



WAVERLEY
COUNCIL

Your information pack



FUTURE
of
WAVERLEY

The NSW State
Government's Fit for the
Future program and what
it means for Waverley

BACKGROUND ON FIT FOR THE FUTURE

Thank you for taking the time to read through this information. We all need to understand what Fit for the Future means for us so that Waverley Council can make a submission to the State Government about our future.

This pack includes:

- a short background of the State Government's Fit for the Future program
- the criteria the State Government has set for councils to meet
- the options available for Waverley.

Once you have read through this pack, we'd love to hear from you. See the back cover for details on how to have your say.

Local government reform

In 2012, the State Government appointed an Independent Panel to review NSW councils and make recommendations on how councils in NSW can become strong and efficient for the long term. To do this in greater Sydney, the Panel recommends a reduction in the number of metropolitan councils from 41 to 18, with Waverley being amalgamated into a 'Global City' Council consisting of City of Sydney, Waverley, Randwick, Woollahra, and Botany.

In September 2014, the State Government announced its Fit for the Future program, committing a package of up to \$1 billion 'to help councils take the next steps towards change'.

Fit for the Future program

The State Government's Fit for the Future program asks most councils to consider merging with neighbouring councils. Council is assessing the six options listed below, including the 'status quo' of Waverley Council remaining by itself.

The State Government's Fit for the Future criteria are:

- scale and capacity
- financial sustainability
- efficiency
- infrastructure and services.

Is Waverley Council Fit for the Future?

We believe we meet many of the criteria outlined by the State Government. We are in a very stable

financial position, and are making great progress on our infrastructure backlog.

With a population of 70,706 and covering an area of 9.2km², we have an issue meeting the 'scale and capacity' levels based on what was recommended by the Independent Local Government Review Panel. Scale and capacity looks at the unique characteristics of each area – geography, population, economic and transport flows, communities of interest and local identity.

However, when addressing scale and capacity in our submission, we will point out that the number of people visiting Waverley is extremely high. The population of Waverley can often more than double with up to 50,000 people visiting Bondi Beach alone, and Westfield catering for 58,000 people a day.

The State Government has indicated that the 'status quo' is not an option for most Councils in NSW, including Waverley.

Where to from here

We need to know what you want for the future of Waverley. To assist us in developing our submission to the State Government, we are asking that you assess the six options below by looking at their pros and cons, telling us which you prefer and ranking them in order of your preference.

Option 1	Waverley Council remaining by itself
Option 2	A City of Sydney, Waverley, Randwick, Woollahra and Botany 'global city' amalgamation
Option 3	Waverley, Woollahra, Randwick and Botany councils amalgamating
Option 4	Waverley, Woollahra and Randwick councils amalgamating
Option 5	Waverley and Randwick councils amalgamating
Option 6	Waverley and Woollahra councils amalgamating

You will find more detail of each option on the following pages.

We all want the best outcome for our community. We want to ensure that any changes will maximise benefits to residents and businesses.

Please take the time to read through this information pack and then fill out our online survey to have your say on the future of Waverley. More information on how to have your say is on the back page.

Performance measures (ratios)

As part of the submission process, the NSW Office of Local Government requires councils to complete template documents. These templates include a number of fairly complex performance measures relating to a council's financial and infrastructure situation. For easier comparison and understanding of each option, these performance measures (ratios) have been analysed on our behalf by an independent consultant.

The performance measures as outlined by the State Government are:

- 1 Operating Performance (OP) Ratio
- 2 Own Source Revenue (OSR) Ratio
- 3 Building and Infrastructure Asset Renewal (BIAR) Ratio

These three performance measures assess if a council can generate sufficient funds over the long term to provide the agreed level and scope of services and infrastructure for their community.

- 4 Infrastructure Backlog (IB) Ratio
- 5 Asset Management (AM) Ratio
- 6 Debt Service (DS) Ratio

These three performance measures assess if a council is maintaining its assets eg. roads, paths, parks and meeting its debts and capacity to access finances through loans. Councils are also assessed on how they can use their size to decrease costs of services and meet the needs of communities.

7 Real Operating Expenditure Per Capita (ROEPC) Ratio

This performance measure assesses if a council has efficient service and infrastructure delivery, achieving value for money for current and future ratepayers.

