

RANDWICK CITY'S future



Information pack

The NSW State Government's Fit for the Future program and what it means for Randwick City



MESSAGE FROM THE MAYOR

Randwick City Council is currently facing one of its most important decisions in the 155-year history of our City.

The NSW State Government has released its 'Fit for the Future' program which requires most NSW councils to consider amalgamation options with neighbouring councils as the Government looks to reduce the number of metropolitan councils from 41 to 18.

You may have read that Randwick City Council is opposed to amalgamations. Randwick City Council already has a balanced budget, is debt-free and provides high quality services and facilities for our community.

Unfortunately, despite Council's excellent financial and asset management position, we do not satisfy the NSW Government's requirement for 'scale and capacity' (ie. population size). Randwick City Council does not agree with an amalgamation of Randwick but we need to respond to the NSW Government's requirements.

The Government wants us to consider an amalgamation with City of Sydney, Woollahra, Waverley and Botany councils – building a global city with more than 500,000 residents.

We don't support the creation of a global city as we value our Randwick identity, local representation and existing quality services and facilities.

However, we are required to show the NSW Government that we can meet their scale and capacity (i.e. population size considered to be above 200,000) requirements in some way, whether it be through their preferred global city option or a merger that is broadly consistent. The Government has made it clear that "doing nothing is not an option".

As Mayor of Randwick, it's now my role to vigorously go through all options for the future of our Council. To do this, I need your help. I want to ensure that our community has every opportunity to participate in the decision making of our future.

I encourage you to take a moment and look through the options and extensive information in this document. Early in 2015, we will be seeking feedback from you on the future of our city prior to formulating our submission to the government in June 2015.



Ted Seng
Mayor of Randwick



COUNCIL AMALGAMATIONS

Since 2011, the future of Local Government across NSW has been on the NSW Government's agenda. On 10 September 2014 the NSW Premier and NSW Local Government Minister announced a \$1 billion 'Fit for the Future' package to "give local councils the incentives needed to ensure they are in a position to provide the services and infrastructure their communities need and deserve".

Independent Local Government Review Panel position

The announcement was in response to the Independent Local Government Review Panel's Final report released 12 months earlier. The Review Panel report included ideas for council mergers and reform and it recommended that Randwick City Council be amalgamated with Botany Bay, City of Sydney, Waverley and Woollahra Councils to form a "Global City".

Fit for the Future proposal

The NSW Government's Fit for the Future package requires all councils to use the recommendations of the Review Panel as their starting point in terms of 'scale and capacity'. For Randwick City Council, this means considering the global city option or a merger option that is 'broadly consistent'. The Government has indicated that only those councils that put in submissions will have a role in any proposed boundary changes that the Government may make.

Randwick City Council's position

Randwick City Council already has a balanced budget and remains debt-free, providing high quality services for our community. Council is opposed to amalgamations. Unfortunately, despite

Council's excellent financial and asset management position, the option to stand alone does not meet the requirements of the Government's Fit for the Future program.

Independent Eastern Sydney report

Randwick City Council, over the past several years, has been strenuous in its due diligence around Local Government reform. In June 2012, the Council commissioned a report by SGS Economics and Planning on potential options for structural change within eastern Sydney. Four options were tested based on combinations of merging Randwick, Waverley, Woollahra and Botany councils (pages 6 – 10).

The report used the same model in which Randwick Council currently operates its services across all four options of a merged council in the eastern suburbs. The report concluded that all options for structural change would result in a net surplus over 10 years of up to \$482 million. The options are presented on pages 6, 7, 8, 9 and 10 and use this SGS modelling to show the potential financial savings that could be achieved over a 10 year period.

Your City your say

We are now asking our residents and ratepayers to take a look at this information and the seven options presented in this document to consider how you would like the future of Randwick City to look.

In early 2015, we will seek extensive community feedback on the options presented here and, together with the community, the Council will formulate its response to submit to the NSW Government. This response will be publicly exhibited in May 2015 before being endorsed by Council and submitted to the Government in June 2015.

"The starting point for all Fit for the Future proposals is therefore the Independent Panel's final report. You do not have to adopt the exact recommendations of the Panel but your proposal should demonstrate how your council has scale and capacity. If the Panel recommended a merger for your council, this should be the first option you consider."

Fit for the Future Guidance Material, Template 1, page 7.

CURRENT SITUATION

This table shows the most up-to-date data available on the five councils as they currently operate independently.

