but equivalent annual increase over time). That is, Sunbury residents could anticipate a rate increase of an estimated 14.5% in the first year, followed by annual increases of 8.5% per annum for the remainder of the 10 year period, or an annual increase of about 9% per annum for 10 years.'*¹⁵

1.2. Delay Of Separation

Against that background and in order to determine what was required to address these concerns, the operation of the Order in Council establishing a new Sunbury municipality on 1 July 2015 was deferred for 12 months by a new Order in Council dated 14 April 2015¹⁶, and the Minister appointed this panel of Transition Auditors to advise on the matters set out in the Terms of Reference set out in Appendix 1.

These Terms of Reference were published in local newspapers on 27 April 2015 in accordance with section 220F of the *Local Government Act 1989* and have been made publicly available on the Sunbury Hume Transition website.¹⁷

11 Blacher, Y, 2015, *Review of the process and policy implications of the proposal to establish a new Sunbury municipality*, Department of Environment, Land, Water and Planning, Melbourne, pp.4-5.

12 CT Management Group, June 2014, *Indicative Financial Analysis*, Appendix G of the Local Government Panel Report, Melbourne.

13 CT Management Group, 2014, *Financial Analysis: Sunbury out of Hume Options 5 and 6*, Department of Transport, Planning and Local Infrastructure, Melbourne.

14 The Local Government (Sunbury out of Hume City Council) Panel report 2014 is available at <http://www.delwp.vic.gov.au/about-us/regions-and-locations/transition-auditors-to-guide-sunbury-council-proposal>.

15 Deloitte Access Economics, June 2015, *Sunbury out of Hume*, Department of Environment, Land, Water and Planning, Melbourne, p.iii-iv.

16 Order in Council No G 15 dated 16 April 2015.

17 www.sunburyhumetransition.vic.gov.au

2. PRINCIPLES OF SEPARATION

In his report, Mr Blacher considered there were three basic principles that should apply to any de-amalgamation proposal if the integrity and sustainability of Victoria's local government structure was to be maintained.

- 1. Each new municipality should be viable and sustainable in its own right.*
- 2. The allocation of revenues and expenditures should be equitable for the residents of each municipality.*
- 3. The views of the communities affected by the change should be taken into consideration.*¹⁸

We concur that these three basic principles should apply to any consideration of any proposal to de-amalgamate local government in Victoria and would add a fourth to reflect the role and expectations for a properly functioning municipality.

4. Each new municipality should have sufficient financial capacity to provide its community with a comprehensive range of municipal services and to undertake necessary infrastructure investment and renewal.

3. APPROACH OF THE TRANSITION AUDITORS

3.1. Considering the Various Reports

It was decided that, in order to place the process in an adequate historical, social and financial context, the process should be commenced with an examination of all of the available material. This included the considerable information on the proposal for the separation of Sunbury contained in a number of reports dating back to 2000.

Endeavours then had to be made to ascertain what information was, as a practical proposition, available to potential participants in the poll and what their reasonable expectations were concerning the consequences of the decision whether or not to vote as well as the nature of the choice to be made.

The process adopted following the poll needed to be reviewed in order to assess whether the Order in Council effecting the severance could be said to have resulted in a different outcome to that it could be reasonably assumed to have been contemplated at the time of voting

It was of course also important to consider the different financial projections contained in the KPMG report, the CT Management reports and the Deloitte report on the new Sunbury municipality and the restructured Hume to ascertain the potential implications of separation on the viability of both municipalities and the possible impacts upon their residents.

The following central questions were then identified as the commencement point for community consultation:

1. Was the process adopted with respect to the poll satisfactory as a means of securing a sufficiently reliable expression of choice. In particular, was the information that was as a practical proposition available to voters, sufficient to adequately inform them of the potential financial and other implications of their vote.
2. If not, and bearing in mind the vote in favour of separation was reached through an open democratic process and the seriousness of the possible consequences, should the decision reasonably be permitted to stand or should the whole matter be reconsidered.
3. If separation were to proceed, on what terms should this be done. In particular, should there be any cross subsidy of the general kind contained in the current Order in Council.

¹⁸ Blacher, Y, 2015, *Review of the process and policy implications of the proposal to establish a new Sunbury municipality*, Department of Environment, Land, Water and Planning, Melbourne, p.7.

3.2. Informing the Community

It was regarded as essential, in circumstances where there had been concern expressed that those potentially affected had not been adequately informed, to consult with the community after the information and projections contained in the various reports were made available as widely and as easily accessible as possible.

To that end a dedicated Sunbury Hume Transition website was established in May 2015 to facilitate access to the Terms of Reference and the following reports:

- KPMG Service Provision in Sunbury Report 2012
- KPMG Impact of Potential Secession of Sunbury from Hume Report 2013
- VEC Ballot Report 2013
- Sunbury out of Hume City Council Local Government Panel Report 2014 (including attachments)
- CT Management Further Financial Analysis 2014
- Blacher Report
- Deloitte Access Economics Report
- Sunbury Municipal Boundary Plan

Groups and individuals were invited to visit the website and register their interest in contributing to the review and in being kept informed about the consultation process and any information released. By the close of the consultation period, 101 registrations were received.

A statement was published on 4 May 2015 in local newspapers circulating in Hume City Council, containing contact details and informing the community of the work being undertaken.

Publicising the information contained in the reports

The information contained in the various reports was disseminated to affected members of the community through a number of methods.

Six Information Sheets were developed and released on the Sunbury Hume Transition website. These can be found at Appendix 2. Summaries of each were published in the local newspapers in the week they were released and copies were sent to local community groups, Hume City Council and displayed on local notice boards in Sunbury.

Sheets 1 and 2 focused on the poll process.

- Sheet 1: The Sunbury Poll - The facts, included details of the conduct of the October 2013 poll and a breakdown of the results by suburb.
- Sheet 2: The Sunbury Poll - Concerns, summarised the concerns relating to the poll raised in the Blacher Report.

Sheets 3 and 4 addressed the impact of the separation on rates in Sunbury and the rest of Hume.

- Sheet 3: Impact on rates in Sunbury, set out the estimated rate increases and the impact on the rates payable in Sunbury, both with and without the cross subsidy payments from Hume City Council as indicated in the various financial projections of KPMG, CT Management and Deloitte Economics.
- Sheet 4: Impact on rates in Hume (without Sunbury), set out the estimated rate increases and the impact on the rates payable in Hume, both with and without the cross subsidy payments to Sunbury, based on the same reports.

Sheets 5 and 6 summarised analysis and findings about the impact of separation on services and population growth in Sunbury.

- Sheet 5: Services in Sunbury, detailed the level of services in Sunbury compared with the rest of Hume and the staff required to deliver these services in the new Sunbury council. This was based on the KPMG report on service delivery in Sunbury and current Hume staffing levels.
- Sheet 6: Population Growth in Sunbury, set out the annual growth rates in Sunbury and the population growth projections for the next 30 years secured from the Metropolitan Planning Authority.

Media

Media releases were issued regularly throughout June and July, drawing attention to the information sheets, inviting interested parties and individuals to meet privately with the Transition Auditors, and publicising the public information evening and opportunity to participate through formal submissions.

Radio and newspaper interviews were also conducted.

Public Information Evening

A public information evening was held on Friday 24 July 2015 at the Sunbury Memorial Hall. The objective was to share information with and receive information from the attendees. The evening was attended by approximately 250 people and involved a presentation by the Transition Auditors of the information provided in the Information Sheets. Members of the community were given the opportunity to ask questions of the Transition Auditors and provide their comments and views as part of this engagement.

The evening was also broadcast on local FM radio.

A broad range of views were expressed by those in attendance. Indicative of the diversity of opinion are the comments recorded by attendees on the night on sheets provided for this purpose (Appendix 3). We were impressed by the orderly conduct of all those who participated.

We are confident the community has become better informed and more engaged in this issue as a result of our community information program. This was reflected in the attendance at the information evening, the discussions at meetings and in the submissions received.

3.3. Engaging the Community

As part of the endeavour to ensure that the Transition Auditors were as fully informed as possible on all of the issues surrounding separation, meetings were held with representatives of a number of bodies with an interest in the separation. These included Hume City Council, the Australian Services Union, the Metropolitan Planning Authority, Melbourne Airport, Members of Parliament and the local government peak bodies, the Victorian Local Governance Association (VLGA), the Local Government Professionals Inc. (LGPro) and the Municipal Association of Victoria (MAV).

From 29 June to 13 July, face-to-face meetings were held with groups and individuals from the Hume municipality by request. These provided the opportunity for any issues to be raised and views to be expressed on any aspect of the separation. Again, the views expressed were quite mixed in terms of the desirability of separation. Sessions were held in Sunbury, Broadmeadows and Craigieburn. No request by any individual or group to meet with us was refused.

Submissions

Formal submissions were sought from 30 June to 29 July via a seventh information sheet that specifically called for submissions on the central questions that had arisen from the information distributed. However, whilst the questions posed were intended to focus attention, they were not pre-emptive or exclusive and those making submissions were also invited to include any other matters that they considered were relevant to the Terms of Reference.

The following questions were advanced for consideration:

The Sunbury Poll

- Do the arrangements for the transition to the new Sunbury council reflect what can reasonably be considered to have been the expectations of people voting in the 2013 Sunbury Poll?
- Given the significance of the decision to create a new council for both present and future residents, what reliance should be placed upon the outcome of this poll?
- Should another poll be undertaken?

Financial Impact

- Is a new municipality of Sunbury supported, if it requires significant annual rate increases for Sunbury residents over future years?
- Should Hume City Council be required to pay a cross subsidy to the new Sunbury council?

Services

- What are the expectations for the level and types of services to be delivered by a separate Sunbury council?

Population

- Is it considered that there will be sufficient population growth to support a stand-alone Sunbury council?

Other factors

- Are there any other considerations that would support or argue against the creation of a new council?

102 submissions were received and are available, without redaction or editing save the removal of personal details and defamatory material, on the Sunbury Hume Transition website. All submissions were accepted, including a few that arrived after the closing date, save for two. One that the writer did not make available for public distribution and when informed that it could not be received on that basis, declined to resubmit. Another that had no relationship to the Terms of Reference.

4. BACKGROUND

4.1. Hume City Council

The municipality of Hume was by created by an Order in Council gazetted on 15 December 1994 through the amalgamation of large parts of the former Shire of Bulla and City of Broadmeadows and smaller parts of the former Whittlesea and Keilor municipalities.¹⁹

4.2. Local Government (Hume City Council) Review Panel

On 15 June 2000, the Local Government (Hume City Council) Review Panel was appointed by the then Minister for Local Government to review the feasibility and viability of the Hume City Council becoming two municipalities. The report, *A Review of the possible restructuring of the Hume municipality* was released in October 2000.

The report recommended the separation not occur *'due to the significant detrimental financial impact on the residents and ratepayers of the proposed "Shire of Sunbury" and the high costs, both immediate and continuing, of establishing and maintaining two new entities.'*²⁰

Using Deep Creek as the boundary of the proposed council and a population estimate of 28,383 people, the report concluded that *'the new municipality is not viable now and, unless there were significant changes in circumstances, is unlikely ever to generate sufficient revenue to support a reasonable level of municipal services on a stand-alone basis.'*²¹

The report concluded residents in Hume without Sunbury would gain a financial benefit but those in Sunbury would be significantly financially burdened with rates needed to increase by at least 63% for the new council to be financially viable.

No action was taken by Government at the time as a result of the recommendations of that panel and it is noteworthy that since the release of this report, the population of Sunbury has grown marginally to approximately 36,759 people.

4.3. KPMG Reports

Service Provision in Sunbury

In December 2011, the former Department of Planning and Community Development commissioned KPMG to examine the evidence to determine whether Sunbury had been disadvantaged relative to other areas of the municipality by the strategic financial and asset management decisions of Hume City

¹⁹ Order in Council No S 97 dated 15 December 1994.

²⁰ Local Government (Hume City Council) Review Panel Report, 2000, *Review of the possible restructuring of the hume municipality*, p.iii.

²¹ Local Government (Hume City Council) Review Panel Report, 2000, *Review of the possible restructuring of the hume municipality*, p.iii.

Council. In June 2012, KPMG released a report *Hume City Council's Service Provision in Sunbury*.²² This report looked into four key service areas:

- infrastructure (roads, streetscape, drainage and waste management);
- family and community services (preschools and child care);
- parks and open space; and
- recreation (sports centres and facilities).

KPMG concluded:

The analysis of these indicators provides evidence that *'Sunbury residents receive a similar or higher share of council services and infrastructure than other Hume municipality residents.'*²³

- **Infrastructure:** Compared with the rest of Hume the roads in Sunbury were, on average, in better condition, slightly more funds were allocated to traffic engineering per household and Sunbury received a higher level of maintenance for footpaths. The provision of council-provided car parks and waste collection services was also higher in Sunbury compared to the rest of Hume.
- **Family and community services:** Sunbury residents received a similar or higher share of council services and infrastructure than other Hume residents with higher numbers of places at child care centres and before and after school care venues than the rest of Hume. In addition a higher proportion of Sunbury residents participated in the youth centre programs on offer and received community or home support services.
- **Parks and open spaces:** On average Sunbury has more open spaces for physical activities and relaxation than the rest of Hume.
- **Recreation:** On average there are more leisure centres in Sunbury than the rest of Hume.

Impact of Potential Secession of Sunbury from Hume

In July 2013, KPMG was also commissioned to provide information on the impact of potential secession of Sunbury.²⁴ This report noted a new Sunbury City Council would represent a much smaller municipality with a relatively large area of service delivery and a moderately sized population base whereas Hume without Sunbury would become more densely populated and have a smaller area of service delivery.

Based on the average rate increases in Hume City Council, the report concluded rates in Hume with no changes were likely to rise by 5.3% annually over the next four years. It foreshadowed that rates in a new Sunbury municipality would rise an additional 8.9% each year (annual rate rise of 14.2%) and rates in Hume without Sunbury would decrease by 1.5% each year (annual rate rise of 3.8%). This report also indicated there would be a one-off establishment cost of separation for the new municipality of between \$3.5 and \$4.4 million.

There was no reference to the provision of any cross subsidy and it can reasonably be inferred none was contemplated at that time.

4.4. The Sunbury Poll

In October 2013, the former Minister for Local Government commissioned a non-compulsory postal ballot on the establishment of a Sunbury municipality to be conducted by the Victorian Electoral Commission (VEC). All registered voters in the Hume municipality were eligible to vote.

The rules governing the poll were written to ensure consistency with the process for conducting council elections.

A ballot pack was sent to all eligible voters. This contained the ballot paper and instructions on how to vote. Voters were asked to vote 'YES' or 'NO' for the proposal to establish a new Shire of Sunbury. The ballot pack included the following statement of the objective of the poll:

'The 'Sunbury Poll' is a poll of voters within the existing boundaries of the municipal district of the Hume City Council to determine the level of support for a stand-alone Sunbury Shire Council.'

²² KPMG, 2012, *Hume City Council's Service Provision in Sunbury*, Department of Planning and Community Development, Melbourne.

²³ KPMG, 2012, *Hume City Council's Service Provision in Sunbury*, Department of Planning and Community Development, Melbourne, p.3.

²⁴ KPMG, 2013, *Impact of potential succession of Sunbury from Hume*, Department of Transport, Planning and Local Infrastructure, Melbourne.

It is not surprising this question has given rise to some confusion in the minds of potential voters. Was it a vote for separation or to gauge general approval of the idea?

A map was also provided that used Deep Creek to show an 'indicative' boundary of the proposed new municipality. However, no specific boundary was identified, and it became clear in consultation that this also led to confusion.

The ballot pack can be found at Information Sheet 1 – Appendix 2.

Of the 118,708 eligible voters in Hume City Council, 51% took part in the poll of whom 60% voted 'YES'. They represented 31% of the total eligible voters. A breakdown of the poll across the different suburbs within Hume is below.

Location	Eligible Voters	Participation Rate	Participants Who Voted 'Yes'	Eligible Voters Who Voted 'Yes'
Keilor, Tullamarine, Gowanbrae, Gladstone Park	11,835	54%	58%	31%
Broadmeadows	11,789	45%	56%	25%
Coolaroo, Meadow Heights	11,214	47%	56%	26%
Attwood, Westmeadows	6,730	55%	55%	30%
Greenvale	9,271	55%	55%	30%
Fawkner	160	36%	54%	19%
Campbellfield	4,280	44%	56%	25%
Somerton	105	44%	43%	19%
Oakland Junction, Yuroke	422	50%	46%	23%
Craigieburn, Kalkallo, Roxburgh Park, Mickleham	35,800	46%	59%	27%
Diggers Rest	383	57%	64%	37%
Bulla	530	51%	64%	32%
Sunbury, Wildwood, Clarkefield	26,389	60%	67%	40%
TOTAL	118,708	51%	60%	31%

*percentages have been rounded to the nearest whole number

4.5. Local Government (Sunbury Out of Hume City Council) Panel

On 17 February 2014 the Local Government (Sunbury Out of Hume City Council) Panel was established to report to the then Minister for Local Government on 30 June 2014.

The Panel identified its task as a review *'on the creation of a new municipality out of Hume City Council'*.²⁵ This accorded with their Terms of Reference which provided:

1. The Panel is to conduct a review and make recommendations to the Minister on the following:
 - a. A proposed boundary for a new Shire of Sunbury;
 - b. An appropriate and equitable method for division and distribution of assets and liabilities between a new Shire of Sunbury and a restructured Hume City Council that has regard to sustainability and economic development objectives;
 - c. A process for establishing an administrative structure to support the new Shire of Sunbury including if appropriate recommendations regarding appointment and proposed terms for a panel of Administrators;
 - d. A process for ensuring the orderly transfer of responsibility for delivery of services from the existing Hume City Council to the new Shire of Sunbury in a way that provides for efficiency and innovation and minimal interruption in service delivery to residents of either municipality;
 - e. A process for establishing appropriate rates, fees and charges for residents and ratepayers of the new Shire of Sunbury;
 - f. Matters referred to the Panel for consideration by the Community Consultative Committee;
 - g. Any other transitional requirements associated with establishing a new Shire of Sunbury.

25 Local Government Panel Report, June 2014, Sunbury out of Hume City Council, Melbourne, p.1.

It is important to note that these Terms of Reference were essentially directed to the obtaining of advice as to how separation could be effected, rather than whether it was reasonable to do so in the first place. That decision, it appears, was regarded as already having been made through the poll.

The Panel commissioned CT Management Group to provide a range of options for the division and distribution of assets and liabilities between the proposed municipality and Hume without Sunbury and future capital investments.²⁶ Based on the CT Management financial modelling, the Panel concluded that to achieve financial sustainability, the proposed municipality would require the proceeds from the Racecourse Road site²⁷ and an initial share of funding from the payments received in lieu of rates by Hume City Council from Melbourne Airport as a cross subsidy payment.

There were, as can be seen, a number of important caveats to this conclusion and in its report, the Panel stated:

*'The Panel determined from the outset the new municipality could be viable if certain criteria were met. These were a continuation of projected strong population growth; the adoption of a cost effective organisational structure and new and innovative ways of service delivery to ensure provision of services at as low cost as possible.'*²⁸

The Panel made a number of recommendations to the Minister for Local Government including:

- That a new municipality in Sunbury be constituted on 1 July 2015;
- Non-moveable assets that fall within one of the municipalities should remain in that municipality;
- The distribution of moveable and non-physical assets between Sunbury and Hume be based on a 23.6% - 76.4% split;
- That a cash transfer from Hume to Sunbury of a proportion of 'rates in lieu' from Melbourne Airport of 50% in 2015-16, 40% 2016-17, 30% in 2017-18 and 23.6% for 4th to 10th year occur.

This report, it seems, constituted the first clear recognition of the possibility of a cross subsidy. It is unclear how the concept of such a subsidy linked to a particular property emerged, other than a reference to a portion of the funds from Melbourne Airport being currently used to fund capital works and service delivery in Sunbury.²⁹ Presumably, it was considered this would not disadvantage Hume as they would no longer need to allocate this funding to Sunbury.

On the basis that this cash injection would be received, the report estimated rate increases of no more than 7% in 2016-17 for Sunbury residents and no more than 6% for the following three years.

What is clear from the Panel's recommendations is that there were real issues concerning the financial viability of the new municipality and acceptance that it would not be achievable on its own revenue base for at least some years.

Community Consultative Committee

In April 2014, the Sunbury out of Hume City Council Community Consultative Committee ('the Committee') was established to carry out community consultation on the creation of a new Sunbury council to inform the work of the Panel and advise the Minister for Local Government. The committee was constituted by community members and chaired by Ms Amanda Millar (then Member of the Legislative Council for Northern Victoria).

The Committee's Final Report reached the following conclusions:

1. 'All communities are broadly supportive of the secession of Sunbury from Hume City Council conditional upon both councils being financially viable and rates not increasing significantly.
2. There is significant concern that new rates (in either shire) do not increase substantially due to current cost of living pressures.
3. Areas which indicated clear majority support to remain in Hume City Council included:

²⁶ CT Management Group, June 2014, *Indicative Financial Analysis*, Appendix G of the Local Government Panel Report, Melbourne.

²⁷ 50.44 hectares of undeveloped land at 275 Racecourse Road in Sunbury was purchased by the former Bulla council in 1976. In 2012 Hume City Council entered into a partnership arrangement with Australand for the residential development of the site.

²⁸ Local Government Panel Report, June 2014, *Sunbury out of Hume City Council*, Melbourne, p.3.

²⁹ Local Government Panel Report, June 2014, *Sunbury out of Hume City Council*, Melbourne, p.48.

- Craigieburn;
 - Broadmeadows and surrounding areas; and
 - Tullamarine.
4. The small number of Diggers Rest respondents currently within Melton City Council on the whole expressed the desire to remain within Melton City Council. These residents did not participate in the voluntary poll as they did not fall within the boundaries of the current Hume City Council. Therefore, any conclusions to change their current municipal coverage would, in the Committee's view, require a separate process of community consultation.
 5. There was significant division over where Melbourne Airport should be located which was strongly indicated by residential location of respondents (i.e. Sunbury residents largely believed airport should transfer into a new shire including Sunbury, whereas Broadmeadows, Craigieburn and Tullamarine residents overwhelmingly wanted the airport to remain within Hume City Council).
 6. Considerable support was shown for the appointment of commissioners in some form to protect assets and to equitably manage the process.
 7. Considerable support for safeguard mechanisms to protect any interim sale of assets (including Racecourse Road) and decision-making processes regarding the proposed Global Learning Centre for Sunbury.
 8. Amongst the Sunbury respondents, there was notable support for a strategic development agenda for Sunbury – including both residential and business growth – as part of any plan to move forward.
 9. The heritage building on Jackson's Hill, which was previously occupied by Victoria University, was raised by many as being of value and significance to the community – and it was expressed that a new and befitting purpose should be found for this site.³⁰
 10. Significant commitment to ensuring that the current employees of Hume City Council are kept well informed and are appropriately supported by their employer throughout any transitional period.³¹

The Committee resolved there was a '*clear signal to proceed with the establishment of new municipality including Sunbury if both municipalities can be found to be economically viable.*'³²

It is apparent there were a number of reservations conveyed in the course of consultation that needed to be addressed carefully. Significantly no reference to the possible provision of a cross subsidy was made.

CT Management Group: Financial Analysis

In order to obtain a clearer picture of the impact of separation on the rest of Hume, in August 2014, Local Government Victoria commissioned a further CT Management Group report, *Financial Analysis: Sunbury Out of Hume Options 5 and 6*.³³ They were asked to assess the impact upon the financial sustainability of the proposed Sunbury council and the remaining Hume council under the option 5 it presented to the Panel and to develop an option 6 based on further consideration of the impact on the rest of Hume.

Option 6 provided for:

- a cross subsidy to the Sunbury council of 23.6% of the "rates in lieu" collected from Melbourne Airport by Hume City Council for the first ten years following the separation;
- service levels and delivery models comparable to those currently existing in Sunbury;
- a reduced capital works program of \$25M for major projects;
- the \$10 million investment in the Sunbury Global Learning Centre³⁴ delayed beyond the first ten years;
- investments in capital over the first 10 years to total \$148.9 million with \$56.59 million in renewal and \$92.31 million in new assets.

³⁰ The heritage buildings on Jackson's Hill are the property of Victoria University.

³¹ Sunbury out of Hume Community Consultative Committee, April 2014, *Final Report*, Appendix B of the Local Government Panel Report, Melbourne, p.38.

³² Sunbury out of Hume Community Consultative Committee, April 2014, *Final Report*, Appendix B of the Local Government Panel Report, Melbourne, p.39.

³³ CT Management Group, 2014, *Financial Analysis: Sunbury out of Hume Options 5 and 6*, Department of Transport, Planning and Local Infrastructure, Melbourne.

³⁴ The Hume Global Learning Centres are designed to support training and education opportunities for the local community, organisations and businesses. The centres provide a public library, free wireless and internet access, meeting and conference facilities and exhibition spaces. Currently centres are situated in Broadmeadows and Craigieburn.

4.6. Order in Council

An Order in Council was gazetted on 30 October 2014 constituting a new Sunbury City Council on 1 July 2015. The Order modified the cash transfer from Hume to Sunbury of the lesser of \$2,470,000 or 23.6% of 'rates in lieu' for 10 years and appointed a single administrator and an interim CEO from 1 July 2015.

On 27 March 2015, the Hon Natalie Hutchins MP, Minister for Local Government, announced that the Government intended to delay the establishment of Sunbury City Council until 1 July 2016.

