

INQUIRY INTO LOCAL GOVERNMENT IN NEW SOUTH WALES

Organisation: Kensington & West Kingsford Precinct

Date received: 9/07/2015

KENSINGTON & WEST KINGSFORD PRECINCT

A community advisory group of Randwick City Council

I am a resident/ ratepayer in Randwick city council area and **Secretary of the Kensington & West Kingsford Precinct**. KWKP is the largest and most vibrant of Randwick's precincts. It is well-attended by local residents.

An independently conducted referendum **MUST** be held before the Randwick / Waverley merger becomes a reality. Why? Randwick is a Liberal controlled council, as is Waverley.

A FORCED Randwick / Waverley merger:

- Despite voting UNANIMOUSLY for a standalone council on 23 September 2015, Randwick has submitted a merger proposal supported by a bare majority of 8 councillors and against the wishes of a majority of SURVEYED residents.
- There is no clearer example of a FORCED merger than Randwick Councillor Matson's¹ claim on ABC radio "*we MUST RECOGNISE WE HAVE A GUN TO OUR HEAD – Any council who puts in a submission to STANDALONE will be NOT FIT FOR THE FUTURE, massive super councils will prevail across Sydney*". Councillor Matson was pivotal in pushing for a "working group of like-minded councillors" to handle the FFTF process. Any councillor with differing views was shut out. The community survey was not voted on by council before it was sent out to residents. More than half a million dollars has been spent on the Randwick FFTF charade. It is noteworthy that "working group" is not a statutory committee of council and lacks decision-making powers. Nevertheless, this working group expropriated the statutory powers of full council.
- Another Councillor Stavrinou² claimed in the Southern Courier that if the councillors failed to approve the Waverley / Randwick amalgamation, there is "*a high probability that our council may be sacked while the transitional period towards a forced amalgamation takes place*". Councillor Stavrinou was the first to respond to my request in the week prior to the State Election, asking Councillors in favour of a STANDALONE council to declare their position.
- It seems these councillors were singing from the same song sheet. But who provided the song sheet? They trotted out the same words at intervals.
- Randwick's proposal to amalgamate with Waverley is a recently adopted position, after Woollahra firmly rejected amalgamation; the evidence to support the Waverley / Randwick merger is scant; Waverley has been in debt; clearly explicated by the DLG statistics 2013/ 14³; its OPERATING PERFORMANCE RATIO indicates debt; it's 2014/15 debt free position is due to a one-off sale of a council depot; the plan of the amalgamated Randwick / Waverley councils to purchase land and build new council

¹ 15 June 2015, ABC RN 7am news

² Your Say - Letter to Southern courier 19 May 2015, "No ignoring mergers".

³ See graphs page 16 post, of this submission – extracted from DLG 2013/14 published June 2015 data time data

offices at Bondi Junction, will be at enormous cost to ratepayers; this type of development project will more than likely blowout costs to ratepayers to significant proportions. Any contribution from sell-off of Randwick council offices would only result in partial reduction of costs.

- Randwick has claimed that there will be no staff losses; such a claim lacks transparency and thus lacks accountability and integrity since “the **benchmark** of ‘decreasing real operational expenditure per capita over time’ is not a complete measure of efficiency. The two clearest ways for a council to address the criterion are to 1) cut services and labor costs; and/or 2) increase their population, **neither being a mark of efficiency**”.⁴
- **Population** is to be increased drastically by the NSW government’s proposals, foreshadowed in IPART METHODOLOGY @ 23.⁵ “Scale” is the key to the amalgamations agenda. Massive High rise, under the cloak of “**weasel words**” – *better representation* – better representation for whom? The NSW state government? The government’s political donors? This highly questionable agenda is to be effected by distancing councils from local residents, **to ensure planning departments operate behind closed doors**. There are to be “Improved strategic planning procedures” to implement regional and sub-regional plans foreshadowed in “*A plan for growing Sydney*” – the Metropolitan Strategy (SEPP) gazetted in December 2014. The government has been trumpeting the need for additional housing for 1.6m new metropolitan residents to 2031. The 1.6million figure includes babies and children who do not need an apartment of their own. The apartments constructed in Randwick LGA are far out of reach of the expected population influx. Many census outcomes indicate that the population of Kensington is at the “poverty line” – which can be sheeted to students. Interestingly, the NSW government **failed to provide any affordable housing or low cost housing component in its recent gazettal of the massive INGLIS site rezoning**, located opposite the Randwick Hospitals in Barker street, and next to the UNSW. It was noteworthy that liberal councillors on the JRPP panel declared a “conflict of interests” at council meetings.
- Strategic Capacity: Quite early, at a combined precinct meeting, the General Manager informed us that “Randwick has capacity.” He asserted, “Randwick has been a partner in the Light Rail planning and contributed \$68million for local upgrades. However the detail in IPART methodology includes working with federal and state governments, no doubt the COST-SHIFTING of many of the financial liabilities, for example for public