	Randwick	Waverley	Woollahra	Botany	Sydney
Population	142,310	70,706	57,677	43,292	191,918
2031 forecast population	174,300	82,150	67,250	56,050	273,500
TCorp Assessment - Current financial sustainability	Sound	Moderate	Moderate	Moderate	Strong
TCorp Assessment - Financial sustainability outlook	Positive	Neutral	Positive	Neutral	Positive
OLG - Infrastructure Management assessment	Very Strong	Strong	Strong	Moderate	Strong
Staff	522	601	376	322	1,773
Population per staff	273	118	153	134	108
Councillors	15	12	15	7	10
Population per Councillor	9,487	5,892	3,845	6,185	19,192
Budget	\$158M	\$144M	\$107M*	\$66M	\$761M
Cost per resident of providing services	\$879	\$1,405	\$1,443	\$1,316	\$2,664
Land size (km ²)	36.3	9.2	12.3	21.7	26.7
Average residential rates	\$1,075	\$1,058	\$1,118	\$689	\$654
Residential rates	\$52M	\$30M	\$27M	\$10M	\$59M
Business rates	\$13M	\$12M	\$5M	\$16M	\$199M
Waste levy	\$511	\$469	\$452	\$458	\$380
Development applications determined	721	553	512	138	1,840
Development application mean gross processing days	77	101	101	129	67
Debt	\$0	\$3M	\$6M*	\$0	\$0
Infrastructure backlog	\$7M	\$12M	\$15M	\$11M	\$67M

RANDWICK

OPTION 1

Despite Randwick Council's excellent financial and asset management position, the option to stand alone does not meet the requirements of the Government's Fit for the Future program.



No increase in rates[†]



Significant long-term cost savings[#]



Protects local eastern suburbs identity



Same level of services provided

142,310

population

174,300

estimated 2031 population

522

council staff

273

residents per staff

9,487

residents per Councillor*

\$52M

residential rates

\$13M

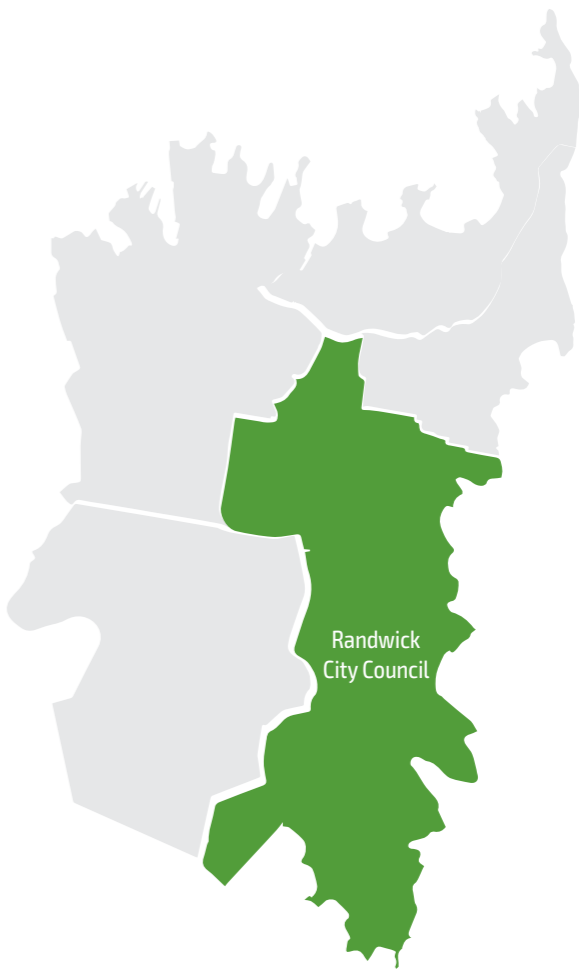
business rates

\$879

council's cost per resident

60m²

green space per resident



57%

of Randwick City residents are not supportive of amalgamation

– Micromex telephone survey July 2013

“NO CHANGE IS NOT AN OPTION”

– Paul Toole, Minister for Local Government 31 Oct 2014

Benefits

- Maintained operations and services
- Maintained level of Councillor representation – 15
- Status-quo
- Record capital works spend
- 95% of residents at least somewhat satisfied with Council performance
- No debt/borrowings
- Proud 155-year heritage
- Strong local representation

