

# **Council Boundary Review**

## **SUBMISSION**

In response to the City of Botany Bay proposal to amalgamate the City of Botany Bay, Randwick City Council (part) and City of Sydney (part) local government areas

Randwick City Council, May 2016

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Factor A

Financial advantages and disadvantages

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The financial advantages or disadvantages (including the economies or diseconomies of scale) of any relevant proposal to the residents and ratepayers of the areas concerned.

Financial Outlook

The City of Botany Bay Council has undertaken preliminary financial modelling of the proposed boundary adjustment which takes in 64% of the Randwick City Council Local Government Area (LGA) and 21% of the City of Sydney LGA. This modelling has also *"been supplemented with the professional opinion of Morrison Low who has extensive experience and understanding of council mergers including mergers in Queensland and the Auckland Transition Authority"*.

The modelling that has been undertaken has indicated that an overall financial benefit of \$4.8 million dollars (net present value over 20 years at 9.5% nominal discount rate) would result from the boundary adjustment. It would appear, taking into the consideration the results of the financial modelling from the numerous council merger proposals across the Metropolitan Sydney area, that this boundary adjustment would, by a considerable margin, produce the lowest net savings over the 20 year period. The proposal doesn't make sense financially - for the community and the staff.

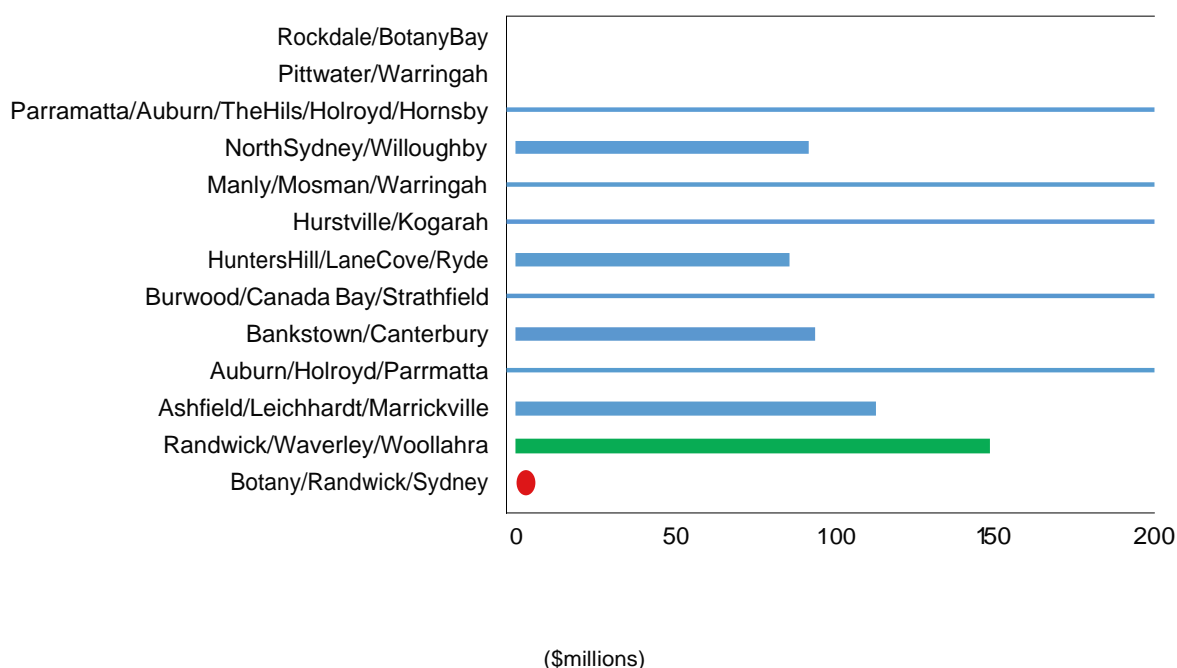


Chart 1: Net Savings from proposed council mergers over a 20 year period  
(Data Source: [www.councilboundaryreview.nsw.qov.au](http://www.councilboundaryreview.nsw.qov.au))

	Rockdale/Botany Bay	Botany/Randwick/Sydney	Randwick/Waverley/Woollahra
Net Savings	\$72M	\$4.8M	\$149M

The boundary adjustment proposal gives the impression that it is the intention of the existing City of Botany Bay Council to double its size which will result in it becoming an economic and strategic leader in the Greater Sydney Region. However a July 2014 T-Corp Assessment only rated the existing City of Botany Bay City Council as having a 'neutral' outlook;. Furthermore, the Office of Local Government Infrastructure Audit;; only rated the Asset Management of the City of Botany Bay Council as 'moderate'. Over the financial period 2012-15 the City of Botany Bay produced an accumulated net operating **deficit** before capital grants and contributions of \$4.7 million. All of these factors bring into question their capacity to achieve the desired results forecasted in the proposal.

Moreover, the new City of Botany Bay local government area proposes to have a population slightly smaller (projected at 139,449 for 2016) than Randwick City's estimated resident population for 2013 (quoted as 142,310 persons). As such, the proposed boundary adjustment would not achieve the scale of the current City of Sydney or the proposed merger of Randwick, Waverley and Woollahra, and/or present any demonstrated benefit that would overcome the disruptions of a boundary adjustment of this scale, as discussed in more detail below.

### **Merger savings and other financial benefits**

There are few details about the financial benefits outlined in the proposal presented by The City of Botany Bay Council. The main *"benefits taken into account include staff efficiencies through natural attrition and restructure when the three year statutory period of protection has concluded (Director level, Managers, Corporate Services, Works Staff), savings in materials and contracts and service improvement through business review process"*.

