



# Council Merger Proposal

Working Title:

Sydney Olympic Park City Council



SUBMITTED ON 30 JUNE 2015 BY:  
AUBURN CITY COUNCIL, BURWOOD COUNCIL AND CITY OF CANADA BAY COUNCIL



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Dr Peter Boxall AO  
Chairman  
Independent Pricing and Regulatory Tribunal  
Level 8, 1 Market Street  
SYDNEY NSW 2000

30 June 2015

Dear Dr Boxall

**Template 1 Submission for Auburn City Council, Burwood Council and City of Canada Bay**

Please find enclosed Auburn City Council, Burwood Council and City of Canada Bay's merger proposal for assessment by the Independent Pricing and Regulatory Tribunal as part of the NSW Government's *Fit for the Future* reforms.

All three Councils want to stand-alone as we believe we are fit for the future under our existing structures however the State Government has given a strong indication that 'no change' is not an option.

In December 2014, both Burwood and City of Canada Bay undertook a joint independent study with Ashfield, Leichhardt and Marrickville Councils. The study indicated that the NSW Government's proposed merger of six inner west councils would not meet the necessary criteria to be fit for the future.

Similarly, Auburn City Council undertook an independent study in May 2015 which determined that the NSW Government's recommended merger of Auburn and Parramatta is unfeasible.

Therefore, Auburn City, Burwood and the City of Canada Bay Councils have proposed the following merger option in the event that the NSW Government proceeds with its proposed reform agenda. In the event that the NSW Government does not proceed, each Council has opted to stand-alone under their existing structures.

This scenario works on a number of levels and provides a superior model to the NSW Government's ILGRP recommendations in relation to financial outcomes and broader benefits for our communities. This proposal also maximises opportunities presented by significant planned growth across the new entity.

We welcome the opportunity to clarify any information that has been provided as part of this submission.

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Mayor of Auburn City

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Mayor of Burwood

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# FOREWORD

## STATE GOVERNMENT: Fit for the Future Reform Agenda



### **FIT FOR THE FUTURE**

In 2011 local councils from throughout NSW gathered for a summit, Destination 2036, to plan how local government could meet the challenges of the future. As a result, councils agreed that change was needed and that they wanted to be strong and sustainable and to make a positive difference in their respective communities. However, there were various views as to how this could be achieved and in April 2012 the State Government appointed an independent expert panel to carry out a review of the sector. This Independent Local Government Review Panel consulted widely in developing its final recommendations which were presented to the Government in late 2013.

The Panel concluded that for councils to become strong and sustainable, both the NSW Government and the local government sector would have to play a part. In response to the Independent Panel's Report: Revitalising Local Government, the State Government

announced its *Fit for the Future* Reform Agenda in September 2014.

The *Fit for the Future* program aims to bring these changes together to lay the foundations for a stronger system of local government and stronger local communities. As part of this program the State Government requires all Councils across NSW to submit a response by 30 June under its *Fit for the Future* Reform Agenda.

For metropolitan councils this means submitting either a Merger Proposal (Template 1) or Improvement Proposal (Template 2), using the Independent Local Government Review Panel's (ILGRP) recommendation as the starting point.

The *Fit for the Future* program requires councils to actively assess their scale and capacity in achieving long term sustainability, and for councils to submit proposals to the Government indicating how they will achieve these objectives, using the recommendations for their individual Council as the starting point.



## RECOMMENDATIONS OF THE INDEPENDENT LOCAL GOVERNMENT REVIEW PANEL

For the Burwood and City of Canada Bay Councils the ILGRP recommended amalgamation of Ashfield, Burwood, City of Canada Bay, Marrickville, Leichhardt and Strathfield. The rationale for this included:

- *Projected 2031 population 432,400*
- *Close functional interaction and economic/social links between these councils*
- *Need for unified local government to plan and manage Parramatta Road, the impact and integration of WestConnex, inner west redevelopment and proposed major centre at Burwood*
- *3 of these councils will have fewer than 60,000 people in 2036*

*(ILGRP report p.104)*

For Auburn City Council, the Panel recommend amalgamation of Auburn, Holroyd, Ryde (part), The Hills (part) and Parramatta. The rationale for this included:

