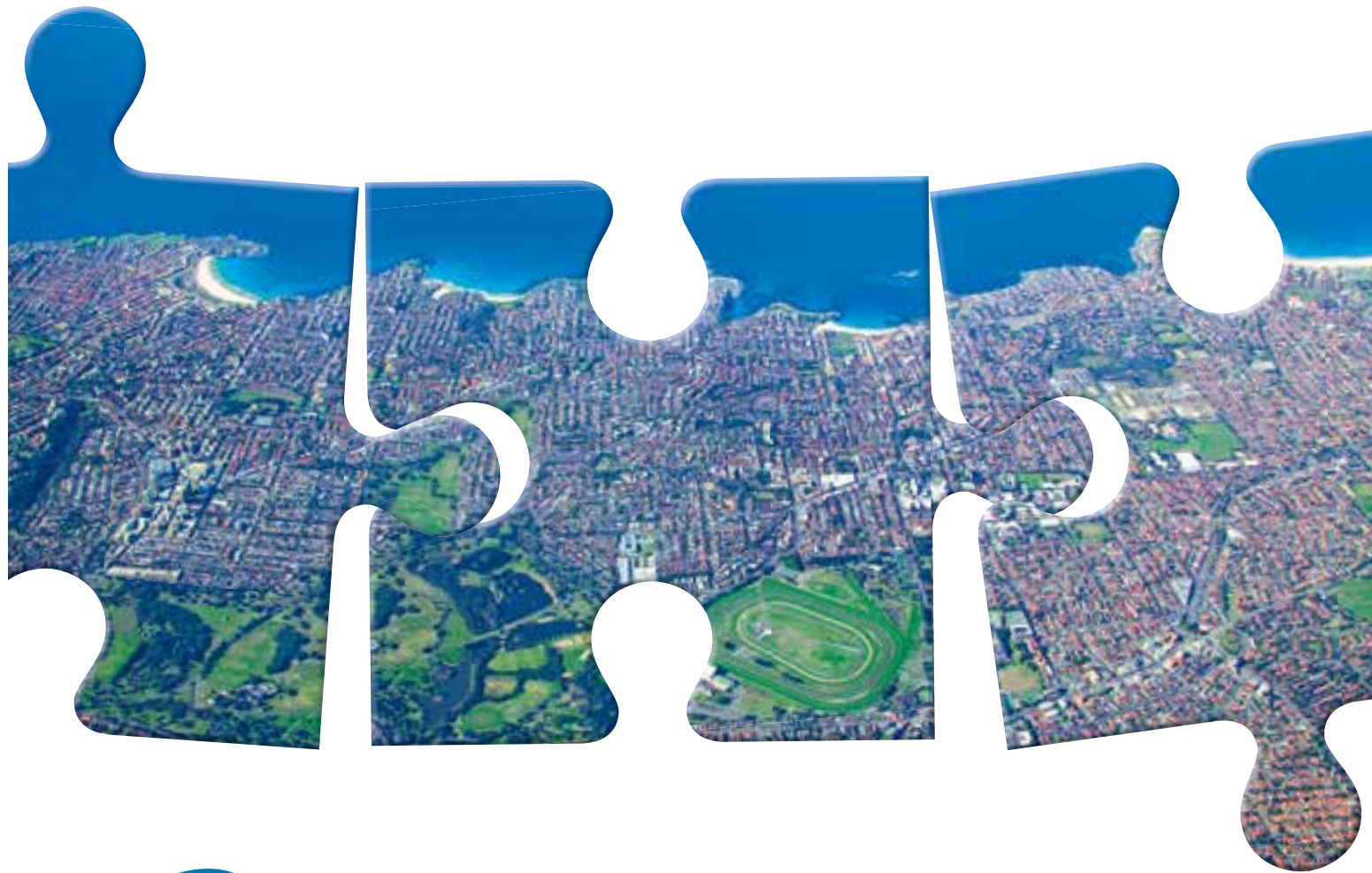

RANDWICK CITY COUNCIL
FIT FOR THE FUTURE

Options Analysis



Randwick City Council
a sense of community

MAY 2015

CONTENTS

1.	EXECUTIVE SUMMARY	5
2.	INTRODUCTION	15
3.	OVERVIEW OF STUDY AREA	18
4.	KEY FINDINGS	22
4.1	Community profile	22
4.2	Strategic planning	23
4.3	Facilities and Services	29
4.4	Councillor representation	29
4.5	Community engagement	31
4.6	Financial context	49
4.7	Rates	52
4.8	Workforce	55
4.9	Risk Analysis	57
4.10	Social Impact Statement	58

5. APPENDICES (seperate documents)

APPENDIX A: Community profile and Strategic planning
APPENDIX B: Community engagement
APPENDIX C: Financial context

1. EXECUTIVE SUMMARY

The following paper provides relevant information in terms of seven Local Government reform options for Randwick City Council, including a stand-alone option.

Randwick City Council as a stand-alone option

Randwick City Council is a leader in Local Government, with a strong strategic capacity and a clear vision to build a sense of community. Council is financially strong; has quality political and managerial leadership; an effective asset management program as well as having a dedicated, motivated and engaged workforce. Council has zero debt, has spent a record amount on capital works in recent years, and is a capable partner for both State and Federal Government agencies.

Financial management

Randwick City Council is in a strong financial position with a history of generating operating surpluses; significant capital works programs and sound liquidity, while remaining debt free for over a decade. Furthermore, the Council has a capacity to generate operating surpluses and fund capital works and infrastructure programs well into the future. The Council meets all the Fit for the Future financial, asset and efficiency benchmarks now and into the future, with the exception of the debt service ratio. However if the council had just \$1 of debt it would meet this ratio too.

The Council's financial position has been assessed as "sound" by both NSW TCorp and our independent auditor, with TCorp stating the Council's outlook is "positive". This result is supported by the independent audits of Council's annual report on the condition of public buildings and infrastructure assets (Special Schedule 7) and an assurance test of the Long Term Financial Plan (LTFFP).

Delivering for the community

Randwick City Council has quality political and managerial leadership, with a proven track record of engagement, sound decision making and delivering for the community. Council has the strategic capacity to be a capable partner for State and Federal agencies as well as regional organisations such as SSROC. An example of this is demonstrated in the collaboration with State Government in the planning of the CBD and South East Light Rail (CSELR) and further demonstrated by Council allocating \$68M for the Light Rail support plan.

Council has a number of industry leading functions such as the Integrated Planning and Reporting (IP&R), Strategic

Planning and Internal Audit functions. Randwick was one of the first councils in NSW to develop its IP&R framework and ensures efficiencies in the planning and delivery of services, programs and facilities to the community. Council has a strong strategic planning function, of which a key priority is planning in relation to the Randwick Health and Education precinct; identified in the NSW State Government's 'A Plan for Growing Sydney' as a strategic centre. The Internal Audit function has a focus on organisational culture and probity, under the direction of the Internal Audit Committee.

Council is a leader in community engagement, having undertaken extensive consultations on a variety of issues in the community through a number of methods including social media and focus groups. This level of engagement and provision of quality services to the community is reflected in 95% of residents indicating they are 'somewhat satisfied' to 'very satisfied' with the performance of Council¹.

Council is an innovative organisation with a focused approach to continuous improvement, underpinned by the Business Excellence Framework (BEF). This approach operates on a four-yearly cycle and includes process reviews such as the Council driven Promoting Better Practice review, PwC operational and management effectiveness survey and Enterprise wide risk review.

Organisational reviews reflect the knowledge, creativity and innovation within the organisation such as the Integrated Mobility of Works System (IMOWS) and the MyRandwick application which are part of Council's broader online initiative.

Randwick City Council is also known for its broader commitment in driving sector improvements that ultimately benefit the community. This is demonstrated through contributions to peak industry working groups and in the development of leading processes, tools and programs. Some examples include: engaging independent auditors to review Council's asset reporting and Long Term Financial Plan; developing a comprehensive online Councillor Induction tool; and establishing the Corporate Leadership Cup which is a management challenge for aspiring leaders consisting of teams from a group of sister cities and Randwick's Local Police Area Command.

¹ Randwick City Council, Community Satisfaction Survey, Micromex Research, 2014.

Asset management

Randwick City Council has an effective asset management program, as custodian of 1.4 billion dollars' worth of assets. In 2013, Council's infrastructure management was assessed as "very strong" by the Office of Local Government, being one of only five councils to receive the highest rating in NSW. Council has completed a number of capital works projects, including those under the \$34.8 million 'Buildings for our Community' program such as the Des Renford Leisure Centre, Chifley Reserve and Heffron Park upgrades; which are considered regional facilities.

Council's Long Term Financial Plan outlines its capacity to undertake future major capital works projects such as the conversion of the former Kensington Bowling club into a state-of-the-art community centre and the extension of the Eastern Suburbs Coastal Walkway. In the last five years Randwick City Council has spent \$110 million on upgrading roads, footpaths, parks, drains and community buildings across the City. In this period Council has reduced its infrastructure backlog to \$7M. Council has allocated \$370M in the Long Term Financial Plan for community infrastructure works over the next 10 years.

Workforce capabilities

Randwick City Council has a dedicated, motivated and engaged team of staff that drives innovation and moves the organisation forward. Council's workforce provides the highest levels of service to the community in-line with the corporate vision and community strategic plan. The Randwick City Council team is an award winning workforce, recognised by both Government and private industry bodies.

The Randwick City Councillors are of a high calibre and have a strong commitment to industry participation and professional development. Many of the Councillors have undertaken a Company Directors course (provided by the Australian Institute of Company Directors) to complement their existing skills and knowledge. This is also in addition to participation in industry specific seminars and courses. Randwick City Council also provides an on-line Councillor (induction) tool which affords accessible, relevant and updated information in-line with legislative changes.

Council attracts high performing staff and has an employer of choice focus which is benchmarked against private industry using the Aon Hewitt Best Employer survey. Council scored 76 per cent in the 2014 survey, which was a significant achievement and only just below the best employer's private sector benchmark of 82 per cent².

Council is at the forefront of learning and development activities, tailoring opportunities to the anticipated needs of the business and resourcing the function through high levels of investment. Randwick City Council offers a range of professional development and lifestyle activities to all its employees, including the award-winning annual training event 'All Stops to Randwick'. Council continues to be recognised industry-wide for excellence and innovation in several areas including workforce planning and leadership development. Of note, has been Randwick City Council's success in winning the annual NSW Local Government Management Challenge three times in the last seven years.

² Randwick City Council, Employer of Choice survey results, AON Hewitt, 2014.



Conclusion

Randwick City Council has a strong strategic capacity and a proven track record of delivering high levels of service and infrastructure for the community. The performance of Council is underpinned by high quality political and managerial leadership; a capable and motivated workforce; and a sound financial position.

The Randwick City community has broadly indicated that they would prefer Council to remain as a stand-alone entity, rather than merge with other councils. This preference can be attributed to Council's clear ability to meet the expectations of the people who live, work and visit the area.

Achievements and Awards

Randwick City Council is an award winning organisation and leader in local government. Over the past 8 years Council has been awarded more than 80 awards for the provision of services, programs and facilities to the community, as well as recognition for the dedication and professional excellence displayed by council staff.

Some notable private sector awards include those received from the Australian Human Resources Institute, the Banksia foundation for sustainability and Engineering Excellence Awards for councils Integrated Management of Works System (IMoWS). Council was also the recipient of the AR Bluett Memorial Award for Local Government in 2006, which is considered the highest accolade in the industry for a single council.

The list below provides a snapshot of some of the awards that council has received in 2013 and 2014:

2014:

- **Coogee Beach Foreshore Water Management - Winner** Sydney Water Sustainable Water Award (Clean Beaches Award 2014)
- **Randwick City Library Pinterest website - Winner** 2014 NSW Public Libraries Association Marketing Awards - Social Media
- **Des Renford Leisure Centre - Winner** Institute of Public Works Engineering Australasia Awards The Complete Multi-Disciplinary Project Management Award
- **Clovelly Pool Pump Automation - Winner** Institute of Public Works Engineering Australasia Awards Workplace Health and Safety Award
- **Randwick City Library Pinterest website - Winner** 2014 NSW Public Libraries Association Marketing Awards - Social Media
- **Des Renford Leisure Centre upgrade - Finalist** 2014 Australian Property Institute NSW Excellence in Property Awards
- **Randwick City Council - Finalist** 2014 Australian HR Awards - Employer of Choice (Public Sector and NFP)

2013:

- **Building Inclusive Communities Awards - Highly Commended** A Migrant's Story
- **Local Government NSW Environmental Excellence Award - Winner** Overall Sustainable Councils award for NSW
- **Local Government Excellence in the Environment Awards - Winner** Sustaining Our City initiative
- **Local Government Excellence in the Environment Awards (Resource Recovery) - Winner** Enhance Resource Recovery in Housing NSW
- **Local Government Excellence in the Environment Awards (Organics Recovery) - Winner** The Compost Revolution
- **National Awards for Local Government - Commended** Buildings for our Community Program
- **RH Dougherty Award Excellence in Communication - Winner** Light Rail to Randwick
- **Australian Human Resources Institute - Rob Goffee Award for Talent Management - Winner** Leadership Development
- **Engineering Excellence Award in 'New or Improved Techniques' - Winner** Integrated Management of Works System (IMoWS)
- **Local Government Managers Association Management Challenge - Winner** New South Wales State Final

Grant Thornton advised Waverley Council that in terms of amalgamating with Randwick, this is "the strongest option for Waverley", with Randwick being a "strongly attractive option as part of any combination, but more so when it is not diluted by any other council."

Grant Thornton, Waverley Council – Technical Assistance FFTF, March 2015, p28

Snapshot of the seven options

RANDWICK

Financial context

# of 'Fit for the Future' financial and asset ratios met in 10 years	6 / 7 (fails debt ratio as debt is \$0)
Debt free	✓
No backlog of work required on roads, footpaths, drains, buildings or in parks and beaches	✓
No loss or reduction in services	✓
Continued all programs in the ten year financial plan	✓
No increase in total rates collected*	✓

*The Long Term Financial Plan indexes rates at 3.59% per annum, equivalent to an inflation index for Randwick Council



Randwick Council is in a strong financial position with a history of generating operating surpluses, strong capital works programs and sound liquidity, while remaining **debt free** for over a decade. Furthermore, the Council has a capacity to generate operating surpluses and fund capital works and infrastructure programs well into the future. The council plans to eliminate the infrastructure backlog in **5 years** and **meets all 'Fit for the Future' ratio benchmarks now and into the future**, with the exception of the debt service ratio. However if the council had just \$1 of debt it would meet this ratio too.

Strategic context

Randwick City Council's major strategic and economic assets include the Randwick Education and Health Strategic Centre, the Port Botany precinct and surrounding industry. Randwick also has a significant provision of open space and recreational facilities and a large share of the open space attracts visitors from across Sydney and NSW.

Community engagement

No change is the community's most preferred option. In Council's telephone and community surveys, more people chose this option as a first preference than any other option. 58% of telephone survey respondents are supportive or completely supportive of no change. There is a high level of satisfaction with Council's existing services and performance and concern about change.

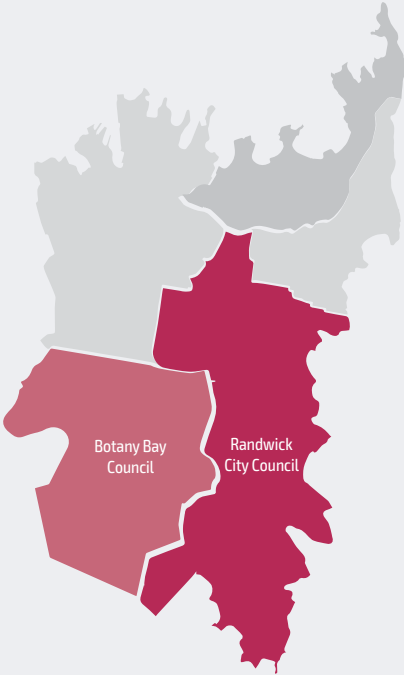
RANDWICK + BOTANY

Financial context

Value of increased/new services over <u>ten</u> years*	\$28 M
Value of increased/new services per resident over <u>ten</u> years*	\$153
Amalgamation cost (less State Govt grant)	\$16 M
# of 'Fit for the Future' financial and asset ratios met in 10 years	6 / 7 (fails debt ratio as debt is \$0)
Debt free	✓
No backlog of work required on roads, footpaths, drains, buildings or in parks and beaches	✓
No loss or reduction in services	✓
Continued all programs in each council's ten year financial plan	✓
No increase in total rates collected**	✓

* The value of increased/new services over ten years is the value after funding amalgamation costs, working towards eliminating operational debt and the infrastructure backlog of works, increasing asset expenditure to meet the 'Fit for the Future' benchmarks, while continuing to deliver all capital works projects outlined in each council's ten year Long Term Financial Plan and maintaining existing service levels. No increase in rates or new debt is required.

**Rates are indexed at the Local Government Cost Index each year (an inflation index for Local Government)



An amalgamation of **Randwick and Botany** would result in a comparatively modest increase in services of **\$2m (\$11 per resident) over four years and \$28m (\$153 per resident) over ten years. The strength of Randwick's position means this option meets all the 'Fit for the Future' ratio benchmarks in all ten years** of the analysis (this excludes the debt service ratio as both councils are already **debt free**), although Randwick's position is weakened by the inclusion of Botany. The backlog of works required on roads, footpaths, drains, buildings and in parks and beaches is eliminated in **7 years**. It should be noted that due to the level of information presently available from Botany further adjustments may be required if this option is to be pursued.

Strategic context

The economic zone of the Port and the surrounding industrial activities to its north is split across the Councils of Randwick and Botany Bay. An amalgamation of Randwick and Botany would integrate the Port and surrounding industrial activities within the single council area and provide for coordinated planning of this major strategic asset.

Community engagement

38% of telephone survey respondents are 'supportive' or 'completely supportive' of this option. 6% of community survey and 8% of telephone survey respondents chose this as their first preference. While support is relatively light for this option, it is generally preferred over larger merger options.

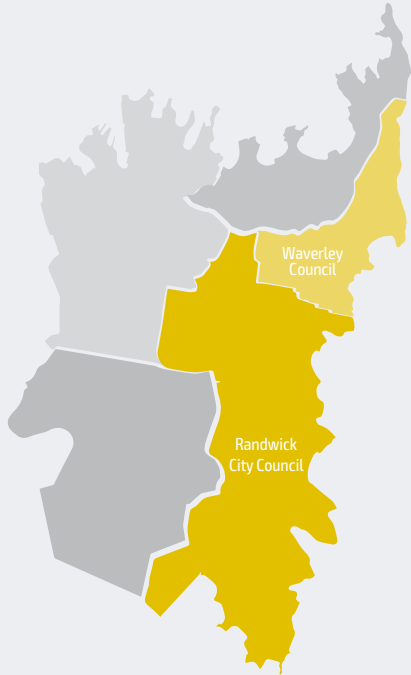
RANDWICK + WAVERLEY

Financial context

Value of increased/new services over ten years*	\$103 M
Value of increased/new services per resident over ten years*	\$485
Amalgamation cost (less State Govt grant)	\$13 M
# of 'Fit for the Future' financial and asset ratios met in 10 years	6 / 7 (fails debt ratio as debt is \$0)
Debt free	✓
No backlog of work required on roads, footpaths, drains, buildings or in parks and beaches	✓
No loss or reduction in services	✓
Continued all programs in each council's ten year financial plan	✓
No increase in total rates collected**	✓

* The value of increased/new services over ten years is the value after funding amalgamation costs, working towards eliminating operational debt and the infrastructure backlog of works, increasing asset expenditure to meet the 'Fit for the Future' benchmarks, while continuing to deliver all capital works projects outlined in each council's ten year Long Term Financial Plan and maintaining existing service levels. No increase in rates or new debt is required.