Information about how each option rates against the State Government's performance measures is on the following pages. For more detail on the information provided about performance measures, visit Council's website at www.waverley.nsw.gov.au and read the independent report titled 'Review of Fit for the Future financial benchmarks'.

Rates

To minimise the inequity of rates across council areas in NSW, the Independent Pricing and Regulatory Tribunal (IPART) recommended a review to improve fairness and equity within the rates system. This review is about to start and is due to be completed mid-2016.

Waverley and neighbouring councils assess rates differently, making it difficult to accurately project what merged council rates would mean to Waverley's ratepayers, and those of other councils. In terms of amalgamation, any new merged council would be responsible for identifying and introducing an appropriate rates structure that is both fair and equitable for all ratepayers of the new council and will be required to do extensive community consultation before doing so. There would therefore be a transition period of a number of years to ensure minimal impact of any rate changes to ratepayers.

Community of interest and local identity

We believe that any new council needs to reflect a community of interest, which may be defined as the shared sense of identity held by the people in the area. It is a sense of neighbourhood cohesion, shared experience, shared places and a shared sense of connection. We need to consider this as a criteria as well.

CURRENT SITUATION

In order for you to make an informed decision about the best options for the future of Waverley, this table includes all councils in our options for assessment and reflects up-to-date information about each council operating independently.

	Waverley	Randwick	Woollahra	Botany	Sydney
 Population	70,706	142,310	57,677	43,292	191,918
 2031 population forecast	82,150	174,300	67,250	56,050	273,500
 Land size (km ²)	9.2	36.3	12.3	21.7	26.7
 TCorp assessment (current financial sustainability)*	Moderate	Sound	Moderate	Moderate	Strong
 TCorp assessment (financial sustainability outlook)**	Positive	Positive	Positive	Neutral	Positive
 OLG Infrastructure Management assessment***	Strong	Very Strong	Strong	Moderate	Strong
 Residential rates income	\$30M	\$52M	\$27M	\$10M	\$59M
 Business rates income	\$12M	\$13M	\$5M	\$16M	\$199M
 Waste levy	\$469	\$511	\$452	\$458	\$380
 Budget	\$144M	\$158M	\$107M	\$66M	\$761M
 Councillors	12	15	15	7	10

***Note:** New South Wales Treasury Corporation (known as TCorp) is the central borrowing authority for the State of New South Wales. The TCorp current financial sustainability measure assesses if a council is currently able to generate sufficient funds to provide the levels of service and infrastructure agreed with its community.

****Note:** The TCorp financial sustainability outlook measure assesses if a council will be able to generate sufficient funds to provide the level of service and infrastructure agreed by its community into the future, based on population growth.

*****Note:** In 2013, the Office of Local Government (OLG) did an infrastructure audit of councils in NSW to assess infrastructure management. The OLG Infrastructure Management assessment measure rates each council on how they are managing their infrastructure (roads, buildings etc) and addressing the infrastructure backlog.

WAVERLEY COUNCIL



This option currently meets two of the seven performance measures set by the State Government, as shown below. However, the forecast for this option in 2020, based on current trends, estimates that Waverley will meet six of the seven performance measures. This option does not meet the State Government's scale and capacity requirements.