⁴ Peter Achterstraat, former NSW Auditor General, Ministerial Advisory Group, FFTF, 22 May 2015, Submission to IPART

⁵ IPART *Consultation Paper methodology assessment April 2015 @ 23* “In addition, we intend to examine the proposal’s consistency with the broader regional and state-wide objectives of the ILGRP’s preferred option, including economic, transport, regional planning and equity objectives.³⁷ As an example, we will consider the following ILGRP objectives:

· **For Metropolitan areas:**

- create high capacity councils that can better represent and serve their local communities on metropolitan issues, and be true partners of State and federal agencies – establish a more equitable pattern of local government across the metropolitan area, taking into account planned development
- underpin Sydney’s status as a global city
- support implementation of the Metropolitan Strategy, especially the planning and development of major centres and the preparation and implementation of sub-regional Delivery Plans: ILGRP report 2013

works, roads, sewerage, and the like. Randwick's infrastructure is old and is in need of drastic upgrade.

- While the state government claims to be in surplus, this is entirely due to taxes from property sales. Its underlying position is debt-laden, well-hidden due to the new methods of accrual accounting. The question must arise – there is nothing to prevent NSW government imposing “Budget Levies” with a stroke of the pen, as the former Victorian Premier did in the 1990's. His budget levy was imposed on all including aged pensioners, for a period of 3 years.
- Rates increases: A “streamlined process” is available to amalgamated councils submitting increased **rates** applications. RCC has claimed in all its FFTF Information booklets, mailed to residents, a COSTS BENEFIT ANALYSIS that there will be NO RATES INCREASE. Randwick has routinely sought rate variations from IPART and Randwick residents pay HIGHER rates than Waverley. Randwick recoups the highest business rates - \$12.8 million in 2103/4, Waverley \$11million.
- We have serious doubts about the intentions of the NSW government – it seems to us local residents that the government's AMALGAMATIONS agenda is slanted towards its favoured party political supporters, developers. There is no clearer evidence of this than, the repeated spruiking of the property developers, Urban Taskforce Mr Johnson's pronouncements as an addendum to every announcement of Local government Minister Toole.⁶
- The introduction of meaningless words, such as “*scale and capacity*” without an explanation to indicate why these words are so important gives rise to the jaded view that quite simply they are insurmountable hurdles. *Scale and capacity are merely a reflection of political and ideological arrogance.* It ensures unilateral decision-making, misrepresentation of crucial facts, as has happened at Randwick City council. It's clear that conducting a plebiscite may in all probability return a result that the offending political party development sensibilities and would put an end to the amalgamations question.

B REFERENDUM – Let the people decide

1 Referendum mandatory – keep the “local community” in local government

⁶ 7 June 2015, smh, *Five largest councils at bottom of class*, Chris Johnson, chief executive of the Urban Taskforce, says “reform is essential but rather than amalgamations the answer could be shared service centres or joint organisations such as one contemplated by Ryde, Hunters Hill and Lane Cove councils”.
<http://www.smh.com.au/nsw/five-largest-councils-found-to-be-bottom-of-the-class-on-key-ratio-20150706-gi6102.html>

At the outset, we Kensington residents maintain that there must be **No council amalgamations except by prior referenda of ratepayers.**

I have addressed full (Randwick) council on many occasions seeking a referendum on the question of breaking up local democracy. Local government is an approachable forum for many local residents concerned about local issues affecting their daily lives.

With the distancing and disengagement brought about by the new era of internet, social media, and cloud computing, the necessity for face to face contact with local elected representatives and local government, assumes a greater importance.

On 17 January 2014, residents from across all Randwick localities met and passed the resolutions below by a thumping majority (all present opposed boundary change except one)

MEETING HELD ON 17 January 2015

Attending: Residents and Precinct representatives from Randwick City Council (RCC) area.

We residents of Randwick City declare:

- 1 We are opposed to the amalgamation of Randwick City Council with any other council.
- 2 We are opposed to any change to the Randwick City Council boundaries.
- 3 We support the unanimous RCC resolution (NM 103/14, 23 September 2014 extracted below) and call on Council to fund a public awareness campaign opposing amalgamations.

“1. This Council unambiguously states it is opposed to the amalgamation of Randwick City Council;

2. The Councillors affirm that they are opposed to amalgamation of Randwick Council now and after the Council Election of 16 September 2016.

3. The Council write to the State Members for Maroubra, Heffron and Coogee and seek an assurance that there be no forced amalgamations of local government after the 2016 Local Government Election.

4. The Council immediately notify residents, ratepayers, businesses, community groups, sporting clubs, surf lifesaving clubs and council staff that this Council does not support the amalgamation of Randwick Council.

5. Council fund a public awareness campaign opposing any amalgamation of Randwick Council.”

- 4 We support the retention of local Precinct Committees as an essential method of community consultation, as recommended by the ICAC report into Randwick City Council 1995.