The commencement date for Sunbury City Council was deferred by a new Order in Council gazetted on 16 April 2015. This establishes the new Sunbury City Council on the 1 July 2016 under the same terms as proposed in the initial Order save for consequential changes (Appendix 4).

5. THE ISSUES FROM THE SUBMISSION

A total of 102 submissions were received (Appendix 5) of which, 13 were made on behalf of an entity or group. These included resident and ratepayer groups, the Australian Services Union and peak local government bodies. The remaining submissions were from community members. A number of key issues emerged and are summarised in Appendix 6.

5.1 The Nature of Sunbury

Sufficiently different community of interest

There is a deep sense of pride in the 'city living, country style' environment expressed by those living in Sunbury.³⁵ A central theme underlying a number of the views and submissions advanced in support of separation was that Sunbury is a 'semi-rural' community that is geographically and demographically distinct from the remainder of the Hume municipality with the consequence that Sunbury is not seen as well placed in a large metropolitan council.

*'Neither city, nor rural, neither suburban or urban, neither established area, nor growth area. Sunbury is a unique community that deserves respect for its unique geography.'*³⁶

The notion of community of interest within the local government context is relatively vague. It was, however, more than a little surprising that in their report the Panel noted as relevant under the heading Demographic characteristics supporting 'community of interest' that:

*'The population of Sunbury is notably different to that of the rest of Hume, in terms of ethnic and cultural background and socio-economic status. To illustrate, 88.7 per cent of residents of the Sunbury SLA speak only English at home, compared with 50.1 per cent of residents of the Craigieburn SLA and only 39.4 per cent of residents of the Broadmeadows SLA. When the data are viewed at statistical area 1 (SA1) level, it is clear there is a finer grain to this spatial trend. Specifically, areas to the south east of the LGA which are within the UGB are home to a very high proportion of people who speak other languages (in some parts of Broadmeadows, Meadow Heights, and Roxburgh Park, more than 70 per cent of residents speak another language). In the non-urban areas which separate Sunbury from the broader metropolitan area, there is less language diversity and in the Sunbury Township only a small proportion of the population speaks a language other than English (approximately 7 per cent).'*³⁷

The Panel concluded that these demographic characteristics, along with other 'community of interest' indicators, 'supports the creation of a separate municipal entity based around Sunbury'.³⁸

Clearly a 'community of interest' in the local government context cannot be properly based upon the existence of a disparity that is identified by reference to ethnic and cultural background or socio-economic status. To hold otherwise would be fundamentally inconsistent with the egalitarian and multicultural principles on which our society functions. In our view, the existence of a demographic disparity of this kind rather than supporting a council separation, speaks powerfully against it.

³⁵ 'City living, country style' was the promotional brand of the former Shire of Bulla.

³⁶ Submission to the Transition Auditors no. 53.

³⁷ Local Government Panel Report, June 2014, *Sunbury out of Hume City Council*, Melbourne, p 25.

³⁸ Local Government Panel Report, June 2014, *Sunbury out of Hume City Council*, Melbourne, p.2.

A 'community of interest' for local government purposes must be as the MAV pointed out primarily concerned with, although not confined to, the adequacy of representation of the interests of the particular community and the equitable allocation of resources. They argue that:

*'Issues relating to the existence of 'communities of interest' in a council area should primarily be the responsibility of the Electoral Commission's review of electoral structures. These reviews should seek to ensure that particular communities are adequately represented on council and promote the equitable allocation of resources across the council area'.*³⁹

This is consistent with the approach of the VEC which in considering which electoral structure is most appropriate, considers any communities of interest, encompassing people who share a range of common concerns, such as geographic, economic or cultural associations.

Representation

There are strong feelings expressed in some of the submissions that Sunbury is not adequately represented through Hume City Council and that there is a lack of advocacy on behalf of Sunbury residents in relation to State Government issues.

*'A Sunbury City will be better because of a sharpened focus on our community.'*⁴⁰

The VLGA stated that having more councillors elected to the Sunbury area may not result in better community representation.

*'[F]ocusing on participation is a way forward for all councils in responding to their communities of interest and is of broader significance than physical municipal boundaries. Creating a new municipality does not, in and of itself, guarantee the responsiveness or representation that communities, including those in Sunbury, are looking for.'*⁴¹

While the bulk of the issues raised in which it was felt representation was inadequate related to the actions of State instrumentalities that fall outside the scope of local government, this is a perception of disadvantage among the Sunbury community that does need to be addressed by effective community engagement at a local government level.

*'There is a significant perception that the Sunbury Community is ignored ... Should the separation not proceed, I believe it is essential for Hume City staff to develop much better formal engagement and information processes, at multiple levels of the community, including community associations - so that service expectations and alternative options (if necessary) can be discussed and hopefully agreed.'*⁴²

5.2. The Sunbury Poll

Do the arrangements reflect expectations?

The submissions clearly show a level of confusion regarding what people thought they were voting for.

*'At the time of voting there was very little information, almost no information, available on boundaries, potential impacts on rates, level of services, impacts on employment and splitting of assets. I suggest the yes vote was yes – I support to look at this in detail.'*⁴³

It is largely accepted that only those with a special interest in the proposal would have read the KPMG reports prior to voting. The impact of the provision of information in this way was reflected throughout the submissions. They range from the view it was sufficient to have the material available for those who wished to inform themselves, to the view those taking part were unable to make an informed decision.

Many submissions indicated there was a lack of clarity about what a 'YES' vote would mean. The poll was largely viewed as being indicative of a desire for a new council and that those who voted 'YES' were expressing support for a proposal only to be further examined and not a final outcome.

³⁹ MAV submission to the Transition Auditors, submission no. 65.

⁴⁰ Submission to the Transition Auditors no. 31.

⁴¹ VLGA submission to the Transition Auditors, submission no. 100.

⁴² Submission to the Transition Auditors no. 67.

⁴³ Submission to the Transition Auditors no. 63.

*'There was no clarity about what a "Yes" vote meant. To some in the community it meant to separate from Hume City. For others it meant to proceed to the next stage to determine if a separation was viable. This was not made clear.'*⁴⁴

What reliance should be placed upon the outcome of this poll?

A large number of submissions state that given the lack of information available at the time of voting, and the different levels of understanding as to what the outcome of the poll would be, very little reliance should be placed on it beyond an indication that people in Hume broadly support the separation of Sunbury.

*'Clearly everyone in Sunbury would probably prefer a Sunbury Council as most believe it would be good for Sunbury, but the costs and services need to be identified before such a vote is taken, not after the vote.'*⁴⁵

There is also a competing view that the vote to separate Sunbury was won and the outcome should not be altered in any way.

*'To suggest that the outcome of this poll should not be relied upon is to dispute the very democracy that Australia stands for.'*⁴⁶

Should another poll be undertaken?

While there is not a consensus that another poll should be held, there was an overwhelming indication that should another be conducted, it should be a compulsory vote and that it should be accompanied with sufficient information, including for and against arguments, to enable an informed decision to be made.

Those who do not support a further poll, were either of the view that the proposal should be put on hold until such time that Sunbury is in a position support itself financially or that the separation should proceed as per the current Order in Council.

5.3. Financial Impact

The impact on rates

Some submissions indicated a preparedness to pay increased rates in order to have a separate council. However there was wide concern expressed regarding the impact that separation may have on rates and what this could mean for residents and ratepayers, especially young families and seniors.

*'I can barely afford the current rates and the reduction in services due to reduction in income in the new council will affect us in other ways as well.'*⁴⁷

There were also concerns expressed that the new council will struggle to support itself on its current rates base.

*'A council might still be considered financially viable if it obtains all the necessary funding to cover all of its costs, services and infrastructure projects. But can only do so after imposing crushing rate increases on its ratepayers as well as other increased fees and charges on its residents and service users.'*⁴⁸

While some submissions argued that the implementation of the Fair Go Rates System made the issue of rate increases obsolete, there was concern expressed that if rates are capped the council will have more limited resources to carry out its functions.

*"[F]or Sunbury to be able to support itself there would have to be substantial rate increases particularly without cross subsidy from Hume and if the Fair Go Rate System was applied it would keep their income well below what was needed for Sunbury to be financially viable."*⁴⁹

Cross subsidy

The principal argument advanced in favour of the provision of a cross subsidy by Hume was that this money is currently apportioned to the Sunbury area and therefore the rest of Hume would not be disadvantaged should it be made payable to the Sunbury council.

44 Submission to the Transition Auditors no. 67.

45 Submission to the Transition Auditors no. 68.

46 Submission to the Transition Auditors no. 57.

47 Submission to the Transition Auditors no. 3.

48 Submission to the Transition Auditors no. 17.

49 Submission to the Transition Auditors no. 82.

*“Hume City Council states that Sunbury currently gets its fair share of all funding based on the percentage of Hume’s population that live in Sunbury. Based on this assertion, if Sunbury were not to separate from Hume it would continue to receive the benefit of this 23.6% of the Airport Rates, not just for ten years, but on an ongoing basis.”*⁵⁰

Another argument presented was that because the greater part of the land occupied by Melbourne Airport had been previously located in the former Bulla Shire, the Sunbury council is entitled to receive a portion of the benefit associated with this entity. Why this should follow was never indicated. A number suggested that the cross subsidy should not cease at ten years but continue perpetually on this basis.

The arguments put forward against the provision of a cross subsidy centred on the action of taking money from one council to ‘prop up’ another. Concern was also expressed that this appears to be a new concept and may have broader implications.

5.4. Services

There was a general community expectation that service levels under the new council should be equal to or better than that currently provided.

*“The expectations are that levels and types of services delivered should be of an equal or better standard than those presently delivered by Hume Council.”*⁵¹

Concern was expressed in a number of submissions that without substantial rate increases, this expectation would not be met and many much needed services for children, youth and the elderly would need to be reduced or cut altogether.

*‘The level of services to the community could not possibly remain at current standards if a split should occur.’*⁵²

Current service levels

The view was also expressed that Sunbury is currently being disadvantaged in the level of services that are received under Hume City Council. There appears to be a perception among members of the Sunbury community that much greater attention is given to the development and concerns of Broadmeadows and Craigieburn.

*‘Trying to serve the diverse needs of the current Hume has created priorities which, inevitable and quite correctly, favour the larger urban centres of Broadmeadows and Craigieburn.’*⁵³

Not all submissions shared this perception and many indicated that they receive good services under Hume City Council and are concerned that these would be placed at risk.

*‘We are devastated to think for one second that we may be without the services of Hume Council who deliver a great service to the community.’*⁵⁴

Types of services

There was also a view advanced that service delivery under the new council would be less costly to run than at present as the types of services required in Sunbury would be different to those provided by Hume City Council due to the demographics of Sunbury.

*‘Hume has the biggest multicultural base of any city in Victoria and as a result of this it needs multiple services to cater for all these various groups. Sunbury doesn’t have the same problem as something like 87% of its base is of Anglo Saxon background so the need for things like interpreter services, cultural centres and the like are not necessary.’*⁵⁵

50 Submission to the Transition Auditors no. 85.

51 Submission to the Transition Auditors no. 23.

52 Submission to the Transition Auditors no. 4.

53 Submission to the Transition Auditors no. 95.

54 Submission to the Transition Auditors no. 52.

55 Submission to the Transition Auditors no. 38.

Innovative service delivery

Questions were raised as to whether and what innovative service delivery could be achieved and what impact it would have on the financial stability of the council or on the quality of services being delivered.

*'We would expect services to remain at the current level. Suggestions that this could only be done by using contractors would appear to be a detriment to the Council and create a long term financial disadvantage.'*⁵⁶

There was however an argument that the new council would create an opportunity for the development of a more efficient local government model.

*'Because their likelihood of success is limited from a historical perspective, why should a Sunbury City Council not aim to achieve the most efficient use of its resources using the most effective mechanisms available?'*⁵⁷

6. THE SUNBURY POLL

If valid, the criticisms raised by Mr Blacher in his report clearly raise some serious issues regarding the Sunbury Poll. Not only would the poll process be problematic but the process adopted thereafter and the potential consequences of separation could be very different from those that it can reasonably be assumed to have been contemplated at the time.

The importance of the poll

It is essential to keep clearly in mind that the Sunbury Poll was an important expression of the desire or, at least the willingness, of a significant percentage of those eligible to vote for the creation of a new Sunbury municipality. The views of these voters require respect, expressed as they have been in a democratic process in which people voluntarily participated in substantial numbers in the various communities likely to be affected.

The questions that must then be considered are:

- what decision did voters understand they were making; and
- what did they anticipate would be the consequences of their vote.

What were people voting for

Voters were directed to the department website where the two KPMG reports on services and rates were located. Importantly, no information was provided in the ballot pack distributed by the VEC on the practical implications of a vote either way.

Given the difficulty in accessing and comprehending the lengthy and technical financial reports, it is highly likely, and appears to be broadly accepted, that very few residents would have read the KPMG reports.

The ballot paper advised voters that the purpose of the vote was 'to determine the level of support for a stand-alone Sunbury Shire Council'.

In the absence of any information on what would follow the poll process, the expectations of its outcome were confirmed through the consultation to be varied.

It can, we consider, be fairly assumed that had only a minority of voters participating in the poll supported separation, no further action would have been contemplated by Government. It could also be assumed that given that a number of material factors were unknown, including the final boundaries of the new municipality and the division of assets and liabilities, that a majority support outcome would be followed by a review into the viability of the proposal. This appears to be the expectation of many voters as expressed in the submissions.

⁵⁶ Submission to the Transition Auditors no. 74.

⁵⁷ Submission to the Transition Auditors no. 53.

A key problem was created by the decision to move straight from the poll, which presented a view about the level of support for separation as desirable, directly to what was effectively a process of implementation in which the outcome could be significantly different from that reasonably contemplated by both those who participated in the poll and those who did not. The relatively limited consultation process undertaken by the Panel through the Committee cannot be seen to address satisfactorily this deficiency.

7. THE FINANCIAL IMPLICATIONS OF SEPARATION

The financial work undertaken by the various consultants in relation to the separation of Sunbury from Hume City Council has been based on financial modelling which of its nature involves assumptions and assessments of what is likely to occur in the future. They may or may not prove to be accurate and, as a matter of simple common sense must be approached with care.

Any council can be said to be viable in the sense that it can operate with a balanced budget if rates are increased sufficiently to offset any deficit and/or the capacity of the council to deliver the full suite of services that community expect is reduced. Therefore, in considering the financial implications of separation the focus has not been on the viability of a Sunbury council in this narrow sense but on the potential risks in relation to the impact on rates, services, staffing levels, and capital works.

While the risks involved require consideration, this does not mean that no decisions can be made but that a careful evaluation of the nature of the risks and potential consequences of the assumption of them should be made. Clearly, those who are likely to be exposed to such risks must be adequately informed concerning them before they are required to assume them.

7.1. Sunbury

According to the Victorian Auditor-General's report on the Organisational Sustainability of Small Councils, small councils have become increasingly dependent on government grants to *'have the capacity to function efficiently, effectively and economically, to meet the current and future needs of their communities to an acceptable standard.'*⁵⁸

The audit highlighted a number of issues and challenges that impact sustainability of small councils:

- *'population decline and demographic changes such as ageing populations*
- *their location within regions including proximity to large regional towns*
- *recruiting and retaining qualified or skilled staff*
- *large networks of roads and other infrastructure to maintain*
- *increasing service delivery costs and servicing large geographic areas*
- *dealing with major unplanned events, such as the recent defined benefits superannuation shortfall, where the extent of liability was unknown.'*⁵⁹

None of this could be regarded as surprising and it is well recognised that many of Victoria's smaller municipalities are struggling financially. However, the Auditor-General's report draws attention to the need to assess carefully the prospects of any new council.

Rates

The financial reports predict annual rate increases for Sunbury ratepayers following separation in the range of 5.5% to 14.2%. These rate increases are based on different financial models for the new Sunbury council and are predicated on different sets of circumstances occurring.

KPMG modelling of the future costs and revenue of a Sunbury council estimated:

- Rate rises in Sunbury of 14.2% based on the continuation of current service levels and capital works;
- Rate rises in Hume without Sunbury of 3.8% (1.5% decrease from Hume City Council projections).⁶⁰

58 Victorian Auditor-General's Report, June 2013, *Organisational Sustainability of Small Councils*, Victorian Auditor-General's Office, Melbourne, p.1.

59 Victorian Auditor-General's Report, June 2013, *Organisational Sustainability of Small Councils*, Victorian Auditor-General's Office, Melbourne, p.1.

60 There are some criticisms made in the submissions of the KPMG report including that they did not factor the income from the Sunbury Landfill, the existence of the Sunbury Works Depot and the availability of the former Bulla Shire offices and that the data provided by Hume City Council was not audited. Whether justified or not, it is apparent that these assets would have only a marginal impact on the financial projections for a new Sunbury council. The data provided was stated in the KPMG report to be from the audited accounts of Hume City Council and formed the basis for all projections made in the reports of subsequent consultants.

The financial model put forward by CT Management (Option 6) estimated that rates in Sunbury would increase by 5.5% annually for 10 years provided that:

- 23.6% of 'rates in lieu' are transferred from Hume to Sunbury for 10 years
- Sunbury adopted a reduced capital works program
- The establishment of a proposed Sunbury Global Learning Centre similar to those operating in Craigieburn and Broadmeadows is delayed beyond the first 10 years.⁶¹

The CT Management report indicates that the revenue from the sale and development of Hume City Council property on Racecourse Road, of which would be located within the new municipality, would assist to fund the establishment costs the Sunbury council and the proposed capital works program.⁶²

The further analysis of these financial models undertaken by Deloitte Access Economics concluded that the new Sunbury council would be unable to maintain current service levels, staffing and delivery of the foreshadowed capital works program in the long term with an annual rate increase of only 5.5%. Deloitte estimated that with the provision of the cross subsidy, in order to maintain current service levels and the delivery of the proposed capital works program, annual rate increases of at least 8.5% would be needed for the first ten years. This would then be followed by a further 6% increase when the cross subsidy payment ceased in 2026-27.

'If increases in total revenue to Sunbury were capped at 5.5% p.a., we consider that some material decline in service levels would be required over time in order to prevent deterioration in Sunbury's long term financial position.'

Without the cross subsidy, Deloitte estimates that a rate increase of 14.5% in the first year, followed by annual increases of 8.5% would be required.

	KPMG No cross subsidy	CT Management With cross subsidy	Deloitte With cross subsidy	Deloitte Without cross subsidy
Annual Rate Increases	14.5%	5.5%	Years 1 to 10 8.5% After cross subsidy ceases 14.5%	Year 1 14.5% Years 2 to 10 8.5%

While the KPMG report, the CT Management reports and the further analysis carried out by Deloitte all provide different rate increase projections, what they have in common is that they all indicate that higher rates for Sunbury residents would be needed following separation in order to ensure the new municipality's financial sustainability and maintenance of current service levels and capital works.

There is a real risk that rates in Sunbury would substantially increase for many years to come or, alternatively, there would be a significant impact on the types and levels of services the new council will be able to deliver. The extent of this would be dependent on the decisions and priorities of the new council, whether the cross subsidy was required of Hume City Council and the impact of the Government's Fair Go Rates policy.

While the exact model for the Government's Fair Go Rates System is uncertain, the draft report released by the Essential Services Commission (ESC) in July 2015, *A Blueprint for Change: Local Government Rates Capping & Variation Framework Review*⁶³ suggests all councils will be subject to a uniform cap on

61 CT Management Group, 2014, Financial Analysis: Sunbury out of Hume Options 5 and 6, Department of Transport, Planning and Local Infrastructure, Melbourne, p.5.

62 In the course of consultation the proposition was advanced that the proceeds from the sale of the Racecourse Road land, together with the adoption of other cost saving measures, would be sufficient to meet operating expenses without the need to increase rates. However, the use of proceeds from the sale of a capital assets to meet recurrent outlays is well recognized as problematic. Prudent business practice suggests that the sale of capital assets should be used to fund capital projects. The rationale for this being that ongoing expense should be met by income that can be relied on for long term financial sustainability rather than from the depletion of the asset base of the entity.

63 Essential Services Commission, July 2015, *A Blueprint for Change: Local Government Rates Capping & Variation Framework Review - Draft Report Volume 1*, Essential Services Commission, Melbourne.

the amount they can levy through general rates and municipal charges from 2016-17.⁶⁴ The draft report also suggests that any applications to vary this cap will need to rest upon a very strong case.

It is evident that if a system of rate capping is to be effective, the granting of exemptions would need to be strictly controlled and monitored and probably confined in duration and to a limited range of exceptional circumstances. How the system would operate in the event of the separation of Sunbury is unclear. What is obvious is that it cannot be anticipated, with any measure of confidence, that any departure from the regime would be permitted. If any such exemption were allowed, it would almost certainly involve strict limitations on amount and duration.

Services

It became clear in the course of consultation that there was a generally held expectation among those who supported separation that the existing levels of service would be at least maintained, if not improved, by the new municipality. Those opposing separation expressed concern about the possibility that this would not be the outcome.

As earlier mentioned, it was suggested in some submissions and face to face meetings that the services required of a separate Sunbury City Council would be different to those provided by Hume City Council, and that this may result in potential cost savings. The types of services identified were those directed towards youth and cultural diversity. This is predicated upon the current demographic composition of Sunbury and takes little account of the changes that would inevitably occur if the predicted population growth in the area, upon which long term viability is also dependant, takes place.

The reduced capital works program recommended by CT Management would also be likely to affect the improvement of existing facilities and the ability to provide further facilities for what is anticipated to be a growing population. This would include the development of the currently planned Sunbury Global Learning Centre as a community and educational hub, which it has been suggested should be delayed beyond the first ten years.

In the short term it can reasonably be expected that the Sunbury council would seek to maintain the services currently delivered by Hume City Council. Current contractual arrangements may also limit the council's ability to effect immediate change. Whether current services continue into the future would, of course, be dependent on the level at which rates are set, which in turn would be dependent on the community's willingness to pay, the Government's Fair Go Rates policy, and the capacity of the council to attract other revenue.

The Panel was of the view that innovative service delivery would be required if the costs were to be reduced and community expectations of service levels maintained. They suggested partnership arrangements, contracting out of services and shared services with neighbouring councils. There was importantly no detailed examination of the nature and form of these efficiencies or the ability of a new council to implement them. Nor was the extent of savings that could be achieved in this manner, and the uses to which these would be put, itemised in any way.

It could well be that significant savings might be achieved through an innovative service delivery model. However, the extent and the timeframe in which this would result in substantial saving for a new Sunbury council is questionable. According to LGPro:

*'While partnerships and collaborations could provide some benefit, there are limited examples of where this approach is sufficiently mature and developed to be able to rely on as an underpinning principle of the business case to proceed. Increased cost of administration and bureaucracy will result in the diversion of resources from front line services that have direct community benefit.'*⁶⁵

In his report, Mr Blacher similarly stated the impact of these types of arrangements on the financial sustainability of the Sunbury City Council is uncertain:

*'Whilst delivering effective, cost-efficient services is a desirable objective, these 'innovations' have been long-term aspirations of local government reformers – even prior to the Kennett reforms of the 1990s. The fact that their adoption has been so variable across councils in Victoria is a strong indicator of how difficult they have been to achieve.'*⁶⁶

⁶⁴ Service rates and charges are not proposed to be included in the rate cap.

⁶⁵ LGPro submission to the Transition Auditors, submission no. 54.

⁶⁶ Blacher, Y, 2015, *Review of the process and policy implications of the proposal to establish a new Sunbury municipality*, Department of Environment, Land, Water and Planning, Melbourne, p.5.

It is our view that without a great deal more concrete information, the adoption of these broadly-identified measures would provide a very insecure base for a decision as to the viability of the proposed municipality.

Staffing

The Order in Council establishing the new Sunbury City Council prescribes that 23.6% of Hume City Council's equivalent full time ('EFT') staff will transfer to Sunbury. The Panel report equated this to 235 EFT staff for Sunbury. Further analysis carried out by Deloitte Access Economics in 2015 confirmed that it would be unlikely the new Sunbury council would need less than these 235 positions and suggested that compared to other councils with similar population, the staffing levels prescribed for Sunbury appear to be relatively low.⁶⁷

Hume City Council has identified 97.7 EFT staff currently engaged in direct customer-facing service delivery. This does not include management, non-direct customer facing staff or staff responsible for planning and development, infrastructure or corporate services.

Area	EFT positions
Child Care (Long Day Care)	15.5
Pre-School	16.0
Maternal & Child Health	3.4
Home & Community Care	22.8
Library	6.1
Youth Services	1.5
Leisure Centre	25.7
Tourism Centre	1.4
Customer Service	5.3
TOTAL	97.7

All of the staff members who transfer to the Sunbury council under the Order in Council will continue to be covered by the existing industrial agreement and their rates of pay and other employment entitlements will remain the same.

Whilst Hume City Council accepts that a transfer of 23.6% of staff to the Sunbury is appropriate, it is our view that the use of such an arbitrary number may not be in the best interest of either municipality. A more appropriate approach would be for the 97.7 EFT staff identified as engaged in directly providing service delivery in Sunbury to be the starting point, with these staff to eventually transfer to the new council. Beyond that, there should be an orderly process of negotiation between the two councils in the period immediately following separation to identify the number and staff who should transfer. At best the 23.6% should only be used as a broad guide.

The distribution of staff and other matters between the two councils is discussed further in Chapter 9 of this report.