- Meets 6 of the 8 NSW Government Fit for the Future requirements (does not meet scale and debt requirements - Randwick has no debt)
- Very strong infrastructure management assessment
- Positive TCorp financial outlook assessment
- Sound TCorp financial sustainability assessment

Costs

- Does not meet the NSW Government's requirements for scale and capacity under the Fit for the Future program (population size)

* Based on the current maximum number of Councillors allowed – 15

All longterm cost savings are compared to Randwick stand alone option as modelled in SGS Economics & Planning Eastern Sydney Local Government Review

† As a result of amalgamation

* Excludes Kiaora Lands joint venture between Woollahra and Woolworths

RANDWICK + BOTANY

A modest size council with some common interests including Port Botany, though the option does not meet the requirements of the Government's Fit for the Future program.

- 
- **No increase in rates[†]**
- **Significant long-term cost savings[#]**
- **Protects local eastern suburbs identity**
- **Same level of services provided**

185,602
population

230,350
estimated 2031 population

844
council staff

220
residents per staff

12,373
residents per Councillor*

\$62M
residential rates

\$30M
business rates

\$981
council's cost per resident

51m²
green space per resident

\$90M[#]
projected savings over 10 years



Benefits

- No increase in rates for Randwick residents
- No increase in waste charges for Randwick residents
- Maintained operations and services
- Greater funding available for capital works projects
- \$90M in cost savings over 10 years
- Debt-free council

Costs

- Not consistent with State Government's scale and capacity requirements
- Fewer Councillors for local representation
- Initial and short-term disruptions
- Loss of Randwick identity

* Based on the current maximum number of Councillors allowed - 15
Based on data publicly available.
† As a result of amalgamation

RANDWICK + WAVERLEY

A modest council size with common interests including beaches, ocean pools and coastal communities in the eastern suburbs.

- 
- **No increase in rates[†]**
- **Significant long-term cost savings[#]**
- **Protects local eastern suburbs identity**
- **Same level of services provided**