In its proposal the City of Botany Bay Council has essentially outlined that a reduction in staff is one of the key drivers of the cost savings initiatives in its financial modelling and its drive towards financial sustainability.

### **Merger costs**

The costs of the merger have not been clearly identified in the boundary adjustment proposal presented by the City of Botany Bay Council and the data and assumptions used in their financial modelling have not been provided to Randwick City Council for the purpose of due diligence.

The merger costs that have been identified include transition costs, human resources and industrial, IT consolidation, branding and service harmonisation. There is no detail regarding these costs and whether or not they have been sufficiently accounted for in the financial modelling.

### **Transition Costs**

There is currently no Randwick City Council administration centre in the Randwick City LGA south of Rainbow Street, nor is the administration of the City of Sydney undertaken in the area proposed by this boundary adjustment. Whilst the financial modelling appears to include a reduction of administration staff after the three year statutory period, there will be an added cost in accommodating the existing administration staff in the short term and also on an ongoing basis.

### **Human Resources and Industrial**

The costs associated with merging one workforce with two (2) split workforces will always encounter HR and industrial relation issues. These issues, and their related costs, will be exacerbated if there are insufficient HR professionals employed by the new council as a result of its "attrition and restructure" cost saving approach.

Whilst staff attrition has been raised in the proposal as a financial benefit, there are major funding implications which surround this issue. When last reviewed, over 65% of the current workforce is aged 46 and over and 31% of the workforce is over 55. TCorp reported "this will lead to high attrition rates", which the financial model is counting on, yet the council holds only 15% of its employee leave entitlement (ELE) in a cash reserve. ELE is currently \$8m;;;, also exceeding the councils total unrestricted and internally restricted cash.

The \$4.8 million net savings that have been identified over the 20 year period of the financial modelling have factored in a reduction in staff through attrition and restructure after the statutory three year period. However it has not taken into account the fact the Randwick City Council is a signatory to a Memorandum of Understanding (MOU) with three peak industry unions (United Services Union, Local Government Engineers Association of NSW, Development and Environmental Professionals Association) which provides protection to the workforce of Randwick City Council for a period of five (5) years after the merger above the three (3) year protection proved by the Local Government Act.

### **IT Consolidation**

The splitting of Randwick City and City of Sydney will have major implications on the ICT infrastructure that is currently in place at those councils and will potentially disrupt the delivery of council services that that IT supports. As Randwick has not been provided the details of the financial modelling it is unclear as to whether or not these costs have been factored in to the savings.

### **Branding**

The splitting of existing council areas to be incorporated into the City of Botany Bay would potentially result in the increase need for signage and branding to better identify this new area to the community and distinguish itself from the former councils. This boundary adjustment proposes to annex a further 2,327 hectares of Randwick City Council and 552 hectares of City of Sydney Council. The scale of the increase in geographical size would result in an unanticipated expenditure outlay with regards to street and road signage, park signage and beach signage. It appears that these costs have not been considered.

### **Service Harmonisation**

The harmonisation of services will be the most expensive exercise in this boundary adjustment - in particular those services that are provided in the areas of City of Sydney being proposed to be merged into City of Botany Bay. The service levels provided to the parts of City of Sydney that the merger has proposed to incorporate have been subsidised by the high level of business rates that are levied by the City of Sydney. If this boundary adjustment was to occur, the continuation of these service levels would no longer be subsidised and would need to be funded by the ratepayers of the new Council and this would be an ongoing expense to the new council.

## **Impact on Rates**

### **Business Rates**

The City of Sydney has high business rates which allow it to maintain very low average residential rates. The business rates basically subsidise the residential rates. As a result of the boundary adjustment the residential ratepayers who are currently located in the City of Sydney will be increasingly penalised with the removal of this subsidisation.

### **Pensioner Concessions**

A major issue with this boundary adjustment is the treatment of the pensioner ratepayers. The City of Sydney currently offer a 100% pensioner concession rebate compared to the standard \$250 rebate offered by Randwick City and the City of Botany Bay. In the Randwick City LGA 17% of ratepayers are receiving a pensioner rebate on their rates, whilst in the Botany Bay LGA 10% of its ratepayers are receiving the rebate.

If the provision of a 100% rebate to eligible pensioner ratepayers was applied across the new LGA it would have a substantial ongoing financial impact to the new Council, which Randwick has estimated at \$4.7 million per annum (closely equivalent to the estimated savings of the proposal over the 20 year period). If the 100% rebate was reduced to come in line with the existing \$250 rebate, that would have a substantial ongoing financial impact to the pensioners who once resided in the City of Sydney.

### **Nature Strip Rebates**

The City of Botany Bay Council currently offers a \$25 rates rebate for those residents who are willing to maintain the nature strip outside their property. This boundary adjustment proposal includes the annexure of 2,327 hectares of Randwick City Council which will include its vast number of nature strips. It would be an expensive exercise for the City of Botany Bay to offer this rebate to those new residents and an expense that would be an ongoing and has been estimated to cost around \$725,000 each year (this totals over \$14.5 million over 20 years which is in excess of the forecasted \$4.8 million savings as a result of the boundary adjustment). Again, it appears that these costs have not been considered.

## **Disruption to Randwick, Waverley & Woollahra Council merger preparations**

There has been a major investment in the change management process associated with the proposed Randwick, Waverley & Woollahra Council merger. The boundary adjustment proposal would cause major disruption to these preparations.

The workforce of Waverley, Woollahra and Randwick councils have formed Project Action Teams (PAT's). These teams have been working together for months, collaborating in a professional and constructive manner to move cohesively through the transition. Over 500 staff members from across the three councils had volunteered to be a part of the PAT's, which is a substantial number of our combined workforce. The PAT's covered all aspects of council operations including Service Delivery, Workforce Planning, Strategic Planning, Finance, Business Assurance and Governance, Information and Communication Technology, Procurement and Contracts, Community Engagement, Community Services and Development and overall transition management.