Population growth

None of the financial modelling contained in the reports nor any of the submissions suggest that a new Sunbury council could operate without increasing rates and/or reducing services on the current population and rates base. All of the financial modelling assumes that there will be a growth in population of Sunbury that will make operating on its rates base achievable.

The Panel was of the opinion that *'[t]he economic sustainability of any new municipality with population growth projections below 55,000 by 2035 would represent significant risk'*.⁶⁸ The Panel gave no reason for suggesting this population and date as the benchmark for the financial sustainability of a new council.

67 Deloitte Access Economics, June 2015, Sunbury out of Hume, Department of Environment, Land, Water and Planning, Melbourne, p.21.

68 Local Government Panel Report, June 2014, *Sunbury out of Hume City Council*, Melbourne, p.33.

There is considerable uncertainty as to when Sunbury is likely to reach this level of population – and therefore increase the municipality's rate base. Despite its location in a growth area, Sunbury's percentage growth rate has been declining over the last ten years and has not reached the same levels as other similar areas (e.g. Mitchell Shire Council, located on Melbourne's suburban fringe sharing a boundary with Hume, and with similar population and population growth forecasts as Sunbury).

Annual growth rate%	2005	2010	2014
Sunbury*	2.5%	1.5%	1.1%
Mitchell Shire Council*	2.1%	3.0%	3.1%

When Sunbury was named a satellite city in 1971, its population was projected to reach 63,000 by the year 2000. The population in Sunbury is currently 36,759 (not including the part of Diggers Rest currently within Melton City Council). The latest Australian Bureau of Statistics population figures show that from 2009 to 2014 the population in Sunbury and Sunbury South has only grown by 1,670.⁶⁹

The Metropolitan Planning Authority (MPA) attributes the low annual growth rates in Sunbury to a lack of housing supply. However, according to the MPA, with land set to be released for development, an average annual growth rate of 4% is projected from 2015 to 2045. The MPA notes this will not occur in a linear fashion but is likely to be rapid in the short to medium term and then start to taper off.

There are many factors and variables that will influence the rate and nature of this anticipated change and there is an obvious risk, based on the history of the area, that the population growth projected may not be achieved or at least not within the next several years. Whilst future development may afford the opportunity for the expansion or improvement of services, it is in our view unwise to predicate the initial, and then continuing, viability of a new municipality upon the receipt of revenue derived from development that may not occur or at least will not occur for some time. At a minimum, decisions as to viability should be based upon the population currently within the proposed boundaries.

It is also apparent that growth and development come with significant cost and demand for increased infrastructure and support such as planning to enable that to occur. Based on the experience of other councils, it is also likely there will be a significant increase in demand upon existing services and the provision of other services designed to accommodate the needs of a rapidly-changing multicultural community. This extra cost and demand would also place a newly formed municipality under considerable financial pressure.

Capital works

As outlined in the CT Management report, 6 major projects have been identified for Sunbury over the next ten years should a new Sunbury council be established. These are:

- Sunbury Aquatic Centre Upgrade (\$14 M)
- Clarke Street Oval Upgrade (\$1 M)
- Goonawarra Recreation Reserve (1.25 M)
- Sunbury Town Centre Redevelopment (ongoing) (\$2.7 M)
- Sunbury Global Learning Centre (\$10 M)
- New Council offices (\$7 M)

These major works total \$35.95 million.

The financial model adopted by the Panel for the new Sunbury council set aside only \$25 million on major projects, delaying the construction of a Sunbury Global Learning Centre beyond the first ten years and delaying the timing of the delivery of the remainder of these major projects.⁷⁰

69 <http://www.theage.com.au/victoria/victorian-population-statistics-melbourne-grows-as-the-regions-shrink-20150818-gj23gf.html>

70 CT Management Group, 2014, Financial Analysis: Sunbury out of Hume Options 5 and 6, Department of Transport, Planning and Local Infrastructure, Melbourne, p.6.

Hume City Council has set aside \$4 million in the 2015-16 budget for stage 1 of the Sunbury Aquatic Centre Upgrade to take place this financial year. However, the recommended reduction in capital works under the Sunbury council may have already resulted in the delay of some capital works, including the construction of the Global Learning Centre.

7.2. The Rest of Hume

The Panel proposed a cross subsidy be made payable to Sunbury council from the 'rates in lieu' paid by Melbourne Airport to Hume City Council set at 50% in the first year following the restructure, 40% in the second year, 30% in the third year and thereafter 23.6% for the fourth to tenth year inclusive. Little justification was used regarding this apportionment beyond the following:

*"The Panel considers it appropriate the proposed new municipality has initial access to a portion of the annual 'rates in lieu' payment to ensure an equitable apportionment of rates, assets and liabilities. As these funds are being utilised to deliver services and infrastructure works to the broader Hume community it is considered reasonable to apportion the 'rates in lieu' [in this way]..."*⁷¹

The financial implications of this for the restructured Hume City Council were not referred to in any detail in the Panel's report. Nor are they addressed in the financial modelling by CT Management that was attached.

In order to address this deficiency, CT Management was engaged by Local Government Victoria to undertake further work on its financial modelling, taking into account the impact of separation on the rest of Hume.

The second CT Management report, *Financial Analysis: Sunbury out of Hume Options 5 and 6*, modelled a reduction in the cross subsidy to a fixed percentage of 23.6% each year. This was presumably to reduce the burden on the rest of Hume associated with the loss of revenue from Melbourne Airport. CT Management described the original proposal as *'detrimental to HWS [Hume without Sunbury] as it provides too greater proportion of the Melbourne Airport revenue to the proposed Council along with all of the proceeds from the Racecourse Road development'*.⁷²

Rates

There have been a range of different predictions about the impact of separation on the level of rates in Hume City Council following separation.

The KPMG report indicated that rate increases in Hume City Council after separation would be less than under the current arrangements as the municipality would become even more densely populated, with a smaller area of service delivery.⁷³

The modelling undertaken by CT Management following the panel report indicated that rates in Hume City Council following the separation of Sunbury under the current Order, would increase by an annual rate of 6.5% for the first three years, 5.5% in year four, followed by a decrease to approximately 5% annually from year five to year ten. This gradual reduction in rate increases was due to the decline in the value of the cross subsidy over time attributed to the cap of \$2.47 million set out in the Order in Council.

This contrasts with the forecast annual rate increase of 5.3% set out in Hume City Council's Forward Plan. The modelling undertaken by Deloitte Access Economics concluded that without a cross subsidy, rate increases in Hume would be slightly lower initially and after a slight increase, lower again. It forecast rate increases for Hume of 4% in 2016-17, 6.5% in 2017-18 and 2018-19 followed by 5.5% in 2019-20 and thereafter 5%.

⁷¹ Local Government Panel Report, June 2014, *Sunbury out of Hume City Council*, Melbourne, p.48.

⁷² CT Management Group, 2014, *Financial Analysis: Sunbury out of Hume Options 5 and 6*, Department of Transport, Planning and Local Infrastructure, Melbourne, p.23.

⁷³ KPMG, 2013, *Impact of potential succession of Sunbury from Hume*, Department of Transport, Planning and Local Infrastructure, Melbourne, p.4.

	KPMG No cross subsidy	CT Management With cross subsidy	Deloitte With cross subsidy	Deloitte Without cross subsidy
Annual Rate Increases	3.8%	Years 1 to 3 6.5% Year 4 5.5% Years 5 to 10 5%	Years 1 to 3 6.5% Year 4 5.5% Years 5 to 10 5%	Year 1 4% Years 2 to 3 6.5% Year 4 5.5% Years 5 to 10 5%

While there would likely be some short term impact on rates in Hume City Council following the restructure, Hume City Council's 2013-14 budget shows a short fall between the income generated in relation to Sunbury and the revenue allocated to Sunbury (i.e. the amount expended in Sunbury) of \$4.04 million. This short fall is sourced from the income generated from the rest of Hume. Therefore, while the loss of Sunbury would result in re-structuring costs and a reduction in economies of scale, the income that currently flows into Sunbury in the form of an internal subsidy or transfer would be retained in future Hume budgets.

Staffing

Hume City Council currently has a total workforce 995 EFT (not including management). As outlined in Chapter 7.1 Hume has identified 97.7 EFT staff positions engaged in direct customer facing service delivery in Sunbury. 297.9 EFT equivalent positions were identified as being engaged in the rest of Hume.

Area	EFT positions
Child Care (Long Day Care)	46.1
Pre-School	66.0
Maternal & Child Health	17.8
Home & Community Care	66.1
Library	27.1
Youth Services	3.5
Leisure Centre	53.2
Tourism Centre	0.0
Customer Service	18.1
TOTAL	297.9

There has been no detailed analysis of the impact on Hume of this reduction in staff numbers. However, given this is associated with a related reduction in the number of administrative functions and services being delivered, the assumption has been that it would not have a discernible impact. This is conjecture. We have no way of knowing what the real impact would be.

Hume City Council has advised that the delays and uncertainty regarding separation have and are also causing staff related issues. Further, recruitment has become more difficult as potential candidates are reluctant to apply because of the uncertainty and the possibility that if successful they may be transferred to a separate Sunbury into a job that may be outsourced.

According to LGPro:

*'Every Council has its unique attributes that serve as an incentive or drawcard for those who want to work there. The incentives for an officer wanting to work at Hume, a higher resource and well respected municipality, will be markedly different to those that will attract people who want to work at Sunbury. Lower resource municipalities are notoriously challenging places to work and employment security is more susceptible to financial outlook. Add to this the prospective challenges associated with rate capping, and it is perhaps unsurprising that Hume is reporting a downturn in candidate pools as people are uncertain of what the future may bring. Employment at Hume today could potentially mean employment at Sunbury in the future if 20% of the organisation is transitioned as part of the separation process.'*⁷⁴

Hume City Council has resorted to offering one year contracts of employment as it is unable to guarantee ongoing tenure whilst the issue of separation is unresolved. This issue must have an impact on the ability of the council to efficiently and effectively deliver its programs and services.

Melbourne Airport

We examined whether the presence of Melbourne Airport may bring other considerations to bear that should be taken into account when looking at municipal boundaries and the number of councils with which the Airport management has to deal.

Melbourne Airport makes a significant contribution to the Victorian economy and as such is regarded as one of the most important strategic assets in the State. It is critical to the growth and development of Melbourne Airport and its curfew free status that it maintains a strong working relationship with the local government areas impacted by its operations.

An important consideration in developing the current municipal boundaries of Hume City Council was that the airport be situated within a single municipality to improve co-ordination between the airport and local government.⁷⁵ In this regard, Melbourne Airport appears to have a particularly close working relationship with Hume City Council. This extends to dealing with issues such as employment, land use planning, tourism, and ground transportation.

Melbourne Airport pays 'rates in lieu' to the council under an agreement negotiated between the two parties. This is a voluntary arrangement on the part of the airport, which, as a Commonwealth operation, is exempted from the requirement to pay rates. The current agreement has a ten year term which expires in two years.

Under Hume City Council's proposed budget, the council will collect \$12.6M from the Airport in 2015-16. It is understood the agreement to pay 'rates in lieu' at least in part is a recognition that the airport includes many businesses that if located anywhere else would be required to pay council rates.

It is the view of the Melbourne Airport Corporation that the municipality in which they are located must be *'appropriately resourced to manage the complex needs and impacts of an airport within its boundary'* and should be part of the region most impacted by the airport's operations.⁷⁶ There seems to be little doubt that Hume City Council is the most appropriate entity to meet these needs, although it would be expected that the airport would have to develop an effective working relationship with the new Sunbury council as a municipality that is impacted by its operations.

We agree that the creation of one more municipality with which the Airport would have to relate was not in itself a reason not to create an additional council. We do strongly agree that the outcome of local government amalgamation which saw Melbourne airport located entirely within one council area was appropriate. We further agree that if Sunbury is separated from Hume that the Airport should remain entirely within the Hume City Council boundary.

⁷⁴ LGPro submission to the Transition Auditors, submission no. 54.

⁷⁵ Local Government Board Recommendations re Shire of Bulla, 1994, Middle and Outer Melbourne Review.

⁷⁶ Melbourne Airport Corporation submission to the Local Government (Sunbury out of Hume City Council) Panel, 17 April 2014.

The cross subsidy

The new Order in Council dated 14 April 2015 provides for Hume City Council to deliver for the first ten years following the Sunbury separation a cross subsidy to the new Sunbury council of the lesser of:

- \$2.47 million; or
- 23.6% of the 'rates in lieu' paid by the Melbourne Airport to Hume City Council.

This amount is to be paid by Hume City Council from 2016-17 to 2025-26.

We have not been able to find a principle on which the provision of a cross subsidy of this kind could be reasonably based nor a precedent for any such arrangement. None was provided in the CT Management or the Panel reports.

De-amalgamation experience in Victoria is limited. Only one complete separation (Delatite) has occurred since the local government amalgamations of the early 1990s. A number of minor boundary adjustments have occurred. The only other significant adjustment was the relocation of the Kensington area from Moonee Valley City Council to the City of Melbourne. None of these restructurings has involved any sort of cross subsidy from one council to another.

There were, however, two arguments advanced in the course of consultation. First, it was said that the amount of cross subsidy approximates to that currently expended by Hume City Council to deliver services and infrastructure to the municipality, making it reasonable for Sunbury to retain its share in the interim.⁷⁷ That amount is approximately \$4.04 million annually.

Another argument put forward was that Sunbury should receive a portion of the 'rates in lieu' as they are impacted by planning restrictions and noise linked to the airport.

The noise contours of Melbourne Airport indicate that the greatest number of people affected by noise are those residing east (in Hume outside of Sunbury) and south (mostly in Brimbank City Council) of the airport. While the flight paths extend significantly west and north of the airport these areas are part of the Green Wedge, where development is restricted and population densities are low.

The other major impact of the airport is traffic which we are advised is felt substantially east of the airport where the primary catchment and access points of the airport are located. There are no access points from the north or the west nor are there any planned. As such, that bulk of the traffic related to the airport travels through Hume outside of Sunbury, mostly over local roads (for which Hume City Council is responsible) adding congestion to the road network on the eastern side of the municipality.

There are difficulties with each of the contentions advanced. As a general equitable principle, it would seem reasonable that some part of the revenue derived by a municipality from an activity conducted within its boundaries that impacts adversely upon an adjoining municipality should be shared with that municipality. However, if the underlying principle is one of perceived fairness in the circumstances, the question arises: why should this be confined to transitional arrangements and not apply generally to new or expanding operations that similarly have adverse effects in adjoining municipalities. No such principle has ever been adopted and in practice is likely to present immense difficulties as well as become a constant source of disputation.

Its adoption in the present context and certainly for the lengthy period involved, would constitute a substantial shift from the well-established principle of local government that councils are to operate on the rate base generated within their municipal boundaries.

Further, there is a question that may need to be determined as to whether the provision of a subsidy for a period of 10 years falls within the notion of transitional arrangements in the event of a boundary restructure under Part 10C of the *Local Government Act 1989*.⁷⁸ Shortly put, 10 years would seem to constitute an extremely long period of transition and may not be encompassed by the relevant sections.

At a fundamental level, it should also be noted that the act of State Government directing that a portion of the revenue derived from a single activity within one municipality be given to another, fundamentally alters the current relationship between the State and Local Government.

⁷⁷ Local Government Panel Report, June 2014, Sunbury out of Hume City Council, Melbourne, p.48.

⁷⁸ Part 10C of the *Local Government Act 1989* provides that an Order in Council restructuring a municipality may provide for matters 'to enable the effective implementation of any restructuring'.

7.3. Conclusion

Projections of viability based upon considerations and factors in such an environment where little in the future is certain, require careful assessment. There are important issues to consider and risks which many in the community may well be prepared to take. But they should not be required to do so in the absence of adequate information concerning the extent and nature of those risks. Nor can the broader interests of other and future residents and the Victorian community generally in the maintenance of an effective and viable system of local government be put to one side.

8. THE IMPACT OF THE SEPARATION ON THE COMMUNITY

8.1. Sunbury

Impact on rates

One of the most significant implications for residents of the municipality, will be the impact on the rates they are required to pay.

If the projections suggested by Deloitte Access Economics are accepted then annual rate increases of around 8.5% (with an initial increase of 14.5% if the cross subsidy from Hume does not proceed) are likely.

Based on an average residential property valuation of \$349,000⁷⁹ for Sunbury, the rates payable in Sunbury following separation would then be as indicated below. This would involve an increase of approximately \$49 in the first year with the cross subsidy, or by \$142 without the cross subsidy.

Average residential rates payable in Sunbury	2016-17	2017-18	2018-19	2019-20	2026-27
No change	\$1,635	\$1,721	\$1,812	\$1,909	\$2,740
Sunbury – with cross subsidy	\$1,684	\$1,827	\$1,983	\$2,151	\$4,019
Sunbury – without cross subsidy	\$1,777	\$1,929	\$2,092	\$2,270	\$4,019

Whichever of the models of KPMG, CT Management or Deloitte Access Economics is employed, it would appear (subject to rate capping) that there would be a significant increase in the rates payable within Sunbury in the event of separation or a substantial reduction in services and the undertaking of capital works.

Service delivery

Another major impact on the community will be the services that are able to be delivered by the new council. As indicated it is uncertain whether innovative service delivery of the type referred to in general terms by the Panel would be able to be implemented in the short term by the new Sunbury City Council under current contracting and industrial arrangements. It is our view that if this is to occur it will take some time after the new council is operating. Even then, if identified and adopted, it remains uncertain how such practices will impact on service delivery.

The assertion was made by a number of those consulted in the course of the review that it was anticipated that a separate Sunbury council would be more aware and sensitive to the particular needs of the local community and therefore in a better position to tailor policies and priorities appropriately. There was no evidence offered to support the view that the Sunbury community is disadvantaged in relation to other sections of Hume under the current arrangements. The KPMG report that addressed this aspect indicates that, if anything, the contrary has been the position.

⁷⁹ The average residential property valuations were provided by Hume City Council.

8.2. The Rest of Hume

Impact on rates

As with Sunbury the major implications for the community remaining in the rest of Hume after Sunbury separates, arise from the rates they may be required to pay. Again, using the percentage increases estimated by Deloitte Access Economics and an average residential property valuation of \$336,150⁸⁰ for the City of Hume (excluding Sunbury), the rates payable in Hume following separation would be likely to increase by approximately \$18 in the first year with the cross subsidy, or decrease by \$19 without the cross subsidy.

Average rates payable in Hume City Council	2016-17	2017-18	2018-19	2019-20	2026-27
No change	\$1,574	\$1,658	\$1,746	\$1,838	\$2,639
Hume without Sunbury – with cross subsidy	\$1,592	\$1,696	\$1,806	\$2,905	\$2,681
Hume without Sunbury – without cross subsidy	\$1,555	\$1,656	\$1,794	\$1,861	\$2,618

8.3. Conclusion

There is a high risk, based on all the financial projections, that significantly higher rates will be imposed on ratepayers in the Sunbury municipality in the event of separation. The extent of this increase, and the effect of rate capping, is difficult to predict and will depend upon a range of unavoidable and, to some extent, unpredictable demands as decisions and priorities are determined by the council.

9. APPROPRIATE AND EQUITABLE DIVISION AND DISTRIBUTION OF ASSETS AND LIABILITIES AND STAFF

Under the revised Order in Council dated 14 April 2015, division of assets and liabilities and staff is to occur as follows:

- All unmoveable assets located within the new boundaries of the Sunbury municipality will be transferred to the Sunbury council.
- A sum of money equal to 23.6% of the net value of Hume City Council's liabilities and intangible and movable assets is to be transferred from Hume City Council to the Sunbury council.
- Equal to 23.6% of full-time equivalent Hume City Council staff to be identified by Hume City Council to transfer to the Sunbury council on the same terms and conditions of employment.
- All rights, entitlements, obligations and liabilities in relation to or in connection with the area within the Sunbury municipality will be deemed to be that of the Sunbury council.
- Contracts held by Hume City Council that relate to the area within the Sunbury municipality (including the race course road development) transfer to the Sunbury council.
- Hume City Council is to pay the Sunbury council a sum equal to the lesser of \$2,470,000 or 23.6% of the financial benefit received from the "rates in lieu" paid by Melbourne Airport.

The principles underpinning this distribution of unmovable assets is consistent with the basic principle of local government restructures which has always been that fixed assets attach to the municipality in which they are located. This approach was applied to the amalgamations that took place in the 1990s. It was also used successfully in the de-amalgamation of Delatite Shire Council.⁸¹

The principle underpinning the proposed allocation of liabilities and intangible and movable assets is however unclear.

⁸⁰ The average residential property valuations were provided by Hume City Council.

⁸¹ Delatite Shire Council was split into two municipal districts, Benalla Rural City Council and Mansfield Shire Council, by Order in Council dated 15 October 2002.

The Order in Council separating the Shire of Delatite, apportioned all moveable property, income, assets, liabilities, expenses and staff by agreement between the two new entities. All staff of the Shire of Delatite initially became staff of Benalla Rural City Council. Services across the two municipalities were provided by Benalla Rural City Council in the interim with Mansfield Shire Council required to pay reasonable costs for the service provision in its municipality. This applied until staff transfers were resolved and Mansfield Shire Council assumed responsibility for providing its own functions.

Hume City Council has expressed a number of concerns with the Order in Council, including:

- The timing of auditing requirements, the allocation of staff to the new Sunbury council and the payment of the cross subsidy
- The split of assets and liabilities and the failure to take into account the underlying transactions
- That council should be reimbursed the costs incurred in bringing the Racecourse Road land to the point of development readiness.

We do not consider the simplistic use of a 23.6% Sunbury and 76.4% Hume split for liabilities, intangible and movable assets and staff as provided in the current Order in Council appropriate or equitable.

The nature of the liabilities, intangible and movable assets and staff resources across a municipality, especially one as diverse as Hume, is not uniform and the current one size fits all approach is more likely to unfairly impact on Hume without Sunbury. For example Hume City Council holds significant developer contributions mainly arising from development activity occurring in the eastern corridor of the city.⁸² It is apparent that to apportion 23.6% of these contributions would severely weaken the financial status of Hume without Sunbury. Put simply, the city would be left with 100% of the obligations attaching to the contributions received but would only have 76.4% of the value to meet them.

The equitable approach would be to examine the nature of each of the liabilities and intangible and movable assets and having regard to attaching obligations and geographic relationships.

This would be best done in the transitional period immediately following separation. It should entail a process of analysis and negotiation between the respective councils and ideally with a predetermined independent and efficient process to resolve any areas of dispute that would be binding upon both councils.

A further example to demonstrate why the 23.6%/76.4% approach is inappropriate is the statutory provision for staff Long Service Leave (LSL) entitlements. The LSL provision is based on an annual calculation having regard to the years of service of individual members of staff. It would therefore only be possible to apportion this provision once the actual staff to transfer to Sunbury are known. The calculation could then be properly made based on the actual years of service of those staff.

We also consider it reasonable that should separation occur, Hume City Council be reimbursed its share (76.4%) of the external costs incurred in relation to the Racecourse Road development project.

⁸² Hume City Council's audited financial statements for 2014-15 show developer levies held by the council of \$20.15 million, of which only \$0.4 million relates to Sunbury.

10. TERMS OF SEPARATION AND TRANSITIONAL ARRANGEMENTS

Based on the discussion in this report, it is recommended that should separation proceed, a new Order in Council be recommended by the Minister for Local Government to the Governor in Council. The new Order should incorporate the following principals and matters:

- The Jacksons Creek Ward Councillors to go out of office from the date of constitution of the new council.⁸³
- That part of the Jacksons Creek Ward that would remain in Hume to be deemed to be attached to the Meadow Valley Ward until the next election.⁸⁴

Administration

- Appointment of three administrators from the date of separation and an interim Chief Executive Officer for Sunbury until a permanent CEO is appointed which is to occur within 12 months.
- For a period of one year from the date of separation, unless otherwise agreed between the two councils, Hume must provide and perform the same functions for Sunbury as if it was still a part of Hume.
- Sunbury must reimburse Hume council for the reasonable costs of providing those functions.

Staff

- Upon separation occurring, all staff continue to be staff of Hume with the same terms and conditions as before and with the benefit of all accrued rights.
- All staff to continue as staff of Hume City Council until agreement is reached for the transfer of staff to Sunbury within one year of separation, unless otherwise agreed.
- The 97.7 EFT staff identified as engaged in directly providing service delivery in Sunbury will form part of the staff to be agreed to transfer to Sunbury.

Transfer of assets

- On the date of separation all the estate and interest in any real property (including the Racecourse Road land) situated in the geographic area of the Sunbury municipality to vest in the Sunbury council.
- Hume City Council to be entitled to 76.4% of the auditable external costs incurred prior to separation in bringing the Racecourse land to the current stage of development readiness.
- Hume City Council and Sunbury must enter into an agreement on the apportionment, settlement, transfer, adjustment or determination of any property, income, assets, liabilities, expenses, staff or other matters within one year of separation, unless otherwise agreed.
- The Registrar of Titles upon request must make any amendments in the Register that are necessary because of the operation of the Order.

Dispute resolution

- If agreement cannot be reached on any matter the councils must jointly engage and pay for a suitably qualified independent person to make an assessment and whose decision shall be final and binding on the councils.
- If the councils cannot agree upon a suitably-qualified independent person, the Minister upon being so advised by either party may appoint one for the councils at their cost and with the same authority to make binding decisions.

Holding of first election

- The first election for the Sunbury City Council to be held on the 4th Saturday in October in the year following separation.
- Postal voting to be deemed to apply to that election.

