

MEDIA RELEASE

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Economic feasibility stacks up for eastern suburbs council not a ‘big Sydney’ approach

An amalgamated eastern suburbs council combining Randwick, Waverley, Woollahra and Botany Bay Councils could generate a surplus over 10 years of \$517 million according to a study prepared by SGS Economics and Planning.

The findings suggest a larger eastern suburbs council sharing common facilities like beaches, clifftop walks and mixed density development could be a financial viable alternative to the Local Government Review Panel’s indicated preference for a ‘big Sydney’ council.

The study uses the efficiencies and practices of Randwick City and applies this approach across all four councils – without increasing rates or charges or reducing service levels.

Randwick Mayor Tony Bowen said the report, commissioned prior to his Mayoralty, shows that Randwick City is in an extremely sound position.

“Despite the findings of the report, my position remains that I believe council should not be amalgamated,” Mayor Bowen said. “And it’s worth remembering that the State Government has promised there will be no forced amalgamations and this report shows they should be held to it.

“Plainly the review process has put the issue of amalgamations squarely on the table.

“Randwick City is one of Sydney’s strongest councils. We have no debt, a current capital works budget of \$31 million and great efficiencies in our services we deliver to the community.

“Randwick is able to stand alone as a sustainable and financially viable organisation that has strong strategic capacity to work with all levels of government to deliver improvements and better services for our residents like light rail.

“We recently received an A+ rating from NSW Treasury in their benchmarking report of the financial assessment of all NSW councils. I am confident we would meet all requirements to stay as an independent council.

“However Randwick Council as a whole has resolved to consider other options should non-voluntary amalgamations proceed.

“If this were to eventuate, I do not believe residents want a ‘big Sydney’ Council combining the inner west, inner city and eastern suburbs with the CBD.

“Residents in the eastern suburbs associate their identity with the eastern suburbs, with the beaches, the coastal walks, the cliffs and the open space.

“There is a distinct difference between the eastern suburbs, the City of Sydney and the inner west. I can see no justification for a big City of Sydney Council. The eastern suburbs area already has strategic capacity for growth centres, transport and specialist centres like health and education.

“I am concerned that the Local Government Review Panel is going down the path of a ‘big Sydney’ council like they have done in Brisbane. The Panel isn’t comparing apples with apples as the Brisbane model takes on many traditional state government responsibilities like running transport – something which I doubt the NSW Government would hand over to a council.

“We do not need a mega council model to generate economic efficiencies – we can do that and keep the character of our area,” Mayor Bowen said.

The 80-odd page SGS Economics & Planning looks at a complex range of issues:

	Randwick	Waverley	Woollahra	Botany Bay
Service cost per resident	\$858	\$1,554	\$1,312	\$1,284
Population (2011)	137,757	68,567	56,324	41,674
Capital expenditure 2011-12	\$29 million	\$16 million	\$12 million	unavailable
Employees (FTE)	494	557	367	347

The report shows that of all four councils, “Randwick City is able to service its population most cost-efficiently, with an average service cost of \$858 per capita.

“This is 45 per cent lower than the per capita cost in Waverley and 33-35 per cent lower than the cost in Woollahra and Botany Bay,” the report says.

The report is modelled on the basis that in the first three years of amalgamation no structural change would happen and that costs associated with acquiring suitable office space for the new council would be offset by the proceeds of selling surplus buildings and land.

Further modelling has also been carrying out indicating that even if the four councils have a 20 per cent higher average service cost, they would still generate a combined surplus.

The report concludes that an amalgamated eastern suburbs council are “preferred options” and that “these options would allow for the establishment of a local government authority that would largely coincide with the NSW Planning Department sub-regional planning area for Eastern Sydney.

“This suggests that amalgamation may provide the larger council with surplus funds to improve asset quality sooner than otherwise possible.”

Mayor Bowen concluded:

“Ultimately this will be a decision for our residents, Council has resolved that any decision on the future shape of the Council will be by way of a plebiscite of our residents,” Mayor Bowen said.

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