**Rates are indexed at the Local Government Cost Index each year (an inflation index for Local Government)



An amalgamation of **Randwick and Waverley** (option 3) may result in increased services **over four years of \$15m (\$73 per resident)**, increasing to **\$103m (\$485 per resident) over ten years**, while meeting the seven 'Fit for the Future' ratio benchmarks in **3 years**, eliminating the backlog of works required on roads, footpaths, drains, buildings and in parks and beaches in **5 years** and repaying **debt**. This option is estimated to be the least costly amalgamation at **\$13m over ten years**. In addition to having access to more information on Waverley Council's financial position, this option is considered to have less risk exposure as it appears Waverley Council has sufficient cash to fund its future liabilities, in part due to the \$82m sale of the council's former depot in Zetland.

Strategic context

Since 2002, Randwick and Waverley Council's joint partnership through the Randwick – Waverley Design Review Panel, has demonstrated a successful joint partnership in providing design advice and guidance in the local area. Both Councils also promote design excellence within their respective communities. The strategic planning departments of these councils meet on a regular basis regarding regional issues and topical projects within their respective LGA's.

A Randwick and Waverley Council amalgamation would build upon existing strengths with regards to planning systems and design excellence initiatives. In addition, both councils contain key recreational destinations and attractions including Bondi Beach, Royal Randwick Racecourse and Maroubra Beach that

generate a large amount of visitations. A merger of the two councils would enable a coordinated planning approach to these key tourist and visitor attractions.

Community engagement

Feedback from residents via focus groups, information sessions and survey comments is that Waverley has similar communities of interest with a coastal environment, beaches, residential mix and family housing options.

50% of telephone survey respondents are 'supportive' or 'completely supportive' of this option and if mergers must happen, 90% of respondents would prefer an eastern suburbs council. More people chose this option as one of their top three preferences than any other option. Additionally, this option is the most supported option if options 1 and 2 are discounted and preferences distributed.

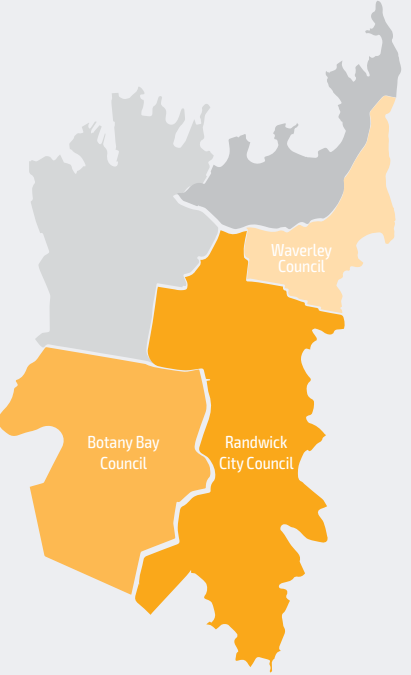
RANDWICK + WAVERLEY + BOTANY

Financial context

Value of increased/new services over ten years*	\$143 M
Value of increased/new services per resident over ten years*	\$559
Amalgamation cost (less State Govt grant)	\$25 M
# of 'Fit for the Future' financial and asset ratios met in 10 years	6 / 7 (fails debt ratio as debt is \$0)
Debt free	✓
No backlog of work required on roads, footpaths, drains, buildings or in parks and beaches	✓
No loss or reduction in services	✓
Continued all programs in each council's ten year financial plan	✓
No increase in total rates collected**	✓

* The value of increased/new services over ten years is the value after funding amalgamation costs, working towards eliminating operational debt and the infrastructure backlog of works, increasing asset expenditure to meet the 'Fit for the Future' benchmarks, while continuing to deliver all capital works projects outlined in each council's ten year Long Term Financial Plan and maintaining existing service levels. No increase in rates or new debt is required.

**Rates are indexed at the Local Government Cost Index each year (an inflation index for Local Government)



A **Botany, Randwick, Waverley** amalgamation is projected to result in the opportunity to deliver extra services to the value of **\$24m (\$95 per resident) over four years** rising to **\$143m (\$559 per resident) over ten years**, while meeting the seven 'Fit for the Future' ratio benchmarks in **3 years**, eliminating the backlog of works required on roads, footpaths, drains, buildings and in parks and beaches in **7 years** and repaying **debt**. While extensive information is available on Waverley Council, if this option is to be pursued further information would be required from Botany Council to better understand the financial implication of this amalgamation option.

Strategic context

An amalgamation of the three council areas would integrate multiple key strategic centres being Bondi Junction and the Randwick Education and Health Strategic Centre and the transport gateway of the Port Botany precinct within the single council area. This has the potential to provide better coordination with regards to future planning of these major strategic assets.

Community engagement

35% of telephone survey respondents are 'supportive' or 'completely supportive' of this option and if mergers must happen, 90% of respondents would prefer an eastern suburbs council. While support is relatively light for this option, it is preferred over the two largest merger options of global city and Randwick, Botany, Waverley and Woollahra.

RANDWICK + WAVERLEY + WOOLLAHRA

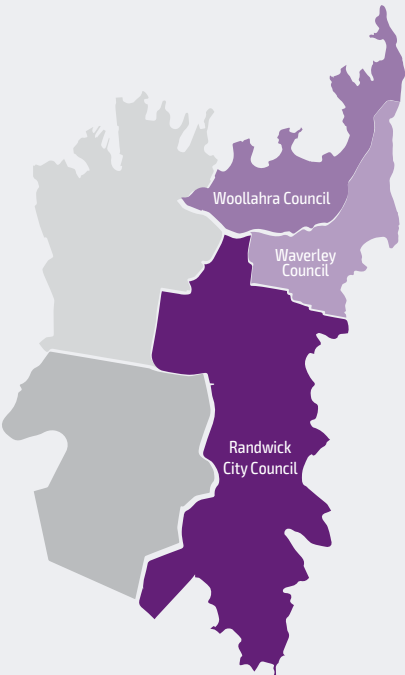
Financial context

Value of increased/new services over ten years*	\$235 M
Value of increased/new services per resident over ten years*	\$869
Amalgamation cost (less State Govt grant)	\$26 M
# of 'Fit for the Future' financial and asset ratios met in 10 years	7 / 7
Debt free**	✓
No backlog of work required on roads, footpaths, drains, buildings or in parks and beaches	✓
No loss or reduction in services	✓
Continued all programs in each council's ten year financial plan	✓
No increase in total rates collected***	✓

* The value of increased/new services over ten years is the value after funding amalgamation costs, working towards eliminating operational debt and the infrastructure backlog of works, increasing asset expenditure to meet the 'Fit for the Future' benchmarks, while continuing to deliver all capital works projects outlined in each council's ten year Long Term Financial Plan and maintaining existing service levels. No increase in rates or new debt is required.

** Excludes Woollahra's joint venture with Woolworths. (refer to appendix C, Financial Context, pages 39-40).

*** Rates are indexed at the Local Government Cost Index each year (an inflation index for Local Government).



Based on financial modelling, an amalgamation of **Randwick, Waverley and Woollahra** councils would result in one of the highest opportunities to deliver more services or increase service levels to the community both in the medium term (four years) and the long term (ten years). Over four years this option is projected to result in the ability to increase services by **\$40m (\$149 per resident)**, rising to **\$235m over ten years (\$869 per resident)** while meeting the seven 'Fit for the Future' ratio benchmarks in **2 years**, eliminating the backlog of works required on roads, footpaths, drains, buildings and in parks and beaches in **5 years** and repaying **debt**. This is a robust analysis based on a significant amount of information from both Waverley and Woollahra councils.

Strategic context

Randwick, Waverley and Woollahra share many commonalities in their foreshore character and usage. This can be demonstrated by the similar types of open space and natural coastal landscapes (e.g. national parks, golf courses, remnant bushland, cliffs, beaches and foreshore parks) and the wide range of recreational opportunities and activities generally available along the foreshore of the three councils, such as fishing, boating, coastal walks, swimming and golfing. An amalgamation of Randwick, Waverley and Woollahra councils would provide an opportunity for coordination in the planning of foreshore and recreational activities. The three councils already share resources in researching, developing and implementing sustainability programs.

Community engagement

This option is the second most chosen first preference behind no change. 40% of telephone survey respondents are 'supportive' or 'completely supportive' of this option and if mergers must happen, 90% of respondents would prefer an eastern suburbs council.

Feedback from residents via focus groups, information sessions and survey comments is that there are similar communities of interest with a coastal environment, beaches and bays, residential mix and family housing options. Additionally, this option is the second most supported option if options 1 and 2 are discounted and preferences distributed.

RANDWICK + WAVERLEY + WOOLLAHRA + BOTANY

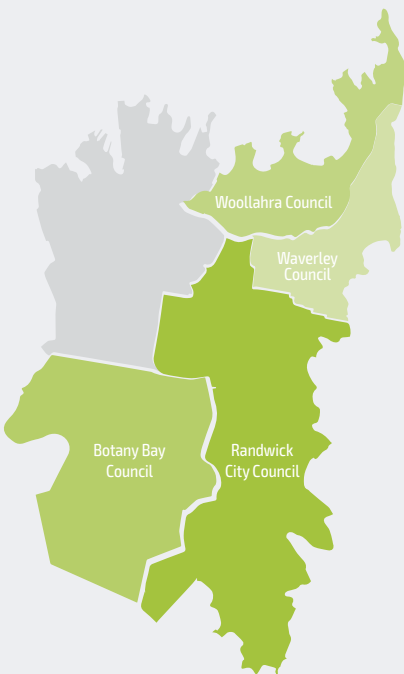
Financial context

Value of increased/new services over ten years*	\$278 M
Value of increased/new services per resident over ten years*	\$884
Amalgamation cost (less State Govt grant)	\$36 M
# of 'Fit for the Future' financial and asset ratios met in 10 years	7 / 7
Debt free**	✓
No backlog of work required on roads, footpaths, drains, buildings or in parks and beaches	✓
No loss or reduction in services	✓
Continued all programs in each council's ten year financial plan	✓
No increase in total rates collected***	✓

* The value of increased/new services over ten years is the value after funding amalgamation costs, working towards eliminating operational debt and the infrastructure backlog of works, increasing asset expenditure to meet the 'Fit for the Future' benchmarks, while continuing to deliver all capital works projects outlined in each council's ten year Long Term Financial Plan and maintaining existing service levels. No increase in rates or new debt is required.

** Excludes Woollahra's joint venture with Woolworths (refer to appendix C, Financial Context, pages 39-40).

*** Rates are indexed at the Local Government Cost Index each year (an inflation index for Local Government).



Based on the financial analysis, an amalgamation of **Randwick, Waverley, Woollahra and Botany** councils would result in the highest opportunity to deliver more services or increase service levels to the community both in the medium term (four years) and the long term (ten years). Over four years this option has the potential to generate an additional **\$52m** in services (**\$164 per resident**), increasing to **\$278m over ten years (\$884 per resident)** while meeting the seven 'Fit for the Future' ratio benchmarks in **3 years**, eliminating the backlog of works required on roads, footpaths, drains, buildings and in parks and beaches in **7 years** and repaying **debt**. However this analysis is limited by the amount of information currently available from Botany Council.

Strategic context

Historically, these councils have been grouped within a single subregional area with regards to strategic land use planning (ie. the draft east subregional strategy) due to their land use commonalities.

An amalgamation of these councils would integrate the eastern foreshore, two key strategic centres (Bondi Junction and Randwick Education and Health Strategic Centre) and the Port Botany precinct within a single council area. This has the potential to provide better coordination with regards to future planning of these major strategic assets.

Community engagement

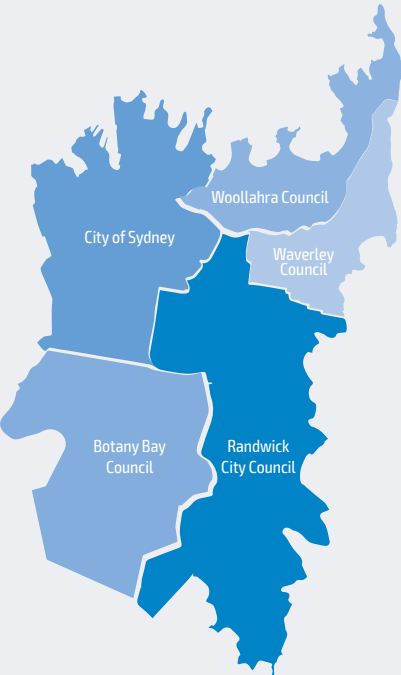
Concerns about the size of this merger appear to be a factor with this option (and the global city option) generating the highest number of 'not supportive' and 'not at all supportive' ratings. Just 21% of telephone survey respondents are 'supportive' or 'completely supportive' of this option.

RANDWICK + WAVERLEY + WOOLLAHRA + BOTANY + SYDNEY

Financial context

Value of increased/new services over ten years*	\$146 M
Value of increased/new services per resident over ten years*	\$288
Amalgamation cost (less State Govt grant)	\$107 M
# of 'Fit for the Future' financial and asset ratios met in 10 years	7 / 7
Debt free**	✓
No backlog of work required on roads, footpaths, drains, buildings or in parks and beaches	✓
No loss or reduction in services	✓
Continued all programs in each council's ten year financial plan	✓
No increase in total rates collected***	✓

* The value of increased/new services over ten years is the value after funding amalgamation costs, working towards eliminating operational debt and the infrastructure backlog of works, increasing asset expenditure to meet the 'Fit for the Future' benchmarks, while continuing to deliver all capital works projects outlined in each council's ten year Long Term Financial Plan and maintaining existing service levels. No increase in rates or new debt is required.
** Excludes Woollahra's joint venture with Woolworths (refer to appendix C, Financial Context, pages 39-40).
*** Rates are indexed at the Local Government Cost Index each year (an inflation index for Local Government).



An amalgamation of **Randwick with Waverley, Woollahra, Botany and Sydney** (option 7) is an option that has a greater risk exposure and greater complexity which is estimated to result in an increase in services equivalent to **\$8m (\$15 per resident) over four years** increasing to **\$146m (\$288 per resident) over ten years**. Sydney's costs are largely driven by their non-resident services, resulting in different service requirements to eastern suburbs councils. This may result in diseconomies of scale with the new council being so large and complex that inefficiency begins to exceed any amalgamation savings. This is also the most expensive amalgamation estimated to cost **\$43m over four years**, increasing to **\$107m over ten years**. These high costs and relatively smaller savings result in this option not meeting the Fit for the Future benchmarks until 2021, **five years** after the amalgamation and eliminating the backlog of works required on roads, footpaths, drains, buildings and in parks and beaches in **7 years**.

Strategic context

An amalgamation of Randwick with Waverley, Woollahra, Botany and Sydney would integrate major strategic assets that form the southern portion of the Global Economic Corridor, including the CBD, Port Botany, Randwick Health and Education Specialised Centre, Green Square and Southern Sydney employment lands. This has the potential to provide better coordinated planning particularly with regards to transport and access within the area. In addition to large renewal areas to focus housing growth close to key employment areas.

Community engagement

A global city council is the community's least preferred option. There is minimal support for this option with 4% of survey respondents choosing it as a first preference and just 3% indicating they are 'supportive' or 'completely supportive'. If amalgamations must proceed, 5% choose global city and 90% choose an eastern suburbs council with the remaining 5% undecided. Feedback from residents via focus groups, information sessions and survey comments is that they are concerned about the size of this council and that it would result in less local representation, loss of local identity and reduced services.

2. INTRODUCTION

Local government reform in NSW has been at the forefront of the industry since the 'Destination 2036' conference held at Dubbo in August 2011. From this conference the Independent Local Government Review Panel (ILGRP) was formed to examine options for governance models, structural arrangements and voluntary boundary changes for local government in NSW.

The ILGRP, chaired by Professor Graham Sansom, finalised its report into local government reform with its 'Revitalising Local Government' report in October 2013, with 65 recommendations to make local government sustainable and fit-for-purpose into the mid-21st Century. Local Government reform has culminated in the release of the 'Fit for the Future' program by the NSW

State Government, which guides councils in the process of reform and amalgamations.

Randwick City Council has been a proactive participant in the local government reform process since 2011, having made detailed submissions to each of the ILGRP papers as well as engaging independent research company SGS to undertake an Eastern Sydney Local Government Review and the University of Technology Sydney's (UTS) Research and Innovation Office to conduct a review of rating residential land in Randwick City.

The recommendation from the Independent Local Government Review Panel for Randwick City Council is contained in the table below:

Council/s	Options (preferred option in bold)	Rationale
Botany Bay, Randwick, Sydney, Waverley, Woollahra	<ul style="list-style-type: none">• Amalgamate or• Combine as strong Joint Organisation	<ul style="list-style-type: none">• Projected 2031 population 669,400• Close functional interaction and economic/social links between these councils• Need 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, and to make better use of the strong rating base of these councils

Note: Joint organisations are no longer an option for metropolitan councils
Source: Independent Local Government Review Panel, Report, 'Revitalising Local Government', October 2013, p104.

The NSW State Government's 'Fit for the Future' program, states that the ILGRP's recommendation for mergers should be the starting point for all proposals. As such the NSW State Government's default position for Randwick City Council is the Global City merger proposal consisting of Randwick City, City of Botany Bay, Waverley, Woollahra Municipal and City of Sydney Councils.

As resolved by Council on March 25, 2014: 'Council is opposed to the amalgamation of Randwick City Council'.

The NSW Government's 'Fit for the Future' guidelines state that each council must address the issue of scale as a priority. Scale is broadly understood to be the size of a Local Government Area based on its projected population. For the purposes of community engagement and analysis, a minimum population of 200,000 is considered as meeting the requirements. The rationale for this number can be found in the following table.

Scale – NSW State Government 'Fit for the Future' program

The NSW Government's 'Fit for the Future' guidelines state that each council must address the issue of scale as a priority. This is supported by the view of the Independent Pricing and Regulatory Tribunal (IPART) that scale and capacity is a threshold issue.

The 'scale' or minimum population figure has not yet been clearly identified by the NSW State Government.

In its final report 'Revitalising Local Government', The Independent Local Government Review Panel (ILGRP) did not recommend a merger or boundary change for the following six metropolitan councils: Bankstown, Blacktown, Campbelltown, Penrith, Sutherland and The Hills. These councils all have populations close to or over 200,000 (2014), suggesting the threshold for a merged council's population should exceed this figure.

