

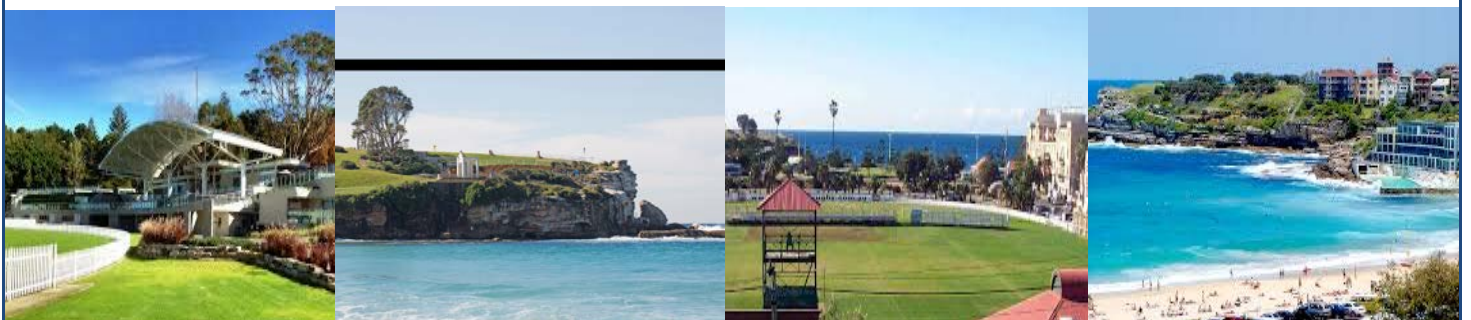
Attachment Pack 4

Correspondence and resolutions from neighbouring councils



Attachment 4.1

Woollahra Council Letter to Waverley Council Advising they do not support a Merger Proposal





Council Ref: SC2566 15/63327
Your Ref:

18 May 2015

Cr Sally Betts
Mayor of Waverley
Waverley Council
Bondi Road
BONDI JUNCTION NSW 2022

Redleaf Council Chambers
536 New South Head Road
Double Bay NSW 2028

Correspondence to

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Dear Mayor Betts

Fit for the Future

Council at its Ordinary Meeting of 11 May 2015 considered a Notice of Motion regarding Fit for the Future and amalgamations. In considering the Motion, Council unanimously resolved as follows;

A. THAT having regard to:

- Council's strong financial sustainability rating by NSW Treasury Corporation,
- Consultants Grant Thornton's financial conclusions of all mergers options involving neighbouring Councils,
- the outcomes of the recent Community Survey where residents voiced their strong opposition to any amalgamation and expressed strong support for Woollahra to remain as a stand-alone Council,
- the likely significant increases in residential rates arising from a merger because of this Council's very high land values and,
- the loss of its locality identity which local residents attach to identifying with "Woollahra Council",

this Council continue to prepare its submission to the State Government as a stand-alone Council, resisting all options involving amalgamations.

- B. THAT the Mayor be requested to continue with any appropriate action to ensure the local community is actively involved and fully informed of the Council's position through local workshops, public meetings, local press and other forms of electronic media.*
- C. THAT following Council's final consideration of its formal response which is required to be lodged with the Expert Panel appointed to assess Fit For the Future (FFF) prior to June 30 2015, Council's FFF submission be placed on public exhibition and all efforts be made to ensure there are adequate responses reflecting the community's support or otherwise to the Council's submission.*



- D. *THAT the Local State Member, The Hon. Gabrielle Upton MP and the Federal Member, The Hon. Malcolm Turnbull MP be requested to indicate their support for Council and make representations on Council's behalf having regard to the matters identified in A above.*
- E. *THAT Council authorise the funding required to implement any actions arising from this motion.*
- F. *THAT the Mayors of Waverley and Randwick Councils be advised of this Council's resolution to submit a standalone option to the Expert Panel assessing FFF proposals and they be requested not to include Woollahra Council in any preferred option or alternate options they are proposing which include this Council in an unsupported merger proposal.*

Council's position throughout the Fit for the Future program has been that it supports sensible reform where it can be demonstrated that there are benefits to our local community. Our research concludes that there are no benefits for the Woollahra community through amalgamation.

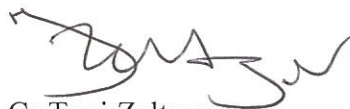
Randwick Council's own modelling shows that, due to high land values in our area, Woollahra ratepayers would face increases in rates of between (22%) and (53%) if a Randwick, Waverley and Woollahra merger was to proceed.