OBJECTIONS TO RCC’S Fit for the Future(FFTF) Information pack

- 5 We do not accept the validity of the figures in the Randwick FFTF Information pack, nor do we accept its assertions.
- 6 We request the references and e-copies of full source documents for all figures, claims and surveys quoted in RCC’s FFTF brochure.

- 7 We request a full copy of the Cost Benefits Analysis, referenced at the bottom of pages 5 to 11.
- 8 We consider that RCC's "Randwick City Future" brochure and strategy is an attack on democracy because the brochure appears to be designed to confuse and manipulate the community into supporting the NSW government "global city" amalgamations agenda for high-rise development by coaxing residents to choose amalgamation with Councils with higher real estate values without informing them of the hidden disadvantages.
- 9 We reject the assertion that "population size" is the only criterion for deciding the boundaries of a council; other factors are important determinants.
- 10 We are concerned that the FFTF information pack has never been reported to, and voted on, by full council as required by MM 92/14 resolution of full council 25 Nov 2015, paragraph 3, extracted below)

"3. Outcomes of the working party's due diligence be reported back to Council;"
- 11 We consider that a "plebiscite" (as forecast in the Mayor Seng's covering letter 29 Dec 2014) is an inferior method of gauging community opinion because it is subject to manipulation by vested interests.
- 12 We demand a **statutory referendum**, under the Local Government Act 1993, to be conducted by the State Electoral Office in a free and fair manner, posing a simple question for ratepayers and residents:

Do you support Randwick City Council amalgamating with other councils? ☐ Yes ☐ No
- 13 We seek full disclosure of all costs associated with the campaign to persuade residents to support amalgamation including the drafting, printing and mail-out of the Fit for the Future brochure to all residents and ratepayers.

Similarly at the May 2015 meeting of the Kensington & West Kingsford Precinct, the Precinct voted unanimously in favour of a standalone Randwick council;

- (a) That Randwick City Council engage expert Independent Consultants to prepare a Council Improvement proposal (T2) to satisfy the IPART assessment criteria as a stand-alone Council in compliance with the UNANIMOUS council resolution of 23 September 2014, that **Randwick City council is unambiguously OPPOSED to amalgamation with any council**; residents note that Woollahra council has such a finalised Report from GRANT THORNTON on its website and
- (b) That Randwick City Council engage the Independent consultants WITHOUT DELAY to present its position in support of the above council resolution of 23 Sep 2014 and
- (c) That Randwick City Council **must** provide the Council Improvement proposal to all Randwick Councillors and to residents and precincts **PRIOR** to consideration of any merger proposals

And further

The KWKP Precinct re-affirms that Randwick City council must standalone, and is opposed to amalgamation with any other council or councils and maintains this is the community's clearly expressed preference and the precinct approves the Secretary submitting its position at the council meeting on 26 May and approves the secretary making written submission to IPART.

And similarly in June 2013

KWKP is against any amalgamations of local councils; residents wished to retain their voice on their local council, Randwick LGA, and prefer to bring their concerns to the attention of their local elected representative. The state government's argument of "improved efficiencies" has not been demonstrated in either the Sansom Report (Prof G Sansom) or by amalgamations of interstate councils, for example Victoria. On the contrary, Victorian amalgamations have demonstrated a significant loss of services to ratepayers.

2 Amalgamations – no benefits for local residents

We have never been given any valid reason why the abolition of Randwick council would be beneficial to local residents. Any Randwick council merger would result in a dilution of elected representation and hence the loss of local voice and identity for our communities. If the Randwick/ Waverley merger were proceed, the representation numbers would be one councillor per 21, 847 residents.

Worse still, the loyalties of *elected representatives would be to their political parties*, and party manifestos, not to local issues and residents. This would be an insurmountable calamity. It is one we experience in State and Federal governments.

We reject the "weasel words" - claims of cost savings, improved productivity, enhanced local service provision, greater administrative and technical capacity & strategic management, better financial sustainability and financial efficiencies – all of these claims have been disproved by academics. We have all of the above now.

Randwick City council has **no debt** and has been assessed by T-Corp as **financially "sound"** (ILGRP final report 2013 @ 93), with a projected population to 2031 of 174, 310⁷, swelling daily with an influx of (1) around 50,000 UNSW day and evening students and staff expected to increase to 90 000 by 2031 and (2) Randwick Hospitals staff and patients of

3 Larger NSW metropolitan councils are the worst financial performers

Most relevantly, our preference for Randwick Council to stand alone, gains credence from the recently published (June 2015) Office of Local Government's YOUR COUNCIL 2013-14 report publishing evidence that "*Sydney's biggest councils are the worst financial performers*"⁸ with Blacktown, the biggest council of 325 residents, coming in at 35 of 41 metropolitan councils.