The minimum figure of 250,000 residents has been referenced by the NSW State Government in their 'Fit for the Future' presentations where 3 million dollars will be allocated to a merged council in addition to the 10.5 million dollars, for every 50,000 residents over a population of 250,000 people.

Population references have been made by independent research companies Grant Thornton, in their report commissioned by Waverley Council and Morrison Low, in their report commissioned into the Inner West councils (that the scale of an amalgamated council should exceed 250,000 residents by 2031). Furthermore, an analysis of the Fit for the Future program by Dollery and Kelly, suggests that a mean population figure for merged councils in the Greater Sydney area would be 260,000 people.

Sources:

1. Independent Pricing and Regulatory Tribunal, 'Review of criteria for fit for the future', Sept 2014, p2.

2. Independent Local Government Review Panel, Revitalising Local Government, Oct 2013, p105-6

3. NSW State Government Fit for the Future Guidelines and Presentations, October/November 2014

4. Grant Thornton, 'Waverley Council Technical Assistance FFTF', March 2015, p7.

5. Morrison Low, Fit for the Future – 'Shared Modelling Report for the Communities of the Inner West', Feb 2015, p7.

6. Dollery and Kelly, 'Up to the Job? An analysis of the NSW Government's Fit for the Future Local Government Reform Policy Package', Feb 2015, p20.

Randwick City Council is assessing alternative options for amalgamation to ensure it has undertaken its due diligence relative to local government reform, in accordance with the Council resolution from the 25th November 2014.

The following paper therefore provides an analysis of the following options:

Merger option	Council/s	Population (ERP 2013)*
Option One	Randwick (no change)	142,310
Option Two	Randwick and Botany	185,602
Option Three	Randwick and Waverley	213,016
Option Four	Randwick, Waverley and Botany	256,308
Option Five	Randwick, Waverley and Woollahra	270,693
Option Six	Randwick, Waverley, Botany and Woollahra	313,985
Option Seven	Randwick, Waverley, Woollahra, Botany and Sydney (Global City)	505,903

Source:
*profile.id.com.au, Estimated Residential Population (ERP), 2013.

The following analysis is for the consideration of the Randwick City Councillors and has been structured through a range of perspectives including the financial context and community sentiment.

For the purposes of this paper, the Eastern Suburbs Councils are defined as Randwick City Council, the City of Botany Bay Council, Waverley Council and Woollahra Municipal Council which is consistent with the NSW Department of Planning subregion terminology, the Office of Local Government's 'Measuring Local Government Performance' comparative data analysis and the 'Eastern Sydney Local Government Review' conducted by Independent Research company SGS.

The data and information in this analysis has been sourced from publicly available documents, with some supplementary information provided by other councils.

For more information, detailed analysis and supplementary research is available in the appendices and on the Randwick City Council website:

Appendices:

- APPENDIX A: Community profile and Strategic planning
- APPENDIX B: Community engagement
- APPENDIX C: Financial context

Submissions:

- Randwick City Council submission to 'Revitalising Local Government' – 2014
- Randwick City Council 'Future Directions' submission – 2013
- Randwick City Council submission to Better, Stronger Local Government – 'The Case for sustainable Change' – 2012
- Randwick City Council submission to 'Strengthening your community' – 2012

Studies:

- SGS – Eastern Sydney Local Government Review – 2013
- UTS – A review of Rating Residential Land in Randwick Local Government Area – 2013

Randwick City Council website:
www.randwick.nsw.gov.au/about-council/council-and-councillors/local-government-reform

3. OVERVIEW OF STUDY AREA

City of Randwick

Randwick City is located in the eastern suburbs of Sydney, covering an area of approximately 37 square kilometres. It is bounded to the north by Centennial Park and Waverley, to the east by the Pacific Ocean, to the south by Botany Bay and to the west by City of Sydney.

The area is predominately residential featuring its largest commercial and retail centres at Kensington, Kingsford and Maroubra, as well as local shopping precincts throughout the City. It is located six kilometres from the Sydney CBD, with around 70 per cent of dwellings being medium or high density. The area has a proud heritage with the First Fleet landing at Frenchmans Beach at La Perouse in 1788 and was the first Local Government Area (LGA) to be proclaimed after the City of Sydney in 1859.

Randwick City has 29 kilometres of natural coastline that includes the Bronte – Coogee and Cape Banks aquatic reserves. The coastline stretches from Clovelly in the north to Botany Bay in the south, with eight beaches including the popular tourist destination of Coogee beach and the historically significant surfing reserve at Maroubra. The area also features the Des Renford Leisure Centre, as well as eight ocean pools and the Eastern Suburbs Coastal Walkway.

Around 30 per cent of the area is designated as open space, offering more than 70 parks and reserves including regionally significant recreational facilities such as the Royal Randwick Racecourse, five golf courses, Botany Bay National Park, the Malabar Headland and Heffron Park. Major regional facilities include the Prince of Wales Hospital Complex, the University of NSW and Randwick TAFE. These facilities draw tens of thousands of people to the area daily for employment, health, education and recreation activities.

Randwick City also comprises part of Port Botany and Environs as well as adjoining industrial lands with the Botany Bay LGA.

Randwick's population is an estimated 142,310 people (ERP 2013)³ who are from a range of nationalities with significant influences from the English, Chinese, Irish, Scottish, Greek and Jewish cultures. Randwick City also has a significant Aboriginal population and heritage. Randwick City is named after the village of Randwick in Gloucestershire, England.

City of Botany Bay

The City of Botany Bay is located in the south-eastern suburbs of Sydney, covering an area of approximately 21 square kilometres. It is bounded to the north by City of Sydney, to the east by Randwick City, to the south by Botany Bay and to the west by Marrickville and Rockdale.

The area is a mix of residential and large commercial industries, including global gateways Sydney Airport and Sydney Ports. Botany's major retail centre is located at Eastgardens, and other local shopping precincts are located throughout the LGA. The commercial and retail industries attract tens of thousands of people to the area daily for employment. It is located seven kilometres from the Sydney CBD, with around 60 per cent of dwellings being medium or high density. Botany Bay was proclaimed a Local Government Area in 1888.

The area is recognised for the presentation of its garden beds and streetscapes. It has many parks, wetlands and reserves including Sir Joseph Banks Park and four golf courses. It also features Botany Aquatic Centre and the George Hanna Memorial Museum.

The area has a proud history, with the arrival of Captain James Cook and the First Fleet on its shores. The City's name was derived from early explorations in the area by Sir Joseph Banks, the chief Botanist of the fleet. Historical significance of the area includes being the location of the first planned housing estate in Australia (the suburb of Daceyville), Australia's first Zoo; and the first foot race (the Botany Bay Gift).

The City of Botany Bay's population is an estimated 43,292 people (ERP 2013). The community is very multicultural and celebrates both its heritage and diversity with influences from the significant Aboriginal population as well as the English, Chinese, Irish and Greek cultures.

Waverley

Waverley is located in the eastern suburbs of Sydney, covering an area of approximately nine square kilometres. It is bounded to the north by the Municipality of Woollahra, to the east by the Pacific Ocean, to the south and west by Randwick City.

The area has a mix of residential and commercial centres, and features a major retail centre and transport interchange at Bondi Junction. It is located seven kilometres from the Sydney CBD, with around 80 per cent of dwellings being medium or high density. It was proclaimed a Local Government Area in 1859.

The area is home to the world famous Bondi Beach and Pavilion, and also features ocean beaches at Bronte and Tamarama which are part of the Bronte – Coogee aquatic reserve and are connected by the Eastern Suburbs Coastal Walkway. The area has many parklands and reserves with Queens Park being a significant recreation facility. Tens of thousands of people visit the area daily for employment and recreational activities.

Waverley's population is an estimated 70,706 people (ERP 2013). The LGA is predominately influenced by the English, Irish, Scottish, and Jewish cultures. The Waverley LGA takes its' name from the house built in the district by Barnett Levey, who named the house after his favourite book 'Waverley', and features a number of place names derived from the Aboriginal culture such as 'Bondi'.

Municipality of Woollahra

The Municipality of Woollahra is located in the eastern suburbs of Sydney, covering an area of approximately 12 square kilometres. It is bounded to the north by Sydney Harbour, to the east by Waverley and the Pacific Ocean, to the south by Randwick City and Waverley and to the west by City of Sydney.

The area is primarily residential, with a number of local commercial/retail centres in Paddington, Double Bay and Rose Bay, as well as featuring a transport interchange at Edgecliff. Woollahra is located five kilometres from the Sydney CBD. It has a mix of medium and high density housing with over 50 per cent being single dwelling.

The LGA is known for its leafy, tree-lined streets, local retail centres and high residential values. The Municipality of Woollahra was proclaimed a Local Government Area in 1860, and has a proud heritage with a range of historical buildings and landmarks located in the area.

The area features several harbour foreshore sites, including Watsons Bay and Rose Bay which is known for its historic sea planes, as well as regionally significant sites such as Sydney Harbour National Park and Gap Park.

Its population is an estimated 57,677 people (ERP 2013), and has influences from the Chinese and Portuguese immigrants. The LGA takes its name from the indigenous word thought to mean 'meeting place'.

City of Sydney

The City of Sydney is located on the southern side of Sydney Harbour, covering an area of approximately 26 square kilometres. It is bounded to the north by Sydney Harbour, to the east by Randwick City and the Municipality of Woollahra, to the south by the City of Botany Bay and to the west by Leichhardt and Marrickville.

The area has a mix of high density residential and major commercial/retail centres. The LGA is home to some of Australia's largest companies and features some of Australia's most iconic tourist attractions. The area also features local village precincts on its fringes, with around 95 per cent of dwellings in the area being medium or high density. The City of Sydney was the first Local Government Area to be proclaimed in 1842.

The City of Sydney is an internationally significant area for sporting, recreation, historical and entertainment activities. It is home to Hyde Park, The Domain, The Royal Botanic Gardens, Circular Quay, Centennial and Moore Parks as well as the world-famous Darling Harbour, Sydney Harbour Bridge and Opera House. The area is known for its harbour foreshore areas, heritage buildings, museums, art galleries and economic activity. These facilities and attractions draw hundreds of thousands of people to the area daily for employment and tourist activities. The area is well serviced by the major transport interchange at Central.

The City of Sydney's population is an estimated 191,918 people (ERP 2013). A number that is much higher than any Local Government Area of a similar geographical size in New South Wales. The LGA is home to one of Australia's oldest urban localities, The Rocks, which was established shortly after colonisation.

More than half of the area's residential population was born overseas, with the predominant languages other than English spoken at home being Mandarin, Cantonese and Thai. The area has a rich history, being home to Sydney's largest Aboriginal and Torres Strait Islander community.

³ Profile.id, estimated residential population, 2013, website, www.profile.id.com.au

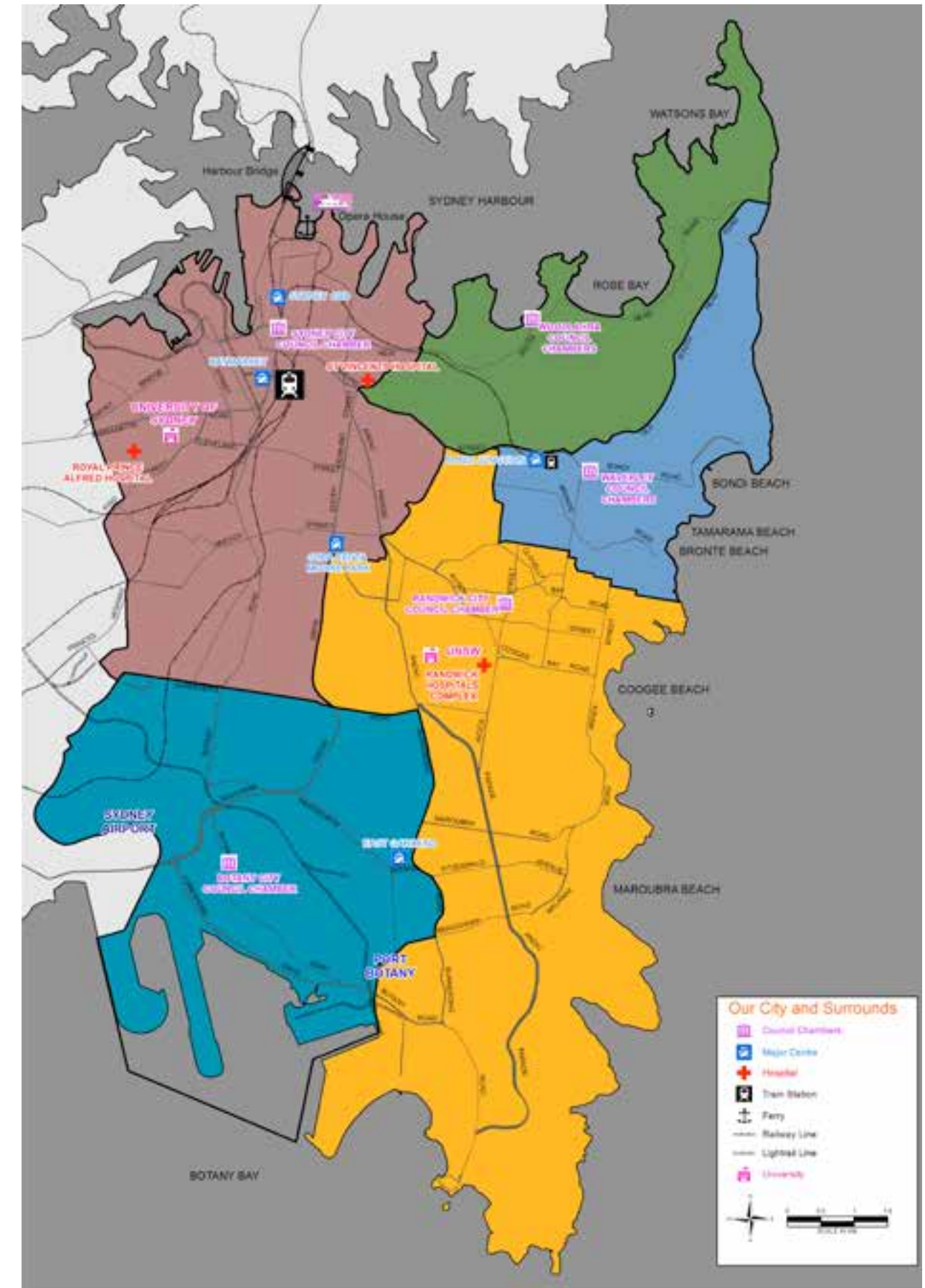
City of Sydney

There is a clear distinction between the City of Sydney and the Eastern Suburbs councils. The City of Sydney is an international financial hub and the headquarters of major multi-national companies as well as a **major employment centre** for metropolitan Sydney. As such, it is recognised as a significant stakeholder in Australia's economy. The City of Sydney has a strong **level of investment** in regional and state projects and the area is home to numerous **international tourist attractions**.

Costs and service requirements in areas such as street cleaning, transport and events are significantly higher than those of the Eastern Suburbs councils as they provide services for the **one million workers, visitors and residents** in the city on any one day.

In addition, the City of Sydney operates under its own Act, the *City of Sydney Act 1988*.

Randwick City Local Government Area and surrounds



4. KEY FINDINGS

4.1 Community profile

This section highlights the profile of the communities in the Randwick, Botany, Waverley, Woollahra and City of Sydney Local Government Areas (LGAs). More detailed profiling can be found in Appendix A: Community Profile and Strategic Planning. Data has been sourced from the 2011 Census⁴ unless stated otherwise.

Observations

The populations of the Randwick and Botany LGAs share a very similar age profile. While Randwick has a slightly smaller proportion of children under 14 years of age and a slightly higher proportion of 20-34 year olds, the profile is remarkably similar otherwise. These differences are expected to balance out over the next twenty years with the number of children increasing at a slightly faster rate in Randwick than in Botany, while the number of 20-34 year olds in Botany will outpace growth in this group in Randwick.

The population in Botany is expected to age at a faster rate than in Randwick.

Waverley and the City of Sydney have a higher proportion of 25-34 year olds than Randwick, Botany and Woollahra and are characterised by young singles and childless young couples.

Waverley and the City of Sydney have a lower ratio of children to adults of parenting age compared to Randwick, Botany and Woollahra. In Waverley and City of Sydney the ratio of adults of child-bearing age (25-44 years) to children (0-19 years) is 0.45 and 0.21 respectively. The ratios for Botany, Woollahra and Randwick are 0.75, 0.61 and 0.60 respectively.

Mirroring the younger demographic makeup of the community, more than 10 per cent of eastern suburbs residents are attending infant, primary or secondary school compared with less than 5 per cent of City of Sydney residents.

With multiple higher education institutions located within Randwick and City of Sydney, both LGAs have significantly higher post school student population numbers than Botany, Waverley and Woollahra.

There is greater ethnic diversity in Randwick and Botany with more than 30 per cent of residents speaking a language other than English at home than in the northern neighbours of Waverley and Woollahra. Similarly in the City of Sydney LGA another language other than English is spoken in around 30 per cent of households. While the proportion born overseas living in Botany and Waverley is about the same, the lower proportion of residents who speak another language other than English at home indicates Waverley is moderately rather than highly diverse.

The proportion of Indigenous is highest amongst the populations of Botany, Randwick and the City of Sydney.

Suburbs to the north have a lower socio economic disadvantage ranking to those in the south, while in the City of Sydney LGA there tends to be pockets of disadvantage dispersed across the LGA. In Randwick and Botany there are indications of greater socio economic hardship. More than 25 per cent of households earn less than \$800 per week. In contrast fewer than 20 per cent of households in Waverley are defined by this measure of socio economic hardship. Households in Woollahra are amongst the highest income earners in NSW.

The suburb with the highest socio economic disadvantage is Daceyville in the Botany LGA.

Each day more than one-quarter of a million people travel to the City of Sydney LGA to work. Nearly half of Woollahra's residents, one-third of Randwick residents, and around one-quarter of Waverley and Botany residents, travel daily into the City of Sydney to work.

More Randwick residents travel to Botany to work than to Waverley and Woollahra combined, while the number of Botany residents who travel to Randwick to work greatly outnumber those who travel to Waverley and Woollahra combined.

A greater number of Sydney City dwellers are employed in Randwick (2.6%) and Botany (2.6%) while fewer travel to Waverley (1.6%) and Woollahra (1.8%) to work.

Just as there are a significant number of Randwick residents who work in their LGA and therefore do not travel far to work, a significant number of residents also shop locally.

Significant numbers of people travel to the study area for recreational and social pursuits.

Key Findings

The populations of the eastern suburbs LGAs have similarities in age, household size, commuting patterns, and tendency to work close to home. Many families live in the eastern suburbs. The eastern suburbs have areas with high socio-economic advantage in the north and areas of low socio-economic disadvantage in the south. The southern suburbs have greater ethnic diversity while the northern suburbs are more densely populated.