⁸³ It would seem to be inappropriate for the Jackson's Creek Ward Councillors to remain in the council after the separation of majority of the ward into a separate entity.

⁸⁴ This process will necessarily involve an electoral review of the rest of Hume.

Local laws

- On separation any local law which deals with meeting procedures or the common seal does not apply to Sunbury City Council.
- The provisions of the Act regarding meeting procedures and common seal do not apply while Sunbury is under administration until a Sunbury City Council local law for such matters is made which is to occur within the first twelve months.
- All other local laws, codes (including staff codes), plans, policies (including staff policies) of Hume City Council will continue to apply to Sunbury in so far as they are applicable for twelve months or earlier if replaced by Sunbury.

Enforcement and proceedings

- Enforcements and Proceedings relating to a municipality to become that of the relevant council.

References

- References to any instrument applicable to a municipality to become a reference to the relevant council.

Reporting

- Until such time that separation occurs, Hume City Council retains responsibility for the preparation of all financial and related reports and plans for the municipality of Hume in totality. This would include long term financial plans, budgets, Strategic Resource Plans and Capital Works Programs. The same will apply to the construct of Local Government Performance Reporting Indicators and forward estimates.
- Prior to separation Hume City Council to prepare Annual Budget, Strategic Resource Plans, Capital Works Program and Long Term Financial Plan consistent with current legislated requirements for the Sunbury municipality and declare rates and charges for each.
- The first Sunbury Annual Budget to include a reasonable amount for establishment costs but the final application of that allocation to be determined by the Sunbury council following separation.
- Hume City Council to remain responsible for the completion of any financial or legislative reporting requirements that fall due for one year after separation, unless otherwise agreed.
- The Interim CEO and Administrators will receive from the Hume City Council reports on financial performance and reports against budget in the format consistent to that which is currently made available to the Management Team of Hume City Council.

Planning

- The Planning Scheme provisions to continue to have the same operation in the Sunbury municipality.

Delegations

- All delegations (by Hume City Council or Hume City Council's CEO) to continue to apply for 12 months or earlier if replaced by Sunbury.
- From the date of separation Sunbury to determine its own delegates and representatives.
- All matters performed/exercised by Hume City Council for Sunbury must be done in the best interests of Sunbury.

First meeting of council

- Interim CEO to call the first meeting of the Sunbury City Council within 3 days of separation occurring.
- Careful consideration should be given to the need to exempt the Sunbury council from any requirements imposed by the *Local Government Act 1989*, including the provisions relating to notice requirements under section 89(4).

11. OPTIONS FOR GOVERNMENT

It is our view that the Government has five options presently open to it regarding the separation of Sunbury from the rest of Hume City Council.

i. Not proceed at this time (recommended)

The first option is for Government to not to proceed with separation.

Arguments in favour of this option are:

- a. The situation for all practical purposes has not changed since the issue was originally examined in 2000 by the first Local Government Panel and considered to be premature and at too high a cost to the Sunbury community.
- b. It accords with the weight of financial advice prepared by the three different financial consultants that without significant external financial assistance, or the imposition of high annual rate increases and/or a reduction in services a separate Sunbury is unlikely to be financially sustainable on either a short term or long term basis.
- c. It protects ratepayers from large annual rate increases that are forecast to continue for a long period of time resulting in financial strain for the people of Sunbury.
- d. It protects Sunbury residents from potential service level reductions and is consistent with evidence that Sunbury residents receive proportionally the same or more services from Hume City Council than the rest of Hume.
- e. It ensures capital works planned for Sunbury are delivered including the Sunbury Global Learning Centre.
- f. It is consistent with long-term public policy objectives across the sector to support larger, more sustainable and efficient council structures.
- g. If they occur, projected population increases would place Sunbury in a better position at some time in the future to support a council from its own rate base.

Arguments against this option are:

- a. The intense advocacy for a separate municipality will continue to divide the community.
- b. It denies those Sunbury residents who have aspired to a separate council structure over many years their desire for separate representation.
- c. It will disappoint the expectations raised by the making of the Order in Council.
- d. It does not address the perception that Sunbury is disadvantaged as part of Hume City Council.

ii. Conduct a further poll

A second option open to Government is to conduct a further and compulsory poll ensuring people have full information about the implications in terms of rates and services. Voters should also be informed of the weight to be attached to the poll but the test should be high given the potential impact on the community i.e. that if a majority of eligible voters across all of Hume City Council and within the proposed new municipality support separation the Government will proceed to establish the new council.

Arguments in favour of this approach are:

- a. It enables residents to make an informed decision on issues, based on an understanding of all the implications on them as ratepayers.
- b. It repairs criticisms of the previous poll.
- c. If separation takes place, it will ensure it happens on a rational and financially-sustainable basis and is supported with full knowledge of the potential impact on rates and services.

Arguments against this option are:

- a. There has already been an indicative expression of desire for separation.
- b. A compulsory poll will require legislative amendment and will cause lengthy delays the process.
- c. Another poll will not address the deficiencies in the proposal to establish a Sunbury municipality identified in Option i.

iii. Proceed on 1 July 2016 under a new Order

A third option is to proceed to establish the new council on 1 July 2016 based on the transitional arrangements discussed in Chapter 10.

Arguments in favour of this option are:

- a. It enables further consultation with both Hume City Council and the community about the mechanics of separation.
- b. It enables Hume City Council's criticism of the current terms to be addressed, in particular removal of the cross subsidy and a new method of distribution of assets and liabilities.
- c. It provides resolution of the issue within a short timeframe.

Arguments against proceeding with this option are:

- a. Issues regarding short and long term financial sustainability identified in option i would remain.
- b. A new Order will not address the concerns of a significant number of people in the community – in particular the likely impact on rates and services.

iv. Proceed under current Order

The final option is to proceed under the terms of the current Order in Council that was made on 30 October 2014 and remade in all material respects on 16 April 2015. This would see the establishment of the new Sunbury City Council commence on 1 July 2016.

Arguments in favour of this option are:

- a. There is a widely held expectation arising from the democratic process of the poll and the making of the Order in Council implementing the vote that separation will occur.
- b. The mechanics of separation in the Order can be implemented in the eight months from 1 November 2015 to 1 July 2016.
- c. This will provide certainty in the shortest time.

Arguments against this option are:

- a. The Order does not reflect the expectations of a significant number of people in the community – in particular in relation to the cross subsidy and the likely impact on rates and services.
- b. There are issues with elements of the Order, in particular the cross subsidy and the basis for separating the assets and liabilities.
- c. Without significant increases in rates and/or reduction to services there is a high risk the new council will not be financially sustainable in either the short or long term.
- d. There is a risk associated with the cross subsidy being within the transitional powers under the *Local Government Act 1989*.

12. RECOMMENDATIONS TO THE MINISTER

1. It is our view that the separation of Sunbury from the municipality of Hume at this time is so problematic that it should not proceed.
2. It is recommended that the Minister request the Hume City Council review their community engagement process in order to address the concerns raised through this process relating to the perception of disadvantage in Sunbury and inadequate advocacy on behalf of the Sunbury community.
3. It is also recommended that as a minimum, the following principles should apply to any proposal for the creation of a new municipality in Victoria:
 - a. Each new municipality should be viable and sustainable in its own right.
 - b. The allocation of revenues and expenditures should be equitable for the residents of each municipality.
 - c. The views of the communities affected by the change should be taken into consideration.
 - d. Each new municipality should have sufficient financial capacity to provide its community with a comprehensive range of municipal services and to undertake necessary infrastructure investment and renewal.
4. In the alternative, should the Minister not accept recommendation 1, we recommend that a further poll be carried out on the following terms:
 - a. Information on the potential implications of separation and the arguments for and against a new council to be provided to all eligible voters.
 - b. The poll be compulsory for all registered voters in the Hume municipality.
 - c. Given the unique circumstances (the two previous panel reports and the previous poll) and the need for finality, clear indication be given from Government that they will be bound by the outcome of the poll in the event that the majority of all eligible voters in Hume and the majority of all eligible voters within the proposed boundaries of Sunbury vote in favour of separation.
5. Acknowledging that a majority of voters within the proposed municipality and across Hume may be prepared to accept the potential for higher rates and/or a reduction in services, in order to secure separation, we strongly recommend that this should not occur with the payment of any form of cross subsidy from Hume City Council.

Appendix 1

SUNBURY HUME TRANSITION AUDITORS

Terms of Reference

1. The Transition Auditors are to conduct a review and provide recommendations to the Minister on the following:
 - a. The financial implications for the new Sunbury City Council and restructured Hume City Council with and without cross subsidy from Hume City Council;
 - b. The implications (financial and non-financial) of the separation on communities in the proposed new Sunbury City Council and restructured Hume City Council;
 - c. An appropriate and equitable method for division and distribution of assets and liabilities between a new Sunbury City Council and a restructured Hume City Council;
 - d. Any other relevant matters.
2. In undertaking the review the Transition Auditors are to:
 - a. Ensure that all current and relevant information regarding the financial and service delivery implications of the separation process is made public and is accessible to Hume City Council residents; and
 - b. Engage actively with all relevant stakeholders potentially affected by the proposed separation of Sunbury from Hume City Council.
3. In undertaking the review the Transition Auditors are to have regard to:
 - a. The views of the communities affected by the change and in this regard will consult broadly to ensure community issues and concerns are effectively heard and addressed;
 - b. Previous and relevant research and reports into the impact of the establishment of a new Sunbury City Council;
 - c. The intention to conduct an election for councillors of a new Sunbury City Council and restructured Hume City Council at the same time as general local government elections due to be held in October 2016; and
 - d. Any other relevant matters that may arise as a result of the review.
4. The Transition Auditors may also make recommendations to the Minister on any action which may need to be taken on any other matter as a result of the review.
5. Any written submissions or other supporting documentation provided to the Transition Auditors must be available for public inspection, unless the Transition Auditors specifically determine that the material is to remain confidential. The Transition Auditors must disclose the identities of all individuals and organisations that make submissions, even where the content of submissions is determined to be confidential.
6. The Transition Auditors are to report to the Minister for Local Government by 31 August 2015 in relation to Terms of Reference 1 to 4.
7. Subject to the outcome of the Report, the Transition Auditors will also be required to provide recommendations on the appropriate electoral structure of a new Sunbury City Council (i.e. the number of councillors and the number of wards, if any) for the Council's first general election. Such recommendations are to be delivered on a date to be determined by the Minister.

Appendix 2

COMMUNITY INFORMATION SHEETS

SUNBURY HUME

TRANSITION AUDIT



Informing and engaging the community

Information Sheet 1

The Sunbury Poll – The Facts

The Sunbury Poll was a non-compulsory postal ballot commissioned by the former Minister for Local Government and conducted in October 2013 by the Victorian Electoral Commission (VEC) across the whole of Hume City Council. All registered voters in the City of Hume were eligible to vote.

The rules governing the Sunbury Poll, established by Local Government Victoria and the VEC were written to ensure consistency with the process for conducting council elections.

Conduct of the Poll

A ballot pack was sent to all eligible voters. This contained the ballot paper and instructions on how to vote.

In the ballot paper, voters were asked to vote yes or no for the proposal to establish a new Shire of Sunbury. The ballot paper package included the following information:

“The ‘Sunbury Poll’ is a poll of voters within the existing boundaries of the municipal district of the Hume City Council to determine the level of support for a stand alone Sunbury Shire Council.”

A map was also provided that used Deep Creek to show an “indicative” boundary of Sunbury from Hume.

**VOTING CLOSES 6.00 PM
FRIDAY 25 OCTOBER 2013**

TO VOTE IN THIS POLL:

1. Complete the ballot paper by following the directions on the ballot paper.
2. Detach the ballot paper from this information leaflet.
3. Carefully insert the ballot paper into the envelope marked 'Ballot Paper Envelope' and seal the envelope.
4. Complete the declaration on the 'Ballot Paper Envelope'. Do not detach the declaration flap from the envelope — this will be removed by election officials before the ballot paper is extracted.
5. Insert the 'Ballot Paper Envelope' into the reply paid envelope. Seal the envelope.
6. Post the reply paid envelope in any standard Australia Post mail box.

VOTING IN THIS ELECTION IS BY POST

Your vote must be received by the Returning Officer by **6.00 pm on Friday, 25 October 2013**. Late votes cannot be included in the count.

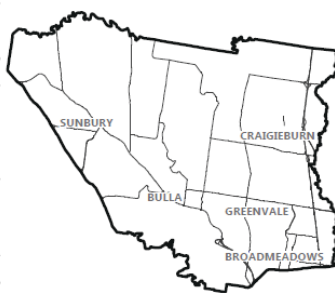
You may hand-deliver your envelope to the Returning Officer at:

Victorian Electoral Commission
Level 11, 530 Collins Street
Melbourne Vic. 3000

Victorian Electoral Commission **VEC**

'Sunbury Poll'

The 'Sunbury Poll' is a poll of voters within the existing boundaries of the municipal district of the Hume City Council to determine the level of support for a stand alone Sunbury Shire Council.



For enquires relating to voting procedures, phone the VEC on (03) 8620 1291 from 9.00 am to 5.00 pm, Monday to Friday or visit www.vec.vic.gov.au.

Further information on the proposal can be found in this leaflet or on Local Government Victoria's website at www.localgovernment.vic.gov.au.

**Ballot Paper
'Sunbury Poll' 2013**

Proposal:
To establish a new Shire of Sunbury.

Directions to the voter
If you wish to vote for the proposal, write the word "YES" in the box provided below.
If you wish to vote against the proposal, write the word "NO" in the box provided below.

Question:
Are you in favour of the proposal?



Results of the Poll

(percentages have been rounded to the nearest whole number)

Out of the 118,708 eligible voters in Hume City Council, 51% took part in the poll. Across Hume 31% of the total eligible voters voted 'yes'. This represented 60% of all those who participated in the ballot. A breakdown of the poll across the different suburbs within Hume is below.

Breakdown of results*

LOCATION	ELIGIBLE VOTERS	PARTICIPATION RATE	PARTICIPANTS WHO VOTED 'YES'	ELIGIBLE VOTERS WHO VOTED 'YES'
Keilor, Tullamarine, Gowanbrae, Gladstone Park	11,835	54%	58%	31%
Broadmeadows	11,789	45%	56%	25%
Coolaroo, Meadow Heights	11,214	47%	56%	26%
Attwood, Westmeadows	6,730	55%	57%	31%
Greenvale	9,271	55%	55%	30%
Fawkner	160	36%	54%	19%
Campbellfield	4,280	44%	56%	25%
Somerton	105	44%	43%	19%
Oaklands Junction, Yuroke	422	50%	46%	23%
Craigieburn, Kalkallo, Roxburgh Park, Mickleham	35,600	46%	59%	27%
Diggers Rest	383	57%	64%	37%
Bulla	530	51%	64%	32%
Sunbury, Wildwood, Clarkefield	26,389	60%	67%	40%
TOTAL	118,708	51%	60%	31%

*percentages have been rounded to the nearest whole number

The VEC report is available at www.sunburyhumetransition.vic.gov.au

SUNBURY HUME

TRANSITION AUDIT

Informing and engaging the community

Information Sheet 2

The Sunbury Poll – Concerns

In early 2015, the new Minister for Local Government was alerted to a number of issues and community concerns surrounding the separation and transition of Sunbury from Hume. To address this, Yehudi Blacher, an expert in local government and public administration, was commissioned to review the process leading to the decision to establish a Sunbury council.

The Blacher Report highlighted a number of concerns with the 2013 Sunbury Poll.ⁱ

- 1 Voters did not have easy access to essential information to help them make a fully-informed decision.

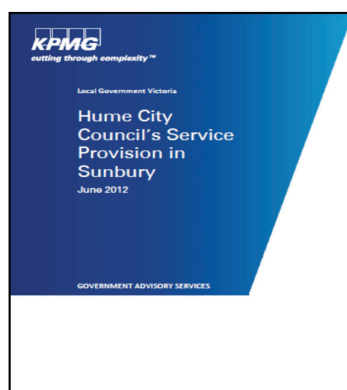
The ballot pack

The ballot pack did not contain details of:

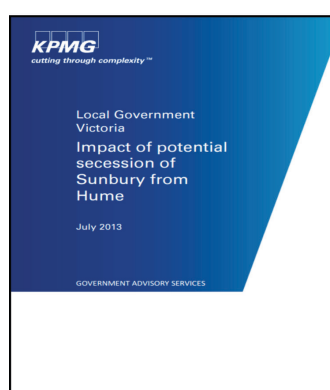
- accurate boundaries for the proposed new municipality
- the full impact of the separation for both Sunbury and Hume residents on:
 - rates (in particular whether rates were likely to increase or decrease in the two separated areas, and if so by how much)
 - services currently being delivered by Hume City Council in the Sunbury area (in particular whether or how this level of service would be maintained by the new municipality)
 - the capital works program outlined by Hume City Council in its forward plans for the Sunbury area (in particular whether and when proposed capital works would continue in the new municipality).

Information available but not easily accessible by voters

Voters were merely directed to the Local Government Victoria website where two KPMG reports on the potential impact on rates and services were available.



Hume City Council's Service Provision in Sunbury (126 pages, June 2012) detailed the services provided by Hume City Council in Sunbury and found Sunbury residents received a similar or higher level of services than residents in other parts of Hume.ⁱⁱ



Impact of potential secession of Sunbury from Hume (57 pages, July 2013) found for the first four years of the new Sunbury council annual rates were likely to increase by 8.9% over and above the rates forecast by Hume City Council / annual rates for residents in the remainder of Hume were likely to decrease by 1.5% below the rates forecast.ⁱⁱⁱ

2

While voters did not have easy access to information before the poll, the information that was available was not reflected in the subsequent decisions made about the establishment of the new Sunbury council.

Outcome of the poll

The Local Government Sunbury out of Hume Panel report (June 2014) introduced a new concept into the financial implications of separation – that Hume City Council should pay a cross subsidy to the new council.

This cross subsidy has the effect of increasing the rates payable by residents remaining in Hume City Council and reducing the rates of residents of Sunbury.

The notion of a cross subsidy was not considered in the 2013 KPMG report on the financial implications of separation nor was it canvassed in any way prior to the poll to bring this to the attention of voters.

Conclusions

The Sunbury Poll was conducted to inform decision-makers about the views of residents prior to altering the structures of two municipalities.

The Blacher Report concluded the poll should have been conducted in a way that ensured voters had access to all relevant information.

This would have meant the ballot pack should have contained information on:

- the proposed boundaries of the proposed new council
- all the financial implications of separation – including what rates residents are likely to have to pay under the new arrangements
- the impact on services and future capital works.

It would also have been useful if the ballot pack contained a summary of arguments both for and against the proposal, similar to the process adopted in a referendum so voters are aware of the competing points of view.

It would appear voters in the Sunbury Poll were not fully informed and were therefore unable to make a meaningful contribution through the poll to this important decision that will have very real practical implications for them, and for future residents, for many years to come.

All reports referred to in this information sheet are available at www.sunburyhumetransition.vic.gov.au

i Blacher, Y 2015, *Review of the process and policy implications of the proposal to establish a new Sunbury municipality*, Department of Environment, Land, Water and Planning, Melbourne, pp.2 - 4.

ii KPMG 2012, *Hume City Council's Service Provision in Sunbury*, Department of Planning and Community Development, Melbourne, p.3.

iii KPMG 2013, *Impact of potential secession of Sunbury from Hume*, Department of Transport, Planning and Local Infrastructure, Melbourne, p.4.

SUNBURY HUME

TRANSITION AUDIT



Informing and engaging the community

Information Sheet 3

Impact on Rates in Sunbury

The proposed financial model

The financial arrangements for the new Sunbury council set out in the Order in Council dated 14 April 2015 and based on modelling by CT Management provides for:

- a cross subsidy to go the new Sunbury council of the lesser of \$2.47 million or 23.6% of the “rates in lieu” collected from Melbourne Airport by Hume City Council for the first ten years following the separation
- service levels and delivery models comparable to those currently existing in Sunbury
- a reduction in the capital works program and the \$10 million investment in the Sunbury Learning Centre delayed beyond the first ten years
- investments in capital over the first ten years to total \$148.9 million with \$56.59 million in renewal and \$92.31 million in new assets.¹

The impact of the separation on rates

With the cross subsidy

Further analysis of this model carried out by Deloitte Access Economics in early 2015 concluded the new Sunbury council would be unable to maintain its current service levels, staffing and delivery of the foreshadowed capital works program in the long term with the annual 5.5% rate increase estimated earlier by CT Management.²

With the cross subsidy, in order to maintain current service levels and the delivery of the proposed capital works program, Deloitte estimates annual rate increases of at least 8.5% for the first ten years. This will be followed by a further 6% increase when the cross subsidy payment ceases in 2026-27.

“If increases in total revenue to Sunbury were capped at 5.5% p.a., we consider that some material decline in service levels would be required over time in order to prevent deterioration in Sunbury’s long term financial position”.³

Without the cross subsidy

Without the cross subsidy, Deloitte estimates a rate increase of 14.5% in the first year, followed by annual increases of 8.5%.

This contrasts with the forecast annual rate increase of 5.3% set out in Hume City Council’s Forward Plan.

Rate Increase	2016-17	2017-18	2018-19	2019-20	2020-21
Hume City Council – no change	5.3%	5.3%	5.3%	5.3%	5.3%
Sunbury – with cross subsidy	8.5%	8.5%	8.5%	8.5%	8.5%
Sunbury – without cross subsidy	14.5%	8.5%	8.5%	8.5%	8.5%

**A table setting out the estimated annual rate increases to 2026 is attached.*

Note: The potential impact of the Victorian Government’s Fair Go Rates System had not been taken into account.



Impact on rates payable

Based on the percentage increases set out in the table above and an average residential property valuation of \$349,000 for Sunbury provided by Hume City Council, the rates payable in Sunbury following separation will increase by approximately \$49 in the first year with the cross subsidy, or by \$142 without the cross subsidy.

Average Residential Rates Payable In Sunbury	2016-17	2017-18	2018-19	2019-20	2020-21
Sunbury – no change	\$1,635	\$1,721	\$1,812	\$1,909	\$2,010
Sunbury council – with cross subsidy	\$1,684	\$1,827	\$1,983	\$2,151	\$2,334
Sunbury council – without cross subsidy	\$1,777	\$1,929	\$2,092	\$2,270	\$2,463

**A table setting out the average residential rates payable in Sunbury to 2026 is attached.*

The Fair Go Rates System

In January 2015, the Minister for Local Government announced Victoria's Fair Go Rates System commencing from the 2016-17 financial year. The government has commissioned the Essential Services Commission (ESC) to develop the Fair Go Rates System and be responsible for assessing any proposed rate increase above the set inflation rate.

While the impact that this will have on the new Sunbury council is uncertain, rate increases will be capped from 2016-17 and any proposed rate increase above the cap will be subject to a review by the ESC. The outcome of this process cannot be determined at this time.

All reports referred to in this information sheet are available at www.sunburyhumetransition.vic.gov.au

- 1 Source: CT Management Group, 2014, Financial Analysis: *Sunbury out of Hume Options 5 and 6*, Department of Transport, Planning and Local Infrastructure, Melbourne.
- 2 Source: Deloitte Access Economics, June 2015, *Sunbury out of Hume*, Department of Environment, Land, Water and Planning, Melbourne.
- 3 Deloitte Access Economics, June 2015, *Sunbury out of Hume*, Department of Environment, Land, Water and Planning, Melbourne, p. 22.

Annual Rate Increases	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
Rate increase - no separation (a) *	5.3%	5.3%	5.3%	5.3%	5.3%	5.3%	5.3%	5.3%	5.3%	5.3%	5.3%	5.3%
Rate increase - separation, with cross-subsidy for 10 years (b) *	5.3%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	14.5%
Rate increase - separation, no cross-subsidy (b) *	5.3%	14.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%

(a) Forecast annual rate increases extrapolated from Hume City Council 2014-17 Strategic Resource Plan

(b) Deloitte Access Economics, June 2015, *Sunbury out of Hume*, DELWP, Melbourne, p. vi

* Potential impact of the Victorian Government's Fair Go Rate System not taken into account

Average Residential Rates #	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
Average residential rates - no separation (a) *	\$1,552	\$1,635	\$1,721	\$1,812	\$1,909	\$2,010	\$2,116	\$2,228	\$2,346	\$2,471	\$2,602	\$2,740
Average residential rates - separation, with cross-subsidy for 10 years (b) *	\$1,552	\$1,684	\$1,827	\$1,983	\$2,151	\$2,334	\$2,533	\$2,748	\$2,981	\$3,235	\$3,510	\$4,019
Average residential rates - separation, no cross-subsidy (b) *	\$1,552	\$1,777	\$1,929	\$2,092	\$2,270	\$2,463	\$2,673	\$2,900	\$3,146	\$3,414	\$3,704	\$4,019

Based on an average residential property valuation of \$349,000 for Sunbury (provided by Hume City Council) and assumes no optional waste services are taken

(a) Forecast annual rate increases extrapolated from Hume City Council 2014-17 Strategic Resource Plan

(b) Annual rate increases derived from Deloitte Access Economics, June 2015, *Sunbury out of Hume*, DELWP, Melbourne, p. vi

* Potential impact of the Victorian Government's Fair Go Rate System not taken into account

SUNBURY HUME

TRANSITION AUDIT



Informing and engaging the community

Information Sheet 4

Impact on Rates in Hume (without Sunbury)

The cross subsidy

Under Hume City Council's proposed budget, the council will collect \$12.6M in what is described as "rates in lieu" from Melbourne Airport in 2015-16. This is money paid by the Airport to the council under an agreement negotiated between the parties. The current agreement has a ten year term which expires in two years.