⁷ New South Wales State and Local Government Area Population, Household and Dwelling Projections: 2014 Final – NSW Department of Planning <http://www.planning.nsw.gov.au/population-and-housing-projections>

⁸ <http://www.smh.com.au/nsw/five-largest-councils-found-to-be-bottom-of-the-class-on-key-ratio-20150706-gi6102.html>

4 Randwick's amalgamation options – fall far short of ILGRP recommendations – Randwick is already Fit for the Future

The ILGRP report recommended Randwick amalgamate to form a super council with Botany, Waverley, Woollahra & Sydney with a projected 2031 population of 669 400, the principal aim being a “high-level strategic capacity to promote and support Sydney’s ongoing development as Australia’s premier global city” (ILGRP report @ 104)

Sydney is already Australia’s premier global city.

If this is accepted then, it would appear that the sole purpose of the NSW government’s amalgamations proposals is **massive high-rise development following its failure to pass new planning laws in NSW Parliament in December 2013.**

Randwick proposes to amalgamate with Waverley only, with Sydney and Woollahra councils resolving to remain standalone councils and already Fit for the Future and Botany submitting an amalgamation option at variance with the ILGRP recommendations.

5 Randwick council's IPART submitted a proposal to amalgamate with Waverley – Community Survey coerced resident responses

Randwick City Council’s proposal to amalgamate with Waverley **lacks** the support of a majority of ratepayers.

Stalls held at various venues and manned by council officers, some were seen completing the survey for passing residents. The survey was complex, and difficult to understand. There was a “weaving around options” demanding residents tick merger boxes.

Randwick’s “community survey”⁹ mailed to 65 000 households was a shameless push-polling exercise. Residents attempting to complete the survey online were latched in. They **could not exit unless they had completed the survey**, including choosing amalgamation options they were opposed to, if they wanted their first preference counted - Question 7 – Should RCC be amalgamated? Yes, No or unsure. Residents were coerced into disclosure of their names and addresses, and coerced into completing Q8, If amalgamations **MUST** occur, which would you prefer? Q9 continued with coercion, Rank order of preference 1 to 3 an eastern suburbs council, a global city, no change.

The greatest trickery, was encapsulated by Q10 Rank top three preferences in boxes [6 combinations of council] after the first option Randwick no change.

⁹ Available at <http://www.randwick.nsw.gov.au/about-council/council-and-councillors/local-government-reform>

On 14 May 2015, the same date as Alex Greenwich's LA Notice of Motion was up for discussion, the Randwick Mayor was briefing the media, that "Council Amalgamations plebiscite hits roadblock".¹⁰ The mayor's claim lacks honesty.

We residents sought and obtained this written advice from the SEO:

To: La Perouse Precinct
Subject: re: council request for electoral register
Date: Wed, 27 May 2015

H

As discussed, the NSW Electoral Commission does not release the electoral roll to any parties unless compelled to do so by legislation. We did recently offer Randwick Council (as a concession) the ability to conduct a mail-based poll by having them send poll material to a secure mail house and the NSWEC would then provide the roll to that mail house, only for the purpose of conducting that poll. Naturally any cost incurred by the NSWEC in providing such a service would be passed onto the council.

For this to occur the General Manager of Council would need to make a formal request to the Electoral Commissioner.

Best regards,

NSW Electoral Commission
Level 25, 201 Kent Street
Sydney NSW 2000

Council had unanimously voted for a standalone council on 23 September 2015.

There was **NO Roadblock.**, we believe a REFERUNDUM in relation to Randwick council's bare majority decision of 8 councillors **MUST** be held.

Reasons: Local residents addressed the council on 3 occasions seeking a referendum, seeking a referendum. The plebiscite was but a shallow attempt by a bare majority of councillors at effecting democratic principles.

Australia is supposedly a LIBERAL DEMOCRACY. One person One vote. AUSTRALIA IS NOT SOME TIN POT OBSCURE ISLAND STATE.

We voters did not elect councillors in 2012, to represent us at Randwick Council giving them power to abolish council. At the 2012 election, the merger of councils was NOT canvassed with residents.

All councillors were NOT informed of the advice from the SEO, on the method of conducting a PLEBISCITE. It is abundantly clear that a PLEBISCITE COULD BE CARRIED OUT.

There is far more at stake here. At stake is the PEOPLE'S RIGHT TO DECIDE.

¹⁰ Mediat release 14.05.15 available at <http://www.randwick.nsw.gov.au/about-council/news/news-items/2015/may/council-amalgamation-plebiscite-hits-roadblock>

Randwick Council's conduct of the AMALGAMATIONS process - its SURVEY, "LIKE-MINDED" WORKING GROUP minority decisions, plebiscite ROADBLOCK claims raise serious questions of INTEGRITY & TRANSPARENCY. This much has already been said (other speakers) at the meeting on Saturday 30 May.

It is evident to me and other voters that the entire RCC AMALGAMATIONS process has been brought into DISREPUTE.

However, it remains the case that RCC has approved a questionable merger on a basis lacking foundation.