Compared with the communities in the eastern suburbs, a higher proportion of young singles and childless young couples in the 25-34 year age group reside in the City of Sydney. That is reflected in the lower proportion of children living in the City of Sydney and its high proportion of households without children. The proportion of school aged children in the City of Sydney population is about half that of the eastern suburbs. While a significant proportion of the eastern suburbs population work close to where they live, the City of Sydney is a commuter destination unlike the other LGA's.

4.2 Strategic planning

Global City

The Independent Local Government Review Panel's recommendation for the creation of a 'global city' that would see the City of Sydney merge with Woollahra, Waverley, Randwick and Botany Bay councils is inconsistent with the global city concept as outlined in state planning documents and the global city discourse. The concept of a global city is tied more closely to a city's function and influence rather than size. A global city refers to a metropolitan area rather than a central city in isolation. The central city and the surrounding greater Sydney metropolitan area need each other to function as a whole. Local government boundary changes would not make any difference to Sydney's ability to compete as a global city.

The NSW Government's own (2014) metropolitan plan; 'A Plan for Growing Sydney' highlights the importance of strengthening the economic competitiveness of metropolitan Sydney through the Global Economic Corridor (GEC)⁵ (as illustrated in the global economic corridor figure), which traverses multiple council areas

from The Hills Shire in the northwest to Botany Bay in the South east. The five councils subject to this report form part of or adjoin the southern part of the GEC, and each council area represents diverse economic specialisations which contribute to the global competitiveness of the Sydney metropolitan area as a region.

Key implications of the state and local planning policy framework

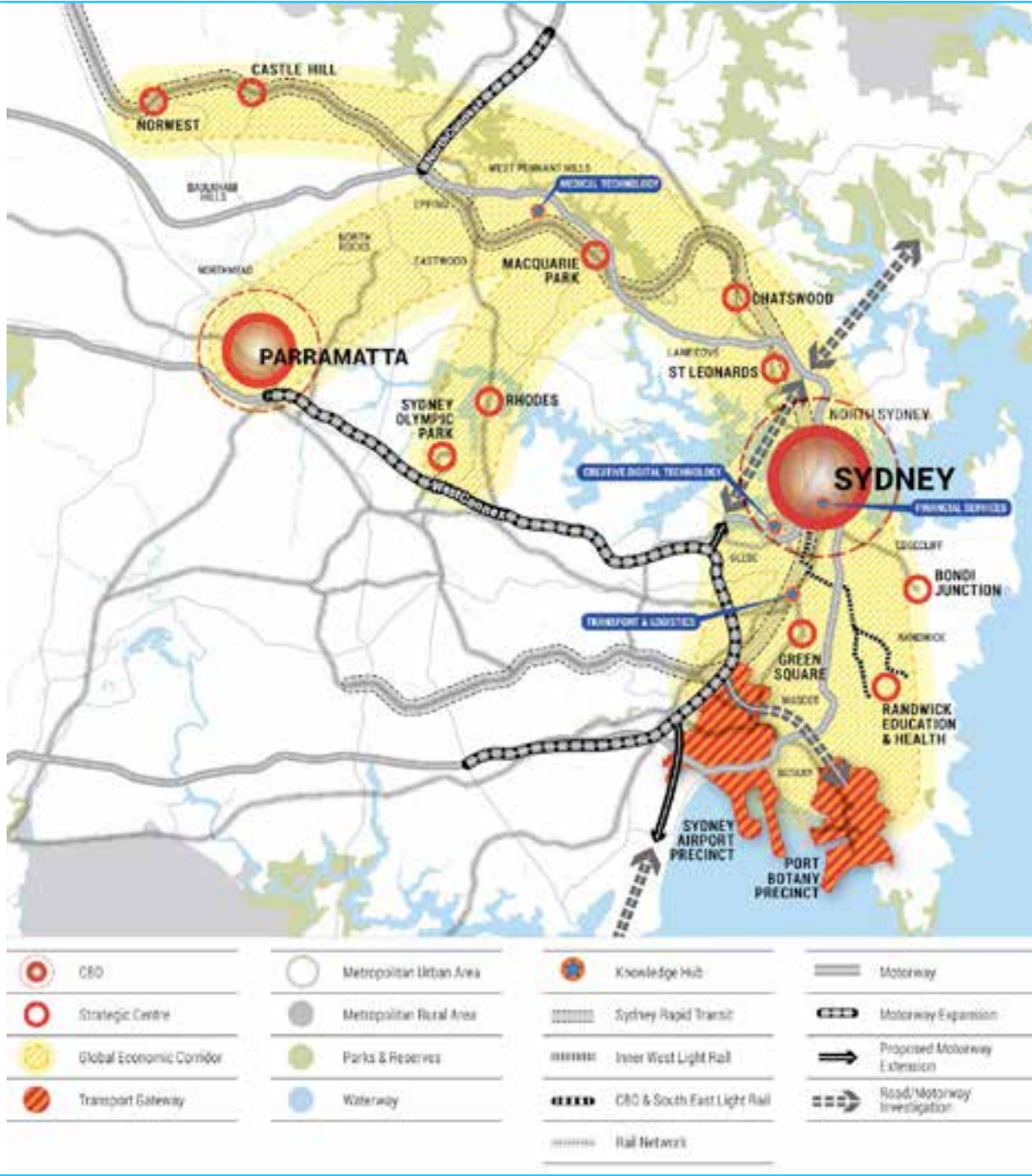
A review of state and local strategic planning policy documents and strategies have revealed the following key directions for land use and transport planning as they apply to all five LGAs:

- Concentrate economic growth in the economic nodes of Global Sydney (comprising Sydney CBD and North Sydney), the Global Economic Corridor, strategic centres of Green Square, Randwick Education and Health precinct and Bondi Junction, and transport gateways of Port Botany and Sydney Airport.
- Focus future housing growth in strategic centres, government (surplus) land, transport corridors and areas identified for urban renewal
- Increase housing choice around centres through urban renewal in established areas
- Increase the percentage of the population living within 30 minutes by public transport of a city or major centre
- Connect centres with a networked transport system
- Improve access to recreational opportunities and linkages between regional open spaces to form a green space network

4. ABS 2011 Census of Population and Housing. Basic Community Profile Based on Place of Usual Residence. Catalogue number 2001.0

5. The GEC is an arc of intensive economic activity stretching from Port Botany and Sydney Airport to Macquarie Park to Parramatta, Norwest and Sydney Olympic Park.

'The Global Economic Corridor' *Source: A Plan for Growing Sydney*



Key findings from a review of planning characteristics across each of the five LGAs

A review of key planning themes across each of the five LGAs has revealed the following key findings:

- Employment distribution across the five LGAs (employment distribution figure) illustrates the concentration of jobs within the Sydney Central Business District (CBD), Green Square, South Sydney employment lands, the strategic centres of Bondi Junction and the Randwick Education and Health Precinct.
- Employment within the Eastern Suburbs of Waverley, Woollahra and Randwick LGAs is concentrated within the major employment centres of Bondi Junction and the Randwick Education and Health Precinct. These two centres have a high concentration of retail, health and education employment and this is reflected by high levels of self-containment within these industries.
- The transport gateways of the Airport Precinct (partly located in Botany Bay) and the Port Botany precinct (located across Botany Bay and Randwick City Council) support large employment and combined, generate \$10.5 billion of economic activity and handle close to \$100 billion of freight.
- Accessibility within the eastern subregion of Randwick, Waverley, Botany Bay and Woollahra is relatively high, combining a hierarchy of major transport corridors linking key destinations, and a finer grain network of collector roads and local streets supporting local centres and multiple modes of travel.
- Housing characteristics (in terms of dwelling structure) across the five LGAs (as illustrated in dwelling structure figure), demonstrates the diversity in housing stock with higher density housing to the north of the study area in and around town centres and major transport hubs such as the CBD, Kings Cross to Potts Point, Bondi Junction and North Randwick. The northern suburbs of Randwick and Waverley share similar medium⁶ or high density housing characteristics. Similarly, parts of Randwick and Botany share similar low density housing characteristics with single dwelling houses.
- A review of residential development activity of each of the five LGAs for 2013/14 demonstrated that the majority of the newly completed dwellings are in multi-unit form. It is expected that medium to high density residential development would be the primary form of new housing supply in the future.

- A review of open space and recreational facilities for each of the five LGAs (as illustrated in open space figure) has identified that Randwick, Waverley and Woollahra share many commonalities in their foreshore character and usage demonstrated by the similar types of open space and natural coastal landscapes (e.g. national parks, golf courses, remnant bushland, cliffs, beaches and foreshore parks) and the wide range of recreational opportunities and activities generally available along the foreshore of the three councils, such as fishing, boating, coastal walks, swimming and golfing.

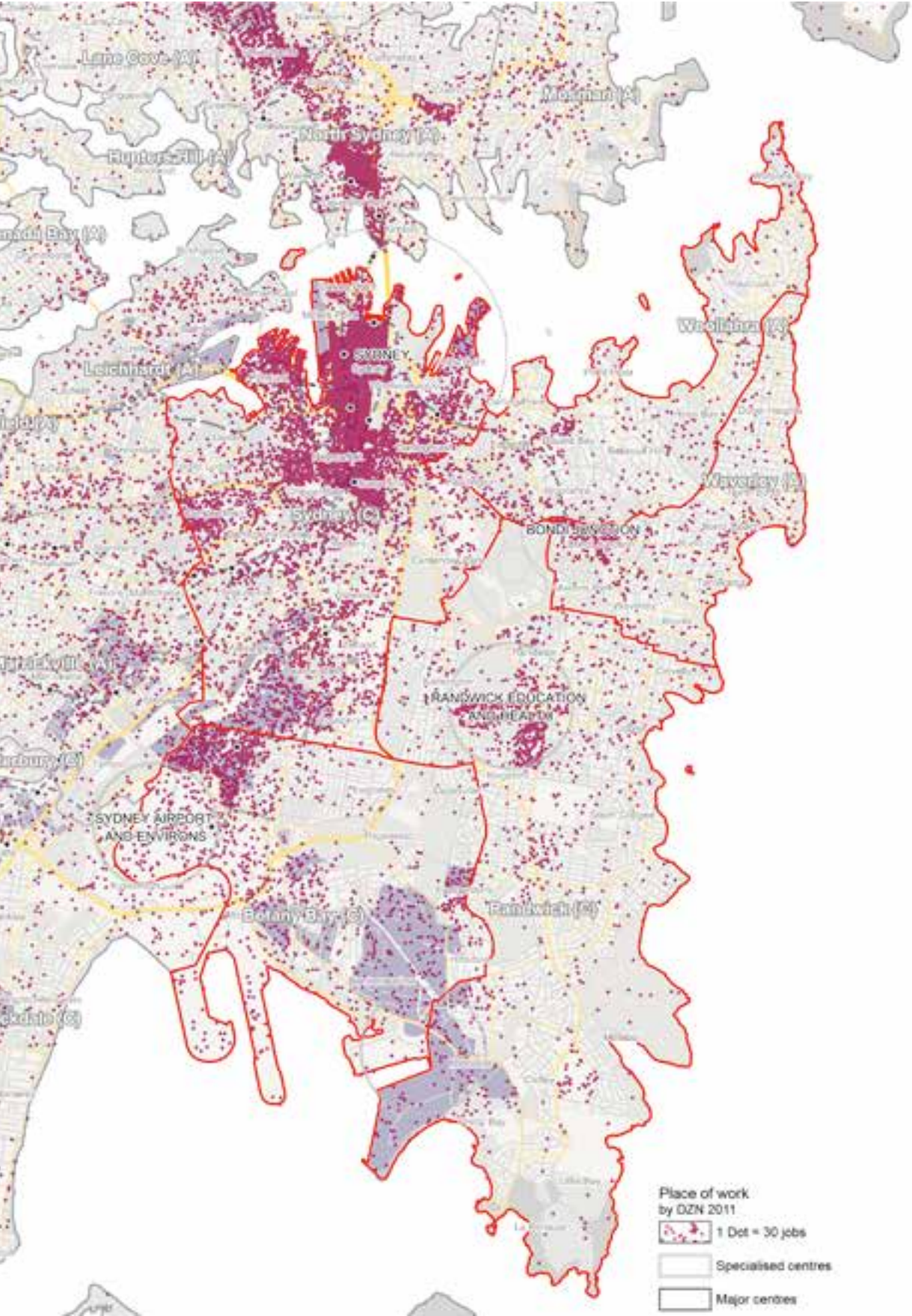
Key findings from a review of planning systems compatibility across each of the five LGAs

A review of planning systems (including local environmental plans (LEP), development control plans (DCP), development contribution plans) and e-planning initiatives across the five LGAs have indicated that:

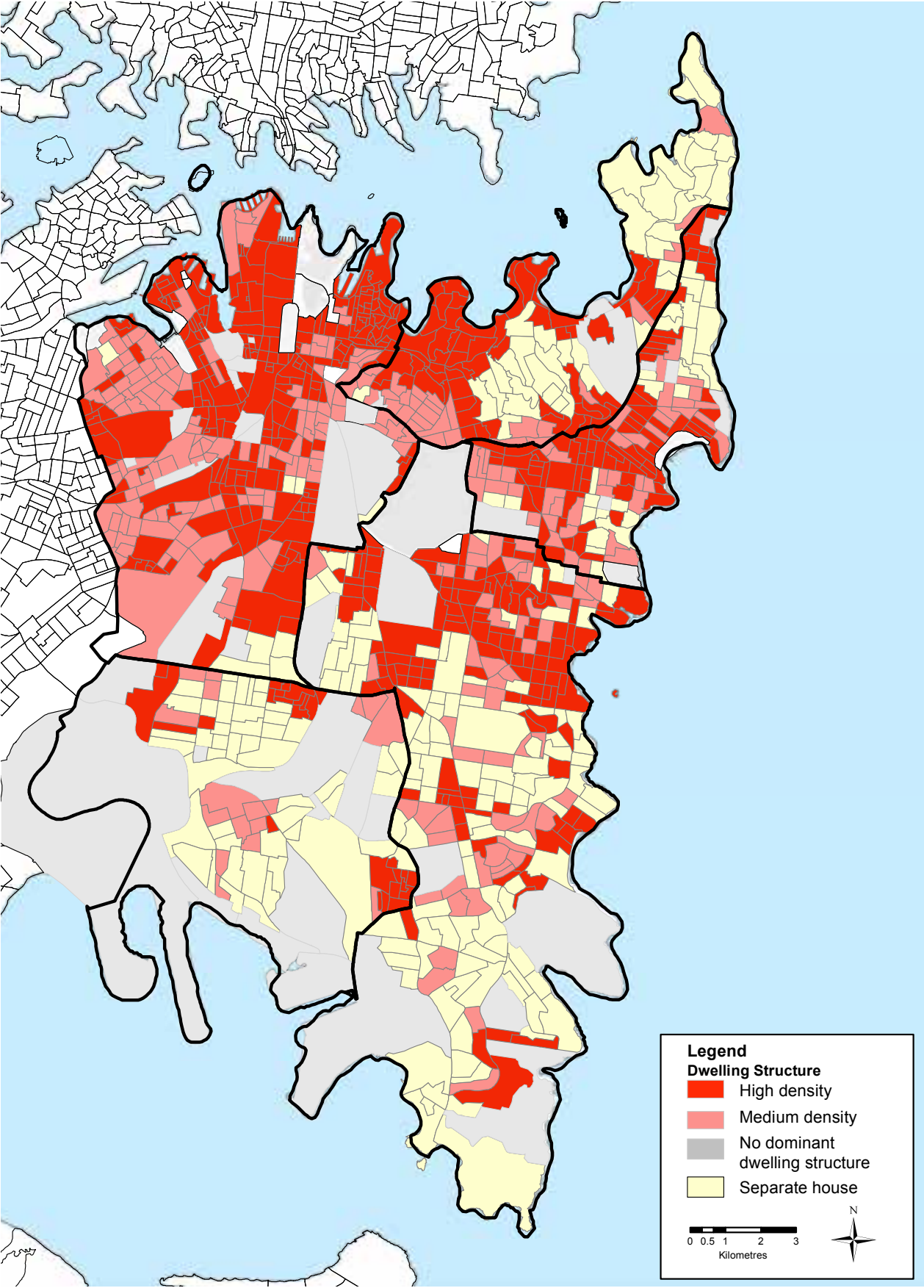
- Randwick is at the forefront of utilising e-planning systems featuring on-line tracking and lodgement of development applications and the Electronic Housing Code (EHC).
- Waverley and Randwick City Councils demonstrate a high degree of compatibility with regards to planning systems and promotion of design excellence within their respective communities.
- For the financial year 2013-14, Randwick had the highest number (799) of development applications determined when compared to Botany, Waverley and Woollahra. The number of assessment officers allocated for statutory planning function in Randwick is comparable to Botany and Waverley Councils. The City of Sydney had the highest number of development applications determined (1822) and also the highest number of strategic and assessment planners.
- Waverley Council has an Independent Hearing and Assessment Panel (IHAP) in place.
- All councils have a LEP and DCP in place in accordance with the standard instrument (local environmental plan) template and a development contributions plan.