213,016
population

256,450
estimated 2031 population

1,123
council staff

190
residents per staff

14,201
residents per Councillor*

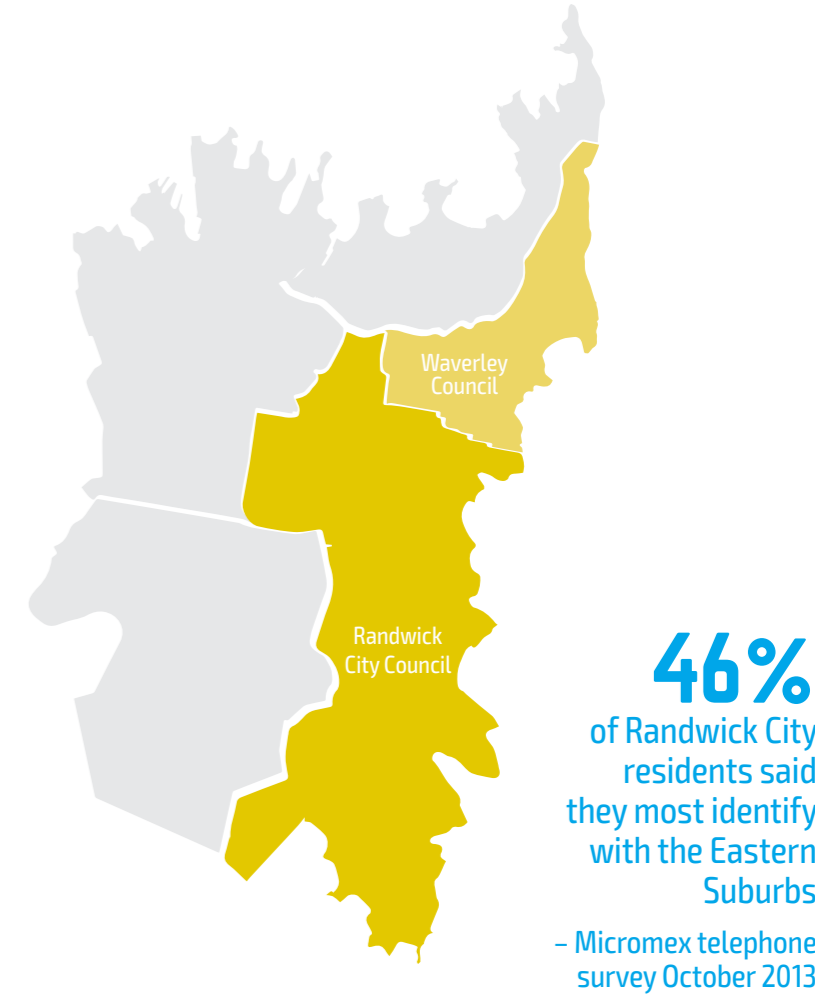
\$82M
residential rates

\$25M
business rates

\$1,054
council's cost per resident

44m²
green space per resident

\$241M[#]
projected savings over 10 years



Benefits

- No increase in rates for Randwick residents
- No increase in waste charges for Randwick residents
- Maintained operations and services
- Greater funding available for capital works projects
- \$241M in cost savings over 10 years
- Debt-free council
- Broadly consistent with State Government's scale and capacity requirements








Costs

- Fewer Councillors for local representation
- Initial short-term disruptions
- Loss of Randwick identity

* Based on the current maximum number of Councillors allowed - 15
S&S Economics & Planning Eastern Sydney Local Government Review
† As a result of amalgamation

RANDWICK + WAVERLEY + BOTANY BAY

A population of more than 250,000 residents and commonality including eastern suburbs beaches. This option includes Botany growth areas, industrial areas around Port Botany and Sydney Airport in one council.

- 
- **No increase in rates[†]**
- **Significant long-term cost savings[#]**
- **Protects local eastern suburbs identity**
- **Same level of services provided**

256,308
population

312,500
estimated 2031 population

1,445
council staff

177
residents per staff

17,087
residents per Councillor*

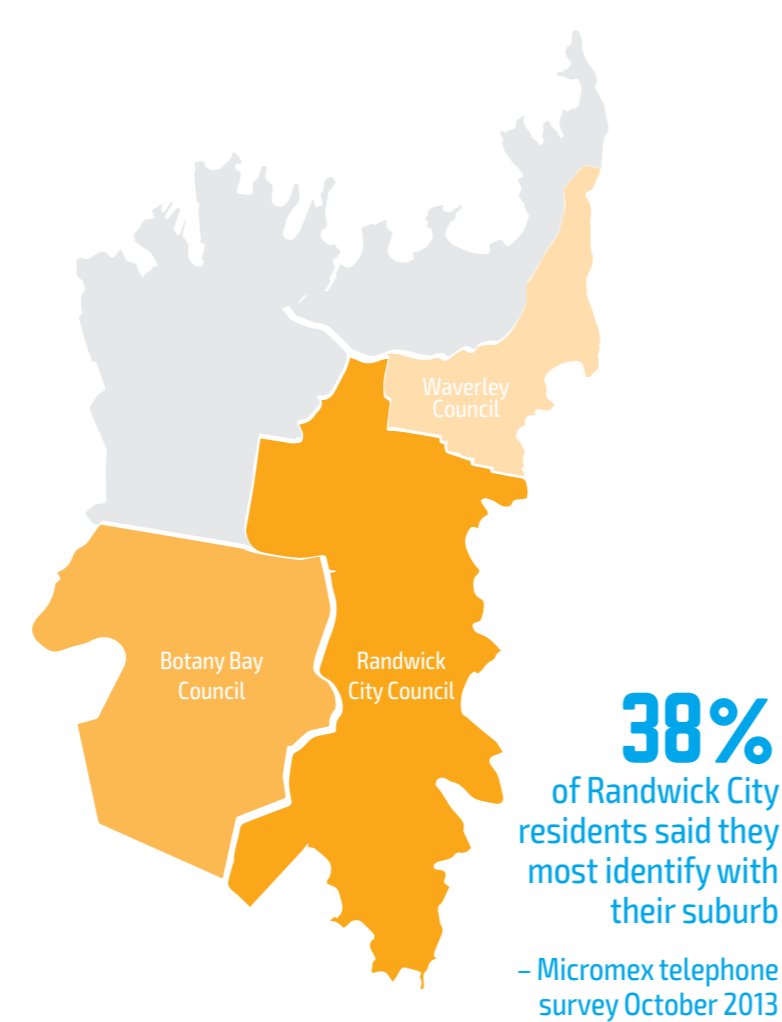
\$92M
residential rates

\$41M
business rates

\$1,098
council's cost per resident

41m²
green space per resident

\$338M[#]
projected savings over 10 years



Benefits

- No increase in rates for Randwick residents
- No increase in waste charges for Randwick residents
- Maintained operations and services
- Greater funding available for capital works projects
- \$338M in cost savings over 10 years
- Debt-free council
- Broadly consistent with State Government's scale and capacity requirements

Costs

- Fewer Councillors for local representation
- Initial short-term disruptions
- Loss of Randwick identity

* Based on the current maximum number of Councillors allowed - 15
SGS Economics & Planning Eastern Sydney Local Government Review
† As a result of amalgamation

RANDWICK + WAVERLEY + WOOLLAHRA

A population of more than 270,000 residents with common interests including beaches, ocean and harbour pools and coastal and harbourside communities in the eastern suburbs.