6 NSW government policy – No forced amalgamations – Bare majority of 8 Randwick councillors force amalgamation proposal, ignoring prior UNANIMOUS STANDALONE resolution

Crucially, the NSW government's policy is NO FORCED AMALGAMATIONS.

The Greens' policy is NO FORCED AMALGAMATIONS.

The ALP policy is NO FORCED AMALGAMATIONS.

There can be no doubt that the Randwick City Council AMALGAMATION result is FORCED.

A bare majority of 8 councillors support the Waverley / Randwick merger. **These 8 councillors have expropriated the democratic voting rights of 142 310 residents.** One even claimed he was showing "leadership" at the Coogee Precinct June meeting went on to announce there would be NO PRECINCTS in the amalgamated council. That there would be other forms of "community engagement".

It would appear that the other forms are something along the lines of the bare majority's version of Randwick's community survey outcome.

Randwick Council has failed to submit a fall-back T1 merger proposal to IPART. The UNANIMOUS resolution of 23 September 2014 supporting a STANDALONE council remains on its books.

7 Do results from Randwick's Community Survey support amalgamation?

Mayor Seng claims 51% residents support amalgamation. His evidence is dubious. Randwick council appears to have "adapted" its results to suit its agenda.

Bearing in mind that Randwick's original position was to amalgamate with Waverley and Woollahra, and that it had to hastily amend its stance after Woollahra's firm rebuff, Randwick's mayor claim of 51% supporting amalgamation is questionable.

Below is a response to my inquiry from a council officer who has added 45% who support an eastern suburbs council to the 6% who support a global city to arrive at 51% support for an amalgamated Randwick /Waverley Council.

Clearly, Mayor Seng's representations that residents support his party position is MISCONCEIVED.

Randwick City council has attempted to confuse residents, but has not succeeded, instead Council has come up with a creative interpretation of the 6500 responses to its community survey. The numbers who support the Waverley / Woollahra merger are paltry.

The results lack consistency. A truly independent assessment of the survey data would make clear that a majority of Randwick residents are opposed to amalgamation; Randwick Council has misinterpreted the data to suit the political position of the bare majority of 8 councillors. This is unacceptable conduct.

----- Forwarded message -----

Date: 21 May 2015 at 10:33

Subject: RE: Council response to KWK Precinct: Is 51% support for Waverley/ Randwick merger really only 32%?

To: All councillors & GM

Dear

Thank you for your feedback and questions on Council's community consultation program in response to the Government's Fit for Future program. The Mayor has asked that I provide you with some information.

The data showing 49% support for no change and 51% support for a merger option comes from questions 9 and 10 of the Community Survey (refer pps 24-28 of the Community Survey: Results Analysis Report in [Options Analysis Appendix B](#))

Question 9: Rank your order of preference (write the numbers 1 through 3 in the boxes)

First preference

49% - no change

45% - an eastern suburbs council

6% - a global city

Question 10: Rank your top three preferences by writing the numbers '1', '2' and '3' in the boxes next to the options of your choice. You may rank all seven if you wish.

First preference

49% - Randwick (no change) (Option one)

6% - Randwick + Botany (Option two)

10% - Randwick + Waverley (Option three)

5% - Randwick + Waverley + Botany (Option four)

15% - Randwick + Waverley + Woollahra (Option five)

10% - Randwick + Waverley + Botany + Woollahra (Option six)

5% - Randwick + Waverley + Woollahra + Botany + Sydney (global city) (Option seven)

Council also conducted a representative telephone survey of local residents. This survey found on first preferences 46% support for no change and 54% support for a level of merger. (refer p32 of the Randwick City Council Fit for the Future Micromex Research Report in [Options Analysis Appendix B](#))

Council's internal auditor has reviewed the Community Survey process and data and found "there were sound measures in place to ensure that the survey had been made available to all residents, ratepayers and business owners and that the responses had been securely treated and accurately entered onto the survey database". (refer p10 Community Survey: Results Analysis Report in [Options Analysis Appendix B](#))

Kind regards

Joshua Hay
Manager Communications

8 Randwick Council's deceptive conduct - failure to hold the plebiscite decided by lawful resolution of council under the Local Government Act 1993

More accurately, the decision NOT TO PROCEED with the **plebiscite** was determined by some Randwick councillors who attended a private briefing. That this is so was NEVER disclosed in FULL COUNCIL.

Instead, at the Full Council meeting of 26 May 2015, at which the vote to amalgamate with Waverley was taken, the GM's advice in relation to the plebiscite was specifically sought. The GM stood up and informed the meeting that "*The State Electoral office could not provide the electoral roll to Council*" without more. A rescission motion was submitted in relation to the amalgamation motion of 26 May. It was debated on Saturday 30 May at 7am.

The **plebiscite** was required by a lawful resolution of the Council which remains on the Council's record.