This equates to between a minimum of \$70 million and up to \$170 million increased contribution from Woollahra ratepayers over the next 10 years if Randwick and Waverley rating structures were applied. These increases result in equivalent rate decreases for residents in Randwick. This is totally unacceptable in comparison to any cost savings that 'may' eventuate from a merger.

I can see how a merger between Waverley and Randwick could work and we wish you well should you choose to take that path. However our community has delivered us a strong message that they wish to remain independent. We have listened to that message and we will fight any attempts to force change upon us, simply for the sake of change.

Finally, in accordance with Council's resolution, I request that you do not include Woollahra Council in any preferred option or alternate options you may be proposing which includes this Council in an unsupported merger proposal.

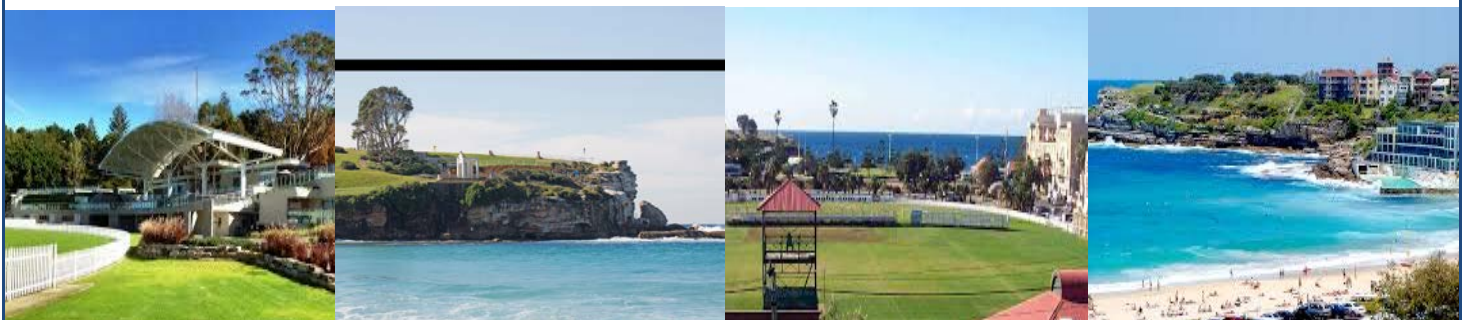
Yours sincerely



Cr Toni Zeltzer
Mayor of Woollahra

Attachment 4.2

Botany Council Resolution advising they do not support A Merger Proposal



City of Botany Bay Council – Ordinary Council Meeting 22 April 2015

2 "Fit for the Future" Community Consultation

Our local residents support the City of Botany Bay and are opposed to any move to amalgamate our Council. I am grateful for the response that Council has received in our consultation with residents regarding this matter.

As Councillors are well aware, in July 2013 the City of Botany Bay conducted a mail in survey of our residents. We achieved an astonishing 27% response rate and found that an overwhelming 97% of respondents were opposed to amalgamation.

In March 2015, Council launched the Hands off Botany Bay campaign. A flyer was sent to each household in the City explaining the Government's plans and asking for residents to provide submissions supporting our City's continued independence. So far approximately 1,400 responses have been received as a result of our "Hands off Botany Bay" campaign. These responses have been sent directly to Minister Toole so that he can see, first hand, the strength of community opposition to forced boundary changes.

In order to conform to the NSW Government's process Council is required to undertake further consultation with our residents. To be frank, nothing has changed since the survey was conducted two years ago. But in order to comply with the Fit for the Future process we will this time undertake a random telephone survey of residents. Taking this approach will help show that our survey results two years ago were not skewed by the methodology used at that time. This survey will ask residents to indicate their preference for one of five options:

1. Remain independent.
2. Merge with Randwick only.
3. Merge with Randwick, Waverley, Woollahra and Sydney
4. Merge with Sydney only.
5. Merge with Rockdale and Marrickville.

Residents will be asked to nominate a minimum of two preferences.

Councillors, I am confident that our residents will again make clear their overwhelming preference for the City of Botany Bay to remain independent.

Let us hope that the State Government will listen to the people.

Let me be clear Councillors that should there be any hint from the State Government that a forced amalgamation process is being considered, then we will act swiftly to order a poll under the Local Government Act. By way of this Minute we will resolve to place Council officers on notice and to authorise expenditure to enable the Council to be ready to conduct this poll with three-week's notice.