- ▶ Meets Government requirements
- Doesn't meet Government requirements



 **70,706**
Current population

 **82,150**
2031 population forecast

 **9.2**
Land size (km²)

 **\$30M**
Residential rates income

 **\$12M**
Business rates income

 **\$144M**
Budget

Advantages

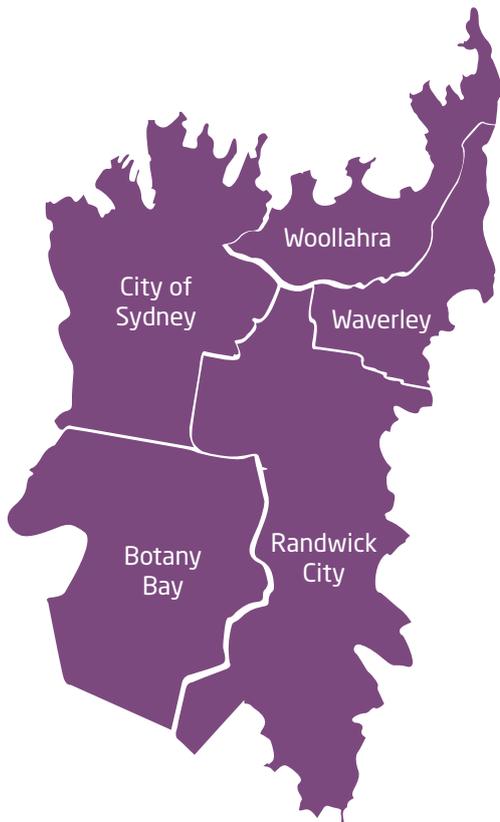
- Highest level of local representation of the six options (1: 4,714 population*)
- Retention of existing services
- Budget set and controlled by Waverley
- Continuation of Waverley's local land use planning instruments (LEP, DCP)
- Service delivery determined by Waverley
- Continuation of Waverley's Community Strategic Plan, Waverley Together 3
- Retains a strong community of interest and local identity

Disadvantages

- Does not meet the State Government's requirements for scale and capacity
- Economies of scale more difficult to achieve with present size
- Retains current capacity to access to State funding and grants but may limit opportunities to access more funds
- No access to \$10.5 million funding for merged councils

* Based on the current maximum number of councillors allowed under State Legislation, which is set at 15.

CITY OF SYDNEY, WAVERLEY, RANDWICK, WOOLLAHRA AND BOTANY AMALGAMATION



This option currently meets four of the seven performance measures set by the State Government, as shown below. The forecast for this option in 2020, based on current trends, will likely meet five of the seven performance measures. This option is consistent with the State Government’s scale and capacity requirements.

- ▶ Meets Government requirements
- Doesn’t meet Government requirements



505,903
Current population

653,250
2031 population forecast

106.2
Land size (km²)

\$178M
Residential rates income

245M
Business rates income

\$1,236M
Budget

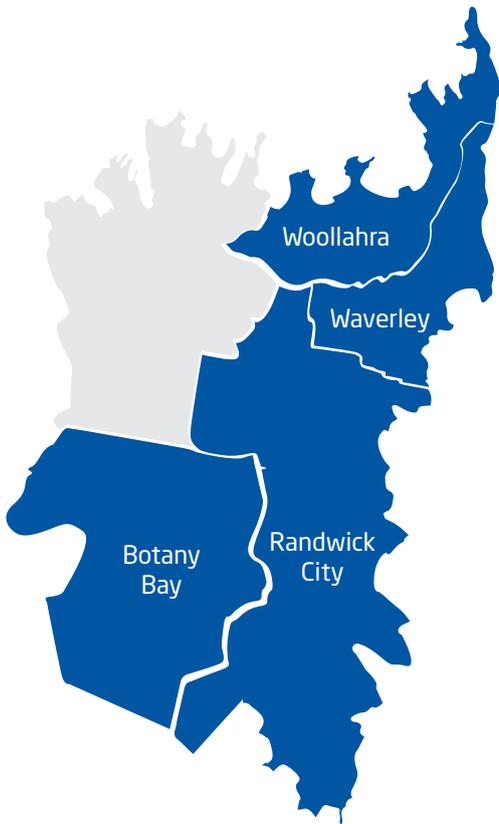
Advantages

- Meets the State Government’s requirements for scale and capacity
- Access to \$10.5 million funding for approved merged councils, with an additional \$3 million for every 50,000 above 250,000 population
- Ability to access TCorp borrowing facility at reduced cost
- Possibly able to have greater access to State funding and grants
- Capacity to promote and support Sydney’s ongoing development as Australia’s premier global city

Disadvantages

- Loss of Waverley and Eastern Suburbs identity
- Less representation at the local level (1:33,727 population*)
- Less influence of local community on decision makers
- Possibility of change to services offered and delivery of current programs
- Possible increase in level of bureaucracy
- Decisions about service delivery may not reflect local priorities
- New planning instruments required that may not meet local differences
- Promotion of the Global Sydney may dilute focus on the eastern coastal suburbs and beaches
- This does not meet the community of interest criteria
- Potential CBD Sydney focus at the detriment of suburban centres

WAVERLEY, WOOLLAHRA, RANDWICK & BOTANY COUNCILS AMALGAMATING



This option currently meets five of the seven performance measures set by the State Government, as shown below. The forecast for this option in 2020, based on current trends, will likely meet six of the seven performance measures. This option is broadly consistent with the State Government’s scale and capacity requirements.