- 
- **No increase in rates[†]**
- **Significant long-term cost savings[#]**
- **Protects local eastern suburbs identity**
- **Same level of services provided**

270,693
population

323,700
estimated 2031 population

1,499
council staff

181
residents per staff

18,046
residents per Councillor*

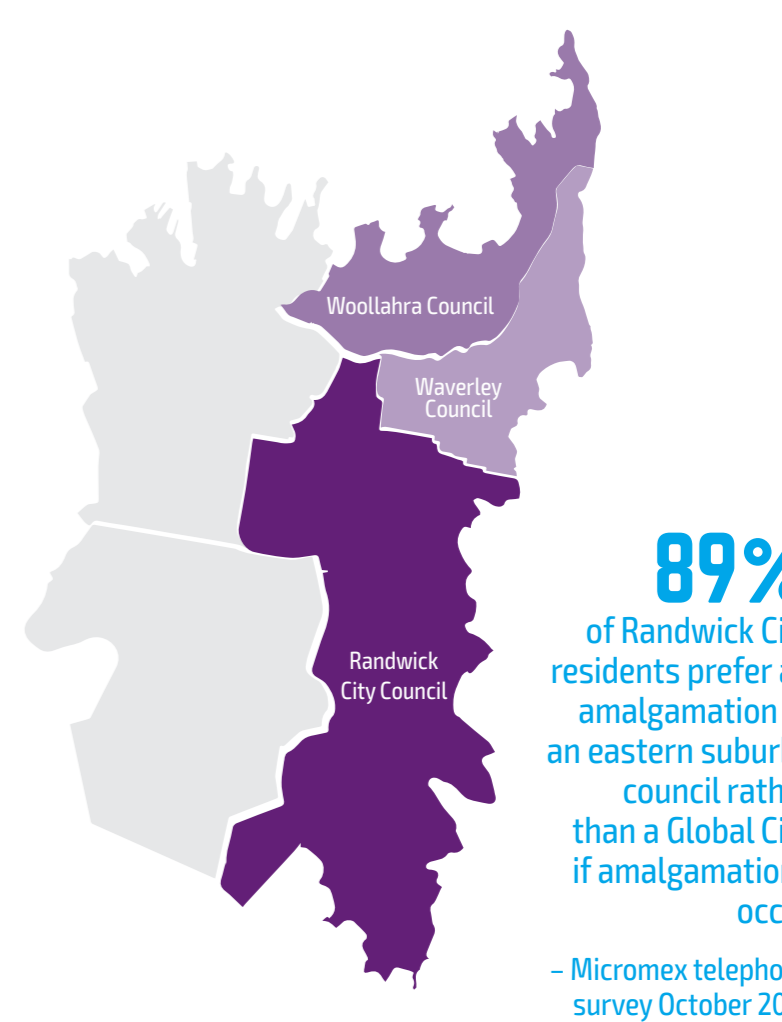
\$109M
residential rates

\$30M
business rates

\$1,137
council's cost per resident

39m²
green space per resident

\$393M[#]
projected savings over 10 years



Benefits

- No increase in rates for Randwick residents
- No increase in waste charges for Randwick residents
- Maintained operations and services
- \$393M in cost savings over 10 years
- Debt-free council
- Broadly consistent with State Government's scale and capacity requirements

Costs

- Fewer Councillors for local representation
- Initial short-term disruptions
- Loss of Randwick identity

* Based on the current maximum number of Councillors allowed - 15
SGS Economics & Planning Eastern Sydney Local Government Review
† As a result of amalgamation

RANDWICK + WAVERLEY + BOTANY BAY + WOOLLAHRA

A population of more than 300,000 residents taking in the extended eastern suburbs from Sydney Harbour to Port Botany. Includes communities of interest such as coastal communities, beaches, ocean and harbour pools as well as industrial areas, ports and airports.