The Order in Council dated 14 April 2015 provides for Hume City Council to deliver for the first ten years following the Sunbury separation a cross subsidy to the new Sunbury council of the lesser of:

- \$2.47 million; or
- 23.6% of these "rates in lieu"

This would be payable from 2016-17 to 2025-26.

The impact of the separation on rates in the City of Hume without Sunbury

With the cross subsidy

Modelling undertaken by CT Management in 2014 indicated that rates in Hume City Council following the establishment of the new Sunbury council would increase by an annual rate of 6.5% for the first three years, 5.5% in year four, followed by a decrease to approximately 5% annually from year five to year ten. This gradual reduction in rate increases is due to the decline in the value of the cross subsidy over time attributed to the cap of \$2.47 million set out in the Order in Council.¹

This contrasts with the forecast annual rate increase of 5.3% set out in Hume City Council's Forward Plan.

Without the cross subsidy

Further analysis by Deloitte Access Economics in 2015 concluded that without the cross subsidy in place, rates in Hume would be similar to those with the cross subsidy but rate increases would be slightly lower.²

Rate Increase	2016-17	2017-18	2018-19	2019-20	2020-21
Hume City Council – no change	5.3%	5.3%	5.3%	5.3%	5.3%
Hume without Sunbury – with cross subsidy	6.5%	6.5%	6.5%	5.5%	5%
Hume without Sunbury – without cross subsidy	4%	6.5%	6.5%	5.5%	5%

¹A table setting out the estimated annual rate increases to 2026 is attached.

Note: The potential impact of the Victorian Government's Fair Go Rates System has not been taken into account.

Impact on rates payable

Based on the percentage increases set out in the table above and an average residential property valuation of \$336,150 for the City of Hume (excluding Sunbury) provided by Hume City Council, the rates payable in Hume following separation will increase by approximately \$18 in the first year with the cross subsidy, or decrease by \$19 without the cross subsidy.

Average Rates Payable In Hume City Council	2016-17	2017-18	2018-19	2019-20	2020-21
Hume – no change	\$1,574	\$1,658	\$1,746	\$1,838	\$1,936
Hume City Council – with cross subsidy	\$1,592	\$1,696	\$1,806	\$1,905	\$2,001
Hume without Sunbury – without cross subsidy	\$1,555	\$1,656	\$1,764	\$1,861	\$1,954

**A table setting out the average residential rates payable in Sunbury to 2026 is attached.*

The Fair Go Rates System

In January 2015, the Minister for Local Government announced the Fair Go Rates System would commence from the 2016-17 financial year. The government has commissioned the Essential Services Commission (ESC) to develop the Fair Go Rates System and be responsible for assessing any proposed rate increase above the set inflation rate.

While the impact this will have on Hume City Council is uncertain, rate increases will be capped from 2016-17 and any proposed rate increase above the cap will be subject to a review by the ESC. The outcome of this process cannot be determined at this time.

All reports referred to in this information sheet are available at www.sunburyhumetransition.vic.gov.au

1 Source: CT Management Group, 2014, *Financial Analysis: Sunbury out of Hume Options 5 and 6*, Department of Transport, Planning and Local Infrastructure, Melbourne.

2 Source: Deloitte Access Economics, June 2015, *Sunbury out of Hume*, Department of Environment, Land, Water and Planning, Melbourne.

Information Sheet 4 - Attachment

Impact on Rates in Hume (without Sunbury)

Annual Rate Increases	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
Rate increase - no separation (a) *	5.3%	5.3%	5.3%	5.3%	5.3%	5.3%	5.3%	5.3%	5.3%	5.3%	5.3%	5.3%
Rate increase - separation, with cross-subsidy for 10 years (b) *	5.3%	6.5%	6.5%	6.5%	5.5%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Rate increase - separation, no cross-subsidy (b) *	5.3%	4.0%	6.5%	6.5%	5.5%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%

(a) Forecast annual rate increases extrapolated from Hume City Council 2014-17 Strategic Resource Plan

(b) Deloitte Access Economics, June 2015, *Sunbury out of Hume*, DELWP, Melbourne, p. vi

* Potential impact of the Victorian Government's Fair Go Rate System not taken into account

Average Residential Rates #	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
Average residential rates - no separation (a) *	\$1,495	\$1,574	\$1,658	\$1,746	\$1,838	\$1,936	\$2,038	\$2,146	\$2,260	\$2,380	\$2,506	\$2,639
Average residential rates - separation, with cross-subsidy for 10 years (b) *	\$1,495	\$1,592	\$1,696	\$1,806	\$1,905	\$2,001	\$2,101	\$2,206	\$2,316	\$2,432	\$2,553	\$2,681
Average residential rates - separation, no cross-subsidy (b) *	\$1,495	\$1,555	\$1,656	\$1,764	\$1,861	\$1,954	\$2,051	\$2,154	\$2,262	\$2,375	\$2,494	\$2,618

Based on an average residential property valuation of \$336,150 for HWS (provided by Hume City Council) and assumes no optional waste services are taken

(a) Forecast annual rate increases extrapolated from Hume City Council 2014-17 Strategic Resource Plan

(b) Annual rate increases derived from Deloitte Access Economics, June 2015, *Sunbury out of Hume*, DELWP, Melbourne, p. vi

* Potential impact of the Victorian Government's Fair Go Rate System not taken into account

SUNBURY HUME

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Informing and engaging the community

Information Sheet 5

Services in Sunbury

The financial arrangements for the new Sunbury council, based on modelling by CT Management in 2014, provide for service levels and delivery models comparable to those currently existing in Sunbury.

According to Deloitte Access Economics 2015, in order to maintain these service levels, annual rate increases of at least 8.5% would be required for the first ten years.ⁱ

Existing services in Sunbury

Hume City Council currently employs 97.7 equivalent full time (EFT) staff in Sunbury to deliver local services – including child care, pre-school, home and community care, youth services and leisure and tourism centre operations.

In addition there are other Hume City Council staff who deliver key services for Sunbury – including town planning, maintenance, waste and litter collection, economic development, finance, information technology, engineering and capital works.

In 2012, KPMG was commissioned to examine the evidence to determine whether Sunbury had been disadvantaged relative to other areas of the municipality by the strategic financial and asset management decisions of Hume City Council.

The KPMG report considered 27 service indicators over four key service areas. Hume City Council has confirmed there has been no change to these services since 2012.

KPMG concluded:

“The analysis of these indicators provides evidence that Sunbury residents receive a similar or higher share of council services and infrastructure than other Hume municipality residents”ⁱⁱ

- **Infrastructure:** Compared with the rest of Hume the roads in Sunbury were, on average, in better condition, and received a higher level of maintenance for footpaths. The provision of council-provided car parks and waste collection services was also higher in Sunbury compared to the rest of Hume.
- **Family and community services:** Sunbury residents received a similar or higher share of council services and infrastructure than other Hume residents with greater numbers of places at child care centres and before and after school care venues than the rest of Hume. In addition a higher proportion of Sunbury residents participated in the youth centre programs on offer and received community or home support services.
- **Parks and open spaces:** On average Sunbury has more open spaces for physical activities and relaxation than the rest of Hume.
- **Recreation:** On average there are more leisure centres in Sunbury than the rest of Hume.ⁱⁱⁱ

The full list of Hume City Council services in Sunbury is contained in the 2012 KPMG Report (p83).

Staff for the new Sunbury council

The 14 April 2015 Order in Council establishing the new Sunbury City Council prescribes that 23.6% of Hume City Council EFT staff will transfer to Sunbury. The 2014 Local Government (Sunbury out of Hume City Council) Panel Report equated this to 235 EFT staff for Sunbury.^{iv}

Further analysis carried out by Deloitte Access Economics in 2015 confirmed it would be unlikely the new Sunbury council would need less staff than these 235 positions.



Compared to Mitchell Shire Council, a council on Melbourne's suburban fringe sharing a boundary with Hume and with similar population and population growth forecasts as Sunbury, the staffing levels prescribed for Sunbury appear to be relatively low.

	Population 2014	Staff (EFT)	EFT / 1000 population
Sunbury	36,759	235	6.39
Mitchell Shire Council ^v	38,515	270	7.01

Innovative service delivery

The Local Government (Sunbury out of Hume City Council) Panel Report 2014 proposed innovative service delivery to ensure the new Sunbury council is viable and sustainable. The report suggested partnership arrangements, contracting out of services and shared services with neighbouring councils to reduce staffing and resources.

According to the Blacher Report commissioned in early 2015 to review the process leading to the decision to establish a Sunbury council, it is by no means clear if these savings can be achieved:

“Whilst delivering effective, cost-efficient services is a desirable objective, these ‘innovations’ have been long-term aspirations of local government reformers – even prior to the Kennett reforms of the 1990s. The fact that their adoption has been so variable across councils in Victoria is a strong indicator of how difficult they have been to achieve.”^{vi}

All reports referred to in this information sheet are available at www.sunburyhumetransition.vic.gov.au

i Source: Deloitte Access Economics 2015, *Sunbury out of Hume*, Department of Environment, Land, Water and Planning, Melbourne.

ii KPMG 2012, *Hume City Council's Service Provision in Sunbury*, Department of Planning and Community Development, Melbourne, p. 2.

iii Source: KPMG 2012, *Hume City Council's Service Provision in Sunbury*, Department of Planning and Community Development, Melbourne.

iv Source: Local Government (Sunbury out of Hume City Council) Panel Report 2014.

v Source: Local Government Victoria from the Victoria Grants Commission database.

vi Source: Blacher, Y 2015, *Review of the process and policy implications of the proposal to establish a new Sunbury municipality*, Department of Environment, Land, Water and Planning, Melbourne.

SUNBURY HUME

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Informing and engaging the community

Information Sheet 6

Population Growth in Sunbury

There have been many investigations into population forecasts for the Sunbury area since it was named a satellite city in 1971. In all, there have been 13 published reports encompassing planning strategies, feasibility studies and implementation plans.ⁱ

Population growth

Despite its location in a growth area, Sunbury's growth rate has been declining over the last ten years and has not reached the same levels of growth as other similar growth areas (e.g. Mitchell Shire Council, located on Melbourne's suburban fringe sharing a boundary with Hume, and with similar population and population growth forecasts as Sunbury).ⁱⁱ

Annual growth rate %	2005	2010	2014
Sunbury ⁱⁱⁱ	2.5%	1.5%	1.1%
Mitchell Shire Council ^{iv}	2.1%	3.0%	3.1%

When Sunbury was named a satellite city, its population was projected to reach 63,000 by the year 2000. The population in Sunbury is currently 36,759 (not including Diggers Rest).^v

Population forecasts

The Metropolitan Planning Authority (MPA) attributes the low annual growth rates in Sunbury to a lack of housing supply.

However, according to the MPA, with land being released for development, an average annual growth rate of 4% is projected from 2015 to 2045. The MPA notes this growth will not occur in a linear fashion but is likely to be rapid in the short to medium term and then start to taper off.

These MPA projections are based on precinct structure plans accommodating new developments and incoming residents in the following areas: Sunbury South (29,000 persons), Lancefield Road (19,500 persons), Sunbury West (7,500 persons) and Sunbury North (14,000 persons).

A projected growth rate of 4% results in the following population estimates for Sunbury over the longer term:

Forecast Population	2015	2020	2025	2030	2035
Sunbury	36,759	46,512	56,589	68,849	83,765

This projected growth rate is based on the success of new developments which have yet to occur. Given the history of population growth in Sunbury, achieving this projected growth may be a challenge.

According to the Local Government (Sunbury out of Hume City Council) Panel Report 2014:

'The economic sustainability of any new municipality with population growth projections below 55,000 by 2035 would represent significant risk'.^{vi}

No reason was given for suggesting this population and date as the benchmark for a new council.



Infrastructure

It must also be noted that to accommodate this projected population growth, major infrastructure improvements in the area will be needed.

According to the MPA, key infrastructure developments including a Sunbury Roads / Bulla Bypass, new train stations in Sunbury South and Sunbury North and additional Jackson's Creek road crossings will need to be considered. In the long term there may also be the potential for a Craigieburn Road extension.

Population growth will also require the development of approximately 100 hectares of future industrial use land along Sunbury Road and future mixed use commercial and residential development in Vineyard Road.^{vii}

These infrastructure improvements will require close collaboration between the Victorian Government, the relevant developers and the council.

All reports referred to in this information sheet are available at www.sunburyhumetransition.vic.gov.au

i KPMG 2012, *Hume City Council's Service Provision in Sunbury*, Department of Planning and Community Development, Melbourne, p.5.

ii Metropolitan Planning Authority.

iii Source: Annual growth percentages for Sunbury sourced from ABS 2015, 'Regional population growth, Australia, Statistical Areas Level 2', Catalogue No. 3218.0, ABS, Canberra.

iv Annual growth percentages for Mitchell Shire Council sourced from ABS 2015, 'Regional population growth, Australia, Local Government Areas', Catalogue No. 3218.0, ABS, Canberra.

v Metropolitan Planning Authority.

vi Local Government (Sunbury out of Hume City Council) Panel Report 2014, p. 33.

vii Source: Metropolitan Planning Authority.

SUNBURY HUME

TRANSITION AUDIT



Informing and engaging the community

HAVE YOUR SAY

Throughout June 2015, the Sunbury Hume Transition Auditors have released information to the community on the 2013 Sunbury Poll, the impact of the separation on rates, service delivery and population growth in Sunbury.

This information has raised the following questions which are fundamental to inform the Transition Auditors' recommendations to the Minister for Local Government on the implications of the separation and the best way forward.

The Sunbury Poll (Information Sheets 1 and 2)

- Do the arrangements for the transition to the new Sunbury council reflect what can reasonably be considered to have been the expectations of people voting in the 2013 Sunbury Poll?
- Given the significance of the decision to create a new council for both present and future residents, what reliance should be placed upon the outcome of this poll?
- Should another poll be undertaken?

Financial Impact (Information Sheets 3 and 4)

- Is a new municipality of Sunbury supported, if it requires significant annual rate increases for Sunbury residents over future years?
- Should Hume City Council be required to pay a cross subsidy to the new Sunbury council?

Services (Information Sheet 5)

- What are the expectations for the level and types of services to be delivered by a separate Sunbury council?

Population (Information Sheet 6)

- Is it considered that there will be sufficient population growth to support a stand-alone Sunbury council?

Other factors

- Are there any other considerations that would support or argue against the creation of a new council?

MAKING A SUBMISSION

Members of the public are invited to make a submission on these questions, matters raised through the Transition Auditors' Terms of Reference and any other matters relating to the separation of Sunbury from Hume City Council. All submissions will be made public, unless the Transition Auditors determine the material should remain confidential.

Public submissions open on Tuesday 30 June 2015 and close on Wednesday 29 July 2015 at 5pm.

Email submissions:
sunburyhume.transition@delwp.vic.gov.au
or

Mail submissions:

Sunbury Hume Transition Secretariat
C/o Local Government Victoria
PO Box 500
MELBOURNE VIC 3002

All information sheets and the Transition Auditors' Terms of Reference are available at www.sunburyhumetransition.vic.gov.au



Appendix 3

SUNBURY HUME TRANSITION – PUBLIC INFORMATION EVENING 24 JULY 2015: PUBLIC COMMENTS

THE SUNBURY POLL – THE FACTS

- Needs to be a new vote held based on much more balanced information.
- 31% of Sunbury voted, if it was so important – tonight where are they?
- Compulsory vote essential to maintain integrity of process (three ticks)
- It is incumbent on the decision makers to provide all Sunbury ratepayers with a clear statement of what it costs to run (our) council, what services will be affected and projected costs if we break away. There should be total transparency. This is needed for an informed decision from ratepayers. Compulsory vote is essential
- It's not really about separating or remaining within Hume, it's about the people in Sunbury feeling and seeing that we've received a fair share of the services and being looked after as well as other townships.
- Needs to be a new compulsory vote for Sunbury residents with all the facts presented to the community prior to voting as (for) the first vote the information provided was lacking and many in the community were not clear what they were voting for.
- Voters were not informed sufficiently on impacts on rates with / without separation. KPMG report was too difficult for most people to understand. Vote again and make everything crystal clear beforehand.
- I read the KPMG report and there are inaccuracies in it. I voted to separate based on facts – and we are too far away from Hume Council and they just do not provide infrastructure! We do not need money spent on flower beds etc. We need community facilities.
- I read the report. I support the separation.=

SUNBURY POLL – CONCERNS

- Sunbury receives 26 out of 27 services – higher than the rest of Hume.
- Hume Council lack of services: roads, footpaths, railway crossings.
- Voting was too simplistic and not comprehensive in outlining the implications of Sunbury separating from Hume – in terms of boundaries, rates increases, services, green belt, sustainability, etc. It was rushed through and full-time workers didn't have a chance to consult!
- A lot was said at the meeting about the presumed initial costs of Sunbury council! What about the \$180 million that was the sale of Sunbury Racecourse?
- People vote(d) yes for a Sunbury Council with the expectation of lower rates and better services. Now we know that the KPMG and Deloitte reports show the opposite is true with rates to increase.
- If you were too lazy to vote then accept the status quo.
- What are the benefits of Sunbury out of Hume as I cannot see any other than higher rates and less services (new residents who moved in after the vote).
- Not enough reliable, unbiased, easy to understand info for general voters was available to make an informed decision – e.g., boundaries, Melbourne airport, level of services, rates increases.
- New vote now we have some facts please!
- Original vote was emotive based – not based on facts

IMPACT ON RATES – SUNBURY

- What are the assumed services the rates are based on given such different projections?
- We want lower rates for Sunbury not higher rates – keep Hume together.
- Sunbury is not Toorak – many families can't afford rate increases – it is a relatively low socio-economic area.
- Not enough current population to support a new Sunbury council now.

IMPACT ON RATES – HUME.WITHOUT SUNBURY

- Divide Hume boundaries equally based on population and establish two new councils by 2022-25
- Survey the actual needs and cost them.
- Hume Council workers were told to attend this meeting – and provided with sausage sizzle. It is nothing to do with the employees of Hume how we in Sunbury want our future to be.
- This is wrong. I am a Sunbury resident and a Hume employee and entitled to vote on this issue.
- Airport wasn't Hume's to start with so should be shared!!
- Agree re airport! Shared rates!

POPULATION GROWTH IN SUNBURY

- Population set to soar due to recent subdivisions.
- Future population growth in Sunbury is not a certain thing – lots of land still to be acquired.
- What about Diggers Rest? Part of Sunbury. A new council cannot be based on the assumption that population will increase enough to maintain service levels with capped rates.
- Not enough population yet. Will there ever be? If the separation goes ahead then the boundaries need to encompass a much bigger area.

SERVICES IN SUNBURY

- Not enough income in “new” Sunbury council to maintain current services.
- Hume Council are very good at mowing lawns and sweeping streets. What about real projects and progressive progress for the CBD and surrounds – upgrading roads, street planning etc.
- We want locals to have the choice to ensure their own service levels – Hume Council do not provide enough infrastructure to Sunbury – it not enough library, leisure, etc etc.
- Hume Council is too far from Sunbury.
- We want more services not less (keep Hume together).
- Ask the Hume City Council why so many people want a new council.
- Sunbury already receives similar or higher services. What more would they receive than current?
- Every suburb wants and needs more – my 14-year experience is that Sunbury has not been unfairly treated. Look around the streets of Glenroy, Gladstone Park, Broadmeadows – much worse off than Sunbury. Hume sweeps my street three-weekly and repairs requested locally have all been actioned in under one month. Not bad at all!
- The existing infrastructure Sunbury will inherit is generally aging – Hume may not have done enough in some areas, but a new Sunbury Council will do less simply due to lack of financial resources.
- This issue has already cost Sunbury a learning centre – let us not lose more.
- We want more services in Sunbury not less. The KPMG report says there will be less services or higher rates to keep Sunbury viable – NO Sunbury out of Hume.
- What are the benefits if you have to pay more to keep the same services in Sunbury?



Appendix 4

804 G 15 16 April 2015

Victoria Government Gazette

MUNICIPAL DISTRICT OF THE GANNAWARRA SHIRE COUNCIL

KERANG – Public purposes (Court purposes); area 1055 square metres, being Crown Allotment 2014, Township of Kerang, Parish of Kerang as shown on Plan No. OP123547 lodged in the Central Plan Office of the Department of Environment, Land, Water and Planning. – (06L5-0571)

This Legislative Instrument is effective from the date on which it is published in the Government Gazette.

Dated 14 April 2015

Responsible Minister

HON LISA NEVILLE MP

Minister for Environment,
Climate Change and Water

YVETTE CARISBROOKE
Clerk of the Executive Council

Local Government Act 1989

ORDER ALTERING THE BOUNDARIES OF HUME CITY COUNCIL AND CONSTITUTING A NEW CITY COUNCIL BY THE NAME OF SUNBURY CITY COUNCIL

Order in Council

The Governor in Council under sections 220Q, 220R and 220S of the **Local Government Act 1989** makes an Order to –

- (a) revoke the Order in Council altering the boundaries of Hume City Council and constituting a new city council by the name of Sunbury City Council, made on 29 October 2014 and published on the 30 October 2014 in the Victoria Government Gazette G44;
- (b) alter the boundaries of the municipal district of Hume City Council on 1 July 2016, as specified in clause 4 of the Order;
- (c) constitute on 1 July 2016 a new City Council by the name of Sunbury City Council with fixed municipal district boundaries as specified in clause 12 of the Order;
- (d) provide transitional arrangements in relation to the new Sunbury City Council;
- (e) appoint Joanne Mavis Anderson as the Administrator to Sunbury City Council, from 1 July 2016 until the first election of the Council in October 2016; and
- (f) appoint Vince Haining as the interim Chief Executive Officer to Sunbury City Council, from 1 July 2016 until such time the Council appoints a new Chief Executive Officer.

The details of the Order are contained in the attached schedules.

Dated 14 April 2015

Responsible Minister:

NATALIE HUTCHINS MP

Minister for Local Government

YVETTE CARISBROOKE
Clerk of the Executive Council

Local Government Act 1989

ORDER ALTERING THE BOUNDARIES OF HUME CITY COUNCIL AND CONSTITUTING A NEW CITY COUNCIL BY THE NAME OF SUNBURY CITY COUNCIL

SCHEDULE 1 TO THE ORDER IN COUNCIL

PART 1 – PRELIMINARY

1. Definitions

Act means the **Local Government Act 1989**;

Administrator means a person appointed by the Governor in Council under section 220R of the Act to administer Sunbury City Council;

appointed day means the day on which this Order comes into operation;

CEO means the interim Chief Executive Officer of Sunbury City Council appointed in accordance with Schedule 2;

constitution day means 1 July 2016;

corporate services means operating systems, including information technology systems;

delegate means a member of the relevant council staff delegated by instrument of delegation any power, duty or function of the relevant Council under the Act or any other Act;

establishment costs means the costs directly associated with establishment of Sunbury City Council, including any associated capital costs;

fixed area means the fixed area specified under clause 11;

immovable assets means real property or any physical asset that is permanently attached to real property;

instrument includes contract and agreement;

intangible and movable assets means any asset that is not an immovable asset;

period of administration means the period the Administrator is appointed to administer Sunbury City Council under clause 13 of Schedule 3;

relevant Council means Hume City Council or Sunbury City Council, as the context requires;

Transition Plan means a plan outlining the arrangements for the establishment, and effective operation and function of Sunbury City Council.

PART 2 – COMMENCEMENT

2. This Order comes into operation on the day on which the Order is published in the Victoria Government Gazette.

PART 3 – REVOCATION

3. The Order altering the boundaries of Hume City Council and constituting a new city council by the name of Sunbury City Council, made on 29 October 2014 and published in the Victoria Government Gazette G44 on 30 October 2014, is revoked.

PART 4 – HUME CITY COUNCIL

Boundaries

4. On the constitution day, the boundaries of the municipal district of Hume City Council are altered and fixed as described in plan LEGL./15-251 lodged in the Central Plan Office.

Qualification of Councillors

5. From the constitution day and until the next general election for Hume City Council, a councillor of Hume City Council is not disqualified from continuing in office only because he or she ceases to have an entitlement to be enrolled on Hume City Council's voters' roll as a result of this Order.

PART 5 – CONSTITUTION OF SUNBURY CITY COUNCIL

Constitution of Sunbury City Council

6. On the constitution day, there is constituted a body corporate constituted as a new City Council by the name of Sunbury City Council.

Administration

7. The provisions of Schedule 2 apply to the CEO of Sunbury City Council.
8. The CEO must call the first meeting of Sunbury City Council which must be held within 3 days of the constitution day.
9. Section 89(4) of the Act does not apply to the first meeting of Sunbury City Council.
10. The provisions of Schedule 3 apply to the Administrator and meetings of the Administrator.

Boundaries

11. On the constitution day, the boundaries of the municipal district of Sunbury City Council are fixed as described in plan LEGL./15-250 lodged in the Central Plan Office.

Holding of first election

12. The first general election of councillors for Sunbury City Council is to be held under section 31(1) of the Act on the fourth Saturday in October 2016.

PART 6 – GENERAL**Transfer of immovable assets**

13. On the constitution day, the estate and interest of Hume City Council in all immovable assets in the fixed area vests in Sunbury City Council.
14. The Registrar of Titles, on being requested to do so and on delivery of any relevant certificates of title or instruments relating to land affected by clause 13, must make any amendments in the Register that are necessary as a result of the operation of clause 13.