- ▶ Meets Government requirements
- Doesn’t meet Government requirements



313,985
Current population

379,750
2031 population forecast

79.5
Land size (km²)

\$119M
Residential rates income

\$46M
Business rates income

\$475M
Budget

Advantages

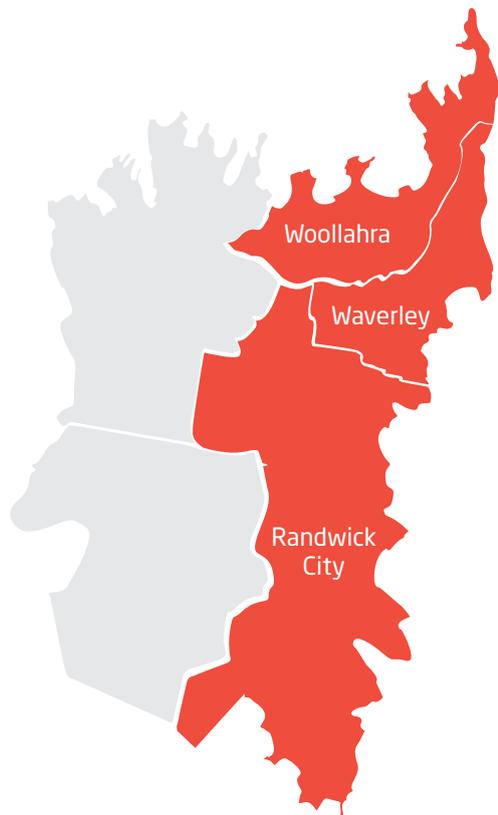
- Recognises the special connections of the eastern coastal councils and achieves the community of interest criteria
- Broadly consistent with State Government’s scale and capacity requirement
- Access to \$10.5 million funding for approved merged councils, with an additional \$3 million for every 50,000 above 250,000 population
- Possibly able to access other State funding and grants
- Potential for more effective integrated planning across the Eastern Suburbs
- Establishes an eastern coastal identity

Disadvantages

- Loss of Waverley identity
- Less representation at the local level (1:20,932 population*)
- Decisions about service delivery may not be reflective of local priorities
- New planning instruments required
- Possible increase in level of bureaucracy

* Based on the current maximum number of councillors allowed under State Legislation, which is set at 15.

WAVERLEY, WOOLLAHRA AND RANDWICK COUNCILS AMALGAMATING



This option currently meets five of the seven performance measures set by the State Government, as shown below. The forecast for this option in 2020, based on current trends, will likely meet six of the seven performance measures. This option is broadly consistent with the State Government’s scale and capacity requirements.