- ✓ No increase in rates[†]
- ✓ Significant long-term cost savings[#]
- ✓ Protects local eastern suburbs identity
- ✓ Same level of services provided

313,985
population

379,750
estimated 2031 population

1821
council staff

172
residents per staff

20,932
residents per Councillor*

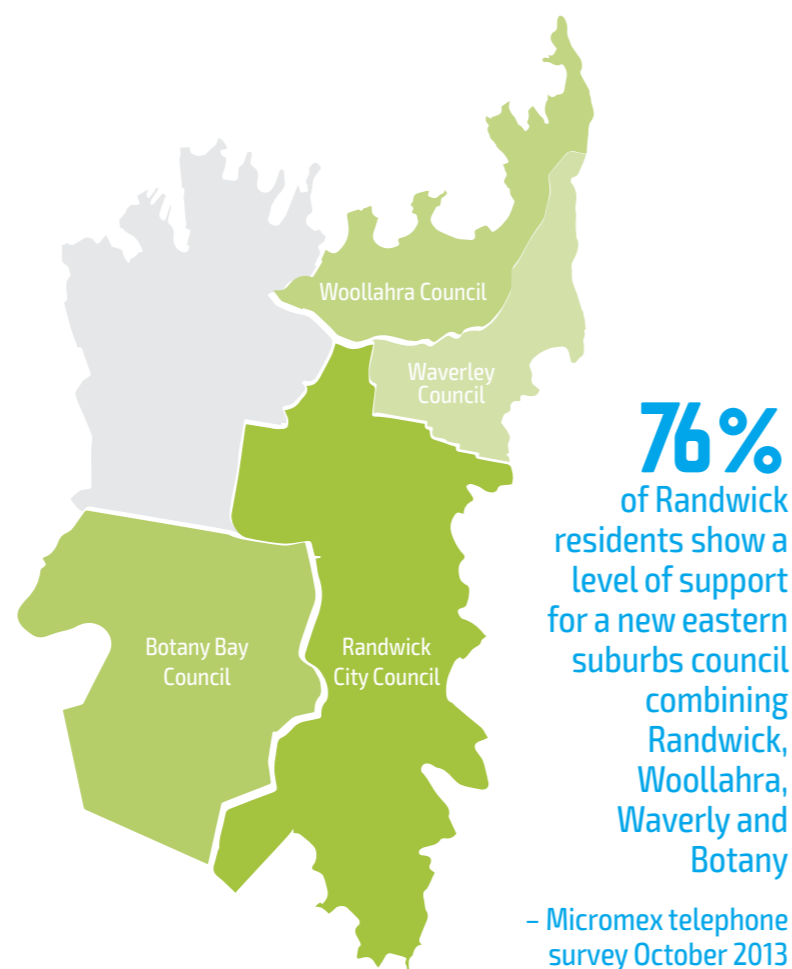
\$119M
residential rates

\$46M
business rates

\$1,162
council's cost per resident

36m²
green space per resident

\$482M[#]
projected savings over 10 years



Benefits

- No increase in rates
- No increase in waste charges
- Maintained operations and services
- \$482M in cost savings over 10 years
- Debt-free council
- Eastern suburbs community of interest
- Broadly consistent with State Government's scale and capacity requirements

Costs

- Fewer Councillors for local representation
- Initial short-term disruptions
- Loss of Randwick identity

* Based on the current maximum number of Councillors allowed – 15
\$G5 Economics & Planning Eastern Sydney Local Government Review
† As a result of amalgamation

RANDWICK + WAVERLEY + WOOLLAHRA + BOTANY BAY + SYDNEY

A very large global city with divergent communities across city centre, inner city, beachside and suburban areas. Councils of this size are by nature less representative but have financial capacity.