Many of our PATs have met numerous times to share and discuss our collective knowledge about the business and most importantly networking and strengthening relations. Our PAT members are getting so much more than just sharing information out of these meetings. A new organisational culture has commenced with the staff and management working together to provide a seamless transition for our communities. To stop the process would be extremely de-motivating for staff, seriously affecting productivity at the three Councils and would affect the continuity of service delivery to our respective communities.

Some of the highlights from the PAT kick-off event identified by employees include:

- "importance in meeting new team members",
- "great platform to get to know each other" and
- "robust discussion".

Over 90% of the people at the PAT kick-off said they were excited for change, positive, happy and see the merger as an opportunity for better outcomes. The Project Action Teams have been working extremely hard in understanding the different processes and services offered at the same time continuing to work on their day-to-day duties. It's a great indicator of our proactive and professional culture.

Along with the change management investment that has been made, there has been an equally substantial investment made in terms Information and Communication Technology (ICT) infrastructure.

The three councils have been physically connected with fibre optic cables which will allow for early network connectivity. This will eventually allow any staff member of the three councils to work out of any of the various workplace locations throughout the new area. Progress in regards to this project is well advanced. Work has also commenced on a consolidated website and branding for the new entity.

Upgrades of current ICT systems and infrastructure have recently been undertaken to align the systems, taking into consideration the existing technology within the other organisations.

## **Financial Impact of demerger**

In May 2015, the Queensland Audit Office reported to the Queensland Parliament the actual one-off costs associated with the de-amalgamations of Douglas Shire Council, Livingstone Shire Council, Mareeba Shire Council and Noosa Council from their respective merged councils in March 2013. Those costs were \$3,224, 142; \$6,979,992; \$4,864,534; \$4,356,576 respectively. These figures did not include any ongoing costs and were costs as at December 2013. These costs include new ICT assets, new ICT costs, legal due diligence, community and staff engagement costs, industrial relation costs, governance, planning and implementation costs. As illustrated by these figures the costs of demerging councils is a multi-million dollar exercise and can range from \$3 million to almost \$7 million.

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## Factor B

### Communities of Interest and Geographic Cohesion

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#### The community of interest and geographic cohesion in the existing areas in any proposed new area.

The proposal justifies geographic cohesion and a community interest (of the proposed new area) based on regional planning and service delivery by key agencies, including state government. This planning and service delivery is independent of local government area boundaries caters to a regional catchment. For example, the bus service routes outlined in the proposal, often originate beyond the City of Botany Bay LGA (ie. the 400 bus service originates at Burwood) and then traverse to Randwick City and beyond. Other examples of regional service delivery identified in the proposal include the location of the state government's 'Service NSW' centre, which is primarily an asset planning consideration, with three service centres located across the current City of Sydney, Botany Bay and Randwick LGAs.

The proposal further uses the state government public school catchment areas to establish a community of interest. These catchments tend to focus at the suburb scale, which in any case do not align with the proposed boundary adjustment, with the Kingsford/Randwick south and Malabar catchment areas both straddling Rainbow Street, and the Kensington catchment straddling Anzac Parade. Similarly the proposal also cuts through religious institutions and sporting allegiances.

Moreover, the proposal lacks any real justification of what makes a community of interest including demographic and socio-economic factors, and specifically for the affected residents, and also the university and business community in Kensington and Kingsford town centres, which would be dissected by a new boundary on Anzac Parade.

In contrast, the eastern suburbs of Sydney are a unique identifiable area that the existing community strongly associates with regardless of the suburb they live in. This has been demonstrated by Randwick City Council's community consultation outcomes in response to the Fit for the Future program as shown in the attached (February 2016) Merger Proposal: Randwick City Council, Waverley Council and Woollahra Council.

Specifically, residents in Randwick City (and within the eastern suburbs) feel a strong connection to the area's ocean beaches, ocean pools, high quality sports reserves, golf courses, national parks and the range of quality and varied housing options. The area has quality schools, sporting, shopping and entertainment facilities as well as employment options which see many people choose to live, work and stay in the area.

This is also supported by the high proportion (40.1 per cent) of residents who live and work in Randwick LGA when compared to the City of Botany Bay (9.6 per cent). Similarly, Randwick City Council's (2015) fit for the future - merger options analysis community profile indicated that there are a number of socio-economic indicators which support a strong community of interest amongst the eastern suburb council areas of Woollahra, Waverley and Randwick. This was also identified by IPARTs' (Oct 2015) Assessment of Council Fit for the Future Proposals which stated that 'the (The City of Botany Bay) council observes that residents in the area of Botany Bay are culturally and linguistically diverse, and there are areas of significant socio-economic disadvantage that make this community different from other Eastern Suburb communities.' vii

Moreover, Randwick City demonstrates a strong geographic cohesion with the eastern suburbs which is reinforced by the north-south access linkages of Bunnerong Road, Anzac Parade, Malabar Road and the foreshore coastline. The east - west transport linkages between Randwick City and the City of Botany Bay, Green Square and parts of southern Sydney are well documented as being weak.

This can also be said for the existing communities in Green Square area and within the southern Sydney employment lands area (including the socio-economic factors) are more aligned to the inner city than to the south of Botany Bay. Again, existing access linkages reinforce this.

### **Metropolitan and land use planning**

While all three local government areas impacted by the City of Botany Bay boundary adjustment proposal are contained within the same central district region with regards to the state government's metropolitan planning in *A Plan for Growing Sydney*, the City of Botany Bay exhibit different approaches to land use planning than the City of Sydney and Randwick City.