Transfer of liabilities and intangible and movable assets

15. Within three months after the constitution day, an audit of all liabilities and intangible and moveable assets, held by Hume City Council as at 30 June 2016 must be conducted by Hume City Council and the monetary value of those assets and liabilities as at 30 June 2016 calculated for the purposes of clause 16.
16. After the constitution day and before 31 December 2016, a sum of money equal to 23.6% of the net value of Hume City Council's liabilities and intangible and movable assets, calculated under clause 15, must be paid by Hume City Council to Sunbury City Council.
17. Notwithstanding clause 16, Hume City Council and Sunbury City Council may, by agreement or understanding, transfer or assign any intangible and movable assets to Sunbury City Council in lieu of part or all of the money required to be paid under clause 16.

Audit of transfer of assets and liabilities

18. Within 12 months after the constitution day, or such other time as is agreed by both Sunbury City Council and Hume City Council, a person or body will be jointly appointed by each relevant Council to conduct an audit of the apportionment, settlement, transfer, adjustment or determination of assets and liabilities, as required under this Order, where such auditor is to provide, in writing, an opinion on the fairness of the final result to each relevant Council.

Staff

19. For the purposes of clause 20, no later than 90 days before the constitution day Hume City Council must identify those employees of Hume City Council equal to 23.6% of full time equivalent Hume City Council staff as at 30 June 2016 who are to transfer to Sunbury City Council on the constitution day.
20. On the constitution day, the Hume City Council staff identified under clause 19 become employees of Sunbury City Council on the same terms and conditions of employment, including any benefit of accrued rights and entitlements, as they enjoyed on the day immediately prior to the transfer.

Rights, entitlements, obligations and liabilities

21. On the constitution day, all rights, entitlements, obligations and liabilities, including any inchoate rights, entitlements, obligations and liabilities of Hume City Council existing immediately prior to the constitution day in relation to or in connection with the fixed area are deemed to be the rights, entitlements, obligations and liabilities of Sunbury City Council.

Enforcement and Proceedings

22. Without limiting clause 21, where, immediately prior to the constitution day, proceedings relating to the fixed area to which Hume City Council is a party are pending or existing in any court or tribunal, then except as otherwise provided in this Order, from the constitution day, Sunbury City Council is substituted for Hume City Council as a party to the proceedings and has the same rights in the proceedings as Hume City Council had.

References

23. From the constitution day, to the extent it is applicable to the fixed area, any reference in any instrument or any other document of any kind to Hume City Council is to be construed as a reference to Sunbury City Council, unless the contrary intention appears in this Order.

Local laws and other matters

24. From the constitution day –
- 24.1 Hume City Council's local laws in force in relation to the fixed area immediately prior to the constitution day, will operate as if those local laws were made by Sunbury City Council, unless and until amended or revoked by Sunbury City Council.
- 24.2 From the constitution day, authorised officers appointed by Hume City Council under the Act shall be responsible for the enforcement of local laws within Sunbury City Council's municipal district until such time an agreement is reached between the Councils for the transfer of this function to Sunbury City Council
25. From the constitution day, authorised officers of Hume City Council under the Act or any other Act shall continue to be authorised to administer and enforce that legislation in the fixed area until such time as arrangements are made for the transfer of this function to Sunbury City Council.

PART 7 – TRANSITIONAL PROVISIONS**Transition Plan**

26. Hume City Council must prepare a Transition Plan by 1 January 2016.

Statutory reporting – transitional provisions

27. Prior to the constitution day, Hume City Council must prepare and adopt a budget for the 2016-17 financial year as if the municipal district of Hume City Council excludes the fixed area.
28. Prior to the constitution day, Hume City Council must prepare and adopt a budget for the 2016-17 financial year for the fixed area as if the fixed area were a municipal district governed by Sunbury City Council.
29. The budget under clause 28 must include establishment costs.
30. Prior to the constitution day, Hume City Council must, in respect of the 2016-17 financial year, declare the amount to be raised by rates and charges in relation to the Sunbury City Council for the purpose of clause 28.
31. From the constitution day, a decision of Hume City Council made under clause 28 is deemed to be a decision of Sunbury City Council for the purposes of the Act.
32. Hume City Council may charge Sunbury City Council a reasonable and competitive rate for the actions performed in accordance with clauses 28 and 30, and for all actions performed to create the operating systems for Sunbury City Council, with the total amount chargeable to be no more than \$1,000,000.

Functions and duties – transitional provisions

33. From the appointed day until the constitution day Hume City Council will continue to perform the functions and duties and exercise the powers conferred under the Act or any other Act in relation to the fixed area as provided by it immediately prior to the appointed day.

Council Plan and other plans – transitional provisions

34. From the appointed day –
- 34.1. the Council Plan and the Strategic Resources Plan prepared and adopted by Hume City Council will continue to apply in relation to the fixed area as they applied immediately prior to the appointed day until the Sunbury City Council prepares and adopts a Council Plan and a Strategic Resources Plan, which must be no later than 30 June 2017; and

- 34.2. any other plans prepared and adopted by Hume City Council will continue to apply in relation to the fixed area as they applied immediately prior to the appointed day until such time that any such other plans are amended or revoked by Sunbury City Council.

Municipal services – transitional provisions

35. From the constitution day, Hume City Council shall provide corporate services within the fixed area in accordance with Sunbury City Council's budget for the 2016-17 financial year, until 30 June 2017 or until such other time an agreement is reached between the Hume City Council and Sunbury City Council to continue or discontinue Hume City Council's delivery of a service.
36. Hume City Council must charge a reasonable and competitive rate for the provision of the corporate services under clause 35.

Transfer of immovable assets – transitional provisions

37. Hume City Council must identify and produce an inventory of all immovable assets and immovable liabilities held by Hume City Council within the fixed area immediately prior to the appointed day, and provide such inventory to Sunbury City Council on the constitution day.
38. From the appointed day until the constitution day, Hume City Council must not transfer or sell any immovable assets within the fixed area, except insofar as the transfer or sale relates to an obligation of Hume City Council that existed immediately prior to the appointed day.

Special financial transaction – transitional provision

39. From the constitution day to 30 June 2025 inclusive, Hume City Council is to pay to Sunbury City Council in instalments each financial year, a sum equal to the lesser of \$2,470,000 or 23.6% of the financial benefit received in the preceding financial year by Hume City Council from Australia Pacific Airports (Melbourne) Pty Ltd ACN 076 999 114 (APAM), in accordance with the Memorandum of Understanding between Hume City Council and APAM dated 13 August, 2008 as amended or replaced from time to time.

Planning – transitional provisions

40. Subject to this clause and notwithstanding anything to the contrary in the **Planning and Environment Act 1987** –
- 40.1. the planning scheme that applies in relation to the fixed area immediately before the date of constitution, continues to have the same operation and effect from the date of constitution as if the fixed area had not been severed from the municipal district of the Hume City Council, and until such time the planning scheme is amended or revoked;
- 40.2. no act, manner or thing under that planning scheme or the **Planning and Environment Act 1987** is in any way abated or affected by reason of the fixed area being so severed or any act, manner or thing may be continued and concluded in all respects as if the area had not been severed.
41. Except where the planning scheme specifies the Minister administering the **Planning and Environment Act 1987** or any other person to be the responsible authority, the Hume City Council is the responsible authority for the purposes of the **Planning and Environment Act 1987** in relation to the planning scheme referred to in subclause 40.1.
42. For the purposes of the **Planning and Environment Act 1987** and the administration, amendment or enforcement of the planning scheme referred to in subclause 39.1 –
- 42.1. anything of a continuing nature (including a contract, agreement or proceeding) done, commenced or made by or in relation to the Hume City Council in relation to the fixed area may be done, enforced or completed by or in relation to the Sunbury City Council upon agreement or understanding by both Councils;
- 42.2. anything done by or in relation to the Hume City Council that concerns a matter of a continuing nature in relation to the fixed area has effect as if done by or in relation to the Sunbury City Council.

Delegations – transitional provisions

43. A delegate of the Hume City Council immediately prior to the constitution day, is also a delegate of the Sunbury City Council from the constitution day and may perform their delegated duties or functions and exercise their delegated powers in relation to the Sunbury City Council insofar as those powers, duties or functions are applicable to the municipal district of the Sunbury City Council, and until otherwise determined by Sunbury City Council.
44. From the constitution day and until 30 June 2017, Sunbury City Council or the Chief Executive Officer of Sunbury City Council may, with the agreement of Hume City Council, delegate any power, duty or function in accordance with the Act to a member of Hume City Council staff in respect of the period commencing on the constitution day, until that delegation is otherwise amended or revoked by Sunbury City Council or the Chief Executive Officer of Sunbury City Council.
45. A member of Hume City Council staff delegated any power, duty or function under clause 44 may only perform those delegated duties or functions and exercise those delegated powers in relation to the Sunbury City Council insofar as those powers, duties or functions are applicable to the municipal district of the Sunbury City Council, for that period specified in accordance with clause 44.

PART 8 – BEST INTERESTS

46. All matters to be performed or exercised by Hume City Council under this Order must be performed and exercised in the best interests of the local community in the municipal district of the Hume City Council and the fixed area.

PART 9 – DISPUTE RESOLUTION

47. If a dispute occurs between Sunbury City Council and Hume City Council in connection with this Order, the following dispute resolution procedure must be followed:
- 47.1. The Council claiming that a dispute has arisen (**Complainant**), must give written notice to the other Council to the dispute (**Respondent**) specifying:
- 47.1.1. the nature of the dispute;
- 47.1.2. what outcome the Complainant wants; and
- 47.1.3. what action the Complainant considers will settle the dispute.
- 47.2. upon the Respondent receiving the notice, the Respondent and the Complainant must endeavour in good faith to resolve the dispute.
- 47.3. if the dispute is not resolved within 21 days after the Respondent receives the notice (or within such further period as the Respondent and the Complainant may agree), either the Respondent or the Complainant may request in writing the Minister for Local Government to refer the dispute to the Governor in Council under section 9 of the Act.

SCHEDULE 2 TO THE ORDER IN COUNCIL

1. The Governor in Council, under section 220R of the Act, appoints Vince Haining as the CEO.
2. The person specified under clause 1 of Schedule 2 is appointed as CEO from 6.00 am on the constitution day until such time as Sunbury City Council appoints a Chief Executive Officer in accordance with Part 4 of the Act.
3. The CEO is entitled to receive –
 - (a) an annual remuneration;
 - (b) any travelling allowance or subsistence allowances, including, if required, accommodation expenses; and
 - (c) any other allowances in relation to expenses incurred in the discharge of his or her duties –that the Minister may from time to time determine in respect of the CEO.

4. Such remuneration, allowances and expenses are to be paid by Sunbury City Council.
5. The CEO must during the period of administration ensure that the operations of Sunbury City Council are carried out in the most efficient and economic manner possible and in accordance with the Act.
6. The person specified under clause 1 of Schedule 2 is the person authorised to exercise the powers and perform the duties and functions conferred or imposed on Chief Executive Officers by law including by this or any other Order, the Act and any other Act until that person ceases to be the CEO.

SCHEDULE 3 TO THE ORDER IN COUNCIL

1. The Governor in Council, under sections 220Q and 220R of the Act, appoints Joanne Mavis Anderson as an Administrator.
2. The Administrator is entitled to receive –
 - (a) an annual remuneration;
 - (b) any travelling allowance or subsistence allowances, including accommodation expenses; and
 - (c) any other allowances in relation to reasonable expenses incurred in the discharge of his or her duties –
that the Minister may from time to time determine in respect of the Administrator.
3. Such remuneration, allowances and expenses are to be paid by Sunbury City Council.
4. The Administrator must during the period of administration –
 - (a) ensure that the operations of Sunbury City Council are carried out in the most efficient and economic manner possible;
 - (b) report to the Minister on such matters and at such intervals as the Minister may specify.
5. The Administrator –
 - (a) must not, without the consent of the Minister, while in office directly or indirectly engage in any paid employment outside the duties of his or her office;
 - (b) may resign the office in writing signed by him or her and delivered to the Governor in Council;
 - (c) may at any time be removed from office by the Governor in Council.
6. If the Administrator –
 - (a) becomes bankrupt or his or her property becomes in any manner subject to control under the law relating to bankruptcy;
 - (b) is convicted of an indictable offence or of an offence which, if committed in Victoria, would be an indictable offence;
 - (c) becomes incapable of performing the duties of office;
 - (d) is removed from office or resigns the office; or
 - (e) dies –
the office of the Administrator becomes vacant.
7. During the absence from office or illness of the Administrator, a person nominated by the Minister shall act in the place of the Administrator and while so acting shall have, exercise and discharge all the responsibilities, liabilities, rights, powers, authorities, duties and functions conferred or imposed on the Administrator by or under this Order.
8. An act or decision of the Administrator is not invalid by reason only of a defect or irregularity in or in connection with the appointment of an Administrator or that Administrator, as the case may be.

9. No person shall be concerned to inquire whether any occasion had arisen requiring or authorising a person to act in the place of the Administrator and all acts or things done or omitted to be done by the person, while so acting, shall be as valid and effectual and shall have the same consequence as if the acts or things had been done or omitted to be done by the Administrator.
10. Where provision is made in any Act, regulation, rule, local law, instrument or document –
 - (a) for the Mayor, a Councillor or a member of a committee of Sunbury City Council, to be a member of or to be represented on a board, Council, committee, commission or other body, or to be a trustee, or to be a member or director of a company, that provision has effect during the period of administration as if it provided for the Administrator or some other person appointed by the Administrator to be that member, representative, trustee or director.
 - (b) for a Council to appoint a Councillor to be the representative of the Council that provision has effect during the period of administration as if it provided for the Administrator or some other person nominated by the Administrator to be the representative; or
 - (c) for a member of a board, Council, committee, commission or other body to be appointed from a panel of Councillors of municipal Councils, that provision has effect during the period of administration as if it provided for the Administrator or some other person nominated by an Administrator to be included in the panel.
11. Sections 71, 74, 74B and 75 of the Act do not apply to the Administrator.
12. Except as provided for in this Order the procedure for meetings of Sunbury City Council may be determined by the Administrator.
13. The person specified under clause 1 of Schedule 3 is appointed to administer the Sunbury City Council from 6.00 am on the constitution day until 9.00 am on the day on which the first meeting of Sunbury City Council is held following the first election of Councillors under clause 12 of this Order.

Road Management Act 2004

ORDER PURSUANT TO CLAUSE 27 AND 28 OF SCHEDULE 5A

Order in Council

The Governor in Council, under clause 27 of Schedule 5A to the **Road Management Act 2004**, declares that all interests in the land located in the Redevelopment Project area and as identified in the Schedule to this Order are surrendered to the Crown.

This Order comes into effect from the date it is published in the Government Gazette.

Dated 14 April 2015

Responsible Minister:

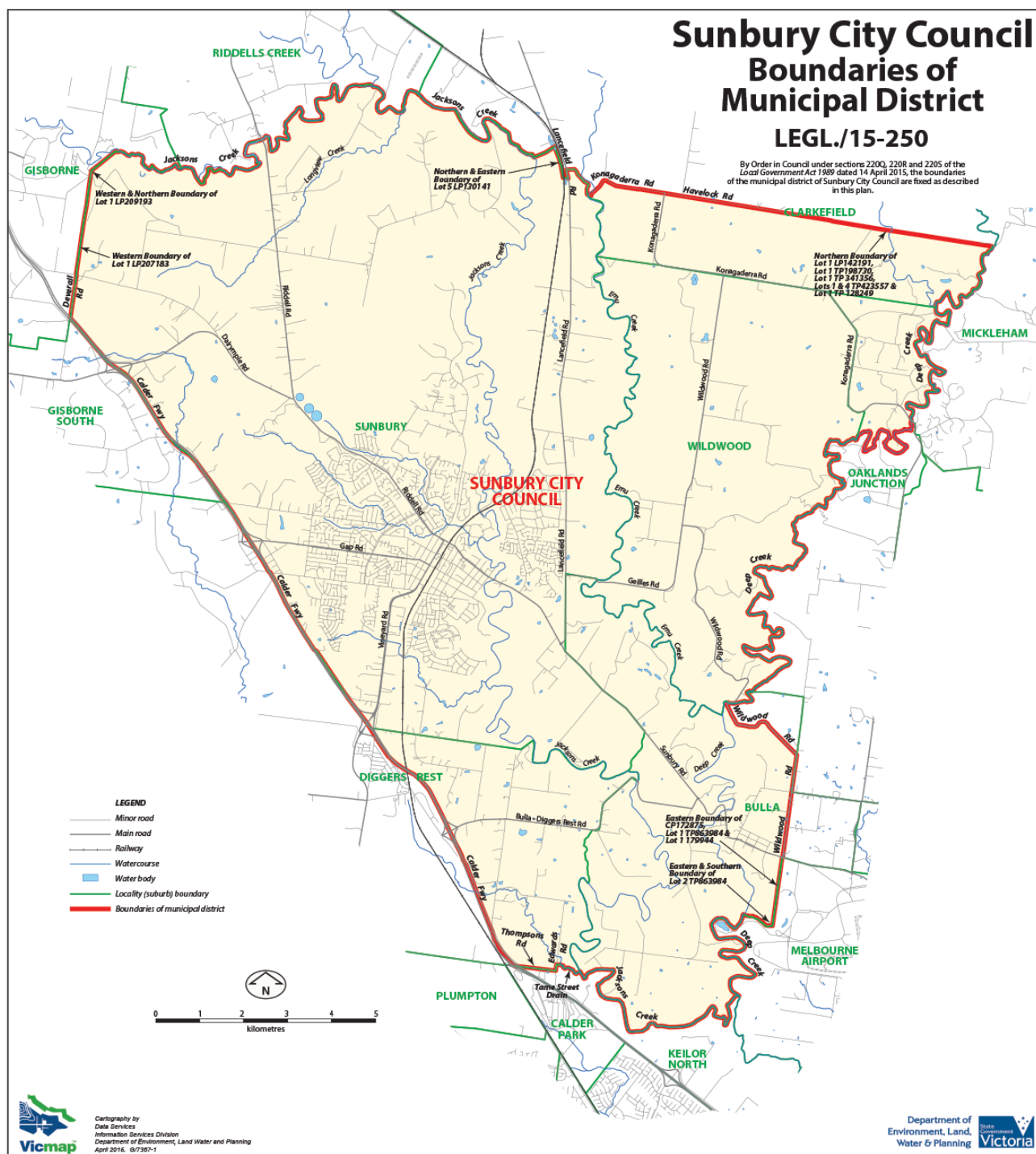
LUKE DONNELLAN MP

Minister for Roads and Road Safety

YVETTE CARISBROOK
Clerk of the Executive Council

SCHEDULE

Item	Authorising Provision	Land Description
1	Clause 27 of Schedule 5A of the Road Management Act 2004 (unreserved Crown land)	Parcels 16E, 16H, 16J and 16K on Roads Corporation survey plan SP21427C.
		Parcels 15F, 15H, 15J, 15K and 15L on Roads Corporation survey plan SP21463B.



Appendix 5

Submission No.	Name	Submission No.	Name
1	Alan Lennox	39	Janifer Ewen
2	Alison Cunningham	40	Jennifer Dunt
3	Amanda Thwaites	41	Jason Moore
4	Andrew & Kathleen	42	Jessica Amberley
5	Ange Witzke	43	Joe Cutajar FCPA
6	Ann Potter	44	John Hennessy
7	Anthony Hernandez-Cobo and Liliana Hernandez	45	John McKerrow
8	ASU	46	John Vanderstock
9	Belinda Phelan	47	Juan Carlos Rodriguez-Deller
10	Broadmeadows Progress Association	48	Judith Bancroft
11	Bryce Letcher	49	Kellie Hack
12	Bulla Cemetery Trust	50	Ken Flood
13	Carla Flood	51	Kuljit Dhanda
14	Chan Kwok Wa	52	Kylie, Chris, Jackson, Mitchell and Morgan Harmer
15	Chandra Bamunusinghe, Drew Jessop, Alan Bolton and Casey Nunn	53	Lawrence Seyers
16	Chris Duffy	54	LGPro
17	Chris Haywood	55	Lisa Ippolito
18	Colin McKinnon	56	Lou Citroen
19	Colin Wheeldon	57	Louise Attard
20	Craigieburn Residents' Association	58	Malcolm Thompson
21	Darrell Cochrane	59	Marina Khoury
22	David Hodgman	60	Martyn Heyne
23	Denise Hollingworth	61	Mary MacKinnon
24	Don Lomas	62	Maureen Reed
25	Donald .L. Gamble	63	Melissa Jeal
26	E.G. Crow	64	Michael Baines
27	Elizabeth French	65	Municipal Association of Victoria
28	Frank McGuire MP	66	Name withheld at request of author
29	G and C Morgan	67	Peter Donlon
30	G.J. Hodgson	68	Peter Gavin
31	George Buckland	69	Peter Scherer
32	Gerard Hill	70	Prue & Barry Hicks
33	Heather Turner	71	R.L. Walters
34	Highlands Community Residents' Group	72	Registrar of Geographic Names in Victoria
35	Hume City Council	73	Rhonda McIntosh
36	Ian Johnson	74	Robert and Beth Mildred
37	J.M. Blainey and Leonard Blainey	75	Robert and Beth Mildred (second submission)
38	Jack Medcraft	76	Robert Bond

Submission	
No.	Name
77	Ross Buchanan
78	Samantha Malhotra
79	Shannon Howe
80	Sharon McMahon
81	Sheila & Michael Tucker
82	Sheriden Tate
83	Shirley A Kociuba
84	Spiro Pastras
85	Stephen Coughlan
86	Steven Haigh
87	Sue Cole
88	Sunbury Community Health
89	Sunbury Community Progress Association
90	Sunbury Historical & Heritage Society
91	Sunbury Residents' Association
92	Susan Duncan
93	Susan Vanderstock
94	Tammy Frantz
95	Tony and Susan Quick
96	Trevor Dance
97	Vakerie M. Collier
98	Vic Hollingworth
99	VLGA
100	Wendy Walters
101	Zelko Zalac
102	Greg Thom

Appendix 6

All submissions have been considered by the Transition Auditors in their entirety. The following summaries give a brief overview of the key points made.

Us No.	Name	Do arrangements reflect expected outcome of Poll?	What reliance should be placed on Poll?	Should there be another Poll?	Is the proposal supported if it means significant rate increases?	Should there be a cross subsidy?	What are the expectations for services in Sunbury?	Will there be sufficient population growth?	How transition should be carried out?	Other considerations
1	Alan Lennox	"My conclusion was that I had insufficient data to make an informed decision, and that the bulk of Hume residents would be in the same position".		The only acceptable outcome is to make the factual information available and hold another poll.	It is a mistake to convert asset sale revenue from Racecourse Road into ongoing operational expenditure and this would become a future budgeting problem.		"It would be unrealistic to assume that Hume would provide contract services on any other terms than at commercial rates." It is unknown whether the council will have the capability to handle the in-house and outsourced provision of services and there is no quantitative information available as to whether cost savings will be achieved.		Setting up the new Sunbury council as an innovative council will be a major task and will be difficult for the administrator and CEO to achieve under the current timeframes.	"There is no fall-back position as to what would happen if in the long run the separation proved to be totally unworkable".
2	Alison Cunningham	Information was difficult to access, unclear and sometimes false. The information provided stated that the purpose of the poll was to gauge community support for the proposal.		Another poll would be a waste of resources.	To keep rates under control the new council will have to limit capital works and the provision of services as well as the quality of the services it provides. "This is not a desirable outcome for the local Sunbury community".	The need for the cross-subsidy suggests that the Sunbury council is unviable.	A new council will be unable to provide the same level of staff or maintain the same level of customer service and satisfaction.	The minimum population size should be at least 55,000 and for financial sustainability 95,000. "Planning, development, infrastructure and construction would need to progress at unprecedented levels to reach this goal".	The proposal should be looked at again in 10-15 years when population growth is sufficient.	"Whilst Hume City Council is not perfect, it does deliver the best outcome to our community regardless of gender, physical abilities, religion, education, sexual preferences, political views, economic status or neighbourhoods."

Us No.	Name	Do arrangements reflect expected outcome of Poll?	What reliance should be placed on Poll?	Should there be another Poll?	Is the proposal supported if it means significant rate increases?	Should there be a cross subsidy?	What are the expectations for services in Sunbury?	Will there be sufficient population growth?	How transition should be carried out?	Other considerations
3	Amanda Thwaites	People did not know what they were voting - asked to vote on an idea.	No reliance - People did not understand the ramifications of moving to a smaller council.	No - but if one is needed it should be compulsory.	"I can barely afford the current rates and the reduction in services due to reduction in income in the new council will affect us in other ways as well".	Councils should be able to support themselves.	Service levels should be maintained. Cannot rely on State and Federal funding.	Question as to how many years it will take for population to support stand-alone council.		
4	Andrew & Kathleen	People voted for what they thought was an idea as there was very little information available re implementation and benefit.	For reliance needed greater support from informed voters.	No.	Significant rate rises will force low socio-economic members of community out and may prevent population to grow.	Stand alone council should stand alone.	"The level of services to the community could not possibly remain at current standards if a split should occur."	Given that population has only grown by 3,697 in four years, how can population in Sunbury be expected to reach the level needed.		A split would be a backward step for Sunbury.
5	Ange Witzke	Would reconsider 'yes' vote if information regarding population and the ability to maintain a council without significant rates were known.		A new poll with additional information should take place so that residents can make an informed decision - mandatory if possible.	Depends on the degree of rate increases - some increase is supported.	A cross-subsidy is not entirely fair on Hume as it is Sunbury's decision to separate.	The services currently provided should continue after separation.	Currently Sunbury does not have the population to support separation without rate increases.		If HCC would invest more in Sunbury instead of Craigieburn the desire to separate would dwindle away.
6	Ann Potter	While there is broad community support for a Sunbury council, the ramifications have not been closely examined by community members.	A step was missed by the Panel in examining the viability of a Sunbury council before proceeding to the creation of the council.		The increase of affordable housing in Sunbury will increase the number of people who are struggling financially living in Sunbury - they would be under the added pressure of having to cope with increased rates or decreased services.		"[W]ithout rate rises or service cuts a new municipality would struggle to provide a level of service that our community are accustomed to."		"[T]he proceeds of the sale of assets should be used for Capital Expenditure not for recurrent expenditure as it's a funding source that will run out and can't be dependent on".	In the future a new Sunbury council may be viable but there are currently no benefits in separating.