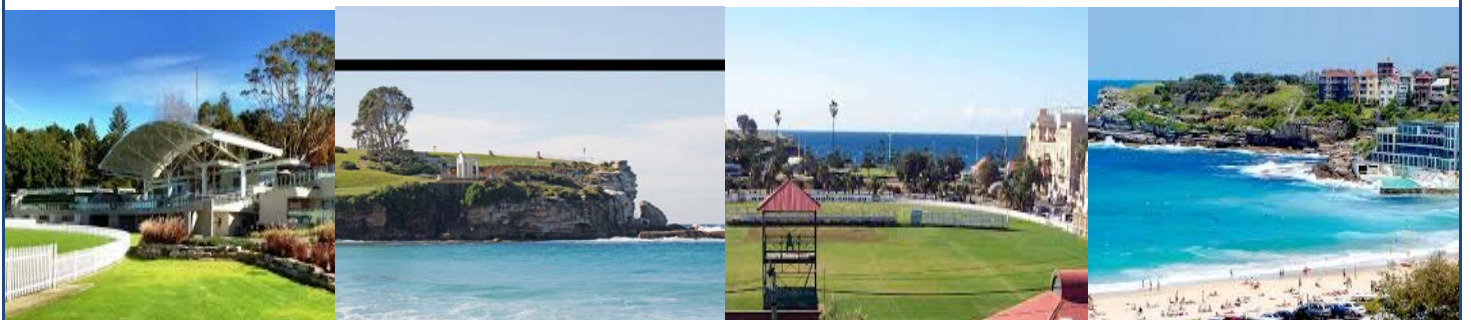
I move this minute be adopted.

On the motion of Councillor Keneally

THAT: This Minute be adopted.

Attachment 4.3

City of Sydney Resolution advising they do not support A Merger Proposal



ITEM 3.3 FIT FOR THE FUTURE

FILE NO: S051491

MINUTE BY THE LORD MAYOR

To Council:

On 27 April 2015, the NSW Government announced that the Independent Pricing and Regulatory Tribunal (IPART) would be the Government's advisory panel to review 'Fit for the Future' proposals.

IPART is seeking feedback by Monday 25 May 2015 on the draft methodology it will use to assess the submissions. It will release its final methodology in early June, giving councils less than a month to finalise their submissions in line with the requirements. IPART proposes to assess submissions from 152 councils within three months and report back to the Minister for Local Government. While there will be an opportunity for public submissions during July and IPART may seek further input from Councils, the final report will be submitted to the State Government without being made public. Councils will not know how they are rated and will have no right of reply.

Inconsistent Requirements

The draft IPART methodology reveals that the rules are being changed less than two months out from the close of submissions. The draft methodology includes a new requirement that councils not just demonstrate that they have appropriate scale and are "fit for the future", but that any alternative proposal is "superior" to the amalgamation recommended in the 2013 Independent Local Government Review Panel (ILGRP) report.

For the City, the ILGRP proposed an amalgamation of Botany Bay, Randwick, Sydney, Waverley and Woollahra councils - a local government area with a population over 500,000, equivalent to that of Tasmania. IPART proposes we demonstrate, such as by a business case, that our approach is "superior to the recommended merger" or includes a merger "broadly consistent" with that amalgamation.

The NSW Government has not put forward a business case or economic modelling to demonstrate benefits from these mega-amalgamations and is disregarding the risks. A recent paper, co-authored by Graham Sansom, Chair of the ILGRP, concludes that amalgamations are costly and disruptive, with no certainty that amalgamations are better than other approaches developing economies of scope and strategic capacity. ('A Fresh Look at Municipal Consolidation' – Sansom G, Aulich C, McKinlay P, 2014.)

The City of Sydney was created through a forced amalgamation in 2004. Our experience confirms that amalgamations are highly disruptive - a serious risk to the City's current strategic capacity to deliver major projects and development currently in the pipeline.

In 2013, leading independent financial auditors PricewaterhouseCoopers said the City is a "benchmark against which other councils could be compared", while NSW Treasury Corporation rates the City's finances as "strong" with a "positive outlook" – the only NSW council to receive this rating. Each day 1.15 million people visit the City of Sydney. We generate more than \$100 billion worth of economic activity annually, which is 23 per cent of the State's economy.

Over the next 10 years, we will invest \$1.95 billion on new infrastructure, including significant projects with the State Government and private sector, such as the \$220 million for light rail and \$440 million to underpin \$8

billion in private development at Green Square. Over \$1 billion will be used to improve the CBD, more than we collect in rates from the CBD over the same period.

City submissions to the reform process over the past four years since Destination 2036 have consistently put the case for reform without the massive disruption of forced amalgamations. Greatest benefit will be achieved through the State Government working with Local Government to reform governance, finances and coordination - including a relationship of respect between State and Local Government.

IPART approach to scale and capacity

IPART is also considering whether a definition of sufficient scale will include:

- ☐ a minimum population size, or
- ☐ a target number of councils in the metropolitan area.