- *Projected 2031 population approx. 558,500 including about one-third population of Ryde and without other boundary adjustments*
- *Close functional interaction and economic/social links between these councils*
- *Need for stronger unified local government to develop Parramatta as a second CBD*
- *Parramatta's northern boundary is very close to its CBD; relocation to M2 would facilitate planning and improved socio-economic mix and community linkages*

- *Incorporation of part of Ryde would strengthen link between Parramatta and 'Global Sydney Corridor' and improve scope for integrated planning about Epping station*

*(ILGRP report p.104)*

In preparing its submission each Council undertook its own research and modelling. The City of Canada Bay and Burwood Councils, working with the other inner west councils, engaged Morrison Low to undertake research and analysis of this option. This combination did achieve a population threshold of 434,000 by 2031, however, did not deliver on the Government's required benchmarks (see Appendix 6.1).

Auburn City Council also undertook research and engaged SGS Economics to analyse the functional linkages and connections between Auburn and Parramatta (option 1), and between Auburn and its neighbouring councils to the east: Burwood, Canada Bay and Strathfield (option 2).

Analysis of functional linkages is a spatial interpretation of the ILGRP's scale and strategic capacity criterion, and assists in the understanding of how a region operates. This has implications for the *Fit for the Future* program since the organisation of administrative boundaries along the lines of functional regions is likely to enhance the strategic capacity of a future organisation in the region. This analysis was based on a functional region composite index, which examined each LGA's connectivity with other LGAs in terms of economic, social, recreational and civic connectivity. Analysis of origin-destination patterns within a quantitative framework was used to generate an index value to represent the extent to which each LGA is connected to Auburn. This index aims to quantitatively measure the *functional connectivity* of each option being considered.



| TABLE 1. COMPOSITE RANK-INDEX SCORES |             |                     |   |
|--------------------------------------|-------------|---------------------|---|
|                                      | Auburn      | Auburn + Parramatta | Auburn + Burwood + Canada Bay + Strathfield |
|                                      | BASE CASE   | OPTION 1            | OPTION 2                                    |
| Resident journey to work             | 0.71        | 0.85                | 1.00  |
| Housing sub markets                  | 1.00        | 0.83                | 0.91  |
| Shopping trips                       | 0.85        | 1.00                | 0.71  |
| Travel time by car                   | 1.00        | 0.62                | 0.66  |
| Travel time by public transport      | 1.00        | 0.86                | 0.95  |
| Trips by communities of interest     | 0.73        | 0.88                | 1.00  |
| <b>Composite total index score</b>   | <b>5.29</b> | <b>5.03</b>         | <b>5.22</b>                                 |

Source: SGS Economics and Planning, 2015

Notes: The base case is based on intra-LGA flows using SA2 data, while the Options are based on intra-LGA flows. See Appendix 6.2 for the full study.

Auburn City, Burwood Council and the City of Canada Bay also undertook shared modelling engaging Morrison Low to prepare a study to consider implications of this combination. This study considered the various elements of a merger proposal against the IPART methodology, including assessment against the seven benchmarks.

This resulted in an initial Merger Business Case prepared in May 2015, which was subsequently augmented following the release of the final Methodology by IPART, which resulted in a revised Final Report in June 2015. See Appendix 6.3 for Sydney Olympic Park City Council Merger Business Case – Final Report June 2015.

When compared to the Independent Panel's proposal for Burwood and Canada Bay (merger of the inner west) and Auburn (merger with Holroyd, Parramatta and parts of both the Hills and Ryde), the Sydney Olympic Park City Council (comprising of Auburn City, Burwood and the City of Canada Bay Council) performs better against the *Fit for the Future* benchmarks.




The proposed Sydney Olympic Park City Council meets all of the Government's seven benchmarks by 2020, whereas the inner west grouping met four and the Auburn/Parramatta option only met three benchmarks by 2020.

The key priorities for the proposed council will be:

1. Managing the transition from the existing councils into a new merged council.
2. Continuing to fund the infrastructure needs of the combined council.
3. Addressing the needs of different communities of interest within a merged council area.

The landscape of metropolitan Sydney has changed and will continue to transform over the next 20 - 30 years with major redevelopments and new infrastructure projects markedly changing the shape of communities in and around Sydney.