The area of Green Square to Gardeners Road also known as the Southern Sydney employment lands within the City of Sydney has been recognised in local planning policy as an important area for supporting industry in an inner city locale. As such these lands have been protected by the City of Sydney for its employment functions. This is in contrast to the City of Botany Bay land use planning approach which has facilitated rezoning of its former employment lands including lands surrounding the port and airport to other uses including residential. This is evident in the City of Botany Bay's boundary adjustment proposal which notes the 'unprecedented residential growth over the past decade of approximately 20%'. The Port has raised concern regarding the continued trend to rezone industrial and employment lands in close proximity to the to the State's international gateways; and notes that a broader strategic planning approach is required to protect and retain the remaining industrial lands in the southern Sydney area.

In line with this principle, Randwick City Council has implemented measures to protect the industrial lands within the City, informed by a comprehensive review of its industrial lands, which also support Port Botany's function through land use buffer zones; and design management measures within the planning framework to address land use conflict matters between sensitive uses (e.g. residential) and industrial lands.

Moreover, while Port Botany and Sydney Airport are located in close proximity, and both are indicated as strategically important transport gateways, their functions, customers and key connections have significant differences. From a freight perspective, air freight operates in a relatively smaller volume, faster delivery model compared to sea freight, with a more highly dispersed distribution/delivery network. In terms of its economic impact and strategic connections, Sydney Airport's importance lies more with its passenger transport role than with freight. Hence both transport gateways rely on different modes of delivery and as such any strategic justification that they be both located within a single LGA is not founded.

## **Strategic capacity to deliver, plan and manage major infrastructure and urban renewal projects**

The proposed boundary adjustment has the potential to put at risk the planning, on-going investment and delivery of some of the area's major infrastructure and urban renewal projects by creating new local government boundaries which would transect and/or dissect these project areas; creating a disruptive environment; and adding to the complexity of governance structures involved.

Some of the key infrastructure and urban renewal projects that would be impacted by the City of Botany Bay boundary adjustment proposal include:

- The CBD and South East light rail project – Randwick City Council's collaboration with State Government, the City of Sydney and other stakeholders in the planning of the \$1.6 billion new CBD and South East light rail (CSELR). Further demonstrated by Randwick City Council's allocation of \$68 million for the light rail support plan, and \$220 million from the City of Sydney.
- Green Square urban renewal site - Australia's largest urban renewal site and one of the fastest growing areas of Sydney. The City of Sydney has committed over \$800million for infrastructure to deliver over \$8 billion in development, including funding more than half the \$100million in stormwater infrastructure works with Sydney Water.
- The Southern Sydney employment lands -located just 3 kilometres south of Sydney CBD, contains strategically important employment lands which contains a high order of jobs across a range of high value sectors including a mix of industrial uses such as transport, manufacturing, retailing and service sectors. A new strategy and planning framework has just been implemented for this area including commitments for infrastructure provision.
- The Randwick Education and Health Strategic Centre – Randwick City Council's collaboration with NSW Health, University of New South Wales, TAFE NSW in delivering the precinct plan for this centre. This centre demonstrates a unique education and health cluster, with over 50,000 visitors per day, is identified in the state government's metropolitan plan 'A Plan for Growing Sydney'; and has a strong interface on Anzac Parade and the town centres of Kensington and Kingsford.
- The Anzac Parade urban renewal corridor – as identified in *A Plan for Growing Sydney* outlines the State Government's intentions to work with the Council to investigate opportunities for urban renewal and further investigation for bus rapid transit or light rail.
- The Kensington and Kingsford town centre study and international design competition – Council is preparing a draft planning strategy for these centres which will include an International Design Competition with prize money totalling \$300,000.
- The Eastern Beaches Coastal walkway – Council is working with the National Parks and Wildlife Service to return public access to Malabar Headland with a new coastal walkway along the western part of Malabar Headland, connecting South Maroubra Beach and Malabar Beach. Council estimates that the cost to complete this section as around \$2 million.

These key projects and urban renewal areas are shown in the map below. The boundary adjustment proposal by the City of Botany Bay makes no reference to these projects and as such demonstrates a lack of understanding of the capacity, resourcing, continued investment required and governance structures in place. The risks of the boundary adjustment proposal are particularly serious for the \$1.6 billion CBD and South East Light Rail project; and the Green Square Town Centre project, where \$8 billion in development is reliant on efficient assessment and timely delivery of critical roads, stormwater and social infrastructure<sup>viii</sup>.

## **Funding Commitments**

As outlined above, the City of Sydney and Randwick City Council have committed significant funds to these key projects and raises the concern of the City of Botany Bay's financial capacity to continue the ongoing investment needed to deliver these projects.