25 November 2014 – Ordinary meeting

MM92/14 Mayoral Minute - Fit for the Future (F2004/06554)

359/14 **RESOLUTION:** (Mayor, Cr T Seng) that:

1. Council establishes a working party consisting of the Mayor, a representative of the ALP Councillors, a representative of the Greens Councillors, a representative of the Independent Councillors, and the General Manager, to undertake the necessary due diligence to enable Council to respond in accordance with the 'Fit for the Future' templates, due June 2015;
2. Council advises the United Services Union that it is supportive of the Union's objective of ensuring the protection of Council employees' conditions and the request for the establishment of a peak committee of representatives from Council's management and the relevant Unions to consult on the development of Council's response to the NSW Government's 'Fit for the Future' policy;
3. outcomes of the working party's due diligence be reported back to Council; and
4. **Council consults with the local community by way of a plebiscite or other means to determine our community's view on amalgamations.**

MOTION: (Mayor, Cr T Seng) **CARRIED** - SEE RESOLUTION.

C Legislative Council terms of reference

(a) *The New South Wales Government's 'Fit for the Future' reform agenda*

The average population size per Australian council is 40 118 per council¹¹; Randwick city council's population of 142 310¹² is three times the average size.

Randwick has 15 councillors, or one councillor per 9487 residents. Many residents have difficulty in accessing their elected representatives now.

Randwick city council responded to the NSW government's FFTF agenda in September 2014¹³, **unanimously** stating:

- opposition to amalgamations;

¹¹ Callanan, M., Murphy, R., and Quinlivan, A. (2012) Myths and realities of economies of scale in local government", Paper presented to the Regional Studies Association (RSA) and Political Studies Association of Ireland (PSAI) Symposium *Local Government Reform: Myth or Reality?* Reneham Hall, National University of Ireland Maynooth, 8th March 2013

¹² Information Pack Dec 2014 and Randwick City council SURVEY December 2014
<http://www.randwick.nsw.gov.au/about-council/council-and-councillors/local-government-reform>

¹³ 316/2014 - 23 Sept 2014 <https://www.randwick.nsw.gov.au/about-council/news/news-items/2014/october/randwick-city-council-position-on-amalgamations>

- that council notify residents, ratepayers, businesses, community groups, sporting clubs, lifesaving clubs and council staff that this council does not support amalgamation; and
- council fund a public awareness campaign opposing any amalgamation

Less than two weeks later, 8 October 2014, Randwick Mayors pre- & post September 2014, were backgrounding the media on the need for council reform.¹⁴

Following a KWK Precinct meeting of 13 October 2015, I wrote to the Mayors, expressing the Precinct's objections to any council amalgamations and seeking reasons for the contradiction of Council resolution of 23 September as evidence by media reports (Sydney Morning Herald) of 08 October 2014 .

The immediate past Mayor wrote back succinctly stating, "I support the broader principle of local government reform which is long overdue."

Mayoral Minute 25 November 2014 0 RESOLUTION: (Mayor, Cr T Seng) that:

1. Council establishes a working party consisting of the Mayor, a representative of the ALP Councillors, a representative of the Greens Councillors, a representative of the Independent Councillors, and the General Manager, to undertake the necessary due diligence to enable Council to respond in accordance with the 'Fit for the Future' templates, due June 2015;
2. Council advises the United Services Union that it is supportive of the Union's objective of ensuring the protection of Council employees' conditions and the request for the establishment of a peak committee of representatives from Council's management and the relevant Unions to consult on the development of Council's response to the NSW Government's 'Fit for the Future' policy;
3. the outcomes of the working party's due diligence be reported back to Council; and
4. Council consults with the local community by way of a plebiscite or other means to determine our community's view on amalgamations.

(b) the financial sustainability of the local government sector in New South Wales, including the measures used to benchmark local government as against the measures used to benchmark State and Federal Government in Australia,

Randwick is debt-free. It's financial performance has been assessed by T-Corp a sound.

(d) the scale of local councils in New South Wales,

¹⁴ <http://www.smh.com.au/nsw/sydney-councils-baulk-at-mergers-despite-promise-of-big-funding-boost-20141003-10oj55.html#ixzz3Fz2OXJlp>

We disagree that “scale” should be a criterion for amalgamation; it is insurmountable. The government has not demonstrated that councils of increased size would result in improved financial performance. To the contrary, the JUNE 2015 release of data from the Department of Local Government indicates that the largest metropolitan councils are the worst financial performers.

(e) the role of the Independent Pricing and Regulatory Tribunal (IPART) in reviewing the future of local government in New South Wales, assisted by a South Australian commercial consultant,

It is unacceptable that the government has selected IPART to review local governments.

(f) the appropriateness of the deadline for ‘Fit for the Future’ proposals,

The fast-tracking of council submissions, have resulted in shutting out local people. We at Randwick have not held our plebiscite. The deadlines imposed are unacceptable. The Premier avoided amalgamation questions during his election campaign.