The Sydney Olympic Park City Council Merger Business Case demonstrates that it:

-  **Delivers on scale:** With a population in 2016 of 219,800 and 289,450 by 2031. Based on population arising from Parramatta Road Renewal and other infill development, this will increase a further 31,000 to a total of 321,000. If Strathfield Council was included this figure would be in excess of 340,350 in 2031.
-  **Provides capacity to meet the demands on a contemporary local government.**
-  **Achieves all 7 Benchmarks by 2020.**





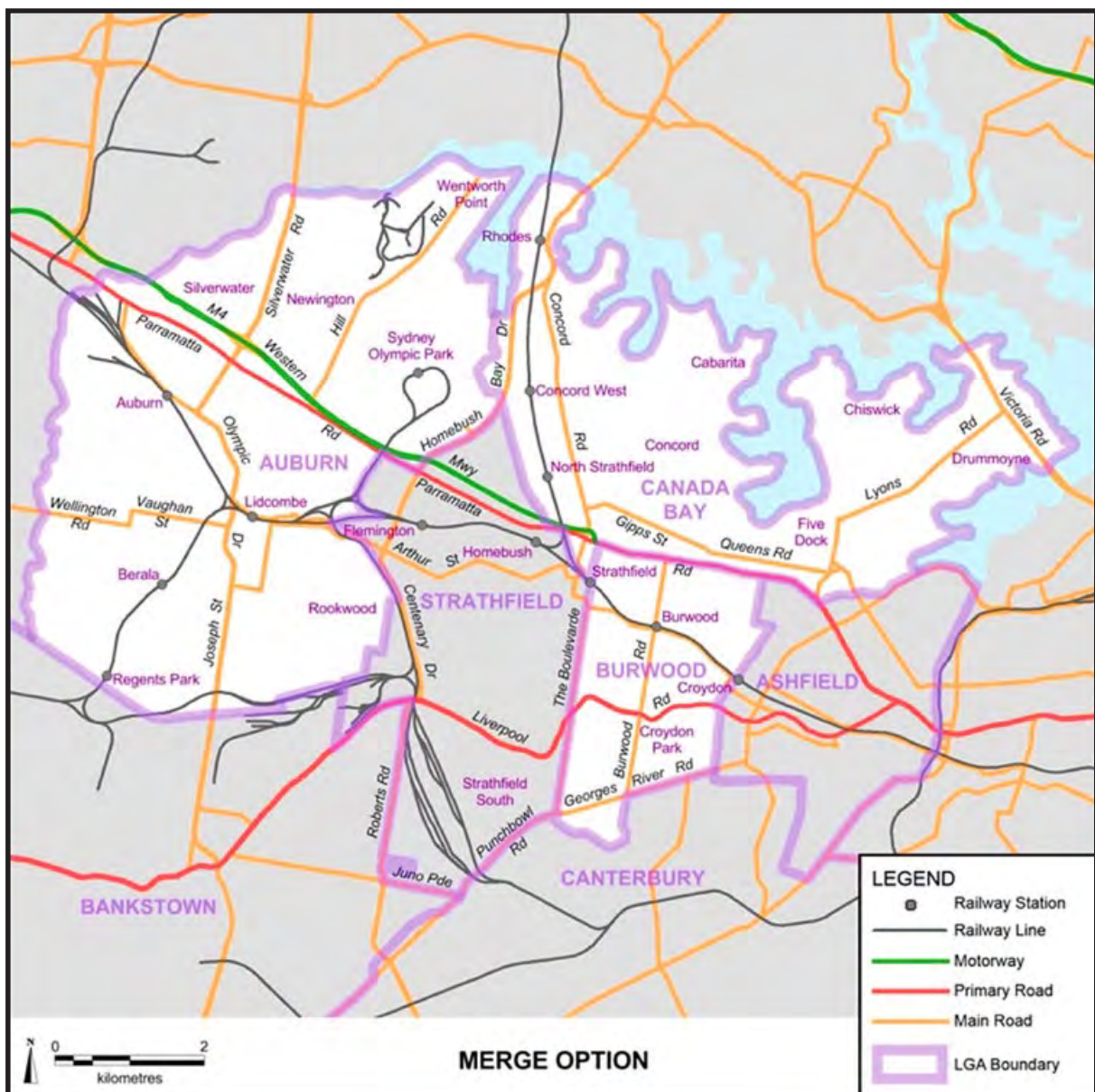


# 1.

## The Proposed Merger

### 1.1

Which councils have agreed to merge and form a new council?



Auburn City Council, Burwood Council and the City of Canada Bay Council put forward this proposal to form the Sydney Olympic Park City Council in light of the State Government's *Fit for the Future* Reform Agenda.