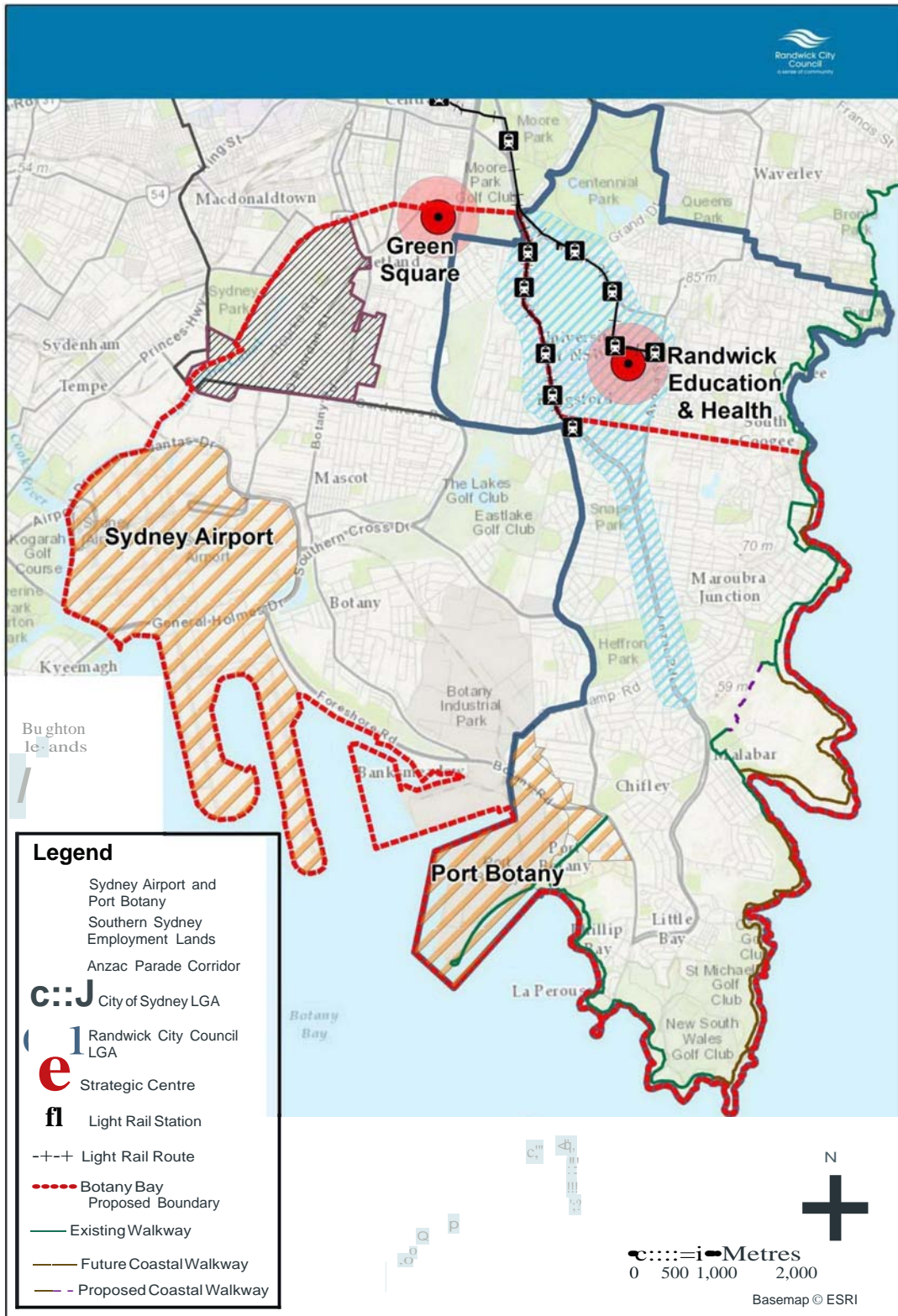
From the 2014/15 financial reports of The City of Botany Bay Council it would appear that it would not have the financial capacity to continue this level of funding towards these major projects. As at 30th June 2015, the City of Botany Bay Council had \$19,771,000 in cash assets. Of this cash only \$5,735,000 was unrestricted or internally restricted. The remaining cash is all externally restricted and the majority these funds were allocated in the 2016/17 Draft Budget.

In addition to the lack of cash, the City of Botany Bay Council also appears not to have the capacity to generate healthy surpluses to contribute to the funding of the before mentioned large projects. Over the financial period 2012-15 the City of Botany Bay produced an accumulated net operating **deficit** before capital grants and contributions of \$4.7 million.

## **Stakeholder relations and governance**

Building and maintaining stakeholder relations is critical to the success of these major projects. Randwick City Council has demonstrated strategic capacity to engage effectively with large organisations which represent significant strategic economic assets, as seen in relationships established with University of New South Wales, Randwick Health Campus and the Australian Turf Club; and its ongoing partnership with state government, key stakeholders and the City of Sydney in delivering light rail to the city.

In addition, Randwick City Council has also demonstrated an excellent working relationship with the Ports authority and notes that there is documented support that Port Botany be located within Randwick City (see attached merger proposal by Randwick City Council (2016)).



**Major infrastructure and urban renewal projects impacted by the City of Botany Bay boundary adjustment proposal**

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## Factor C

### Historical and traditional values

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#### The existing historical and traditional values in the existing area and the impact of change on them.

Randwick brings to light our rich social heritage and the unique physical environment of the 'beautiful marine township of Randwick', as it was called in the 1858 petition requesting that Randwick become a municipality. The Municipality of Randwick was incorporated on 22 February 1859, one of first to be proclaimed in New South Walesix.

The boundaries of Randwick City have remained largely unchanged since this time and stretch from Centennial Park in the North to La Perouse in the South. In assessing the City of Botany Bay boundary adjustment proposal, it is important to note the profound historical values which have helped shaped the traditional values we see today, in the area impacted in Randwick City by the proposal.

Several key themes demonstrate this and highlight the difference in historical and traditional values for the area concerned. They include the Aboriginal connection to country in La Perouse; the pattern of development/ urbanisation of the area concerned which demonstrates a more suburban development pattern in Randwick than that of the City of Botany Bay and (part) City of Sydney; and importantly the evolution of surf life saving and the strong heritage of surfing, particularly in Maroubra. These themes clearly distinguish Randwick's historical and traditional values from those in the City of Botany Bay and the City of Sydney.