Us No.	Name	Do arrangements reflect expected outcome of Poll?	What reliance should be placed on Poll?	Should there be another Poll?	Is the proposal supported if it means significant rate increases?	Should there be a cross subsidy?	What are the expectations for services in Sunbury?	Will there be sufficient population growth?	How transition should be carried out?	Other considerations
7	Anthony Hernandez-Cobo and Liliana Hernandez	People were led to believe that the impact would not be so great. "[V]oters did not have easy access to essential information to help them make a fully-informed decision."		"It is such an important issue that a new compulsory poll should be taken".	No one wants to pay significant annual rate increases.	Sunbury leaving HCC should not be at the expense of Hume ratepayers.		Population growth in Sunbury has not been as expected and will not be sufficient for many years to come.		Separating would be a backwards step from the savings achieved through amalgamations.
8	ASU	"Voters in 2013 believed the plebiscite was an 'indicative' poll designed to measure the level of interest among the community on whether Sunbury ought to secede from Hume." Many people believed the airport would be within the Sunbury boundary for historic reasons. Outcome did not meet expectations of voters.	Very little reliance - "there is a disconnect between what people believed they were voting for in 2013 and how Sunbury and Hume without Sunbury will look as per the Panel report". Potential impact on the community enormous.	Yes - people should be given a say now that they have the information and the risks have been published.	No - excessive rate rises are not supported and there is a real risk that the council will be unable to cope with any mild financial shocks (cuts to grants etc.) without even greater rate increases.	No - not aware of any similar scheme existing in any other Australian local government jurisdiction. No logic other than to provide a short-term revenue stream to Sunbury. "We believe that if a rate payer resides within the boundaries of a single municipality, than that rate payer contributes to the upkeep of that municipality and no other."	Community wants current levels of services to be expanded. Staff may be reluctant to take up a position in Sunbury fearing that there roll will be contracted out - spike in redundancies.	No doubt that Sunbury will grow but question as to whether it will grow to the extent or pace required to sustain stand alone council. No consideration given by the Panel to the impact this will have on the pre-existing community and their sense of identity.	1. Determine and match essential staff required at the senior and middle levels in order to seek voluntary transfers. 2. Determine which services Sunbury council intends to provide in-house and carry out a full consultation with HCC, staff and ASU to establish an appropriate transition process.	The 23.6% division of staff seems arbitrary - no correlation to which positions are needed in Sunbury and which staff meet the skills required.
9	Belinda Phelan	No adequate information was provided prior to the Poll and residents were told it was an expression of interest.		A compulsory vote with full and correct facts would lead to very different results.	To increase rate revenue there will need to be extremely high increases in rates or a major increase in rateable properties.			Unsustainable and uneconomical to support a separate council based on the current population. Will take decades for the population to grow to the size needed for viability.		People living in Sunbury would be disadvantaged should separation occur.

Us No.	Name	Do arrangements reflect expected outcome of Poll?	What reliance should be placed on Poll?	Should there be another Poll?	Is the proposal supported if it means significant rate increases?	Should there be a cross subsidy?	What are the expectations for services in Sunbury?	Will there be sufficient population growth?	How transition should be carried out?	Other considerations
10	Broadmeadows Progress Association	The poll was in effect a 'blind vote' and people voted based on feelings and hearsay.	"Normally such a Poll would be the final action resulting from extensive research into the need and financial viability of a Sunbury succession".	There is no need for another poll as there is sufficient evidence to indicate that Sunbury cannot be guaranteed to be viable at this time.		No justification for HCC to be forced to subsidise another council - dangerous precedent.				The proposal should be stopped in the interest of residents of Sunbury and Hume.
11	Bryce Letcher	The purpose of the poll was to assess public opinion and given the sample size is statistically significant.	The wording of the ballot paper question was clear and simple and there was never any suggestion that there would be a further vote.		The Governments rate capping policy should ensure that rate rises are not excessive.	The cross-subsidy is money that would be spent in Sunbury if HCC so was part of HCC so the rest of Hume is not disadvantaged by the payment of a cross-subsidy. Given that the Bulla Shire brought in the airport there is no reason for HCC to object to paying the cross-subsidy indefinitely.	All the financial reports assume the same level of services in Sunbury. "No consideration has been given to the possibility that Sunbury would not need some of the services Hume provides. Examples are interpreter services. Sunbury is predominantly of English speaking background, whereas Broadmeadows, Meadow Heights, Roxburgh Park and Craigieburn have significant non-native English speaking populations".	There are currently 38 council areas in Victoria with small populations that are viable. "There is no reason to think Sunbury would be different."	The Sunbury municipality should include the airport due to a lack of industrial areas within the proposed boundaries and boundaries and provide a portion of the 'rates in lieu' to HCC. Both councils should be run by administrators for the duration of the separation process. Developer contributions should stay with the area managing the area the contribution was received to serve and all debts associated with a physical asset should go to the council that holds that asset. The division of staff should be done between HCC and the administrator and CEO to ensure appropriate staff selection.	"The perception is that Hume is controlled by Councillors who are focused on the Broadmeadows to Craigieburn corridor, and as such they do not consider the needs of Sunbury. Having a Sunbury Council would solve this issue because all the Councillors would be local".

Us No.	Name	Do arrangements reflect expected outcome of Poll?	What reliance should be placed on Poll?	Should there be another Poll?	Is the proposal supported if it means significant rate increases?	Should there be a cross subsidy?	What are the expectations for services in Sunbury?	Will there be sufficient population growth?	How transition should be carried out?	Other considerations
12	Bulla Cemetery Trust								The boundaries for Sunbury council should include the Bulla Cemetery so that it is within the same municipality as the Bulla township.	
13	Carla Flood	No extensive consultation or official, easily accessible and understandable information was provided prior to the Poll.	The results of the Poll are 'invalid' as the exact boundaries or the implications were not known, it was unclear as to whether it was a binding vote and the ballot pack did not include any for or against information.							
14	Chan Kwok Wa	The Poll should have been a compulsory vote of ratepayers.				The State Government should pay and not HCC	The expectation is for the same services as Sunbury currently receives.	There will not be sufficient population unless Diggers Rest and other nearby towns are included in the boundary.		"Sunbury is too small to run its own council". Separating is not a good move at this time.

Us No.	Name	Do arrangements reflect expected outcome of Poll?	What reliance should be placed on Poll?	Should there be another Poll?	Is the proposal supported if it means significant rate increases?	Should there be a cross subsidy?	What are the expectations for services in Sunbury?	Will there be sufficient population growth?	How transition should be carried out?	Other considerations
15	Chandra Bamuusinghe, Drew Jessop, Alan Bolton and Casey Nunn		The complexity of the information available prior to the poll, the interpretation of the outcome by Government and the changes to the proposal following the poll, make the poll null and void.	The whole matter should be revisited and another vote undertaken or the separation abandoned.		No cross subsidy should occur - both should live within their own means.	Concerns about the adequacy of the population in Sunbury to sustain its service levels and types.	Separation would enable each council to concentrate on their respective growth corridors. However fragmenting the green wedge areas may lead to a far less coordinated approach to planning activities.	Asset and liability division should be based wherever possible on the source not a simple ratio split. Melbourne Airport should be kept within a large metropolitan council given associated planning issues. Proceeds from Racecourse Road should be allocated to those areas that represent the Bulla Shire residents who paid for the land.	
16	Chris Duffy	The decision was made to vote for Hume to separate being aware of the possibility of rate rises.					The impact on services is not an issue as Sunbury has received very poor services from HCC for a long time.		Diggers Rest should have been considered to be included in Sunbury as they will connect up and make the council more viable.	There is a lack of services and capital works in Sunbury under HCC and a lack of interest in spending money in Sunbury.
17	Chris Haywood	The poll was essentially a blind vote as there was no understanding of the possible ramifications.	The recommendations put forward by the panel did not reflect what most voters could have reasonably expected when voting in the poll.	It may be prudent to conduct another well informed compulsory poll to prevent a situation where a change in government results in the proposal being reactivated.	"A council might still be considered financially viable if it obtains all the necessary funding to cover all of its costs, services and infrastructure projects. But can only do so after imposing crushing rate increases on its ratepayers as well as other increased fees and charges on its residents and service users".	"To set such a precedent in this instance could result in unforeseen and unintended consequences that may have disadvantageous effects on other entities and councils".		"Sunbury is still many years away from being a viable municipality as far as being able to apply annual council rate levels on its residents that are not excessive."	Racecourse Road should be treated as an investment and not a physical asset - proceeds should be divided by the same ratio as non-movable assets	"[T]he fact that the Panel saw the need for Sunbury to receive a cross subsidy in the short term virtually amounts to an admission that a new Sunbury municipality without a subsidy cannot be viable without imposing significant rate increases upon Sunbury ratepayers."

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18	Colin McKinnon				With the airport revenue, rent from Western Water and assets held in Sunbury, Sunbury can afford to go it alone.					HCC is inefficient at planning and development in Sunbury
19	Colin Wheeldon	The original vote was not a real reflection of all the views of all residents.		A compulsory vote should take place.	The revenue from the airport will not be sufficient to create a sustainable council.				"The question of how council staff and their entitlements will be affected during the change has not been clearly demonstrated."	Bulla was amalgamated to provide residents with better value for money - without the airport the new council cannot be sustainable.
20	Craigieburn Residents' Association	No information was provided prior to the poll on the potential costs, the cross-subsidy, the implications on capital works, the division of assets, liabilities and staff, the boundaries and the feasibility of the proposal.	The results are hardly an overwhelming majority, especially when people were expected to vote without knowing the implications.		Separation will have a major financial and service availability impact on all residents of Sunbury and Hume.		"[We] reject the separation if it means that the cost of essential services in the rapidly growing outer metropolitan area is going to suffer even more in the future".			

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21	Darrell Cochrane		If all the facts were known at the time of the Poll, it is hard to image residents voting yes to substantial rate increases.		Concerned that excessive rate increases will be incurred by Hume ratepayers as a result of the separation.	To expect Hume ratepayers to pay a cross subsidy to Sunbury is exorbitant.	The combination of the cross subsidy and the Government's rate capping policy will have a detrimental effect on future services within HCC. "It is difficult to accept that a smaller rate base will be able to keep up with the same level of services".		The outsourcing of services in Sunbury will only add to the unemployment problems in the area and possible redundancies may have severe implications for the community.	Residents and ratepayers should not be burdened with additional costs because a minority group want the split to occur.
22	David Hodgman	"My understanding was that the 2013 poll was seeking a mandate for an in-depth investigation of what the options, boundaries, costs, benefits and concerns of splitting from Hume would be; and that this information would then be made public for another vote".	The poll was misleading.	A mandatory vote of Sunbury residents should take place after all the details are a known a commitment regarding rates is made.		The cross subsidy should be made permanent as the airport was originally part of Bulla.	There is an expectation for services to be better than they currently are. This seems unlikely without significant rate increases and time.	Sufficient population growth may occur in the long term but does not support argument that a separate council is needed.		"I see no benefit of going back to a model of an increased number of smaller councils".
23	Denise Hollingworth	The Poll was put forth as a proposal.	Participants were not given enough information for the vote to be 'binding'. Should only be relied on as an indication of an interest in separating.	Another compulsory poll should be held with enough information to make an informed decision.	"It is extremely unlikely that Sunbury ratepayers would support the proposal for a new shire if it means significant rate increases".	If the rest of Hume votes to separate from Sunbury then they should be asked to assist in financing it.	"The expectations are that levels and types of services delivered should be of an equal or better standard than those presently delivered by Hume Council."	"At the moment, it is highly questionable that Sunbury will have the population to support and sustain its own council."		"Being part of a larger organisation often provides greater opportunities and access to additional resources, programs and expertise which will be lost under the formation of a new Sunbury Shire."

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24	Don Lomas	Majority was not properly informed of the significance of the decision they were asked to make - rate increases etc.				Rest of Hume should not have to subsidise Sunbury.				If a separation is to occur residents should be properly informed of the future costs.
25	Donald .L. Gamble			Separating from Hume has been a long desire held by the community. The outcome of any further vote would be much the same.			Reasonable to assume that some types of services provided by HCC would not be required in Sunbury. Community expectation is for services needed to be provided at the same level or better.			The 'city living, country style' is the appeal of living in Sunbury.
26	E.G. Crow		When the poll was taken there was very little information and the results do not reflect a majority support for the proposal, it should definitely not be used as a basis for a new council.	There should a compulsory vote with all the facts supplied to voters.	"[I]f Sunbury residents were supplied with the real truthful possible rate increases and the lack of basic services without those rate increases, there would be little if any support for a split from Hume".	Does not seem fair that rates from the airport go to the Sunbury council when the airport will be wholly within Hume boundaries.	"[M]any people may not be aware that the Government will cap rate rises at the inflation rate from 2017 so this would inevitably result in a greater loss of services from a new Council struggling to get up and running than from an established Hume Council".	Most people who live in Sunbury do so for the 'city living, country style' environment and do not want massive population growth.		

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27	Elizabeth French				"I believe those that can less afford the split will pay the most. Young families and pensioners living in Sunbury will pay both financially, in terms of increased rates, and in terms of cut services."	"One Council should not be supporting another Council. If Sunbury cannot survive without money from the airport for 10 years, then it should not be formed."				"The current Hume Council has a range of plans in the pipeline for Sunbury that would not occur for many years in the separation was to occur."
28	Frank McGuire MP	"Voters did not have easy access to essential information to help them make a fully informed decision".	The results of the poll should be rejected as people were unable to make a meaningful contribution through the poll.			"There is no evidence that one council has cross-subsidised another in such a proposed move. If enacted, it would establish a precedent that would prove costly, inevitably creating a domino effect leading to more challenges for cross-subsidies throughout Victoria."		"The growth projections cannot be guaranteed and this is too big a risk to take for the residents of Sunbury."		The loss of a Sunbury Global Learning Centre will be another cost of the separation.
29	G and C Morgan	Not enough information was provided before the poll and the information provided was only estimates and could not be relied upon.					Dismayed at the possibility of services being cut or reduced.			

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30	G.J. Hodgson	There was a serious lack of information to use to determine the intention of the poll and the question being asked.	A full proposal needs to be developed - without the cross subsidy - so that ratepayers of Hume can decide whether to proceed.	A compulsory vote is preferred.					Rapid growth may warrant a council boundary review in the future.	
31	George Buckland			Another poll should not occur as most voting is undertaken on a less informed basis.		The 'rates in lieu' should be divided equally between Sunbury and Hume in perpetuity.			Staff should be transferred based on a cost analyst. Commissioners should be put in place prior to an elected council.	"A Sunbury City will be better because of a sharpened focus on our community".
32	Gerard Hill			"The idea of a further vote was never canvassed, and expectations were to achieve a result".	Rate rises have nothing to do with the issue as both councils will be responsible for their own budgeting.	The airport should remain in Sunbury as it was in the Shire of Bulla, and Sunbury should pay an appropriate share to HCC.	"Sunbury expectations in this area should be nowhere as high as Hume due to a much more manageable and less demanding area and population".	"With the addition of the possible use of the old Caloola site, Racecourse Road land and other sites available for expansion, along with the possible inclusion of Diggers Rest within the boundary, depending on Diggers residents' choice, Sunbury is well positioned to form its own Council."	"Hume is far too large already and is still growing quickly, its position along the Hume Highway corridor offers nothing in common with Sunbury and surrounds. Because of Sunbury's remoteness to the Greater Hume area it suffers greatly from neglect, and over many years Sunbury assets have been sold off and the funds spent in that Greater Hume area."	

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33	Heather Turner	Outcome deviated from the original proposal put forward prior to the poll without any consultation or consideration of the impact on Hume residents.							"If the proposed Sunbury Council cannot be viable for the next 10-20 years, should they not wait until that are and then form their own Council?"	Hume residents were not made aware of how the separation would affect them.
34	Highlands Community Residents' Group	There was a broad expectation that the proposal would require overwhelming support to proceed. "The Terms of Reference for the panel were flawed, in that they presumed an outcome for separation rather than requiring an assessment of viability of separation".	"[T]he poll can only be relied upon as a measure of in principal support for a standalone Sunbury council, but that it is not a reliable indicator of support for the specific arrangements provided for under the Order in Council".	A second poll based on a specific proposal with all the relevant information in the ballot pack would be the fairest way to determine the desires of Sunbury and Hume.		The cross subsidy should not be required and is an admission that the new council is not economically viable in its own right. The cross-subsidy "violates the generally accepted principle that income from geographic assets be allocated to the municipality in which they reside".			All cost associated with the separation proposal should be reimbursed to HCC. Racecourse Road is a 'realised financial asset' and should not be treated like a physical asset.	Community Consultative Committee: "The compressed schedule for the public consultation, combined with the imbalance of sessions that dramatically favoured Sunbury, has given rise to a sentiment that the broader Hume community was excluded from giving fair and representative input into this process".
35	Hume City Council					No subsidy should be provided.			Development costs for Racecourse Road should be separately identified and reimbursed out of proceeds. The Order in Council provides little direction and is inappropriate with regards to timing, asset/liabilities split and systems.	"The Sunbury Project has been divisive and the delays have had impacts for our community and Council staff".

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36	Ian Johnson	Community consultation prior to Poll was "disgraceful".	The outcome of the poll was an indication of the level of support for the establishment of a new council - should not have been used as the basis for the decision to establish.	Expected to have a final compulsory vote once all the factors were known.		A poorer community should not be subsidising a wealthy community, "unprecedented in the history of the State of Victoria and is completely immoral."				If Sunbury council cannot stand alone on its rate base then the proposal should be abandoned.
37	J.M. Blainey and Leonard Blainey	The poll was lacking in easily accessible information.	People did not understand what they were voting for - therefore the outcome should be disregarded.			People of Hume should not have to increase their rates to support Sunbury.				
38	Jack Medcraft		"The panel has no other option but to respect the democratic right of the citizens of Sunbury to have their own City."		Projections do not take into account rate capping.	"24% of airport money would still be spent in Sunbury if we stayed, so there would be no detriment to Hume if this money was transferred to Sunbury. In fact, at the end of 10 years Hume should still be paying this amount to Sunbury on a shared basis, for an asset they never had in the first place."	"Hume has the biggest multicultural base of any city in Victoria and as a result of this it needs multiple services to cater for all these various groups. Sunbury doesn't have the same problem as something like 87% of its base is of Anglo Saxon background so the need for things like interpreter services, cultural centres and the like are not necessary."	Administration and management staff under the new council could be streamlined resulting in costs savings.	"Because of the size of Hume it is finding it increasingly difficult to service all the needs of the city and this will only get worse with the massive increase in population expected over the next decade."	

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39	Janifer Ewen	The 2013 Sunbury Poll was completely lacking in information for the voters.	The 2013 Sunbury Poll should be completely disregarded as the voters had no idea what they were voting for.			Hume is mainly a disadvantaged municipality, for Hume to subsidize another more advantaged municipality is definitely not an option.		Sunbury have a population of approx. 35,000, to have a stand alone council they need 90,000 people.		
40	Jennifer Dunt				Prepared to see an increase in rates in order to achieve independence.			Growth to date has been "unstructured and uncoordinated". If Sunbury is to be a growth area it must receive State funding to establish the necessary infrastructure.		"Sunbury shares no common corridor with the Hume community... This rift in the topography seems to affect the flow of council funding back to Sunbury." A "Sunbury centric council" would insist on better outcomes for Sunbury at the State level.
41	Jason Moore								"[T]he funds of the sale of the Race course at Sunbury SHOULD NOT be the sole use of the new Sunbury City Council as this was a decision of the Hume City Council to sell and utilise the land for greater use and whilst using these funds to fund other key projects within the Hume City Council whilst satisfying to people of Sunbury."	The change will cost all rate payers more money.

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42	Jessica Amberley	People were voting on a theoretical question as there was no information of what the council boundaries would be impact on rates and services.	There was a lack of informed consent and the poll should not be used as a foundation for separating - at best an expression of interest. "Without information on what the outcome of our vote would actually be, it cannot be relied upon not enforced".	A new Poll should be carried out provided it addresses the deficiencies in the last Poll process.						
43	Joe Cutajar FCPA	Information circulated prior to the poll was confusing and an inaccurate interpretation of the KPMG report. KPMG report was "very lengthy, highly technical and required financial expertise to understand it".	No reliance should be placed on the poll as the results do not reflect community views due to the confusion and lack of information available.	Another poll should be undertaken after all the facts and the Transition Auditor findings are made public.	Significant rate increases over a number of years is not acceptable. Disproportionate effect on pensioners.	"The fact that a 10 year cross-subsidy was deemed necessary is a clear admission that the Sunbury split (without subsidies) would not be viable nor the exorbitant rate increases acceptable to the rate payers".	A stand-alone council will be forced to cut a number of services and charge for services that are currently free in addition to rate increases.			"A stand-alone Sunbury council will be in a financially strapped situation for more than a decade, at the very least".
44	John Hennessy				Rate increases above CPI will likely be approved if they are needs driven and have community support.			"The rapid growth in the Sunbury population will be sufficient to support a separate Council in the near future."	Administrators should be in place until 2020 and there should a service delivery agreement between Sunbury and Hume for at least 4 years.	"There would appear to be a strong feeling among Sunbury residents that: i. Sunbury is quite different in nature and needs to the majority of the Hume Council area. ii. Sunbury is not receiving an acceptable degree of focus or outcomes from the existing Hume Council."

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45	John McKerrow								People of the Bulla township consider Sunbury their main centre and so should be included in the Sunbury council as should Melbourne Airport.	Sunbury can be established on the assets that already exist within the area.
46	John Vanderstock									Sunbury's infrastructure is worse than Craigieburn and Broadmeadows. "The Sport and Leisure Centres in Broadmeadows and Craigieburn are more than twice the size of Sunbury's. The Libraries in Broadmeadows and Craigieburn are more than THREE Times the size of Sunbury."
47	Juan Carlos Rodriguez-Deller	"We voted on the premise that our vote was to gauge the interest & support of residents for the idea of a separate Sunbury Municipality as stated by the then Minister for Local Government, Jeanette Powell."			Significant rate increases and continuous growth will be needed to maintain same levels of services, infrastructure & capital works.		"Some services, like libraries, home support services, services for the aged and children with special needs will be cut as the new council will not have enough revenue to maintain these programs".	"Over the past few years, the growth of Sunbury has been very slow, last year been only around 1.1% which is not near enough to guarantee a successful and responsible new council."		"Hume City Council may not be perfect, but it does deliver the best outcome to our community regardless of gender, physical abilities, religion, education, sexual preferences, political views, economic status or neighbourhoods. It's a council that likes to include people rather than exclude or alienate people based on race or religion unlike some of the supporters of the separation of Sunbury from Hume."

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48	Judith Bancroft		The poll is not valid as many people did not realise a final decision would be made based on the outcome of the poll.		"If the population growth has not been as high as anticipated, and the rates are not sufficient without huge annual increases, plus large set-up costs, then no, common sense must prevail and whatever warm feelings are engendered by a stand alone Sunbury, must regrettably be sacrificed to common sense."				The separation should be revisited at a time when HCC becomes too large to be manageable.	The desire to leave Hume is an emotional one based on feelings that the people in Sunbury do not have much in common with other parts of Hume.
49	Kellie Hack			"As a rate payer, it is important to me that all of the costs (not just the assumed operational costs) are identified and are transparent and shared with the Sunbury residents as a part of the decision making process."	"In a rate capping climate, which is what is being predicted, it looks like this Sunbury Council community will be significantly disadvantaged."			"The cost of growth is substantial. Councils are going into significant debt to try and deliver even the bones of infrastructure and servicing for new communities."		
50	Ken Flood	No information on finances, services and facilities was accessible.			Older residents cannot afford higher rates.		Services under HCC are good - future services under a new council are uncertain.	With the current population survival of the new council may not be possible without big rate increases and less services.		