Each Council has as its first preference to stand alone and maintain the status quo. However the State Government has made it clear that 'no change' is not an option. It is in this context that the three Councils have undertaken independent research and have come to the conclusion that in the event of change being enforced by the State Government, that it

is prudent to present what is the best long term proposal for our communities.

This proposal brings together three councils of the inner west in Sydney with a combined population of around 220,000 in an area of 59.5km<sup>2</sup>. The map on the previous page highlights the existing council areas and how they would come together to form a proposed new entity:

### **Sydney Olympic Park City Council.**

| A profile of Sydney Olympic Park City Council |                      |                     |                            |                      |
|---|----------------------|---------------------|----------------------------|----------------------|
| ELEMENT                                       | AUBURN CITY COUNCIL  | BURWOOD COUNCIL     | CITY OF CANADA BAY COUNCIL | NEW ENTITY DAY 1     |
| Population 2016                               | 91,700               | 37,850              | 90,250                     | 219,800              |
| Population projection 2031                    | 130,600              | 47,500              | 111,350                    | 289,450              |
| Geographic area                               | 32.5 km <sup>2</sup> | 7.1 km <sup>2</sup> | 19.9 km <sup>2</sup>       | 59.5 km <sup>2</sup> |
| Annual expenditure (\$ million)               | \$60.1               | \$40.4              | \$72.6                     | \$173.1              |
| Number of councillors                         | 10                   | 7                   | 9                          | TBC                  |
| Full time equivalent staff                    | 278                  | 170                 | 296                        | 744                  |

\* Based on New South Wales State and Local Government Area Population, Household and Dwelling Projections: 2014 Final



## 1.2

### Agreed boundary changes

Auburn City Council, Burwood Council and the City of Canada Bay Council have agreed to submit a merger proposal on the basis that the Government is progressing with its overall agenda of local government reform.

Each Council believes that it is fit for the future to stand alone and meets the State Government's criteria around capacity, as well as demonstrates the ability to meet the Sustainability, Infrastructure and Service Management and Efficiency ratio benchmarks within the recently released IPART Methodology for Assessment of *Fit for the Future* proposals.

However, the State Government and the IPART have clearly stated that:

*To assess whether a council's FFTF proposal satisfies the scale and capacity criterion, we will consider:*

- *For Council Improvement and Merger Proposals, if the scale objectives of the ILGRP are broadly met and the strategic capacity requirements outlined in Box 3.1 are satisfied.*
- *In reviewing scale objectives, we will be guided by the population estimates for the particular LGA included with the ILGRP's recommended options, which supports the view that 'one size does not fit all' for LGAs.*
- *Councils which were not recommended to merge in the short term should consider a future plan for the council to achieve scale in the medium to longer term (e.g. Sydney fringe councils).*
- *The onus is on the council to demonstrate how it meets the strategic capacity requirements in Box 3.1, particularly if it chooses an option different from the ILGRP's recommendation. We will use our judgement in assessing strategic capacity based on the information we have available, given that there are no standardised benchmarks for these requirements. (Methodology for Assessment of Council Fit for the Future Proposals: June 2015:31)*

On this basis Auburn City Council, Burwood Council and the City of Canada Bay Council have all resolved to consider mergers in the face of forced change, all highlighting that **if** the Government does not proceed with the reform agenda, then all three will revert to the status quo.



#### AUBURN CITY COUNCIL RESOLUTION OF 26 MAY 2015:

##### RESOLVED:

1. *That Council adopt the merger proposal between Burwood Council, City of Canada Bay Council and Auburn City Council, as in the best interest of its residents, given the NSW State Government's intention to compel amalgamations.*
2. *That Council authorise the General Manager to place the decision on public exhibition for a period of 28 days between 27 May and 24 June 2015.*
3. *That during the public exhibition period Council will deliver a community engagement program as outlined in this report.*
4. *That Council delegates the Mayor and General Manager to finalise and lodge the Council submission to the Independent Pricing and Regulatory Tribunal (IPART), as per Template 1 provided by the Office of Local Government, by 30 June 2015.*
5. *That in the event that either Burwood Council or City of Canada Bay Council decide to not proceed with the agreed merger proposal, Council delegates the General Manager to finalise and lodge a "stand alone" submission to the Independent Pricing and Regulatory Tribunal (IPART), as per Template 2 provided by the Office of Local Government, by 30 June 2015.*
6. *That in the event that the NSW State Government opt not to proceed with the implementation of structural reform in the Local Government sector, that Council reverts to a status quo position and proceeds to withdraw from this proposal.*