Setting a fixed population number contradicts the approach taken by the Independent Local Government Review Panel which did not support 'one size fits all' and specifically did not set a minimum geographic or population size. IPART has not provided a figure for "appropriate minimum population"; however, Chair, Peter Boxall, said an explanation will be included in the final methodology in early June, less than a month before submissions are due.

If IPART does set a number, it must be based on the number of people a council is required to serve, rather than just the number of residents. The City provides services to over 1.1 million people daily, including business owners, workers, students, tourists and other visitors as well as residents. The business community pays rates and the City is the only local council in NSW where business gets two votes.

This non-residential population places significant demands on Council services, including waste and cleansing, high quality public domain and facilities, economic development, tourism and culture. It is central to our scale and capacity as the City government. IPART has included a set of elements that might define 'strategic capacity'. While these are desirable features of good local government, they are qualitative and difficult to measure. Some are highly subjective, including definitions of what makes up a leadership or a global city.

IPART's approach to 'scale and capacity' and its description of these as a 'threshold' consideration effectively assumes the need for wide-ranging amalgamations ahead of consideration of the evidence. This unfortunately aligns with the State Government's repeated refusal to recommit to no forced amalgamations.

State Government financial indicators

The importance of various financial benchmarks has changed between the T-Corp assessment of councils' financial performance and Fit for the Future. Although T-Corp's ratios of liquidity and capital expenditure are strong indicators of capacity, they are not included in current benchmarks.

There are also significant flaws in the current indicators - especially the fact that councils need to have debt to be sustainable and the asset ratios encourage over-servicing assets at the expense of other responsibilities. IPART must address these problems. IPART needs to adopt the T-Corp definition that "A local government will be financially sustainable over the long term when it is able to generate sufficient funds to provide the levels of service and infrastructure agreed with its community".

Consultation with other Councils

Council's resolution of 8 December 2014 asked the Chief Executive Officer and me to liaise with neighbouring Councils about their Fit for the Future proposals. I can inform Council that none of our neighbours is seeking to amalgamate with the City. Woollahra and Botany Bay Councils have indicated that they propose to stand alone, while the Mayor of Randwick proposes to seek a merger with Waverley and Woollahra Councils and "strongly opposes" an amalgamation of the City of Sydney, Randwick, Waverley, Woollahra and Botany Bay. The Sydney Morning Herald has reported that the Waverley Mayor "would prefer no change but a merger with Randwick and Woollahra would be the "best option" if the council could not fulfil the scale criteria".

In response to a suggestion concerning North Sydney, the Chief Executive Officer and I met with Mayor Jilly Gibson and General Manager of North Sydney Council. North Sydney Council is not pursuing this amalgamation, which is not recommended in the ILGRP report and is prohibited by section 204 of the Local Government Act, which states a local government area "must be a single area of contiguous land".

The City's submissions

A formal response to IPART's Consultation Paper is attached to this minute. It is due to be lodged by Monday 25 May 2015.

The City's Fit for the Future submission is being prepared consistent with the unanimous Council resolution of 8 December 2014. A briefing will be held for Councillors as part of the next Council meeting round. As Fit for the Future is the most important issue currently facing this Council, I propose to call an extraordinary Council meeting before the submission deadline of 30 June 2015, so that Council can discuss and endorse the submission.

RECOMMENDATION

It is resolved that:

- (A) Council endorse the attached submission to IPART on its Methodology for Assessment of Council Fit for the Future Proposals Consultation Paper;
- (B) authority be delegated to the Lord Mayor to make amendments to finalise the submission in line with this Lord Mayoral Minute;
- (C) Council note that the councils recommended by the Independent Local Government Review Panel to amalgamate with the City of Sydney – Randwick, Waverley, Woollahra and Botany Bay – are not pursuing this proposal;
- (D) Council reconfirms its unanimous resolution of 8 December 2014 that the Chief Executive Officer proceed with the City of Sydney's Fit for the Future proposal utilising Template 2: Council Improvement Proposal (Existing Structure);
- (E) Council note that the City's submission will be reported to Council for endorsement prior to the due date of 30 June 2015; and
- (F) Council oppose any reversal of the State Government's "no forced amalgamations" policy and repeat its request to the State Government to rule out forced amalgamations.

COUNCILLOR CLOVER MOORE
Lord Mayor

Moved by the Chair (the Lord Mayor), seconded by Councillor Doughty – That the Minute by the Lord Mayor be endorsed and adopted.

The motion was carried on the following show of hands –

Ayes (8) The Lord Mayor, Councillors Doutney, Green, Kemmis, Kok, Mant, Scott and Vithoulikas.
Noes (2) Councillors Forster and Mandla.

Motion carried.