⁶ 'Medium density' includes all semi-detached, row, terrace, townhouses and villa units, plus flats and apartments in blocks of 1 or 2 storeys, and flats attached to houses. 'High density' includes flats and apartments in 3 storey and larger blocks. Source: ABS Census of Population and Housing 2011 & Profile.id

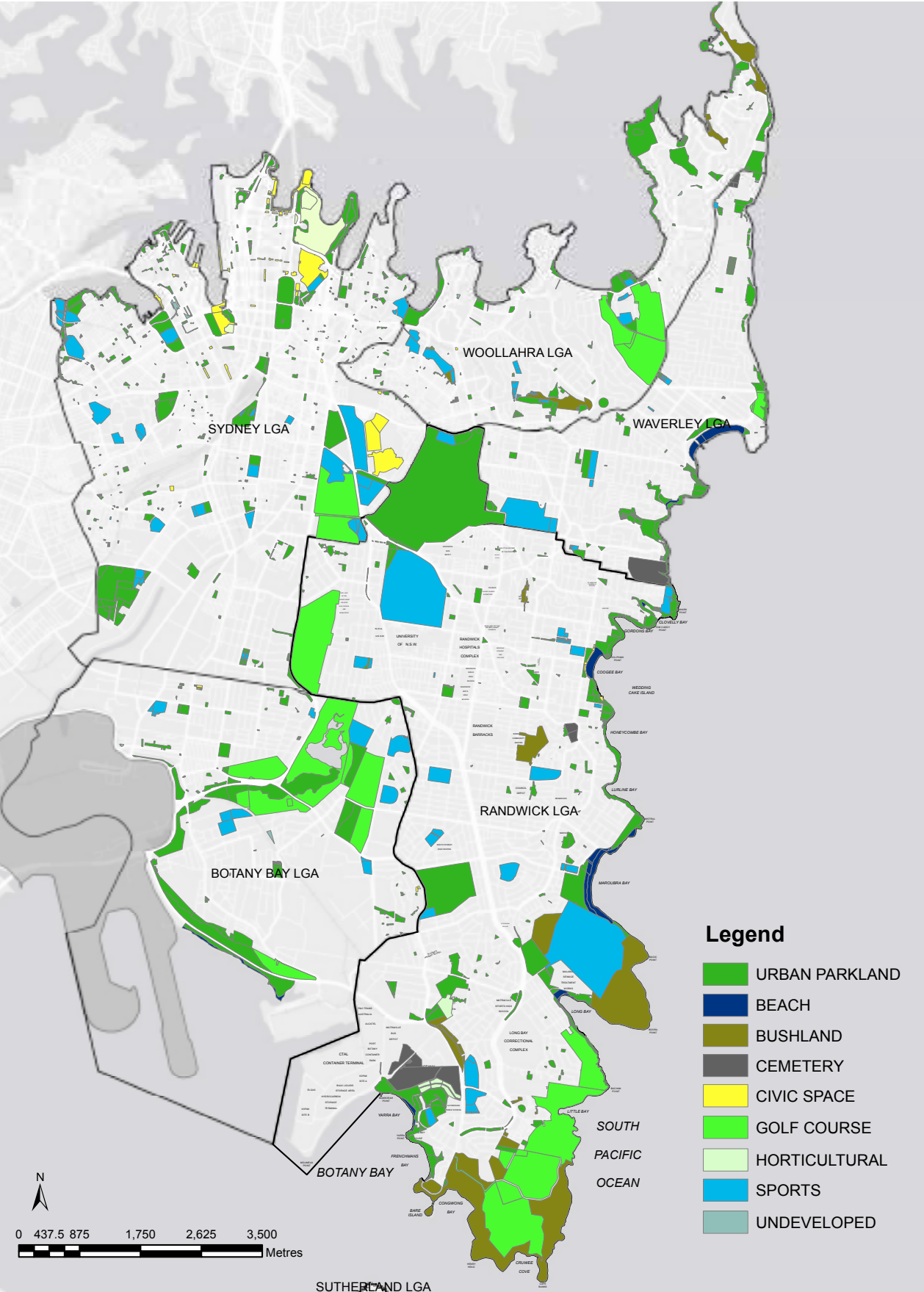
Employment distribution Source: SG5 2015 'Place of Work'



Dwelling Structure Source: ABS Census 2011 Population and Housing



Open space assets in the study area



4.3 Facilities and Services

A local council's day to day functions of policy-making, planning, provision of physical services and regulatory responsibilities have evolved over time to include the management of essential community facilities and services. Local councils are best placed (of the three spheres of government) to identify and respond to their communities' needs, and have been doing so for several decades. This level of responsiveness has translated into councils adopting different responses to locally articulated needs. While there is a criticism that local governments lack uniformity, it is in essence that which helps local councils sustain their unique role as a responsive provider of key services.

Local councils implement a range of community services that are underpinned by social justice principles and a desire to create inclusive societies. These include delivering direct services to residents in need of support, or providing 'top up' financial assistance to established organisations that are already delivering these services so that they can better meet the clients' needs.

The method adopted by different councils in the eastern suburbs in the funding and delivery of social and community services extend to services such as Meals on Wheels, Home Maintenance and Modification Scheme, community centres, children's services, and various community development activities and events.

For example, Botany Council operates a Meals-on-Wheels service to Home and Community Care (HACC) clients; while Randwick Council provides a Home Maintenance and Modification Service to HACC clients residing in Randwick and Waverley LGAs. This is because there is a need to meet this identified service gap as a result of the increasing number of ageing residents who choose to remain in their own homes, and have the ability to do so after minor modifications have been carried out. Randwick Council provides a subsidy but does not manage a Meals-on-Wheels service because the Randwick Meals-on-Wheels service, a not for profit organisation established some 40 years ago already provide this service to Randwick City residents.

Waverley Council operates a stand-alone and fully staffed community centre in Bondi Junction from which they provide direct community development activities and services to residents. In contrast, Randwick City Council's approach is to facilitate and support established community based and not-for-profit organisations to deliver much needed services to their clients through its grants and subsidies programs, worth \$1.5M per year. Such an approach is in part historical, and in recognition of the valuable role of service providers in delivering much needed support services to its residents.

In addition, Randwick City Council also offers around 150 educational and recreational programs, events and activities to its residents of different age groups. These activities are being delivered by the different work units across the council.

Woollahra Council has adopted a similar approach to Randwick City Council in that it does not provide direct social services but make an annual financial contribution to the Holdsworth Community Centre (a not for profit organisation) to provide community services and programs to its residents.

In addition to implementing its own community programs, members of the eastern suburbs local councils also actively collaborate with each other to participate in joint services planning meetings, and run a range of activities for various community groups. The pooling together of resources has resulted in improved participation rates and social inclusion activities and events delivered in a cost effective way. Examples of projects that are jointly delivered to eastern suburbs residents are domestic violence prevention projects, mental health awareness raising workshops and environmental sustainability activities. The eastern suburbs councils share similar demographic characteristics and cultural values, which is what has underpinned the successful collaborations to date.

4.4 Councillor representation

Local representation is a significant consideration in Local Government reform and is of substantial importance to our community. Currently there are 59 Councillors across the five Councils, with ward structures in place with the exception of City of Sydney.

The following table shows the current levels of population per Councillor alongside total population for each of the seven options which are being examined as well as Blacktown City Council; Sutherland Shire Council; and Brisbane City Council. An assumption has been made of 15 Councillors per option in-line with the legislative maximum.

Current levels of population per Councillor and total population as per merger options			
Merger option	Council/s	Population *ERP 2013	Population per Councillor
Option One	Randwick (no change)	142,310	9,487
Option Two	Randwick and Botany	185,602	12,373
Option Three	Randwick and Waverley	213,016	14,201
Option Four	Randwick, Waverley and Botany	256,308	17,087
Option Five	Randwick, Waverley and Woollahra	270,693	18,046
Option Six	Randwick, Waverley, Botany and Woollahra	313,985	20,932
Option Seven	Randwick, Waverley, Woollahra, Botany and Sydney (Global City)	505,903	33,727

Comparative metropolitan councils		
Council	Population (ERP 2013)	Population per Councillor
Blacktown City Council	325,185	21,679
Sutherland Shire Council	223,192	14,879
Brisbane City Council	1,131,191	41,896 **27 Councillors

* profile.id.com.au, Estimated Residential Population (ERP), 2013
 * Brisbane City Council has 27 Councillors

The table shows that in moving through options one to six there is a steady incline of population per Councillor, which indicates a steady decline of representation. Between options six and seven there is a significant increase in population per Councillor which equates to a substantial loss of representation.

Declines in representation may in part be managed through greater support for Councillors, as part of the reform process, and best practice engagement methods underpinning decision making. However, a broad risk review assessing dilution of community representation from the elected council found that options six and seven attained a high risk rating.

Importantly, community sentiment as expressed through the survey results highlighted that the majority of respondents felt they would have less say in how their local area develops as part of a global city council.

4.5 Community engagement

Community Engagement Report

1. Structure of report

This report provides a summary of community engagement activities undertaken by Randwick City Council and key findings.

Top level key findings are presented in section 1.1.

A summary of community engagement key findings by method is provided in section 1.2.

The key findings of each consultation activity are summarised in section 2.

Full reports on each of the consultation activities are available in the appendices.

1.1 Top level key findings

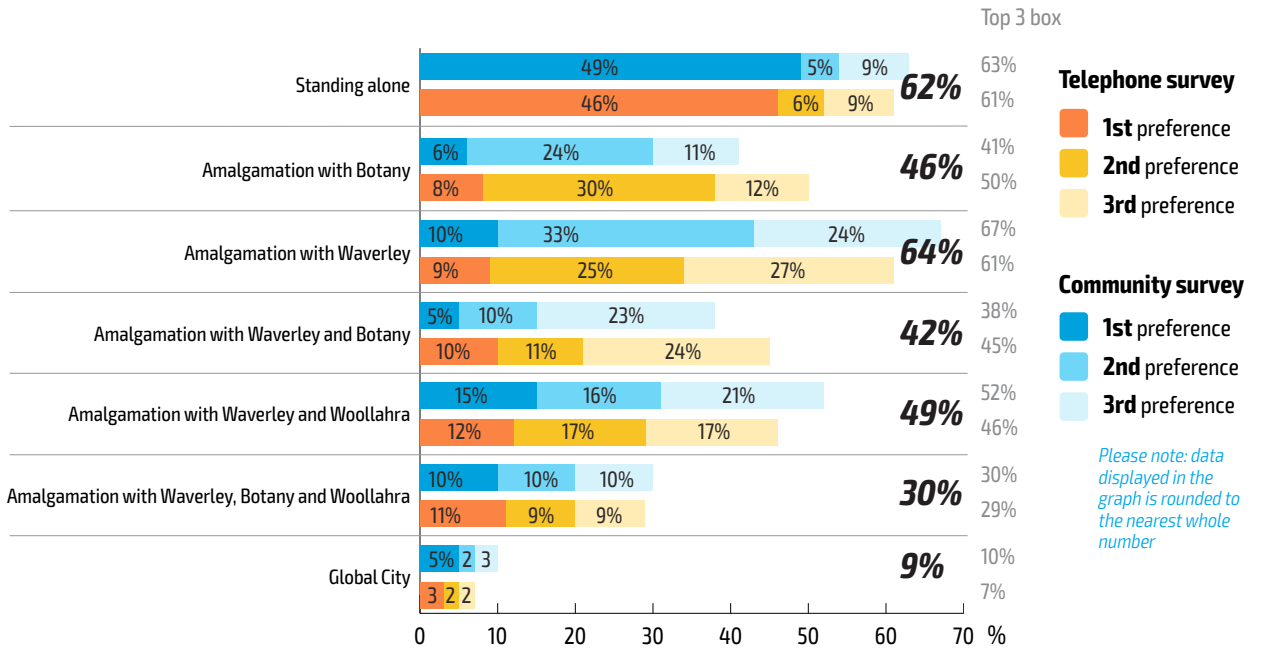
Council's community consultation process around the Fit for the Future program was highly regarded by the

community with 96% of telephone survey respondents at least 'somewhat satisfied' with Council's response. 98% of respondents said Council's Information Pack was at least 'somewhat useful' and 88% found it 'useful' or 'very useful'.

Consultation activities consistently found:

- a rejection of the global city concept. Respondents feared the size of the council would result in less local representation, loss of local identity and reduced services
- widespread support for Randwick City Council. There is general goodwill and appreciation of the quality and breadth of services and programs offered by Randwick City Council.
- the most supported option is for Randwick City Council to not amalgamate.
- if people must choose an amalgamation option, 9/10 would choose an eastern suburbs council model.

1st, 2nd & 3rd preferences - telephone and community survey



- The most supported first preference is for no change (46% of telephone survey and 49% of community survey respondents chose this as their first preference) with the remaining respondents (54% telephone survey and 51% community survey) preferring one of the six merger options.
- Looking beyond the 'no change' option, people's next preference is an amalgamation of Randwick and Waverley Councils.
- The third most preferred option is an amalgamation of Randwick, Woollahra and Waverley Councils.

How to read the chart:

Top 3 box – the sum of the first, second and third preferences. Eg. 63% of community survey respondents and 61% of telephone survey respondents voted 'Standing alone' as one of their top three preferences.

Large percentage numbers – 62%, 46%, 64% etc shows the combined average top three preferences choices of telephone survey and community survey respondents.

1.2 Summary of community engagement key findings by method

<div>unsupported</div> <div>strong support</div> <div>some support</div> <div>no consensus</div>	<div>Option 1</div> <div>Randwick (no change)</div>	<div>Option 2</div> <div>Randwick + Botany</div>	<div>Option 3</div> <div>Randwick + Waverley</div>	<div>Option 4</div> <div>Randwick + Waverley + Botany</div>	<div>Option 5</div> <div>Randwick + Waverley + Woollahra</div>	<div>Option 6</div> <div>Randwick + Waverley + Botany + Woollahra</div>	<div>Option 7</div> <div>Randwick + Waverley + Woollahra + Botany + Sydney</div>
<div>Community survey</div> <div>n=6,446</div> <div>voluntary participation</div>	<div>49% first preference</div> <div>5% second preference</div> <div>26% associate with City of Randwick</div>	<div>6% first preference</div> <div>24% second preference</div> <div>90% support for an eastern suburbs council if mergers forced</div>	<div>10% first preference</div> <div>33% second preference</div> <div>90% support for an eastern suburbs council if mergers forced</div> <div>Most favoured option (46%) if options 1 & 2 aren't possible.</div>	<div>5% first preference</div> <div>10% second preference</div> <div>90% support for an eastern suburbs council if mergers forced</div>	<div>15% first preference</div> <div>16% second preference</div> <div>90% support for an eastern suburbs council if mergers forced</div> <div>Second most favoured option (20%) if options 1 & 2 aren't possible.</div>	<div>10% first preference</div> <div>10% second preference</div> <div>90% support for an eastern suburbs council if mergers forced</div>	<div>5% first preference</div> <div>2% second preference</div> <div>3% associate with global city</div> <div>Significant opposition</div>
<div>Telephone survey</div> <div>n=600</div> <div>random & representative</div>	<div>46% first preference</div> <div>6% second preference</div> <div>58% supportive/ completely supportive (mean 3.63)</div> <div>96% at least somewhat satisfied with Council performance</div>	<div>8% first preference</div> <div>30% second preference</div> <div>38% supportive/ completely supportive (mean 2.94)</div>	<div>9% first preference</div> <div>25% second preference</div> <div>50% supportive/ completely supportive (mean 3.35)</div>	<div>10% first preference</div> <div>11% second preference</div> <div>35% supportive/ completely supportive (mean 2.94)</div>	<div>12% first preference</div> <div>17% second preference</div> <div>40% supportive/ completely supportive (mean 2.99)</div>	<div>11% first preference</div> <div>9% second preference</div> <div>21% supportive/ completely supportive (mean 2.50)</div>	<div>3% first preference</div> <div>2% second preference</div> <div>3% supportive/ completely supportive (mean:1.62)</div>

Focus groups with 'hard to reach' communities:

- No consensus on preferred option or population size
- No consensus on effect on identity
- General support for existing services
- Concern about job loss, sceptical about savings

Information stalls:

- 127 opposed change and 141 said something positive about Council
- 71 mentions of support for an eastern suburbs council
- 15 people supported the global city proposal
- Anecdotal feedback of some support in Kingsford & Maroubra for a merger with Botany
- Anecdotal feedback of some support in Clovelly area for a merger with Waverley



1.3 Background

From December 2014 to May 2015 Randwick City Council is undertaking one of its largest single community consultations in the history of the Council.

The community consultation is in response to a Council resolution of 25 November 2014 and the State Government's Fit for the Future program released in late 2014.

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".

The Fit for the Future 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".

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 default global city option or a merger option that is 'broadly consistent'.

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.

The NSW Government's 'Fit for the Future' guidelines state that each council must address the issue of scale as a priority. Scale is broadly understood to be the size of a Local Government Area based on its projected population. For the purposes of community engagement and analysis, a minimum population of 200,000 is considered as meeting the requirements. The rationale for this number can be found in the introductory section of this paper.

Randwick Council does not support amalgamation or 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".

1.4 Purpose

1. To satisfy the community engagement requirements of the NSW State Government's Fit for the Future program;
2. To satisfy Council's Community Engagement Policy and involve the community in making a decision about the future of Randwick City;
3. To obtain statistically valid quantitative data and appropriate qualitative data to assist Randwick Council decision makers adopt a position on the issue of local government reform;
4. To ensure all Randwick City residents, ratepayers, business owners and workers have multiple opportunities to learn and take part in discussions about this important issue
5. To determine the community's preference for how Randwick City Council can best become 'fit for the future'

1.5 Scope of consultation

Randwick Council uses the International Association for Public Participation (IAP2) consultation spectrum as the basis for our community consultation planning.

The IAP2 Spectrum is widely regarded as a best practice community engagement framework to deliver meaningful consultation and involve the community in decision-making.

The Spectrum shows that differing levels of participation are legitimate depending on the goals, time frames, resources and levels of concern in the decision to be made. However, and most importantly, the Spectrum sets out the promise being made to the public at each participation level. The Spectrum is widely used and is quoted in most community engagement manuals.

Randwick City Council has used this spectrum to underpin its adopted Community Consultation Principles

and Consultation Planning Guide. Using this guide, Council identified the Fit for the Future engagement program as being:

City wide higher level

The proposal will have a real or perceived impact across whole city or on a number of different parts of the city or on a number of different population groups across the City. It has the potential for one or more of the following:

- * creating community controversy and /or conflict
- * high level of community interest
- * impacting on Sydney regional or State strategies or directions.

Council determined the level of participation to be 'involve'. The definition of 'involve' is:

Objective

To work directly with the public throughout the process to ensure that public and private concerns are consistently understood and considered.

Contract with the public (community)

To work with the public and ensure that their concerns and issues are directly reflected in the alternatives developed and provide feedback on how public input influenced the decision.

Actions

Involve the whole community or identified segments of the community in discussion or debate. Assist the development of informed input through briefing and information dissemination. Use participatory approach in meetings and forums. Involve the community at different stages of the planning process.

The types of consultation methods suggested for the 'involve' level include: flyers, letterbox drops, advertising, media releases, web information, information to Precinct Committees, briefings, meetings, social media, forums and workshops. Council used these principles to develop its community consultation strategy.

1.6 Key messages

1. Randwick City is facing one of its most important decisions in the Council's 155-year history.
2. It is clear from the State Government that doing nothing is not an option.
3. We need to know what the community think about local government reform and to involve them in deciding the future of Randwick City.

1.7 Community engagement strategy

Council developed a community engagement strategy involving a four part phased program.

Because of low levels of awareness about the Fit for the Future and the reform process, the first phase was designed to better inform the general public and raise awareness about the issue.

The second stage was the key information gathering process where Council sought feedback through community surveys (paper and online), random representative telephone polls, information pop-up stalls and deliberative engagement activities such as focus groups.

The third stage is the formal exhibition of Council's draft proposal for 28-days as required by the State Government in their Fit for the Future program.

This strategy is designed to build the community's interest, knowledge and understanding of this important and complex issue prior to seeking their view.

The strategy has been designed to undertake a best practice and rigorous consultation process within tight deadlines to achieve Council's objectives.

1.8 Branding

Council developed unique and identifiable branding for the project to help associate and connect the various consultation and communication materials.

The branding is designed to remain neutral while visually referencing Fit for the Future and suggesting residents voice their views on the future of Randwick City.



Branding concepts developed for the Randwick City's Future website, poster and letter template.

1.9 Engagement strategy phases and actions



2. Summary of engagement activities

2.1 Information pop-up stalls

Purpose: To provide multiple and convenient opportunities for interested people to speak with staff in an informal setting at convenient locations across Randwick City.