#### Aboriginal connection to country - La Perouse

Prior to European colonisation, Aboriginal people lived in the area and their spiritual beliefs and practices directly connected to the land. Those living south of Port Jackson to Botany Bay spoke the languages Dharug and Dharawal and were part of the Eora nationx. The local people moved around the area to hunt and fishxi. Evidence of their long occupation is apparent in the living sites, middens and artwork located in the City of Randwick. Large numbers of Aboriginal people were recorded in the Long Bay, La Perouse, Malabar, Little Bay and Coogee areas at the time of the Endeavour's entry into Botany Bay in 1770xii.

On 17 January 1788, Captain Arthur Phillip landed at Yarra Bay.

The suburb of La Perouse was the site of four Aboriginal missions, Aboriginal reserve and Yarra Bay House. Yarra Bay House was a NSW Government institution for state children from around 1917 until the early 1980s. It is a site where the histories of Forgotten Australian and Stolen Generations coalesce, not least because it was located next to the La Perouse Aboriginal Reserve. It holds specific significance for Aboriginal communities since its deeds were given to the La Perouse Local Aboriginal Land Council (LALC) in 1984xiii. Yarra Bay house has strong affiliations with the local community, it is the administrative headquarters of the Land Council, a base for community organisation, services (youth, childcare and aged care) including medical and activism.

While the boundary adjustment proposal notes that the LALC is responsible for suburbs in both the City of Botany Bay and Randwick City Council, the Land Council also manages land stretching from Sutherland Shire to Woollahra Municipal Council.

## **Patterns of urbanisation**

Post European colonisation, the urbanisation of the City of Botany Bay and the southern Sydney employment lands share commonalities in that they were predominantly farmland up until the industrial revolution.

Water was instrumental in attracting various industries especially noxious trades such as slaughtering and wool scouring. The pollution from these growing industries began to affect the quality of the water and air, generating pernicious odours, fumes and toxins<sup>xiv</sup>.

Botany paid a price, becoming a declared 'noxious trades area'. This had a great impact on the residential development of the council area. Business grew and expanded, with some of the biggest and best-known international corporations setting up factories in the area. Some, like General Motors Holden, flourished in the post-World War II era, but have since moved elsewhere. Others, like Kellogg's, ICI and Johnson & Johnson, are part of the long-term modern industrial environment<sup>xv</sup>.

In modern terms, the area of City of Botany Bay is also strongly associated with various industries, aeroplanes, major arterial roads and seaports<sup>xvi</sup>. Similarly, the southern Sydney employment lands is associated with various industries although a changing industrial nature with more white collar industries is now occupying this area.

In comparison, Randwick City displayed a more suburban pattern of urbanisation. While also sharing a history of farming and industry, much of the land in Randwick (incorporated in 1859) was traditionally crown land with many government institutions being established; and which is still seen today, including Long Bay Gaol, Yarra Bay house, the destitute children's asylum and the Coast Hospital for infectious diseases to name a few.

In addition to these government institutions, suburban growth in Randwick City was boosted by the end of the recession and improvements in public transport. In 1900, the tram was extended to the new Kensington racecourse, then to Long Bay in 1901 and La Perouse in 1902<sup>xvii</sup>. Growth remained confined to the north of the city (Randwick, Coogee and Kensington); however, increasing numbers of visitors were travelling further south to the coastal areas and a number of commercial developments sprang up to meet the demand<sup>xviii</sup>. This pattern of suburban development is seen in Randwick City today, with higher density development to the north (Randwick, Kensington, Coogee) becoming less dense to the south towards La Perouse.

## **Surf life saving, surfing heritage – Maroubra**

Surf life saving has been a predominate part of the culture and heritage of the coastal communities of Randwick and one which clearly distinguishes itself from the City of Botany Bay and City of Sydney.

Randwick City is the proud home of four strong surf life saving clubs Clovelly, Coogee, Maroubra and South Maroubra beaches. Volunteer surf life savers patrol these beaches in addition to Councils lifeguard services<sup>xix</sup>. The Maroubra Surf Life Saving club is one of Australia's oldest surf life saving clubs, established in 1906. In 1907 the first 'drag' picnic was held at Maroubra, with any members of clubs in the local area attended and various beach races and sports are held. This is seen by many as a precursor to the official Surf Carnival<sup>xx</sup>.

With its natural beauty, Maroubra Beach became a popular recreation and social destination for locals and visitors<sup>xxi</sup>. During the 20th Century, this part of Sydney developed as part of the Randwick Municipality.

Amidst much social growth in and around Maroubra, a surfing network emerged, which became prominent in the 1950s. By the end of that decade, local surfers had banded together into a distinctive urban beach culture<sup>xxii</sup>.

During the 1950s, a group of up to 40 surfers called themselves the Maroubra Surf Riders Club (MSRC). In 1959 the south Maroubra lifesaving club was formed<sup>xxiii</sup>.

During the 1960's – 70's the Maroubra Surf Club members created the Maroubra Seals Club, the Seals Club are the major sponsors of the Surf Life Saving Club today. The club also became actively involved with the Wales helicopter rescue service, the first jet boat equipped with radio was introduced, and the Club began its community programs by teaching water safety through the "Survival 76" program<sup>xxiv</sup>.

Maroubra Beach has always been a popular spot for surfers and the training ground for many champions of the sport. The Maroubra Surfing Walk of Fame at Maroubra Beach pays tribute to these champions<sup>xxv</sup>. Maroubra's clubs have been amongst the strongest and most enduring in the competitive arena.

The dedication of Maroubra Beach as a National Surfing Reserve in 2006 is a significant event in Australian history. This reserve boldly embodies a Sydney beach community (arising in Maroubra) and Australian surfing culture for all future generations to discover<sup>xxvi</sup>.

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## Factor D

### Attitude of the residents and ratepayers

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#### The attitude of the residents and ratepayers of the areas concerned.