(g) costs and benefits of amalgamations for local residents and businesses,

It is clear that the costs for Randwick residents will rise drastically with no benefits. This is simply another smart move by the NSW Government for ramming through its PLANNING AGENDA.

This much is clear. I attended a vast ‘seminar’ on 11 October 2012 at the ATP convened by the then Planning Minister Hazzard and his Departmental team and approximately 400 DEVELOPERS – noticeable for their black suits.

The main topic for discussion was – how can residents be shut out of the development application process?

Since then, the Department of Planning has undertaken a radical overhaul installing developer friendly people to suit its agenda.

It seems NSW is to ride on the back of developers and infrastructure corporations, who will squeeze the taxpayer with their inflated costs.

(h) evidence of the impact of forced mergers on council rates drawing from the recent Queensland

At least 4 merged QLD councils have de-merged at disastrous cost. We understand all merged QLD councils increased rates within a short period

(n) protecting and delivering democratic structures for local government that ensure it

remains close to the people it serves,

We were told by a Liberal councillor at a June Coogee Precinct meeting, that Precincts would be “no more” after the Randwick /Waverley merger. We’ll find other ways for public engagement. In a backhanded gesture acknowledging Randwick’s Community SURVE had been discredited, he claimed, to have made his decision, on the ground of “leadership”. Clearly, this person does not believe in the ethics of democracy, transparency and integrity. However what this means is that the government is now nearing the final stages of cleverly removing the electorate from any part in local democracy and thus truly represents an ATTACK ON DEMOCRACY.

The clearest acknowledgement that Randwick Council had **failed to convince residents** of the NEED TO AMALGAMATE was on the first page of its Resolution of 26 May 2015, at which a bare majority of 8 councillors voted in support of a merger with Waverley.

RESOLUTION – Page 1 – Liberal Councillor Nash

- Council is financially strong and debt free
- Council delivers for the community and is a capable partner of federal and state agencies
- The Randwick community has indicated they prefer to standalone rather than merge with other councils

Councillor Nash then went on to **erroneously** claim:

- Council acknowledges that it cannot meet the criteria for standing alone which is to demonstrate superior scale and capacity when compared with the ILGRP’s recommendation of global city merger



















Randwick council has mis-directed itself.

The amended IPART methodology published on 06 June 2015, “How we will assess scale and capacity threshold criterion” page 8 made clear that:

- a sound argument (eg, using a business case) that demonstrates that the proposed approach is at least as good, or a better, option to achieve the scale and capacity related objectives for the region, or
- a merger option *broadly consistent* with the ILGRP recommendation to merge councils (eg, with three rather than four councils), supported by a sound argument, or

The Randwick / Waverley merger of TWO COUNCILS was NOT recommended by the ILRGP. COSTS will far outweigh BENEFITS and is more than likely to revert to huge deficits within 5 years. The re-location of the merged Council offices is planned to Bondi Junction – thus removing Randwick residents from local democracy.























Table 2 Fit for the Future Ratio Benchmarks – Randwick City Council

Measure / benchmark	NOW 2014-15	YEAR 3 2016-17	YEAR 6 2019-20	YEAR 10 2023-24
Operating Performance Ratio (Greater than or equal to break-even average over 3 years)	 3.7%	 3.2%	 3.3%	 3.8%
Own Source Revenue Ratio (Greater than 60% average over 3 years)	 90.7%	 92.1%	 92.3%	 92.8%
Building and Infrastructure Asset Renewal Ratio (Greater than 100% average over 3 years)	 116.9%	 117.2%	 117.6%	 120.3%
Infrastructure Backlog Ratio (Less than 2%)	 0.5%	 0.2%	 0.0%	 0.0%
Asset Maintenance Ratio (Greater than 100% average over 3 years)	 122.9%	 110.3%	 119.0%	 113.9%
Debt Service Ratio (Greater than 0% and less than or equal to 20% average over 3 years)	n/a* 0.0%	n/a* 0.0%	n/a* 0.0%	n/a* 0.0%
Real Operating Expenditure per capita (A decrease in real operating expenditure per capita over time)	 Decrease	 Decrease	 Decrease	 Decrease

* The Debt Service Ratio is not applicable as Randwick Council has no need to borrow funds as demonstrated by Randwick's Asset Management Plans and Long Term Financial Plan.