Conducted: Randwick City Council staff

Timeframe: Saturday 17 January 2015 – Friday 20 February 2015

Data: Qualitative

Participants: 508

Full report: Included in APPENDIX B: Community engagement

Council developed a program of community information pop-up stalls at local shopping centres, beaches, parks and community centres. They were generally held for two-hour periods at various times of the day both during the week and on weekends. Sessions were held during January to complement the 'inform' stage and during February to support the 'involve' stage.

Two Council staff were available to speak with interested residents, answer questions and discuss the issue in more detail.

The stalls proved popular and successful. There were visually prominent with strong branding with tear-drop banners used at outdoor sites.

Key findings

- 508 conversations
- 16 sessions
- 34 hours

Council staff recorded the general nature of comments offered from people into four categories.

These comments provide some insight into community feedback but are not representative of all views. People were not prompted to answer questions or provide responses and all comments were provided voluntarily.

- 127 people said they opposed amalgamations
- 141 people said something positive about Council
- 15 people said they supported the global city option
- 71 people said they supported an eastern suburbs council merger

There was a feeling of goodwill and support towards Council from many people. Most cited a local construction project, event or Council's general services and cleaning schedules as things they liked about the Council. Consequently most of these people then indicated support to keep Randwick Council as is and opposed amalgamations.

There were a small number of people critical of Council. These people typically had a view formed from a negative experience or exchange with Council.

Location	Date	Time
Coogee Beach	Sat 17 Jan	9am-11am
Coogee Beach	Mon 19 Jan	10am-midday
Maroubra Beach	Mon 19 Jan	2pm-4pm
Clovelly Beach	Tues 20 Jan	10am-midday
Pacific Square Shopping Centre, Maroubra Junction	Thu 22 Jan	5pm-7pm
Kingsford, Southern Cross Close	Fri 23 Jan	4pm-6pm
Little Bay, Prince Henry Centre	Mon 26 Jan	midday-2pm
Peninsula Shopping Centre, Matraville	Wed 28 Jan	4pm-6pm

Location	Date	Time
Coogee Beach	Sat 7 Feb	10am-midday
Kingsford, Southern Cross Close	Mon 9 Feb	midday-2pm
Coogee Beach	Tue 10 Feb	7am-9am
Royal Randwick Shopping Centre	Thu 12 Feb	3pm-7pm
Clovelly Beach	Tue 17 Feb	4pm-6pm
Peninsula Shopping Centre, Matraville	Wed 18 Feb	4pm-6pm
Pacific Square Shopping Centre, Maroubra Junction	Thu 19 Feb	midday -2pm
Maroubra Beach	Fri 20 Feb	9am-11am



Residents had varying levels of knowledge about the project from people who were “still researching the issue” to assess how they were going to respond to the survey, to others who were unaware of the project.

Of those with an awareness of the project, most understood the Fit for the Future program and that the Government's preference is for a global city and had

said that 'no change is not an option'. Some were of the view that Council should oppose amalgamations regardless. Others rationalised a preferred eastern suburbs merger model based on their own experiences. A merger with Waverley was mentioned by some due to similar communities of interest, coastal settings, lifeguards, open space and family-friendly suburbs. Waverley was more often mentioned at Information Stalls held at Coogee and Clovelly.

A merger with Botany Bay Council was proposed by some people – notably at the Kingsford and Maroubra Information stalls. People cited Botany's nice parks and gardens as a reason for merger.

An equal number of people also opposed merger options citing concern about taking on other Council's debt and perceived poor performance.

The proposed global city council merger was criticised by many of the people who provided feedback. The reasons included that it: was too big, would reduce services, would make council more bureaucratic and be less representative and responsive to local needs.



2.2 Telephone survey

Purpose: To conduct a statistically valid, representative sample survey of Randwick City residents on their attitudes to local government reform and merger preferences.

Conducted: Micromex Research

Timeframe: Three stage survey over February and March 2015

Data: Quantitative (3.9% error margin at 95% confidence rate)

Participants: 643

Full report: Included in APPENDIX B: Community engagement

Randwick City Council engaged Micromex Research to undertake a statistically valid, random and representative survey of Randwick City residents.

The survey consisted of a three-stage methodology:

Stage 1: Initial recruitment of 1,000 residents via telephone

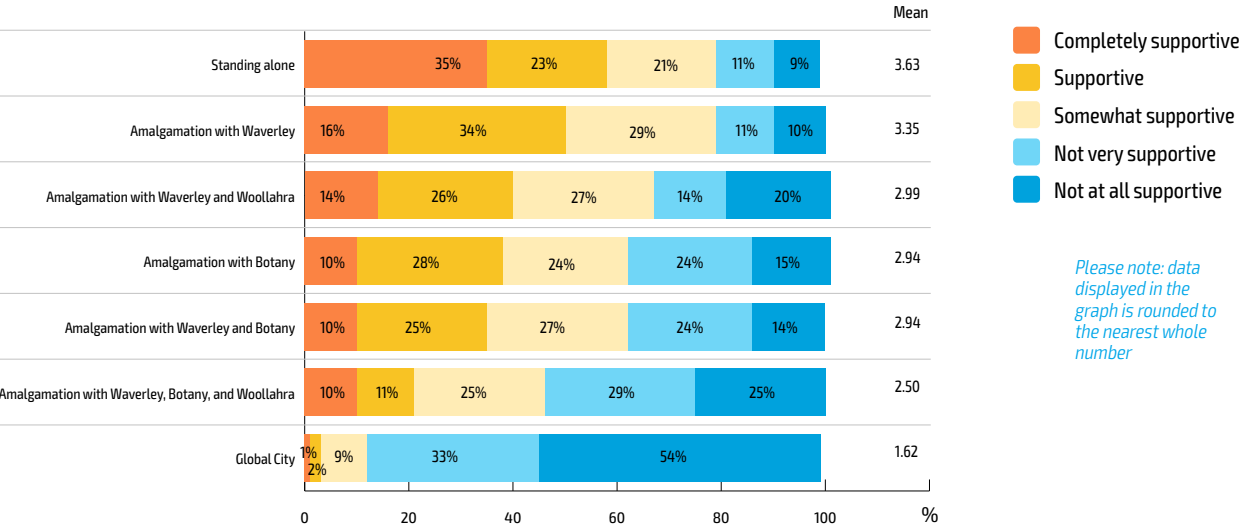
Stage 2: Mailout by Council of a letter, information pack and summary sheet

Stage 3: Call back of 643 of the initial 1,000 recruits to conduct survey

Key findings

- Three quarters of residents were aware of the potential amalgamation of Randwick Council with other councils.
- On average, those aware of amalgamations became aware via an average of two channels – suggesting Council has achieved both reach and frequency in its communications.
- Concerns about size appear to be a factor in the ratings – the two largest amalgamation options (Global City of Randwick with Sydney, Waverley, Botany and Woollahra; Randwick with Waverley, Botany and Woollahra) generated the highest number of 'Not completely supportive' and 'Not at all supportive' ratings.
- In a head-to-head preference comparison of all seven options, 'Standalone' was residents' most preferred option.
- Looking beyond the 'Standalone' option, 'Amalgamation with Waverley' attracted the next most support across the total sample of residents:
- Amongst those who selected 'Standalone' as their first option, their two main other preferences were 'Amalgamation with Waverley' and 'Amalgamation with Botany'. These are the two smallest amalgamation options.
- 96% of residents were at least 'somewhat satisfied' with the performance of Council in dealing with the NSW Government's Fit for the Future project and the associated issue of possible amalgamation.

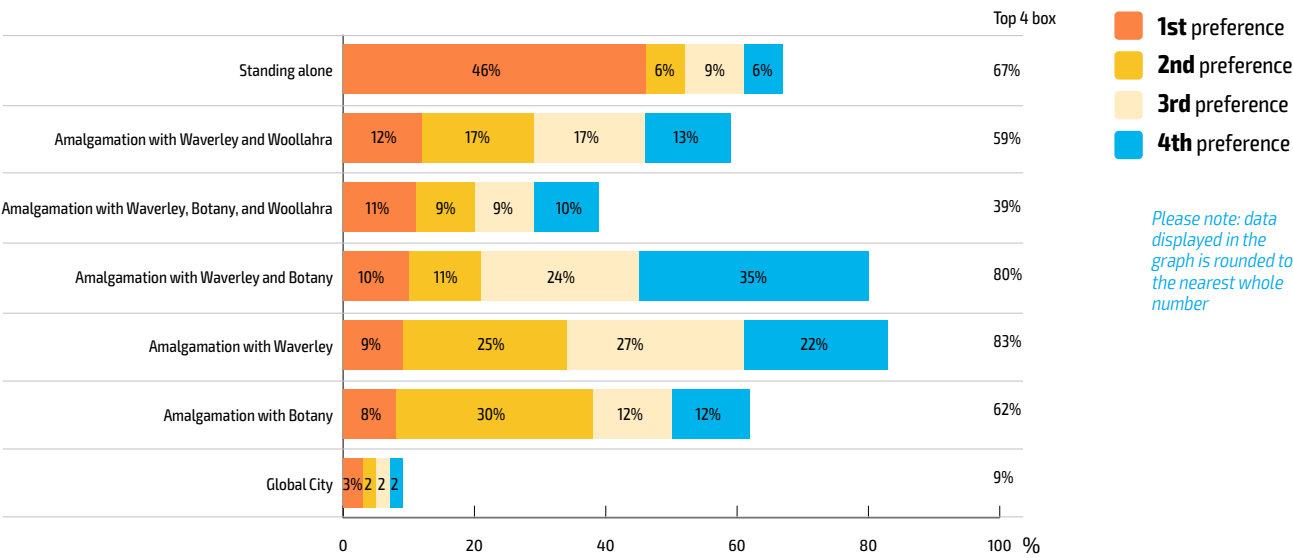
Summary of support



Two options stand out as generating most support:

- Standing alone. 35% committed to the top 'completely supportive' response code for Randwick standing alone – which is more than double any other option. And 58% selected the top two codes. And this is within the context of being told that this option "does not meet the requirements of the Government's Fit for the Future program".
 - Amalgamation with Waverley. 50% said they are completely supportive or supportive.
- The third most supported option is an 'amalgamation with Waverley and Woollahra' with 40% of respondents completely supportive or supportive.

Q11. Which of the seven options is your most preferred option? And which is your next most preferred option? (Etc.)



Preference:	1st	2nd	3rd	4th	5th	6th	7th
Standing alone	46%	6%	9%	6%	4%	18%	11%
Amalgamation with Waverley and Woollahra	12%	17%	17%	13%	34%	6%	1%
Amalgamation with Waverley, Botany + Woollahra	11%	9%	9%	10%	14%	44%	2%
Amalgamation with Waverley and Botany	10%	11%	24%	35%	13%	5%	0%
Amalgamation with Waverley	9%	25%	27%	22%	9%	6%	1%
Amalgamation with Botany	8%	30%	12%	12%	22%	14%	2%
Global City	3%	2%	2%	2%	3%	6%	83%

- Looking beyond the 'Stand alone' option, 'Amalgamation with Waverley' attracted the broadest general support, with **83%** of residents selecting this option as one of their top four preferences – and **61%** selecting it as one of their top **three** preferences.
- Support for an amalgamation of Waverley and Botany attracted the next most support with **80%** selecting this option as one of their top **four** preferences.



2.3 Community survey

Purpose: To provide all Randwick City residents, ratepayers and business owners with the opportunity to have their say through a community survey either online or via reply-paid paper surveys.

Conducted: Randwick City Council staff

Timeframe: 1 February 2015 to 1 March 2015

Data: Quantitative (1.2% error margin at 95% confidence rate)

Participants: 6,446

Full report: Included in APPENDIX B: Community engagement

The purpose of the community survey was to provide an opportunity for residents, ratepayers and business owners within Randwick City to express their views about proposed amalgamations as part of the State Government's Fit for the Future program.

The community survey was designed to help Randwick Council understand community views, attitudes, perceived benefits and perceived costs of possible change. The survey scoped a range of possibilities and enables Council to be informed of people's preferences to be able to respond to the State Government.

The survey also provides an important opportunity to discuss costs and benefits of a range of merger options and provide residents with an opportunity to have their say.

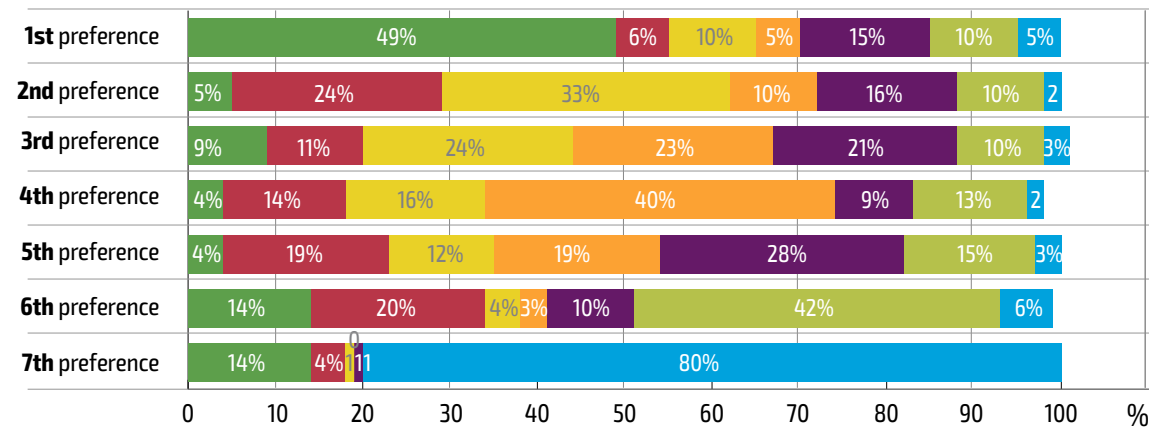
6,446 valid survey responses were received from residents, ratepayer and business owners providing a good sample size and a high level of statistical confidence.

The survey provides a good sample representation of suburbs in Randwick City and gender. There is an age bias towards older residents and an under-representation of younger people.

Key findings

- The majority of respondents want no change. There is a high level of satisfaction with services and facilities provided by Randwick City Council and a concern that a larger Council will result in a loss of local identity and a less say in how the area develops.
- More respondents (39%) associate with the 'eastern suburbs' than they do with their suburb (31%) or the City of Randwick (26%).
- There is a rejection of the global city concept. This is significantly the least preferred outcome.

Question 10: Please rank your preferences (results by percentage)

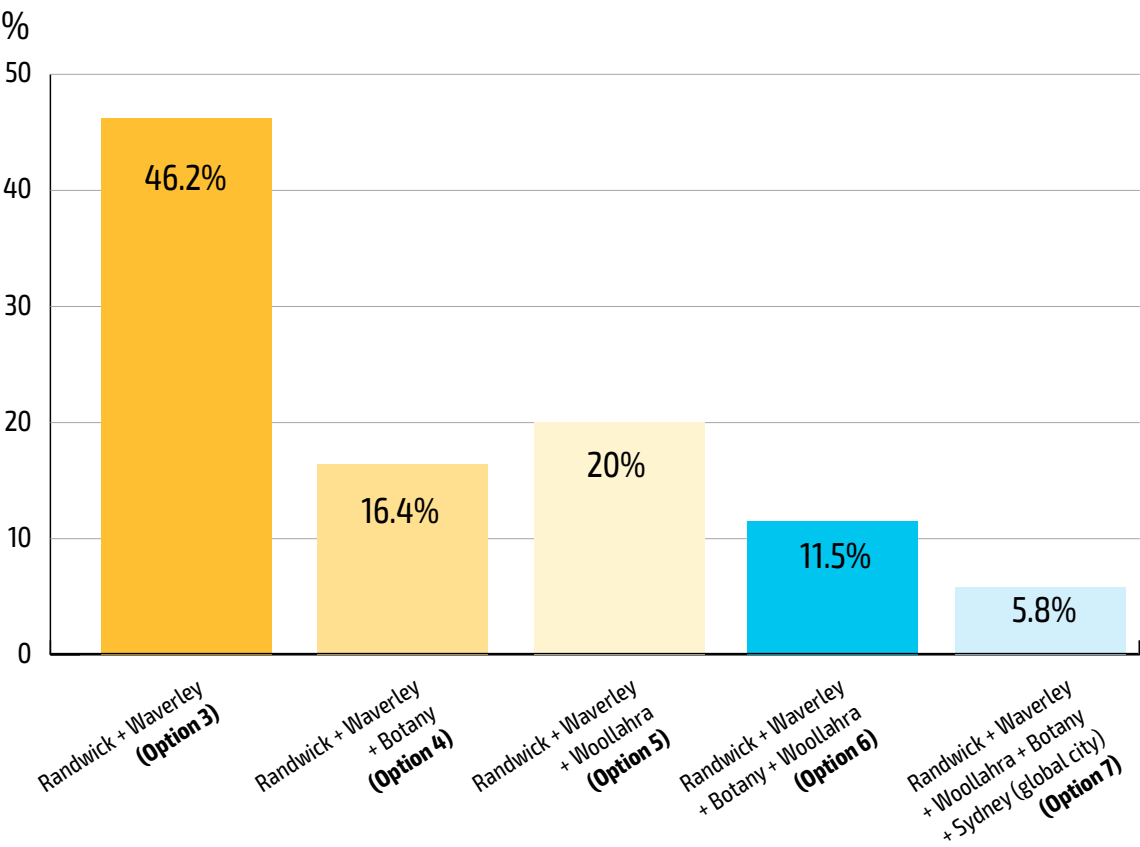


	Randwick (no change) (Option one)	Randwick + Botany (Option two)	Randwick + Waverley (Option three)	Randwick + Waverley + Botany (Option four)	Randwick + Waverley + Woollahra (Option five)	Randwick + Waverley + Botany + Woollahra (Option six)	Randwick + Waverley + Woollahra + Botany + Sydney (global city) (Option seven)
1st preference	49%	6%	10%	5%	15%	10%	5%
2nd preference	5%	24%	33%	10%	16%	10%	2%
3rd preference	9%	11%	24%	23%	21%	10%	3%
4th preference	4%	14%	16%	40%	9%	13%	2%
5th preference	4%	19%	12%	19%	28%	15%	3%
6th preference	14%	20%	4%	3%	10%	42%	6%
7th preference	14%	4%	1%	0%	1%	1%	80%

- In two separate questions in the survey, a consistent 49% of respondents indicated they preferred no change with the remaining 51% preferred one of the merger options.
- The second most chosen first preference is for Randwick + Waverley + Woollahra with 15% followed equally by Randwick + Waverley (10%) and Randwick + Waverley + Botany + Woollahra (10%).
- The most preferred second preference is Randwick + Waverley (33%) followed by Randwick + Botany (24%). 66% of respondents chose Randwick + Waverley as their 1st, 2nd or 3rd preference compared with 63% for Randwick (no change) and Randwick + Waverley + Woollahra 52%.
- If amalgamations must occur, 90% would prefer an eastern suburbs council model and 5% would prefer the larger global city council model (5% are unsure).
- The most preferred merger option is an amalgamation Randwick + Waverley Councils.