The City of Botany Bay boundary adjustment proposal relies on the results of a single community poll conducted by the City of Botany Bay Council on 27 February 2016 which raised the single question *'Do you agree the City of Botany Bay should merge with Rockdale City Council?'* 98% of formal votes received opposed the plan to amalgamate the City of Botany Bay with Rockdale City.

The question was not asked of the boundary adjustment proposal subject to this submission nor was the attitude of the residents and ratepayers affected, sought. As such, the proposal's response to this factor is unjustified and unfounded. Moreover, a petition to support the proposed boundary adjustment proposal does not demonstrate a true consultation process.

In contrast, Randwick City Council engaged in an extensive community consultation process which sought the opinions of its residents and rate payers on a number of options, with more than 8,000 residents, businesses and ratepayers taking part. The Randwick survey indicated that if amalgamations must proceed 90% choose an eastern suburbs council and only 5% would prefer the larger global city model.

In fact, the City of Botany Bay boundary adjustment proposal represents a model half way towards a global city model which was identified as the least preferred choice by Randwick residents, businesses and ratepayers.

## The impact of any relevant proposal on the ability of the council of the areas concerned to provide adequate, equitable and appropriate services and facilities.

In 2015 Randwick City Council commissioned Micromex Research to conduct our biannual community satisfaction survey. A recent survey showed that Randwick City Council has a community satisfaction rating of 96% which is one of the highest in the state. This high level of community satisfaction will be affected considerably by the proposed splitting of Randwick City.

### Major Disruption

The proposed boundary adjustment would result in the splitting of assets and staff which would cause a major disruption to the services currently being provided to the existing Randwick community. A demerger and then a merger will also take significantly longer to complete to a standard that is satisfactory to our community. A demerge and then a merge will affect the delivery of key infrastructure, limit our ability to partner with the state government and reduce services to our existing residents.

The financial benefits of the City of Botany Bay Council boundary adjustment proposal are heavily contingent on the reduction of employee costs either through natural attrition or restructure. Although this would reduce expenditure it would also reduce the capability of the workforce to effectively delivery on a number of key service delivery areas, some examples are outlined below. This would ultimately result in an inability to deliver services and facilities and achieve the best results for the ratepayer and the community of the new council.

Moreover, the boundary adjustment proposal notes a commitment that existing "traditional and added value" services will be retained for the City of Botany Bay residents. However, it does not provide any detail as to what the implications will be when expanding these services across the new LGA. Other services highlighted in the proposal are those services that are delivered by either the Federal or the NSW State Government.

Whilst core services are delivered by all three affected councils, they are done so at varying degrees of service levels. There does seem to be a key difference in the focus of services between the councils, particularly with Randwick who have a focus on providing community infrastructure and assets and capacity building. In comparison to Botany Bay Council who has a focus on delivery of direct community/social services. This has the potential to create equity problems across the proposed new local government area.

### Comparison of Services

There has been no comparison undertaken of the services or service levels of the Councils affected by this boundary adjustment proposal. This is in contrast to the massive undertaking by the staff at Randwick City, Waverley and Woollahra Municipal Councils where such a comparison was performed jointly, and at a very detailed level.

## **Lack of consultation with other Councils**

There has been a lack of genuine consultation with Randwick City Council in regards to the proposed boundary adjustment. The City of Botany Bay Council did inform Randwick City Council that they were proposing a boundary adjustment, but that is where the consultation stopped. It is our understanding that there has also been very little, or no consultation at all, with any of the other councils affected by the Botany proposal.

Randwick City Council has requested the financial modelling undertaken by the City of Botany Bay, in order to complete our due diligence on their proposal. To date, the City of Botany Bay Council has not provided the financial analysis that they are relying upon to support their proposal.

An invitation to merge was offered to the Mayor of Botany Bay Council from the Mayor of Randwick City Council back in June 2015, to which Botany formally rejected. In his response the Mayor stated categorically "that we have no interest in amalgamating with any Council including Randwick" and wished Randwick and Waverley the best of luck.

## **Development Assessment**

The comparative data released by the NSW Office of Local Government indicates that whilst receiving the lowest number of development applications in metropolitan Sydney, the current City of Botany Bay Council has one of the slowest turnaround times for determining development applications (averaging 126 days over the 2011-14 period)<sup>vii</sup>. The boundary adjustment proposal has indicated that it will be reducing the number of employees in order to achieve the savings over the twenty (20) year modelling period which will not assist the improvement of these poor service levels.

## **Recreation, beaches and open space**

The proposed boundary adjustment proposal seeks to incorporate more than 60% of Randwick's open space including major recreational, environmental conservation and open space facilities including for example: Randwick Environment Park, Heffron Park, Malabar Headland, Botany Bay National Park, Chifley sports reserve and Chinese Market Gardens.

The proposal would also split the four surf clubs and the District Surf Life Savings Association of these four clubs that currently enjoy a consistent approach and treatment by the one council. This has the potential to adversely affect the delivery of the very important life saving services that these clubs provide to our community.

In addition to open space, the boundary adjustment proposal seeks to incorporate six of Randwick's ocean and estuarine beaches. These include Maroubra Beach, Malabar Beach, Little Bay Beach, Congwong Beach, Frenchmans Beach and Yarra Bay Beach. The management of coastal attractions is distinct from the attractions within other inner and city area. This includes specialised services including lifeguards, beach cleaning machinery, management of the natural and built environment, coastal risk management and storm response management.

The boundary adjustment proposal makes no reference as to how the new City of Botany Bay will manage and/or fund the ongoing improvements and upkeep of these areas and beaches.