- ▶ Meets Government requirements
- Doesn’t meet Government requirements



270,693
Current population

323,700
2031 population forecast

57.8
Land size (km²)

\$109M
Residential rates income

\$30M
Business rates income

\$409M
Budget

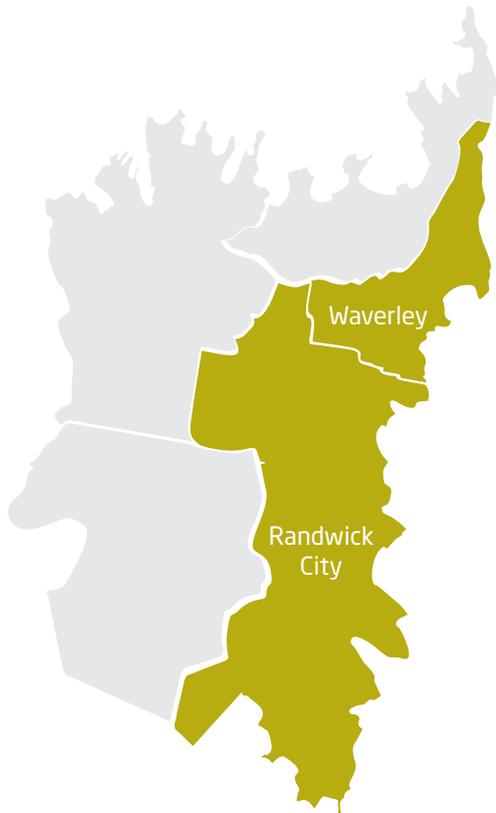
Advantages

- Recognises the special connections of the eastern coastal councils and achieves the community of interest criteria
- Broadly consistent with NSW Government’s scale and capacity requirement
- Access to \$10.5 million funding for approved merged councils, with an additional \$3 million for every 50,000 above 250,000 population
- Possibly able to access other State funding and grants
- Potential for more effective integrated planning across the Eastern Suburbs
- Achieves the common interests criteria including beaches, and coastal communities

Disadvantages

- Loss of Waverley identity, but retains eastern coastal identity
- Less representation at the local level (1:18,046 population*)
- Possible increase in level of bureaucracy
- Decisions about service delivery may not reflect local priorities

WAVERLEY & RANDWICK COUNCILS AMALGAMATING



This option currently meets six of the seven performance measures set by the State Government, as shown below. The forecast for this option in 2020, based on current trends, will likely meet six of the seven performance measures. This option is broadly consistent with the State Government's scale and capacity requirements.

- ▶ Meets Government requirements
- Doesn't meet Government requirements



 **213,016**
Current population

 **256,450**
2031 population forecast

 **45.5**
Land size (km²)

 **\$82M**
Residential rates income

 **\$25M**
Business rates income

 **\$302M**
Budget

Advantages

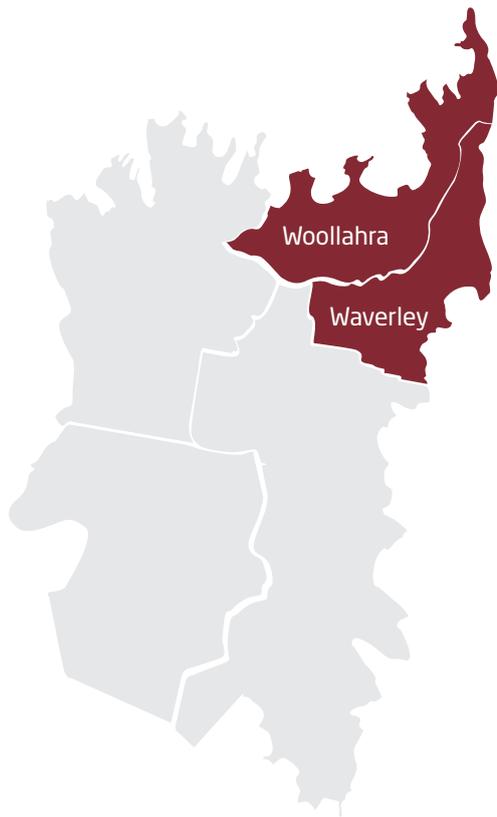
- Recognises the special connections of the eastern coastal councils and achieves the community of interest criteria
- Broadly consistent with NSW Government's scale and capacity requirement
- Access to \$10.5 million funding for approved merged councils, with an additional \$3 million for every 50,000 above 250,000 population
- Priority access to other State funding and grants
- Potential for more effective integrated planning across the Eastern Suburbs
- Achieves the community of interest criteria

Disadvantages

- Loss of Waverley identity
- Does not completely achieve a total eastern coastal council identity
- Decisions about service delivery may not reflect local priorities
- Possible increase in level of bureaucracy
- Less representation at the local level (1:14,201 population*)

* Based on the current maximum number of councillors allowed under State Legislation, which is set at 15.

WAVERLEY & WOOLLAHRA COUNCILS



This option currently meets four of the seven performance measures set by the State Government, as shown below. The forecast for this option in 2020, based on current trends, will likely meet six of the seven performance measures. This option does not meet the State Government's scale and capacity requirements.