Randwick / Waverley business case submission to IPART Att 2.6 page 47

Table 3 Fit for the Future Ratio Benchmarks – Waverley Council

Measure / benchmark	NOW 2014-15	YEAR 3 2016-17	YEAR 6 2019-20	YEAR 10 2023-24
Operating Performance Ratio (Greater than or equal to break-even average over 3 years)	 -0.6%	 1.1%	 3.0%	 4.6%
Own Source Revenue Ratio (Greater than 60% average over 3 years)	 88.8%	 92.1%	 93.0%	 93.7%
Building and Infrastructure Asset Renewal Ratio (Greater than 100% average over 3 years)	 63.1%	 63.0%	 63.0%	 63.0%
Infrastructure Backlog Ratio (Less than 2%)	 2.0%	 1.3%	 0.0%	 0.0%
Asset Maintenance Ratio (Greater than 100% average over 3 years)	 101.9%	 80.9%	 103.0%	 100.0%
Debt Service Ratio (Greater than 0% and less than or equal to 20% average over 3 years)	 1.5%	 1.6%	 1.2%	 0.9%
Real Operating Expenditure per capita (A decrease in real operating expenditure per capita over time)	 Decrease	 Decrease	 Decrease	 Decrease

Randwick City Council Merger Resolution 26 May 2015

Available at <http://www.randwick.nsw.gov.au/about-council/council-and-councillors/local-government-reform>

FFTF motion:

- a) Randwick City Council believes that it is Fit for the Future as evidenced by the following :
- Council is financially strong, meeting all the Fit for the Future financial, asset and efficiency benchmarks now and into the future with the exception of the debt service ratio benchmark due to Council's debt free position
 - Council has quality political and managerial leadership, with a proven track record of engagement, sound decision making and delivering for the community whilst being a capable partner for State and Federal agencies
 - 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.
- b) Randwick City Council acknowledges that based on the proposed IPART methodology for assessing Fit For The Future submissions it cannot meet the requirement for standing alone which is to demonstrate superior scale and capacity when compared to the Independent Local Government Review Panel's recommendation of the merger of Randwick City with City of Sydney, Woollahra, Waverley and Botany Bay (Global City).
- c) Randwick City Council and its community is strongly opposed to the Global City merger proposal and Council understands that the Global City merger proposal is the default position if it does not make an alternate merger submission that is broadly consistent with the recommendations of the Independent Local Government Review Panel

- d) That Council submits a Council Merger Proposal (Template 1), in accordance with the Fit for the Future guidance material, proposing a merger of Randwick City with Waverley and Botany Bay Councils
- e) That Council writes to its proposed merger partners:
- advising of Council's resolution;
 - encouraging them to consider an identical resolution; and
 - offering to submit the Council Merger Proposal on behalf of the merger group
- f) The Fit for the Future guidance material clearly states that a Council Merger Proposal must be endorsed by all Councils in the proposed group. Therefore, Council recognises the importance of establishing, as a base case, a merger of Randwick City with Waverley (subject to their agreement) for the following reasons:
- Botany Bay Council have publicly expressed opposition to any amalgamation proposal on numerous occasions whilst Waverley's position is similar to Randwick's in that they would prefer to stand alone and are strongly opposed and would be disadvantaged by being part of the Global City model and have therefore worked collaboratively with Council.
 - Randwick City and Waverley contain the two largest populations of the Eastern Suburbs Councils and can achieve an appropriate minimum population to demonstrate scale and capacity
 - Council's community consultation indicated a Randwick/Waverley merger as being the most favoured of the five alternate merger options to the Global City

Therefore, in the event that unanimous agreement cannot be obtained from the proposed merger partners, in accordance with the Fit for the Future guidance material, Council will submit a Council Merger Proposal (Template 1) proposing a merger of Randwick and Waverley (subject to their agreement) as a base case. This proposal may also include Botany Bay subject to agreement of the base case merger partners. This proposal would include, within the 'Scale and Capacity' section, Randwick City Council's position that a merger of Randwick City with Waverley and Botany Bay Councils is considered the optimal outcome.

- g) A pre-condition of any merger is that the merger partners agree to accept the enhanced employment protections of 5 years contained within the Memorandum of Understanding (MOU) between Randwick City Council and the Unions
- h) The General Manager be given delegated authority to sign the MOU with the Unions and finalise the Fit for the Future submission, based on the due diligence undertaken in the development of the Options Analysis documentation, and submit it prior to the 30 June 2015 deadline.
- i) In the event of a merger, Randwick City Council's position is that the voting system should be proportional representation
- j) That the General Manager bring a report to the July 2015 Council meeting regarding items for the Local Transition Committee including; number of Councillors, ward structures, the preservation of the history of Randwick City, centre of Government, and membership of the Local Transition Committee
- k) Council write to the NSW Office of Local Government requesting that the membership of the proposed Local

Transition Committee to be established to transition the merger partner Councils to the new amalgamated Council be changed from the Mayor, one other Councillor and the General Manager of each merger partner Council, to the Mayor, two other Councillors and the General Manager of each merger partner Council

- l) Randwick City Council acknowledges that due to:
- The timing of the receipt of the proposed assessment methodology from IPART; and
 - NSW Electoral Commission's refusal to provide Council with copies of the electoral roll

Council is no longer able to conduct a plebiscite of its residents as previously intended. As such, in accordance with the views of individual Councillors, Council requests the government permit a binding referendum on this issue prior to any merger being implemented and to request the NSW Electoral Commission to release the electoral rolls to Randwick City, Botany Bay, Waverley, Woollahra and City of Sydney Councils to enable this to occur.