### The impact of the proposal on the employment of the staff by the council.

The proposal states that *'Benefits taken into account include staff efficiencies through natural attrition and restructure when the three year statutory period of protection has concluded.'* The impact on service delivery of a larger incorporated area would most certainly be impacted and is discussed in more detail below under 'service delivery'.

This is in contrast to Randwick City Council, who has developed and signed a Memorandum of Understanding (MOU) with the three peak industry unions to extend employment protections under section 354F of the NSW Local Government Act 1993 from three years to five years. Waverley and Woollahra Councils have also signed MOUs offering the same extension of protection.

Caring for our staff is Randwick's number one principle throughout the merger process. A larger council will provide staff of the three councils with opportunities to work on large economic and infrastructure projects, develop new skills, work in specialist strategic and technical areas and deliver different services. More detail on Randwick City's approach can be found in the attached merger proposal (2016) prepared by Randwick City Council.

## Attachments

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### 1. Link to Randwick City Council Submission (February 2016) NSW Government Merger Proposal: Randwick City Council, Waverley Council and Woollahra Council

- i The City of Botany Bay Council, Finance and Performance Committee Meeting Report: 5.2 *TCORP ASSESSMENT AND COMPARATIVE INFORMATION REPORT*, 16 July 2014.
- ii NSW Office of Local Government, Local Government Infrastructure Audit, June 2013: <https://www.olg.nsw.gov.au/strengthening-local-government/infrastructure-renewal/local-infrastructure-renewal-scheme/infrastructure-audit>
- iii The City of Botany Bay, Our City - Our Report 2014-2015: <http://www.botanybay.nsw.gov.au/About-Council/Corporate-Governance/Integrated-Planning-Reporting-Framework>
- iv Estimates based on data obtained from: NSW Office of Local Government, Comparative Data, Time Series Data 2011/12 - 2013/14: <https://www.olg.nsw.gov.au/public/my-local-council/yourcouncil-website>
- v Queensland Audit Office; Report 16 2014-15 <https://www.qao.qld.gov.au/report-16-2014-15>
- vi Randwick City Council (April 2015) Fit for the Future-Options Analysis Appendix A
- vii IPART – Assessment of Council Fit for the Future Proposals: Local Government - Final Report October 2015 (page 152)
- viii Submission to IPART City of Sydney Fit for the Future  
[http://www.cityofsydney.nsw.gov.au/data/assets/pdf\\_file/0007/238057/9807-FFTF-IPART-Submission-v29.pdf](http://www.cityofsydney.nsw.gov.au/data/assets/pdf_file/0007/238057/9807-FFTF-IPART-Submission-v29.pdf) (pg.9)
- ix Curby, P. (2014) Randwick, Chapter 1 accessed:  
[http://www.randwick.nsw.gov.au/data/assets/pdf\\_file/0020/24437/Randwick-Book-Chapter1.pdf](http://www.randwick.nsw.gov.au/data/assets/pdf_file/0020/24437/Randwick-Book-Chapter1.pdf)
- x Randwick City Council (n.d), History Overview, viewed 1 May 2016: <https://www.randwick.nsw.gov.au/about-council/history/history-overview>
- xi Randwick City Council (n.d), Indigenous History, viewed 1 May 2016: <https://www.randwick.nsw.gov.au/about-council/history/our-story/indigenous-history>
- xii Randwick City Council (n.d), Indigenous History viewed 1 May 2016: <https://www.randwick.nsw.gov.au/about-council/history/our-story/indigenous-history>
- xiii Kensey, J. (2008) La Perouse, Dictionary of Sydney, viewed 1 May 2016: [http://dictionaryofsydney.org/entry/la\\_perouse](http://dictionaryofsydney.org/entry/la_perouse)
- xiv Butler, M. (2011) Botany, Dictionary of Sydney, viewed 1 May 2016: <http://dictionaryofsydney.org/entry/botany>
- xv Butler, M. (2011) Botany, Dictionary of Sydney, viewed 1 May 2016 accessed:  
<http://dictionaryofsydney.org/entry/botany>
- xvi Butler, M. (2011) Botany, Dictionary of Sydney, viewed 1 May 2016 accessed:  
<http://dictionaryofsydney.org/entry/botany>
- xvii Randwick City Council (n.d) Indigenous history, viewed 1 May 2016: <https://www.randwick.nsw.gov.au/about-council/history/our-story/indigenous-history>
- xviii Randwick City Council (n.d) Indigenous history, viewed 1 May 2016: <https://www.randwick.nsw.gov.au/about-council/history/our-story/indigenous-history>
- xix Randwick City Council (n.d) Historic suburbs, viewed 1 May 2016: <https://www.randwick.nsw.gov.au/about-council/history/historic-places/historic-suburbs>
- xxi National Surfing Reserves (n.d), viewed 7 May 2016: <http://www.surfingreserves.org/maroubra.php>
- xxii National Surfing Reserves (n.d), viewed 7 May 2016: <http://www.surfingreserves.org/maroubra.php>
- xxiii National Surfing Reserves (n.d), viewed 7 May 2016: <http://www.surfingreserves.org/maroubra.php>
- xxiv Maroubra SLSC (n.d), viewed 7 May 2016: <http://maroubra.slsc.com.au/about-us/club-history>
- xxv Randwick City Council (2016) Historic suburbs, viewed 1 May 2016 <http://www.randwick.nsw.gov.au/about-council/history/historic-places/historic-suburbs>
- xxvi National Surfing Reserves (n.d), viewed 7 May 2016: <http://www.surfingreserves.org/maroubra.php>
- xxvii NSW Office of Local Government, Comparative Data, Time Series Data 2011/12 – 2013/14:  
<https://www.olg.nsw.gov.au/public/my-local-council/yourcouncil-website>