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51	Kuljit Dhandra				"Reports show the only way the new Sunbury would be sustainable is to increase revenue from rates or decrease services, infrastructure and staff."		"The services that would most likely suffer are aged care services, children's and youth services."	"[U]nsustainable and uneconomical for the community to support such a small council." Sunbury will be forced to grow rapidly and lose its country feel.		"I do not wish to see Sunbury secede from Hume as I believe the impact on the area and the community will be a negative one".
52	Kylie, Chris, Mitchell and Morgan Harmer	Poll was considered to be an expression of interest in a proposal that seemed unachievable.			Families will be unable to maintain current life styles if rates are to increase dramatically.		"We are devastated to think for one second that we may be without the services of Hume Council who deliver a great service to the community". There will be a rapid decline in all services if Sunbury was to separate.			Common sense should prevail and Sunbury should remain within Hume City Council.
53	Lawrence Seyers	While people unlikely to have read the KPMG report, "such an outcome should not be expected".	Those who participated provided a "respectable sample size to determine the community's indicative support for a Sunbury City Council".		Proceeds attributed to Racecourse Road sale proceeds could equate to the establishment costs and rate reductions. Sunbury also more likely to receive "discretionary government grants" as Sunbury is in a marginal federal electorate. Rate increases in Hume City Council higher or comparable to smaller municipalities.	<p>1. "There are limited examples of Council de-amalgamation, so all processes establish new ground in this space".</p> <p>2. The cross subsidy would not be unequitable to residents of Hume as this revenue should be currently proportioned under HCC – the cross subsidy would be a continuation of this.</p> <p>3. Sunbury has a historical and ongoing link to the airport.</p>	"Because their likelihood of success is limited from a historical perspective, why should a Sunbury City Council not aim to achieve the most efficient use of its resources using the most effective mechanisms available?"	Population growth in Sunbury will be different as there is a large established population base with existing services and infrastructure.	The division of assets and liabilities under the current OIC should be retained.	<p>"Neither city, nor rural, neither suburban nor urban, neither established area, nor growth area. Sunbury is a unique community that deserves respect for its unique geography." Should go ahead as Shadow Minister stated that he considered the matter finalised. The KPMG projections were based on assumptions and not tested through public submissions processes. The KPMG report does not represent actual costs of hypothetical scenarios unlike the Panel report.</p>

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54	LGPro					The cross subsidy would "establish a dangerous precedent for State and Local Governments which may produce unintended consequences for other municipalities who have not been party to the consultation and negotiations to date."	"While partnerships and collaborations could provide some benefit, there are limited examples of where this approach is sufficiently mature and developed to be able to rely on as an underpinning principle of the business case to proceed. Increased cost of administration and bureaucracy will result in the diversion of resources from front line services that have direct community benefit."		The use of Racecourse Road proceeds to reduce the burden on rates is a "fundamental shift to the assumptions that underpin Local Government financing through rates and the treatment of local and regional assets."	"Lower resource municipalities are notoriously challenging places to work and employment security is more susceptible to financial outlook."
55	Lisa Ippolito	No adequate information was provided prior to the poll and residents were told that it was an expression of interest.	With all the facts, the results of the poll would have been very different.		The only way Sunbury would be sustainable is to increase rates and decrease services, infrastructure and staff. Aged care, children and youth services would be the most affected. Most residents cannot afford the projected rate increases.			The minimum population size should be at least 55,000. Unsustainable and uneconomical at its current size.	"The extreme high cost in setting up the new council would be a huge burden on the Sunbury community... The money could be better spent on much needed local community programs, like a new Global Learning Centre, updated Sunbury Leisure Centre, rather than be wasted on the creation of a new Sunbury council".	"It doesn't make sense and no one will benefit".

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56	Lou Citroen	Material was available and interested people only had to inform themselves prior to voting.	The number of people who participated and the number of those who voted 'YES' are sound arguments for proceeding with secession of Sunbury out of Hume.		"[T]he rates issue is so indeterminate and speculative, especially with the regard to the proposed introduction of the 'Fair Go Rates System', that it appears to me to be a distraction from the substantive argument".			"The example given of a viable nearby Mitchell Shire surely and clearly demonstrates that – a) a Shire of comparable size to that of proposed Sunbury Council is not unprecedented, and b) is sustainable (especially given the rural nature of Mitchell)"		
57	Louise Attard	If people wanted to find out information to make an informed decision, there were ample opportunities to do so. "Some people expect to be spoon fed information and complain when they are not".	"To suggest that the outcome of this poll should not be relied upon is to dispute the very democracy that Australia stands for."		Residents who voted for separation were aware of the potential for rate increases.	Sunbury should include the airport as the Shire of Bulla originally brought in the airport.	"Sunbury's demographic, as demonstrated by the ABS and noted in the KPMG reports, is different to the remainder of Hume, and there are multicultural programs, which are very competently delivered by Hume City Council that would not be required in a Sunbury Council."		Sunbury is an established community that values its rural characteristics. "[A] Sunbury Council will listen to its residents and work with them to deliver services in an efficient, economic and timely manner, providing value for money for its ratepayers, functioning with a predetermined budget whilst reducing waste and utilising technology".	
58	Malcolm Thompson			Another election will result in an even greater 'YES' vote and would be a waste of money.					All entitlements that employees of HCC are due should be paid out so that Sunbury can re-employ them and restart their entitlements.	Hume do not utilise their council owed assets to benefit youth homelessness in Sunbury.

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59	Marina Khoury	The poll was lacking in easily accessible information.	"The 2013 Sunbury poll must be disregarded as the voters had no idea what they were voting for."			"Hume is mainly made up of a disadvantaged municipality and would be quite detrimental financially and emotionally to the community by forcing them us to pay a subsidy".		Sunbury needs a population of 90,000 people.		
60	Martyn Heyne	The poll was ill informed and based on misinformation about the true cost of separation.	The vote should be invalid as those who voted did not have adequate facts to make an informed choice.		Should rate increases and/or service decreases occur, the Sunbury area will be less attractive for new residents.			Sunbury does not have the required population to sustain a new council.		The information provided through the fact sheets have created unease and as a result the separation should be stopped.
61	Mary MacKinnon	Alternative views were silenced prior to the poll.	The vote was never stated to be binding.	There should not be another poll unless there is enough balanced information provided to the public.			"How will a new Council create new offices and bear the administrative costs, maintain the current service and provide a whole lot more including a learning centre? Only with BIG rate rises."	"Sunbury will be too small (compared to other metro-urban municipalities in Victoria even when the proposed housing developments occur)".	More logical to look at dividing HCC into two municipalities when the population becomes unworkable.	Decision-making should be based on logic rather than nostalgia for the Bulla Shire.
62	Maureen Reed	"Residents outside Sunbury were not knowledgeable about the plebiscite, cultural or language barriers were not taken into consideration".		Another compulsory poll should be held with clear and accessible information available through numerous means		"Residents of Hume City Council should not be required to provide any form of ongoing cross-subsidy to a new Sunbury Council."				"I personally was disheartened with the whole process and believe residents living outside of Sunbury were not considered, valued or their opinions listened to."

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63	Melissa Jeal	"At the time of voting there was very little information, almost no information, available on boundaries, potential impacts on rates, level of services, impacts on employment and splitting of assets. I suggest the yes vote was yes – I support to look at this in detail."	The poll was "a poll of voters within the existing boundaries to determine the level of support for a stand alone Sunbury Shire Council."	"I strongly support another open, transparent and informed vote, to ensure the validity and support for the outcome."	All reports show rate increases. The impact this may have on vulnerable members of the Sunbury community.		There is a question as to whether 'innovative service delivery' can be achieved and what impact it will have.	"Major infrastructure improvements will be required to support the expected population growth".		
64	Michael Baines			"The previous government allowed a residents vote and the split from Hume won".	Rates have continually risen annually under HCC.			Little is done is the Sunbury area and greater lobbying from the council is needed.		Geographically Sunbury is separated from the rest of Hume.
65	Municipal Association of Victoria						"[A] modern council provides a comprehensive suite of services and any consideration of potential new local government boundaries needs to give consideration to the capacity of the proposed entities to meet these standards".			A new council should not be established unless it has the capacity to deliver the full scope of services expected, the community is not disadvantaged through higher costs or lower levels of services and the new council will have sufficient financial strength to provide for the long term infrastructure and service needs of the community without the need for ongoing support.

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66	Name withheld at request of author									Tullamarine is linked to the rest of Hume and is isolated from Sunbury by the Airport.
67	Peter Donlon	<p>"There was no clarity about what a "Yes" vote meant. To some in the community it meant to separate from Hume City. For others it meant to proceed to the next stage to determine if a separation was viable. This was not made clear." The KPMG reports were hard to obtain, lengthy and complex.</p>	<p>"When the community votes for new Governments, or on major issues through referenda - there is considerable community information made available – in a form the community can digest. This was not the case for the Sunbury Vote."</p>			<p>"Councils should draw revenue from their own assets and communities with some grants from central government, but not other council's assets. As the Tullamarine Airport will remain within the boundary of Hume, revenues from the Airport should remain in Hume. Similarly, revenues from the Sunbury Tip should remain in Sunbury."</p>	<p>Duplication of systems and assets will need to occur when HCC is separated. This will require additional resources or a decline in service levels.</p>	<p>Growth places major pressures on councils as substantial new infrastructure is required before the ratepayers exist to fully meet the financial burden.</p>	<p>"There is a significant perception that the Sunbury Community is ignored ... Should the separation not proceed, I believe it is essential for Hume City staff to develop much better formal engagement and information processes, at multiple levels of the community, including community associations - so that service expectations and alternative options (if necessary) can be discussed and hopefully agreed."</p>	<p>Smaller councils are not able to provide the same level of service provision (e.g. protests in Kilmore over lack of service provision), attract highly skilled staff or have the financial capacity necessary to allocate resources appropriately to manage community assets. "Skilled staff are required to support community processes and financial capacity is necessary to allocate resources appropriately to manage major assets."</p>
68	Peter Gavin	<p>The poll was very confusing as no information on actual boundaries, additional costs of creating a Sunbury council or impacts on services levels were provided.</p>	<p>"Clearly everyone in Sunbury would probably prefer a Sunbury Council as most believe it would be good for Sunbury, but the costs and services need to be identified before such a vote is taken, not after the vote."</p>	<p>"[I]f a new vote is proposed, a clear strategy to provide the information required by Sunbury residents must be undertaken".</p>						

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69	Peter Scherer	The poll was described as a non-compulsory vote to gauge the level of interest in the proposal. Did not think the outcome would lead to an automatic separation.		A compulsory poll of those within the Sunbury boundary should take place.	Significant rate increases will impact families greatly.	"If we as community decide not to be part of Hume, we should be prepared to 'stand on our own two feet'".	"I fear there will be short cuts in services & funding's to pay for the establishment and continued development of a new Sunbury Shire".	"Sunbury has nowhere near reached population levels predicted, so I'm very unsure if we will thrive to predicted numbers into the future (it's a very non exact science)."		
70	Prue & Barry Hicks	Lack of significant information for people to make an informed decision		Separation should not proceed without holding another poll in which residents of the area are be told all of the relevant information and how it will affect them.		We are in a low income area and we are being asked to subsidize Sunbury to go alone.				Rates in Hume are considerably higher than in our neighbouring councils (Brimbank and Moonee Valley)
71	R.L. Walters					"[I]f Sunbury has received 23.6 per cent of the income for the past ten years I see no reason for this to change and Sunbury should get this subsidy not for ten years but ongoing. Shire of Bulla brought most of this asset to the table. It is not right that Hume should be granted the whole of this rate base."	"With a sensible number of staff we could expect services no less than the Shire of Bulla gave before amalgamation."	"Sunbury City Council should be a standalone council without Hume and therefore able to employ its own staff on merit without inheriting Hume employees."	"With only three sitting members it seems very obvious that Sunbury will always be left behind and disadvantaged in all aspects of Hume's operations. We need Sunbury out of Hume".	

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72	Registrar of Geographic Names in Victoria								Localities bisected by the new boundaries should be renamed or amalgamated with existing localities.	
73	Rhonda McIntosh	It was difficult to find any factual information prior to the poll - difficult to assume that those who voted fully understood the implications.	"The vote should be considered to be a show of support for the concept only."	Another compulsory vote should be undertaken once the full implications are made known to the public.	It was not widely understood that rates would need to rise to maintain services.					
74	Robert and Beth Mildred	The impression that was given of the poll was that it was to determine interest in the proposal and not the make final decision.	The poll should be relied on as that basis to carry out further assessment of viability of separation.	Another poll should only be carried out if there is evidence that it would be advantageous to Hume and Sunbury.	Not supported	HCC should not be expected to support Sunbury as this may cause resentment between the two municipalities.	The suggestion that current service levels can only be done by contracting is problematic for the long term viability of Sunbury.	There will be increased pressure to develop to justify the proposal.		
75	Robert and Beth Mildred						Rate capping will restrict the ability of a separate Sunbury Council to raise sufficient revenue to maintain current services. This will also lead to job losses and redundancy payouts.	"The predictions of population growth and development of the area cannot be accepted with any level of accuracy and could not be relied upon to justify the establishment of a new Sunbury Council".		

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76	Robert Bond				Sunbury can have minimal rate increases if the right services and infrastructure is delivered.	As the 'rates in lieu' form part of Hume's general income, these funds should continue to be distributed across the entire area following separation. This should be an ongoing contribution to the new Sunbury.	"[Sunbury] can stand alone but the nominated administrators and the newly elected Council (in the future) would have to make some hard decisions on what services the new Council delivers".		Administrators should be in place for 3-4 years for consistency and non-politicisation of decision making.	
77	Ross Buchanan				There is no guarantee that even with the estimated rate increases, services or capital works can be maintained.		The delay in the Global Learning Centre will have a detrimental impact on the local community.			The motivations for seeking separation appear to be political.
78	Samantha Malhotra	No information was provided prior to the poll.			The only way Sunbury would be sustainable is to increase rates and decrease services, infrastructure and staff. Aged care, children and youth services would be the most affected.			The minimum population size should be at least 55,000. Unsustainable and uneconomical at its current size.		Sunbury will suffer should separation occur.
79	Shannon Howe	The information provided prior to the poll was "confusing and misleading".	There was an expectation that the poll was to determine the public's interest in exploring the possibility of a separate council.		Going from a council with high quality services and affordable rates to a separate council which will potentially outsource services and increase rates would make living in Sunbury unaffordable.		Outsourcing services will led to more job losses in the community.			A major concern within HCC is job security.

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80	Sharon McMahon			"[F]or such a big change, we should have a compulsory vote."	"The only way for a new council to be viable would be to increase rates tremendously and decrease services, infrastructure and staff."		Many services in Sunbury would suffer (Aged Care, Preschools & Youth Services).	Sunbury is below the minimum population size of 55,000. Unsustainable and uneconomical at its current size.		Very happy with the services provided by HCC.
81	Sheila & Michael Tucker	The lack of detailed information available prior to poll resulted in the decision being based on assumptions that new council would be similar to Bulla and that Sunbury was receiving smaller services than other parts of Hume.	No reliance should be placed as those who participated were poorly informed and may not still hold their voting position.	If there is a new poll there needs to be definitive information available.	"With the level of projected annual rate increases for Sunbury residents over future years it is our belief that a new municipality cannot be supported without causing serious financial harm to many residents, particularly those on low income salaries and pensions."		The level of services are expected to be greatly reduced under new council.	Does not appear from the forecasts that population growth will be sufficient to support a stand alone council.		"Any transition should be negated before damage is done to the whole community".
82	Sheriden Tate	The ballot pack was confusing and indicated it was to gauge whether there was interest in the possibility of separating.	Given the fact that only 31% of eligible voters voted 'yes' reliance should not be placed on the poll.	The whole scheme should be scrapped and no further vote should be held.	"[F]or Sunbury to be able to support itself there would have to be substantial rate increases particularly without cross subsidy from Hume and if the Fair Go Rate System was applied it would keep their income well below what was needed for Sunbury to be financially viable."	"I question why one Municipality should prop up another, if a Municipality cannot stand on its own surely it is not viable and it is poor fiscal management to allow that to occur."		There is a question of how can Sunbury sustain itself as a new municipality given that growth has not occurred as predicted.		The separation process has "wasted a significant amount of taxpayer money and has been disruptive and disenfranchising for the whole Hume community".

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83	Shirley A Kociuba					Taking money from a disadvantaged area to prop up the Sunbury council by way of a cross subsidy is "grossly unfair". Appears to be a new concept.			Tullamarine residents have little in common with Sunbury and should not be part of Sunbury council.	
84	Spiro Pastras				"All seem to agree that, if this proposal went ahead, rates would increase, services would be affected and people would lose jobs."				It would be more reasonable to revisit this proposal when a Sunbury council is more viable.	Hume is a challenging environment, facing challenging times, should the decision to separate go ahead it will be an additional burden.
85	Stephen Coughlan	The purpose of the poll and the proposal that was presented were clearly stated in the ballot pack. The information was readily available online and through local papers.			The information used in the KPMG was not independently verified by KPMG and this information was the basis of all the financial reports that followed. The KPMG report did not take into account the depot, State and Federal funding or the compactness of the new municipality.	"Hume City Council state that Sunbury currently gets its fair share of all funding based on the percentage of Hume's population that live in Sunbury. Based on this assertion, if Sunbury were not to separate from Hume it would continue to receive the benefit of this 23.6% of the Airport Rates, not just for ten years, but on an ongoing basis."			As the smallest of the three centres, Sunbury misses out on the state of the art facilities built in Broadmeadows and Craigieburn.	

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86	Steven Haigh		"The existing poll that was held was completed before complete information was available to those voting. As such, the vote should be considered tainted and re-held."		Residents do not fully understand the long term impact separation will have on rates.	It "is an unfair burden on the remaining residents of Hume to effectively finance a split that is not currently viable."	"With no money for services, the area will degrade rapidly and end up with all residents being adversely affected."			
87	Sue Cole								Who takes on the unfunded Superannuation debt of HCC needs to be determined before Sunbury separates.	
88	Sunbury Community Health				"[A]ny increases in rates, fees and charges may have a negative impact on the local community, particularly our most vulnerable."		The new council should define its role as one of planning and funding and not as a direct service provider. Maternal and child health, kindergarten, youth, recreation and aged care services should be contracted out.	"[A] new, smaller, local government may be required to contribute significant funds in the short term while the growth in the council's rate base may not occur until the medium to longer term, creating immediate pressure on the new local council budgets".		

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89	Sunbury Community Progress Association	"Information was difficult to access, unclear, and in some instances false... At no stage was it said that it was a definite outcome."	As different voters voted with different understanding of the impact of the proposal, no reliance should be placed on the poll	A new poll should not be carried out until Sunbury has grown sufficiently.	"The increase of rates will not provide adequate funding to continue with some of the essential services a council needs to provide for its residents."	"It is not only unprecedented, but immoral to ask the poorest and most disadvantaged areas of not only Hume but Victoria to subsidise Sunbury for 10 years".	The new council would have to limit services, and the quality of services to keep costs low, "this is not a desirable outcome for the local Sunbury community."	"[T]he minimum population size for a local council to be sustainable and viable is at least 55,000 minimum, although for successful financial sustainability 95,000 is preferable, a new Sunbury council would have a little more than 35,000 thus making it unsustainable and uneconomical for the community to support such a small council".		"[T]he new council will have to reduce the levels of staff adding to the high levels of unemployment Sunbury already which will further affect the local economy, less employed people less money to spend on the local businesses." The money needed to establish a separate council would be much better spent on community infrastructure and programs like a Global Learning Centre.
90	Sunbury Historical & Heritage Society	There was information available through information sessions and newspaper articles and people had the opportunity to read the KPMG report online.			There is no definitive answer as to rate increases.			"Sunbury's population now and in the future will be big enough to make the new Shire of Sunbury viable. There are many councils that would be small than Shire of Sunbury."		"As a community Sunbury has very little in common with out eastern neighbours as most of our community involvement is to our north... Since amalgamation, twenty years ago, we have strongly resisted the integration with Broadmeadows".

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91	Sunbury Residents' Association	The plebiscite received widespread publicity and there was a public meeting to discuss the proposal before the poll.	"The fact that more than 50% of residents voted in a non-compulsory plebiscite is an extremely good result."		Forecasting rate increases is probably irrelevant because rates will be capped at CPI from 2016-17.	The cross subsidy will not disadvantage the rest of Hume as "Sunbury is entitled to have its proportionate share of rates in lieu from the airport spent in Sunbury each year, that is 23.6% of these rates". This money should be in perpetuity as Hume will no longer have to spend money in Sunbury.			The unresolved issues should be immediately finalised so that separation can occur as gazetted.	The inclusion of Sunbury in the municipality of Hume has been opposed since amalgamations.
92	Susan Duncan	The outcome of the poll reflected the expectations of participants.	"[T]he outcome of this poll showed more than enough support for the proposal".	A second poll would not serve any purpose.	"Obviously any rate rise projections are just that, and the true value of any rate increases would not be available until the Sunbury Shire becomes its own entity."	The cross subsidy should be paid as it will help to provide funding for the assets required by the new Sunbury Council. The 'rates in lieu' from Melbourne Airport should not be relied upon or coveted by a single council.	"It would be my idealized hope that a new Council may be more innovative and energetic when it comes to the rates/services of larger landholdings, but this would be an opinion for the new Council not the final decision on a new one."	"[P]opulation growth should not be a major deciding factor for a stand-alone Sunbury."		
93	Susan Vanderstock			The separation should go ahead - "we have waited long enough".	The KPMG report understated possible sources of income and government grants, therefore its rates projections were 'grossly inaccurate'.			Smaller councils exist and work very well.		Local councillors will be able to service local issues and needs - currently not enough infrastructure in Sunbury.

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94	Tammy Frantz	"The ballot paper came with no information at all and did not make it clear that the results of the poll would be acted upon and not explored as viable or not."	The lack of information made readily available and distributed with the vote was a cause of confusion causing the outcome to be inaccurate.	The proposal should be dismissed until Sunbury can be independently viable or a compulsory poll held with all the information to make an informed decision.			"Hume have always ran fantastic services, which have been not for profit (merely a service to the community)"	"Population growth is not a given and as Sunbury current stands a council will be unable to run existing services to the standard they are being run now."		
95	Tony and Susan Quick		Changing the rules and interpretation of the vote is inappropriate.		Rates will be capped.		"Services and priorities will be determined by the local council and councillors as the needs and priorities of Sunbury are sufficiently different to those of the rest of Hume, both authorities will benefit from a clear focus on their needs."			"Trying to serve the diverse needs of the current Hume has created priorities which, inevitable and quite correctly, favour the larger urban centres of Broadmeadows and Craigieburn". "The drive for change will not be denied by any reversal of the recent decisions."

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96	Trevor Dance	Blacher's view that information was not readily available was incorrect. If people were unclear, they could go to the public meetings. Anything else would have been information overload.			Rate increase projections are a "red herring" as Sunbury has experienced significant rate increases on the dollar under HOC. Rates should be capped under the fair go rates system. "Sunbury City Council is not an argument about viability, it is not an argument about rate increases. It is about Sunbury's long standing desire to represent ourselves, to determine our own future and not be beholden to a larger Hume City Council entity with different drivers".	Sunbury should be currently receiving an equitable proportion of the rates in lieu from Melbourne Airport and has been "subsidising the remainder of Hume throughout this arrangement". As Melbourne Airport has not been included in the boundaries of Sunbury despite a demonstrated community of interest, the airport revenue should continue to flow to Sunbury.			The division of assets and liabilities under the current Order should be retained. Commissioners should be appointed to both HOC and Sunbury for an extended period to ensure an orderly transition.	"The Sunbury community has a very different community of interest to Hume, by establishing Sunbury City Council it frees up both regions to exploit their full potential and consign the 'us and them' arguments to the history books"
97	Vakerie M. Collier			Another compulsory poll should be carried out to secure a fair outcome for the whole town.	Rate increases will have a big impact on young families and seniors.	Hume should help Sunbury through the cross subsidy.	Services should be the same as those currently provided.	"Sufficient population may not come for years."		
98	Vic Hollingworth		"Very little reliance should be placed on the outcome of the poll because voters were not correctly informed of all the costs and impacts related to the poll."	A fully informed poll should occur.	The outcome of the poll would have been different if Sunbury residents were informed that significant rate increases would occur.		There is an expectation that services will be comparable to or exceed what they currently are.	Sunbury cannot support a separate council with its current or expected population.		

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99	VLGA				"[A] new risk is that a rate capping environment may increase the difficulty of recovering the significant costs associated with succession."	The cross subsidy "raises questions about revenue sharing generally, including as regards other significant assets such as ports and large commercial complexes."	Innovative service delivery is an area being developed; and progressed; however it cannot be assumed that these will meet expectations.	The case for a viable Sunbury council rests on 'ambitious' predictions that the Sunbury area will experience strong growth.		"[F]ocusing on participation is a way forward for all councils in responding to their communities of interest and is of broader significance than physical municipal boundaries. Creating a new municipality does not, in and of itself, guarantee the responsiveness or representation that communities, including those in Sunbury, are looking for."
100	Wendy Walters	There was plenty of information available if people wanted to read it.			Rates will be capped and the new council will have to justify any rate increases above CPI.	As the Shire of Bulla brought in the Airport it is only right that Sunbury should get the cross-subsidy and that it be ongoing. The alternative is for Hume to take entire Airport revenue but only require Sunbury to take the staff required to run an efficient and viable council (110).	Residents do not get the services in Sunbury they feel they require.			No common interests or connections with the larger part of Hume - no connecting roads, trains etc. Sunbury residents feel wrongly placed within a metropolitan council. Sunbury assets should not be sold to finance services in rest Hume and Hume council borrowings.

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101	Zelko Zalac									Frustration and confusion was expressed by the people who attended the listening posts because they were not given any conclusive answers to their concerns. The numbers that were reported in the CCC report were misleading.
102	Greg Thom	The original voting process was flawed.		If another vote is held, it should be compulsory.						"Despite HUME's apparent indifference toward Sunbury, I believe that too many years have elapsed since Sunbury was stripped of its independence for any affordable or practical secession from the HUME juggernaut."