Please note: data displayed in the above graph and table is rounded to the nearest whole number

Question 10: Please rank your preferences
 (distributed by first preferences after removing Option One Randwick and Option Two Randwick + Botany)



Based on current NSW State Government advice that 'no change is not option', it is considered that the State Government minimum merger target is 200,000 residents (see the Introduction of this paper).

An analysis has been conducted on distributed first preferences if options one (no change) and options two (Randwick + Botany) are removed as both these options result in populations of less than 200,000.

The results show option three (Randwick + Waverley) received 46% of distributed first preferences after removing the no change and Randwick + Botany options. Next was Randwick + Waverley + Woollahra (20%) and Randwick + Waverley + Botany (16%).

2.4 Focus groups

Purpose:	To better understand the views of sectors of the community that are often under-represented in common community consultation programs. Four focus groups were held with members of the Indigenous community, Culturally and Linguistically Diverse community, young people and people with a disability.
Conducted:	Straight Talk
Timeframe:	17 and 18 February 2015
Data:	Qualitative
Participants:	28
Full report:	Included in APPENDIX B: <i>Community engagement</i>

28 people participated in one of the four hard to reach focus groups. The groups included an Aboriginal and Torres Strait islander (ATSI) communities focus group, a culturally and linguistically diverse (CALD) communities focus group, a people with a disability focus group and a younger people (under 30 years of age) focus group.

Key findings

- Consultation identified that these hard to reach groups were generally not well informed about the proposals beforehand.
- After discussing the impact of amalgamation on a range of topics there was no consensus within or across the groups on the best amalgamation option. The topics that were seen to be most critical for Council to consider were the overall savings, level of service provision and number of council employees (because this was often seen to translate to service provision).
- Some participants thought that the cost savings associated with larger council areas could be beneficial to improved longer term service provision, whilst others feared any amalgamation might jeopardise the current level of service provided by Council.
- Whilst there was no consensus on which of the options for amalgamation would be most appropriate for Council, the majority of the participants supported amalgamation where:
 - » Waverley Council and at least one other council were amalgamated. Waverley Council was identified as having similar values, connections with the coast and a similar demographic to Randwick
 - » Service provision was still the highest of priorities. For this reason participants were happy with a range of options, providing they were based on similar models for service provision, but did not feel the multi-layered service provision associated with the global city option would be appropriate
 - » The cost savings for council were positive. For this reason some participants selected some of the options which resulted in larger council areas
 - » There was no impact on rates
 - » The number of Council staff was consistent, as participants directly associated Council staff with service provision.

2.5 Advertising

Purpose:	To inform residents and ratepayers and business owners about the Fit for the Future program and to encourage residents to take part in Council's consultation activities.
Conducted:	Randwick City Council staff
Timeframe:	December 2014 to February 2015
Participants:	NA
Data:	NA

Randwick City Council placed a number of paid print advertisements in its local newspapers as part of its community engagement program. These advertisements included:

- Southern Courier 13 January 2015 - half page
- Southern Courier 27 January 2015 - half page
- Southern Courier 10 February 2015 - full page
- Southern Courier 24 February 2015 - full page
- The Beast February 2015 – full page

Council also mentioned Randwick City's Future consultation program in its weekly 'Randwick News' advertisement in The Southern Courier:

- 16 December 2014
- 6 Jan 2015
- 13 Jan 2015
- 20 Jan 2015
- 27 Jan 2015
- 3 Feb 2015
- 10 Feb 2015

Council regularly communicated the program through its weekly Randwick eNews publication emailed each Wednesday to approximately 15,000 people.

- 17 December 2014
- 7 January 2015
- 14 January 2015
- 21 January 2015
- 28 January 2015
- 4 February 2015
- 11 February 2015
- 18 February 2015
- 25 February 2015
- 4 March 2015



2.6 Social media

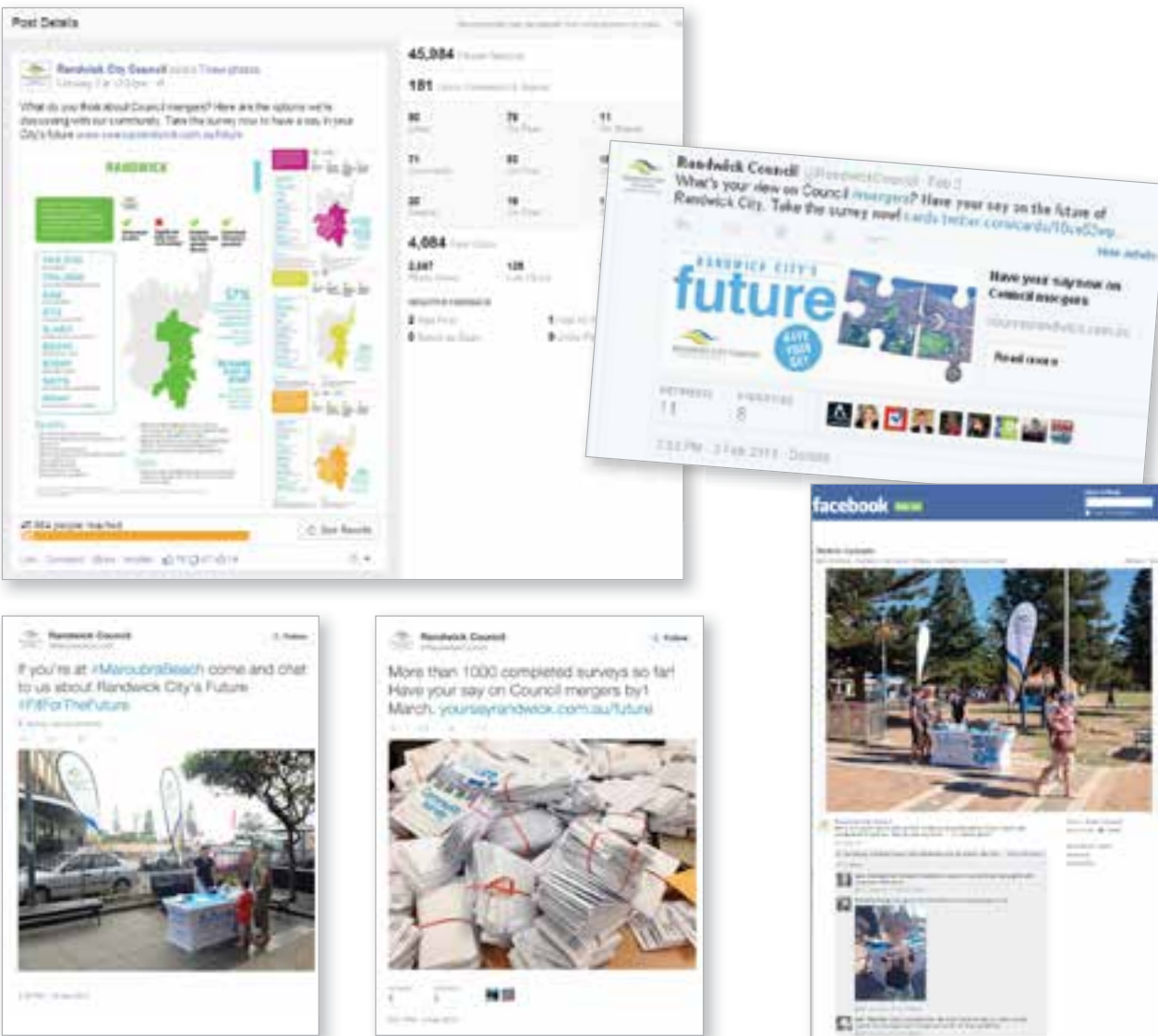
Purpose:	To inform residents and ratepayers and business owners about the Fit for the Future program and to encourage residents to take part in Council's consultation activities.
Conducted:	Randwick City Council staff
Timeframe:	February 2015
Participants:	50,000 estimated views
Data:	Qualitative

Randwick City Council conducted two paid advertising campaigns on Facebook and Twitter during February 2015. The main purpose was to promote the consultation and to encourage participation.

Council's Facebook promoted post received 79 likes, 47 comments and 19 shares and reached almost 46,000 people.

Council's promoted tweet was viewed 4,350 times including 96 photo views, 45 clicks and 34 profile clicks.

In addition, Council regularly posted photos on Facebook and Twitter to promote Information Stalls or the community consultation in general.



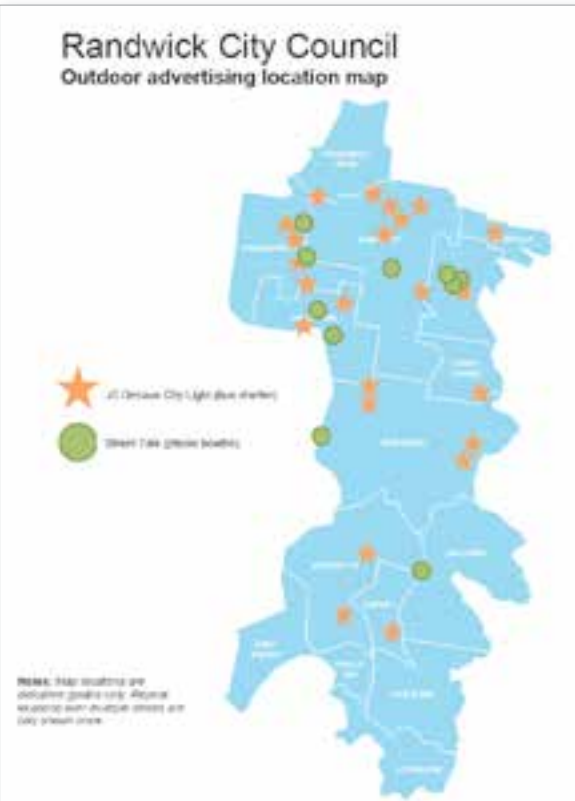
2.7 Outdoor advertising

Purpose:	To inform residents and ratepayers and business owners about the Fit for the Future program and to encourage residents to take part in Council's consultation activities.
Conducted:	Randwick City Council staff
Timeframe:	January to February 2015
Participants:	NA
Data:	NA

Randwick City Council placed outdoor advertising in a number of JC Decaux bus shelters and phone booths located throughout Randwick City.

The campaign included:

- 53 Citylights (bus shelters)
- 16 Street Talks (phone booths)
- across 9 suburbs
- over 6 weeks



4.6 Financial context

Key findings

The following section has been prepared to ensure Randwick City Council has undertaken its due diligence relative to local government reform, in accordance with the Council resolution from the 25th November 2014. The Council has analysed the financial position and projections of Waverley, Woollahra, Botany and City of Sydney councils along with Randwick's own position. Modelling has been carried out to determine the financial position of the six amalgamation options including the cost of these amalgamations.

Randwick

Randwick City Council is in a strong financial position with a history of generating operating surpluses, strong capital works programs and sound liquidity, while remaining debt free for over a decade. Furthermore, the Council has a capacity to generate operating surpluses and fund capital works and infrastructure programs well into the future.

The Council's position has been assessed as "sound" by both NSW TCorp and our independent auditor, with TCorp stating the Council's outlook is "positive". The Council's infrastructure management has been assessed as "very strong" by the Office of Local Government, one of only five councils in NSW to receive the highest rating. This result is further strengthened by the independent audit of the Council's annual report on the condition of public buildings and infrastructure assets (Special Schedule 7) over the past two years which was an industry first. The council's auditor has also issued an Assurance Report on the Long Term Financial Plan.

The Council has a strong result against the Fit for the Future financial, asset and efficiency criteria, with the council meeting all benchmarks now and into the future, with the exception of the debt service ratio. However if the council had just \$1 of debt it would meet this ratio too.

Amalgamation Options

An in-depth analysis of the current position and projections of each option along with the potential financial benefits and costs of an amalgamation has been carried out, using Randwick's service model as a basis for the eastern suburbs councils. The City of Sydney's operating costs remain at current levels due to their different service requirements.

There is a clear distinction between the City of Sydney and the Eastern Suburbs councils. The City of Sydney is a major metropolitan employment centre and is recognised as a significant stakeholder in Australia's economy. The City of Sydney has a strong level of investment in regional

and state projects and the area is home to numerous international tourist attractions. Costs in areas such as street cleaning, transport and events are significantly higher than those of the Eastern Suburbs councils as they provide services for the one million workers, visitors and residents in the city on any one day.

This analysis revealed that, based on the individual council's asset condition assessments (Special Schedule 7), all amalgamation options meet the Fit for the Future benchmarks within five years and have eliminated debt and the backlog of works required on roads, footpaths, drains, buildings and in parks and beaches within ten years. However some options achieve these results sooner than others and produce a stronger long term result. No loss or reduction in services nor increases in rates were required and each council's ten year planned projects were included in the model. The model was assessed by the Council's independent auditor Hill Rogers Spencer Steer, with an Assurance Report issued (refer to appendices).

An amalgamation of Randwick, Waverley, Woollahra and Botany councils (option 6) or Randwick, Waverley and Woollahra councils (option 5) would result in the greatest opportunity to deliver more services or increase service levels to the community both in the medium term (four years) and the long term (ten years). Over four years Option 6 has the potential to generate an additional \$52m in services (\$164 per resident), increasing to \$278m over ten years (\$884 per resident) while meeting the seven 'Fit for the Future' ratio benchmarks in 3 years, eliminating the backlog of works required on roads, footpaths, drains, buildings and in parks and beaches in 7 years and repaying debt. These results are closely followed by Option 5 which is projected to result in the ability to increase services by \$40m over four years (\$149 per resident), rising to \$235m over ten years (\$869 per resident) while meeting the seven 'Fit for the Future' ratio benchmarks in 2 years, eliminating the backlog of works required on roads, footpaths, drains, buildings and in parks and beaches in 5 years and repaying debt.

An amalgamation of Randwick and Waverley (option 3) may result in increased services of \$15m over four years (\$73 per resident) increasing to \$103m over ten years (\$485 per resident), while meeting the seven 'Fit for the Future' ratio benchmarks in 3 years, eliminating the backlog of works required on roads, footpaths, drains, buildings and in parks and beaches in 5 years and repaying debt. This option is estimated to be the least costly amalgamation at \$12m over four years. The information available on Waverley Council's financial position and projections is comprehensive in many areas and additional service level work was undertaken with this Council to better understand the services and levels offered. In addition to being more informed, this option

is considered to involve less risk exposure as the council has sufficient cash to fund its future liabilities, in part due to the \$82m sale of the council's former depot in Zetland. Grant Thornton advised Waverley Council that this is "the strongest option for Waverley", with Randwick being a "strongly attractive option as part of any combination, but more so when it is not diluted by any other council"⁷.

The addition of Botany (option 4) to the Randwick and Waverley amalgamation option increases the value of extra services to \$24m over four years (\$95 per resident) and \$143m over ten years (\$559 per resident), while meeting the seven 'Fit for the Future' ratio benchmarks in three years, eliminating the backlog of works required on roads, footpaths, drains, buildings, parks and beaches in seven years and repaying debt. It should be noted potential issues in the ratio of Botany's cash to liabilities have not been addressed and the expenditure required on assets as we have little available information on this council.

An amalgamation of Randwick and Botany (option 2) would result in a comparatively modest increase in services of \$2m over four years (\$11 per resident) rising to \$28m over ten years (\$153 per resident) while meeting the six 'Fit for the Future' ratio benchmarks in all ten years of the analysis (excluding the debt service ratio as these councils are debt free), eliminating the backlog of works required on roads, footpaths, drains, buildings and in parks and beaches in seven years and remaining debt free. Again, it should be noted there is little information available on Botany's liabilities and assets.

An amalgamation of Randwick with Waverley, Woollahra, Botany and Sydney (option 7) has greater risk exposure and greater complexity. This option is estimated to result in an increase in services equivalent to \$8m over four years (\$15 per resident) and \$146m over ten years (\$288 per resident). Sydney's costs are largely driven by their non-resident services, resulting in different service requirements to eastern suburbs councils. This may result in diseconomies of scale with the new council being so complex that inefficiency begins to exceed any amalgamation savings. This is also the most expensive amalgamation estimated to cost \$43m over four years⁸, increasing to \$107m over ten years.

The cost of accommodating staff in existing City of Sydney buildings, including Town Hall House would result in a substantial loss of annual rental income as space within these buildings is currently leased to commercial tenants. These high costs and relatively smaller savings result in this option not meeting the Fit for the Future benchmarks until 2021, five years after the amalgamation and eliminating the backlog of works required on roads, footpaths, drains, buildings and in parks and beaches in 7 years.



Summary of Financial Results – Four Years

	OPTION 1	OPTION 2	OPTION 3	OPTION 4	OPTION 5	OPTION 6	OPTION 7
	RANDWICK	RANDWICK + BOTANY	RANDWICK + WAVERLEY	RANDWICK + WAVERLEY + BOTANY	RANDWICK + WAVERLEY + WOOLLAHRA	RANDWICK + WAVERLEY + WOOLLAHRA + BOTANY	RANDWICK + WAVERLEY + WOOLLAHRA + BOTANY + SYDNEY
Value of increased/new services over four years*	\$0 M	\$2 M	\$15 M	\$24 M	\$40 M	\$52 M	\$8 M
Value of increased/new services per resident over four years*	\$0	\$11	\$73	\$95	\$149	\$164	\$15
# of 'Fit for the Future' ratios met	6 / 7**	6 / 7**	7 / 7	7 / 7	7 / 7	7 / 7	6 / 7***

Summary of Financial Results – Ten Years

	OPTION 1	OPTION 2	OPTION 3	OPTION 4	OPTION 5	OPTION 6	OPTION 7
	RANDWICK	RANDWICK + BOTANY	RANDWICK + WAVERLEY	RANDWICK + WAVERLEY + BOTANY	RANDWICK + WAVERLEY + WOOLLAHRA	RANDWICK + WAVERLEY + WOOLLAHRA + BOTANY	RANDWICK + WAVERLEY + WOOLLAHRA + BOTANY + SYDNEY
Value of increased/new services over ten years*	\$0 M	\$28 M	\$103 M	\$143 M	\$235 M	\$278 M	\$146 M
Value of increased/new services per resident over ten years*	\$0	\$153	\$485	\$559	\$869	\$884	\$288
# of 'Fit for the Future' ratios met	6 / 7**	6 / 7**	6 / 7**	6 / 7**	7 / 7	7 / 7	7 / 7

* The value of increased/new services over ten years is the value after funding amalgamation costs, working towards eliminating operational debt and the infrastructure backlog of works, increasing asset expenditure to meet the 'Fit for the Future' benchmarks, while continuing to deliver all capital works projects outlined in each council's ten year Long Term Financial Plan and maintaining existing service levels. No increase in rates or new debt is required.