- ✓ No increase in rates[†]
- ✓ Significant long-term cost savings
- ✗ Protects local eastern suburbs identity
- ✗ Same level of services provided

505,903
population

653,250
estimated 2031 population

3594
council staff

141
residents per staff

33,727
residents per Councillor*

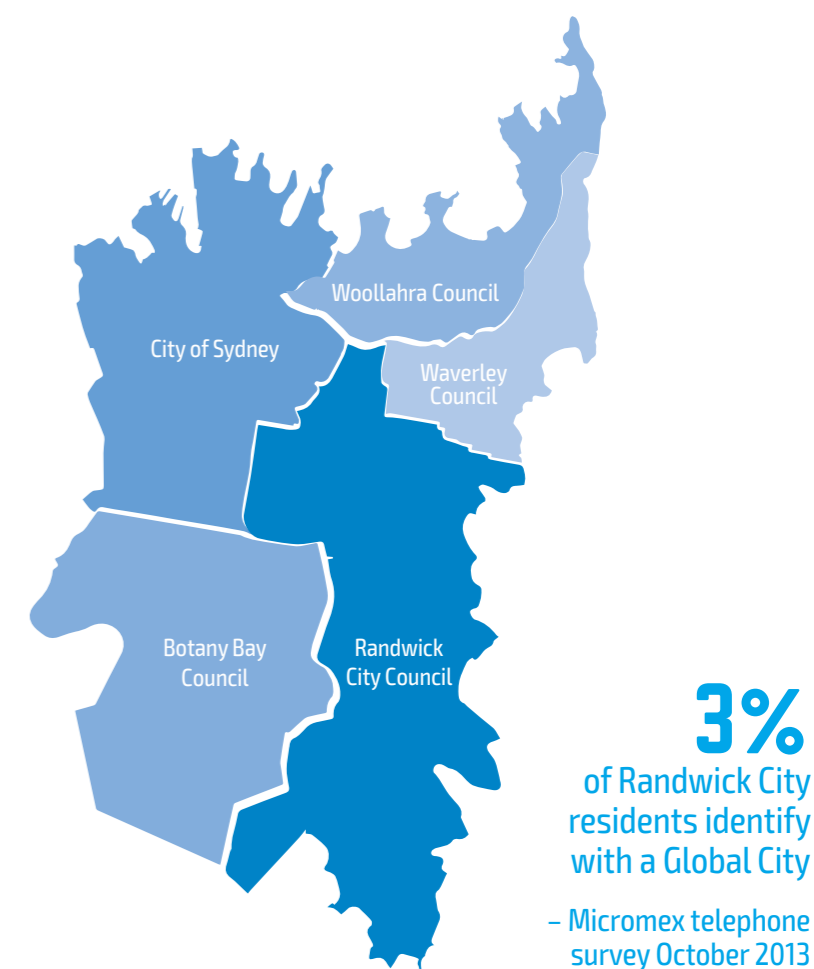
\$178M
residential rates

\$245M
business rates

\$1,731
council's cost per resident

27m²
green space per resident

\$not available
diseconomies of scale due to different communities of interest



Benefits¹

- Projected 2031 population of 653,250
- Close functional interaction and economic/social links between these areas
- Ability for high-level strategic capacity to promote and support Sydney's ongoing development as Australia's premier global city
- Scope to bring together Sydney's international icons and key infrastructure under a single council

Costs

- Loss of eastern suburbs identity
- Fewer Councillors for local representation
- Initial short-term disruptions
- Diseconomies of scale – the requirements of a metropolitan CBD are distinctly different to those of other Council areas and would require multiple types of services operating parallel
- Loss of Randwick identity
- Loss of 'local' in local government

* Based on the current maximum number of Councillors allowed – 15
1 As defined in the Independent Local Government Review Panel's Final Report, October 2013
† As a result of amalgamation

RANDWICK CITY'S future

Timeline information

The following information shows how Randwick City Council is responding to the NSW Government's Fit for the Future program requirements.

NOVEMBER 2011

Calls for local government reform at Destination 2036 conference

JUNE 2012

Randwick City Council commissions independent report on potential options for structural reform within eastern suburbs

SEPTEMBER 2014

Randwick City Council resolves to oppose amalgamation

DECEMBER 2014 - APRIL 2015

Randwick City Council community consultation

MAY 2015

Council to exhibit response to Fit for the Future for 28 days

OCTOBER 2015

New boundaries determined by Independent Panel and Transitional Committee established

MARCH 2012

NSW Government appoints the Independent Local Government Review Panel to review council boundaries, operations and structures

OCTOBER 2013

Independent Review Panel recommends Randwick, Woollahra, Waverley, City of Sydney and Botany amalgamate into a global city council.

OCTOBER 2014

NSW Government announce Fit for the Future criteria

APRIL 2015

A preferred option be considered by Randwick City Council

JUNE 2015

Council required to respond to State Government deadline for Fit for the Future

SEPTEMBER 2016

Local Government elections based on new Council boundaries