- ▶ Meets Government requirements
- Doesn't meet Government requirements



128,383
Current population



149,400
2031 population forecast



21.5
Land size (km²)



\$57M
Residential rates income



\$17M
Business rates income



\$251M
Budget

Advantages

- Potential for more effective integrated planning across Waverley/Woollahra
- Elected representation is best of merged options (1:8,556 population*)

Disadvantages

- Does not meet the NSW Government's scale and capacity requirements
- Loss of Waverley identity
- Marginal increase in level of bureaucracy possible
- Does not reflect eastern suburbs coastal council identity as other eastern coastal councils excluded

SUMMARY OF OPTIONS

Here's an overview of the options to make it easier for you to see how each stacks up against the State Government's performance measures and criteria.

CURRENT ASSESSMENT OF PERFORMANCE MEASURES:

	RATIO 1 OP	RATIO 2 OSR	RATIO 3 BIAR	RATIO 4 IB	RATIO 5 AM	RATIO 6 DS	RATIO 7 ROEPC	No. Met
WAVERLEY	■	▶	■	■	■	▶	■	2
GREATER SYDNEY	▶	▶	■	▶	■	▶	■	4
WAVERLEY, WOOLLAHRA, RANDWICK, BOTANY	■	▶	■	▶	▶	▶	▶	5
WAVERLEY, WOOLLAHRA, RANDWICK	■	▶	■	▶	▶	▶	▶	5
WAVERLEY, RANDWICK	▶	▶	■	▶	▶	▶	▶	6
WAVERLEY, WOOLLAHRA	■	▶	■	■	▶	▶	▶	4

You will find more detail on each ratio on page 3

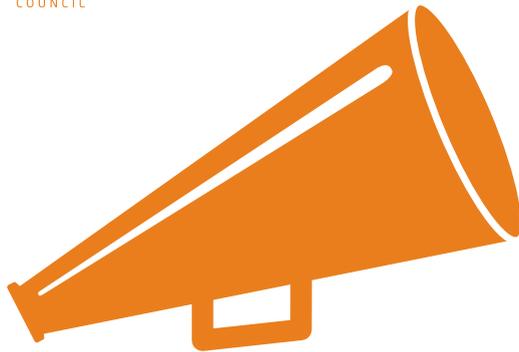
▶ Meets Government requirements
■ Doesn't meet Government requirements

FORECAST OF PERFORMANCE MEASURES IN 2018-2020:

	RATIO 1 OP	RATIO 2 OSR	RATIO 3 BIAR	RATIO 4 IB	RATIO 5 AM	RATIO 6 DS	RATIO 7 ROEPC	No. Met
WAVERLEY	▶	▶	■	▶	▶	▶	▶	6
GREATER SYDNEY	▶	▶	■	▶	■	▶	▶	5
WAVERLEY, WOOLLAHRA, RANDWICK, BOTANY	▶	▶	■	▶	▶	▶	▶	6
WAVERLEY, WOOLLAHRA, RANDWICK	▶	▶	■	▶	▶	▶	▶	6
WAVERLEY, RANDWICK	▶	▶	■	▶	▶	▶	▶	6
WAVERLEY, WOOLLAHRA	▶	▶	■	▶	▶	▶	▶	6

You will find more detail on each ratio on page 3

▶ Meets Government requirements
■ Doesn't meet Government requirements



In order to ensure the community have the opportunity to have their say, we are undertaking rigorous community consultation. Included in the consultation process is:



Online survey

Survey available at www.waverley.nsw.gov.au from 25 February 2015.



Hard copy surveys

Survey available at the Customer Service Centre, Library, Seniors Centre and the Pavilion from 25 February, or call 9369 8000 to be sent a copy.



Phone survey

A phone poll with residents, undertaken by an independent consultant. We encourage you to participate if you are one of the randomly selected residents. The phone poll is likely to take approximately ten minutes.



Business survey

A deliberative phone poll for businesses in the Waverley LGA.



Youth campaign

Campaign targeting Waverley's youth (aged 10–18 years), including focus groups.

All information in this package is available on Waverley Council's website: www.waverley.nsw.gov.au
If you have any further questions, please email fitforthefuture@waverley.nsw.gov.au or call Council's Communications and Engagement Manager on **9369 8168**.

NEXT STEPS – TIMELINE