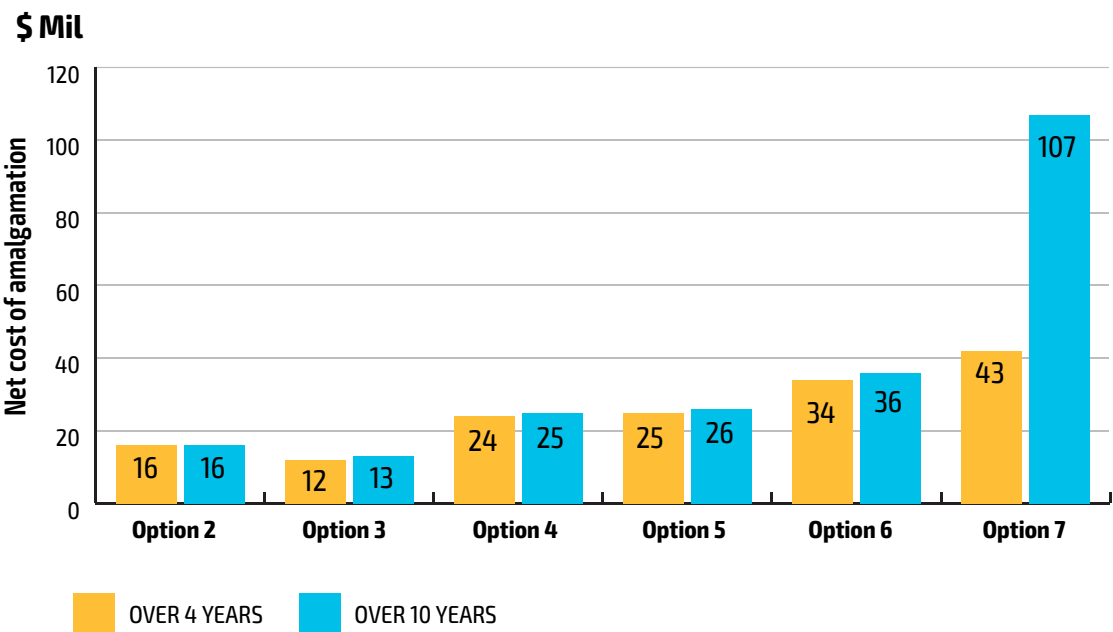
** Fails debt service ratio as debt is \$0 - however with just \$1 of debt this ratio would also be met.

*** Fails building and infrastructure asset renewals ratio (i.e. assets depreciate faster than they are replaced)

The cost of amalgamation ranged from \$12m (Randwick and Waverley - option 3) to \$43m (Randwick, Waverley, Woollahra, Botany and Sydney - option 7) over four years. These costs include information and communication technology, new staff facilities and relocation costs, rebranding, redundancies for senior staff, community and staff consultation and legal and audit services. The amalgamation grant from the State Government of \$10.5m plus \$3m for every 50,000 residents over a population of 250,000 has also been deducted from these costs.

⁸ According to an article in the Sydney Morning Herald (McKenny, L, Cost of council rationalisation could significantly exceed \$445 million, 25 Mar 2015), the NSW Parliamentary Budget Office estimated an amalgamation of Randwick, Waverley, Woollahra, Botany and Sydney councils would initially cost \$37.6m. We assume this cost did not factor in the significant cost of CBD office space for the expanded workforce.

Cost of amalgamation - net State Government grant



While a number of challenges and weaknesses along with strengths and opportunities have been identified for each option, some of these issues are better understood than others as the majority of this report has been based only on publicly available information. In particular, if the Council was to seek an amalgamation which included Botany Council, additional information would be required to better understand the costs and benefits of amalgamation.

With Randwick City Council already in a strong financial position any amalgamation will impact this position in the short term. A larger eastern suburbs council will create an organisation with a stronger financial position, more capable of delivering the expected level of capital, infrastructure and maintenance investment across the eastern suburbs in the long term.

4.7 Rates

Key findings

An analysis has been carried out of the existing rating structures adopted by Randwick, Waverley, Woollahra, Botany and City of Sydney councils. Modelling has also been undertaken to analyse the impact of various residential rating structures on each council for each amalgamation option considered. An amalgamated council would need to adopt one rating structure which balances the capacity of ratepayers to pay rates with the benefits received while remaining simple, transparent and within legislation. With five different rating structures and large variances in the land value across the five councils, selecting an equitable rating structure for any proposed amalgamation group is complex. The transition to changes in rates for individual ratepayers would be phased in over a number of years.

Residential rates

Presently there are five different rating structures across the study area collecting a combined residential rates income of **\$178m** from **205,652** properties. Botany and Sydney charge very low residential rates with 51 per cent of Botany residents paying the minimum rate of **\$485** and 75 per cent of Sydney residents paying a minimum rate of **\$515**. While Waverley's rates have increased in recent years, presently 50 per cent of their residents pay the minimum rate of **\$581**. In Randwick 53 per cent of residents pay a minimum rate of **\$701**. The properties paying these rates are mostly apartments. The remaining residential rates income for these four councils is collected on an ad valorem basis, where a property's land value is multiplied by a rate to give the rates payable. In Woollahra all properties pay a base rate of \$632.35 as well as an ad valorem rate of 0.05970 cents for every dollar of land value. In Woollahra the rates for an average apartment would be approximately **\$752⁹**.

⁹ Based on a land value of \$200,000

2014-15 Rates

	Randwick	Waverley	Woollahra	Botany	Sydney
Residential rates	\$52M	\$30M	\$27M	\$10M	\$59M
Residential properties	48,564	28,145	24,487	14,272	90,184
Average residential rate	\$1,075	\$1,058	\$1,118	\$689	\$654
% of total rates income paid by residential properties	80%	71%	84%	38%	23%
Business rates	\$13M	\$12M	\$5M	\$16M	\$199M
Business properties	2,009	1,820	1,416	1,732	18,283
Average business rate	\$6,659	\$6,367	\$3,468	\$9,436	\$10,872
% of total rates income paid by business properties	20%	29%	16%	62%	77%
TOTAL RATES INCOME	\$65M	\$42M	\$32M	\$26M	\$258M
TOTAL RATED PROPERTIES	50,573	29,965	25,902	16,004	108,467

Sources: 2014-15 Randwick, Woollahra, Waverley and Sydney Notional Yield Schedules, projections from the 2013-14 Botany Notional Yield Schedule and Botany Council Policies and Priorities Meeting 25 June 2014



Working both within and outside of the existing legislation modelling has been prepared to analyse the impact of various residential rating structures on each council for each amalgamation option. The priority is to find a model that minimises the impact on ratepayers while providing an appropriate connection between the amounts paid and the services delivered, while at the same time recognising that rates are a form of taxation with an underlying principle of capacity to pay.

In most options a **70 per cent base rate** resulted in the least change in the total rates paid by each council area. Restricting the total rates paid to a maximum of six times the base rate assisted in minimising the impact on high land value properties, particularly within the Woollahra area where the median land value is the second highest in NSW¹⁰. However these structures are not currently allowed under existing legislation. With the inability to currently set a base rate above 50 per cent of rates income a **minimum rate of between \$700 and \$800** had the second least impact for most options.

¹⁰ "The LGA with the highest median residential land value is Mosman at \$1,300,000 followed closely by Woollahra at \$1,200,000." Office of the NSW Valuer General, Media Release: NSW Land Value Tops One Trillion, 13 Jan 2014

The three main issues that restrict the ability to set an equitable rating structure, both now and even more so for a larger amalgamated council, are:

1. Land value: Rates income payable is distributed amongst ratepayers based on the land value of each property. For strata properties this land value is divided between each strata lot. Generally, the higher the apartment block, the lower the land value per apartment. Some **apartments** in Randwick have land values of only \$42k, well under the market value of those apartments. The use of **Capital Improved Value** would provide a "truer distribution of the rating burden to **highly valued properties** rather than continue the current situation whereby such properties, particularly in high rise buildings, are subsidised by the rest of the community."¹¹ The Independent Local Government Review Panel recommended "more equitable rating of apartments and other multi-unit dwellings, including giving councils the option of rating residential properties on Capital Improved Values".

Issues two and three are of particular importance as a way of managing the disparity between houses and apartments in addition to vast differences in land values across the eastern suburbs.

2. Base rate restricted to 50 per cent of rates income: Capping the base rate at 50 per cent is resulting in a situation where rates paid far outweigh the benefits and services received by owners of highly valued properties. "A rating system that would allow a greater base rate and the option to set a maximum rate would enable a council to establish its rating structure based on the LGA's residential mix."¹²

2. Minimum rate precedent – max 50 per cent of rate payers to pay minimum rate: The current minimum rate guidelines advise councils to be aware of a 1977 court case that implied no more than 50 per cent of properties should pay a minimum rate. However, we have received advice from the Office of Local Government (OLG) that there is no legislation restricting the number of properties on a minimum rate and a council can determine the appropriate level in consultation with their own community. For modelling purposes the minimum rate has been set based on the OLG's advice.

A report by The Research and Innovation Office of UTS, commissioned by Randwick Council in 2013, came to the same conclusions, commenting "greater flexibility is needed in rating structures in NSW so that councils can design a system that best fits their LGA (Local Government Area). The current limits on minimum rates and base rates, in addition to ad valorem rates based on land values, are too restrictive. This is a rising issue in inner city LGA's where there are a growing number of high rise dwellings and vast disparity in land values".

The Independent Local Government Review Panel also identified these issues in their final report stating "a significant issue has now arisen in terms of the rating of apartments and other multi-unit dwellings, particularly in the inner suburbs of Sydney... equity issues can be addressed to some extent by increasing minimum rates ... However... changing the valuation base to Capital Improved Value (CIV)" is a more equitable solution.

Recognising the need for change, the State Government has advised "the Independent Pricing and Regulatory Tribunal (IPART) will be commissioned to conduct a rating review in accordance with the Panel's recommendations."¹³

Business Rates

There is a greater variation in the rating structure for business properties across the five councils, with some councils rating different areas different rates while other councils adopt a single business rate for the whole council area. However, within the current legislation there is greater flexibility to set business rates based on various factors, meaning in the short term, an amalgamated council could continue to rate on the same basis. In the long term an assessment of the business rates across the amalgamated area would be required to ensure an equitable system of rating these properties.

Transitioning to a new Rating Structure

Any changes in the rating structure will be phased in over a number of years to ensure any changes in rates for individual rate payers are gradually introduced.

4.8 Workforce

Randwick City Council is a leader in Local Government and has a dedicated, motivated and engaged workforce. The Council has an extremely high, independently assessed, workforce engagement rate, while maintaining a very high stakeholder engagement rate. The Randwick City Council team provides the highest levels of service to the community in line with the corporate vision and community strategic plan. The following analysis outlines the workforce engagement process undertaken at Randwick City Council and the memorandum of understanding developed between Council and peak industry unions. .

Workforce engagement

Council promotes an informed and engaged workforce, and as such has been proactively engaging with staff for a number of years on Local Government Reform. A number of updates have been provided to staff via email and newsletter; face-to-face staff information sessions conducted by the senior management team; and more recently a staff survey. Council recognises its high performing culture and is committed to maintaining this throughout the Local Government Reform process.

A recently conducted voluntary staff survey, of which 327 people responded, has assisted council to identify the views of staff in relation to the NSW State Government's 'Fit for the Future' program

A key staff engagement initiative is Council's award-winning annual training event 'All Stops to Randwick', where staff participate in a range of sessions focusing on a common theme e.g. leadership. One of the more popular sessions of the program is the 'You ask the GM answers' session that facilitates/promotes two-way communication between staff and the General Manager including potential employment impacts in the event of amalgamations.

A recently conducted voluntary staff survey, of which 327 people responded, has assisted council to identify the views of staff in relation to the NSW State Government's 'Fit for the Future' program. The survey asked staff questions on topics such as culture; engagement and understanding; and staff preferences. Key findings from the survey showed that in terms of first preferences: 67% of the staff respondents said their first preference was

no change (i.e. for Randwick to stand alone); 28% said their first preference was one of the eastern suburbs options; and only 5% said their first preference was the global city option. In terms of second preference, 95% of staff respondents chose one of the eastern suburbs options, with the Randwick and Waverley combination being the highest (40%).

In another initiative to gauge staff views, the General Manager tasked a multi-disciplinary leadership development group to undertake an analysis of the seven merger options and present their findings to the executive. Using the Independent Local Government Review Panels' *'Elements of an effective system of local government'* as comparative criteria, the group nominated the Randwick City, Waverley and City of Botany Bay merger option. The group's research indicated that in terms of strategic capacity, metropolitan planning, asset planning and renewal, local representation and participation, service provision, communities of interest and environmental sustainability, their nominated option would provide the best outcomes with the Randwick City Council management model applied.

Staff protections

At the request of the United Services Union (USU), the Council established a Fit for the Future working group which consists of representatives from the peak industry unions and senior management.

To maintain the strong culture of delivering for the community, Council has developed a Memorandum of Understanding (MOU) with the three peak industry unions to provide employment protections for the workforce that exceed those currently available under section 354F of the NSW Local Government Act 1993. The MOU extends the employment protections available under the Act from three years to five years.

¹¹ NSW Revenue Professionals, Local Government Act Review Submission, 2013, p5

¹² Mangioni, V, The Research and Innovation Office, UTS, A Review of Rating Residential Land in Randwick Local Government Area, 2013.

¹³ Minister for Local Government, The Hon Paul Toole MP, Baird Government response to Local Government NSW pre-election submission, 25 March 2015

2014 Employee engagement survey



82%

Are proud to work at
Randwick City Council
(up 6% from 2013)



83%

I tell others great things about
working here
(up 13% from 2013)



82%

Get a sense of accomplishment
from their work
(up 11% from 2013)



81%

Work /Life Balance
(up 7% from 2013)



87%

Feel workplace safety
and security is important
(up 6% from 2013)



74%

Are provided with the support
needed to succeed in the future
(up 7% from 2013)



83%

Believe Council values diversity
*(e.g., age, gender, ethnicity, language, education
qualifications, ideas, and perspectives)*
(not scored in 2013)



74%

It would take a lot to get me to
leave this organisation
(up 9% from 2013)



78%

Our work environment is
open and accepts individual
differences
(up 8% from 2013)



80%

Truly enjoy their day-to-day work tasks
(up 8% from 2013)



79%

Council has an excellent reputation
among our community
(up 12% from 2013)



Randwick City Council
a sense of community

Results from the 2014 AON Hewitt employee satisfaction survey

4.9 Risk Analysis

A number of strategic risks are associated with each of the 7 options contained within this Options Analysis. Many of these risks apply to all or many of the available options to varying extents. Some of the key strategic risks are explained below.

State Government rejects Council's Fit For The Future Proposal

This strategic risk primarily relates to the issue of scale and capacity. The Government has communicated that Randwick's default position is the Global City (Option 7, consisting of Randwick City, City of Botany Bay, Waverley, Woollahra Municipal and City of Sydney Councils), which was the recommendation of the Independent Local Government Review Panel, and that any alternate proposal must be 'broadly consistent' with the scale and capacity of the Panel's recommendation. If Council chooses an option for its Fit For The Future proposal other than Option 7, there is a risk that the proposal will not be supported by the State Government. While there are many factors that contribute to scale and capacity, this risk is higher for options with smaller population projections.

Dilution of Community Representation from Elected Council

There is a risk that an amalgamated Council with a maximum of 15 Councillors will be less likely to provide an appropriate representation of diverse and complex community interests. This risk is higher for options with larger population projections.

Complexity of Organisational Transition

The larger the number of Councils brought together in a new amalgamated Council, the higher the risk of significant complexities being encountered in integrating those various organisations and workforces into a single entity. Randwick's research to date has identified that while this risk exists to some extent for the various Eastern Suburbs amalgamation options, the risk is much higher in the Global City option.

Loss of Eastern Suburbs Identity

There is a risk that the Global City option will result in a loss of identity for the Eastern Suburbs due to the consolidation of the Sydney CBD and inner city residential precincts with the four eastern suburbs Council areas. This risk is considered not to exist in any of the other merger options.

Negative Impact on Service Levels

There is a risk that the Global City option will have a negative impact on service levels for the Randwick community due to the significant differences in service provision between Sydney City Council and Randwick City Council. This risk is deemed minimal in the various Eastern Suburbs amalgamation options as the service levels are very similar across these Councils, while this risk does not exist in the Randwick stand-alone option.

Option Analysis reliant on information from other Councils

The quality of the analysis and financial modelling contained within this Option Analysis document is subject to the quality of the source information utilised to inform the analysis and financial modelling. The margin of risk increases when minimal information is available to inform that work. For the majority of the elements contained within this options analysis, including the finance and rates sections, comprehensive information was available from both Waverley and Woollahra Councils. The amount of data made available by Sydney City was considerably less than Waverley and Woollahra whilst the amount of data made available by Botany Bay was the least of all Councils. As a result the margin of risk in analysis and modelling is greatest in those options involving Botany Bay.

4.10 Social Impact Statement

The options to remain as a single council or amalgamate and create a new entity have been investigated. Drawing broadly on the principles of social impact assessment, this analysis has identified the social aspects of both these options. Social aspects which are likely to be impacted by the options to remain as a single council or amalgamate are assessed to include: the level of influence, representation, access and service levels, local identity, financial position, sustainability, and social equity.

An investigation of these aspects has assessed the likely impacts to be:

- A larger entity may have more influence at other levels of government and there may be greater opportunities to work cooperatively on issues of regional significance.
- There is a risk Council's influence may diminish if the existing entity stays the same amid other enlarged entities.
- Councillor representation will be reduced should a larger entity be created. However this impact may be addressed by proposed local government reforms which will provide greater clarity to the role of Councillors and provide them greater support.
- Should a larger entity be created, administration centres may be consolidated or relocated. However any consolidation or relocation will take residents' access into consideration.
- Should a larger entity be created, there is a risk that local area identity may be diminished. A greater loss is anticipated under the option of a Global City (option 7).
- A larger entity may have greater capacity to engage and communicate with residents as long as it has strong focus on internal processes and communication to ensure any perceived distancing is overcome.
- Under a new entity there will be no impact on fees and charges set by statutory requirements. Should an amalgamation occur, discretionary fees and charges will be reviewed annually as is the current practice. Over the medium term fees and charges will be reviewed and adjusted to ensure consistency for similar services across the larger area.
- Should a larger entity be created, it is assumed the Randwick service model will be adopted. Since the Randwick service model provides a more efficient delivery mechanism, the new entity is expected to be able to deliver services more efficiently and have greater capacity to deliver enhanced services. The exception is option 7 (Global City) where due to diseconomies of scale and the requirement for multiple



types of service to operate in parallel, the Randwick service model could not be applied.

- A larger entity may have capacity to better investigate, finance and respond to intergenerational equity issues.
- As enshrined in the Integrated Planning and Reporting legislation and framework, social equity considerations are the basis for decision making and resource allocation. This will not change should a larger entity be created.
- Should a larger entity be created there may be opportunity to enhance environmental sustainability. Currently Woollahra, Waverley and Randwick Councils participate in a 3 council collaboration project aimed at reducing the combined councils' ecological footprint.
- Systems and strategies would need to be implemented to ensure the disadvantaged and hard to reach sections of our community are engaged and not left behind with the creation of a much larger entity.

RANDWICK CITY COUNCIL
FIT FOR THE FUTURE

Options Analysis



Randwick City
Council
a sense of community