**BURWOOD COUNCIL RESOLUTION OF  
9 JUNE 2015:**

**RESOLVED:**

1. That Council adopt the merger proposal between Burwood Council, City of Canada Bay Council and Auburn City Council, as in the best interest of its residents, given the NSW State Government's intention to compel amalgamations.
2. That Council authorise the General Manager to place the decision on public exhibition until 26 June 2015.
3. That the Notice of public exhibition be published in relevant local newspapers and ethnic papers, as well as on Council's website and social media, with hard copy notices made available at Council's Customer Service Centre, Burwood Library and Community Hub.
4. That during the public exhibition period Council delivers an information sheet (inclusive of information in multiple community languages) to all households, containing a summary of the decision and a list of estimated costs and benefits, and that the same information be provided through Council's website and social media platforms, as well as being made available in hard copy at Council's Customer Service Centre, Burwood Library and Community Hub.
5. That Council delegates the Mayor, Deputy Mayor and General Manager to finalise and lodge the Council submission to the Independent Pricing and Regulatory Tribunal (IPART), as per Template 1 provided by the Office of Local Government, by 30 June 2015.
6. That in the event that either City of Canada Bay Council or Auburn City Council decide to not proceed with the agreed merger proposal, Council delegates the General Manager to finalise and lodge a "stand alone" submission to the Independent Pricing and Regulatory Tribunal (IPART), as per Template 2 provided by the Office of Local Government, by 30 June 2015.
7. That in the event that the NSW State Government opt not to proceed with the implementation of structural reform in the Local Government sector, that Council reverts to a status quo position and proceeds to withdraw from this proposal.





## **CITY OF CANADA BAY RESOLUTION OF 16 JUNE 2015:**

### **RESOLVED:**

1. *THAT Council's present position is to inform the State Government that Canada Bay Council's preference is for the status quo however, Council notes that State Government Policy and a clear direction to IPART from the Premier has shown Council that the status quo will not be acceptable in the terms of State Government Policy.*

*Council notes its achievements:*

- the progress Council has made towards achieving the Fit for the Future performance measures but also it recognises that a single council cannot have the same scale and capacity as a number of amalgamated councils.*
- Council has a sound and stable Treasury Corporation assessment of its financial outlook. This is a result of both the Council and its management focusing on improvement of our financial position.*
- Canada Bay Council has received many awards from independent organisations for outstanding performance in the planning, environmental and community services areas. Council possesses modern recreational facilities and above the Sydney average for both passive and active recreation.*

*Council's community panel is an example of its leadership in consultation with Council's ratepayers and residents.*

2. *At Council's Extraordinary Meeting last week the effect of the resolution carried by Council was that it would stand alone. The effect of this resolution would require Council to submit Template 2 proposal and Council would therefore automatically be assessed as "unfit for the future".*

*Council's community engagement has shown that our residents prefer the stand alone option, i.e. for Canada Bay to remain as it is now. This position if submitted to the State Government would find Council "unfit for the future". The community survey showed a level of support toward some form of merger with adjoining councils; however our research shows that a merger option with Auburn Council is economically a better choice for our community.*

- Therefore the most acceptable merger option that would meet Fit for the Future Scale and Capacity*

*requirements of the State Government is Canada Bay + Burwood + Auburn City + Strathfield.*

- Two of the three potential partners being Burwood and Auburn have resolved to join with Canada Bay and advice is that Strathfield do not intend to make any determination.*
- A separate Morrison Low report commissioned by the councils that were recommended for amalgamation by the independent panel clearly shows it would not be in Canada Bay's interest to amalgamate with those councils.*
- On the contrary, a further report by Morrison Low finds a proposal to amalgamate with Canada Bay, Burwood, Auburn and Strathfield would show that not one council would dominate such a proposal and that all parties would jointly benefit and be more efficient and able to improve services to our communities.*
- An alternate amended proposal has been put forward to amalgamate Canada Bay and Burwood and also INCLUDE PARTS OF ASHFIELD COUNCIL, NAMELY HABERFIELD AND PARTS OF AUBURN COUNCIL NAMELY WENTWORTH POINT, SYDNEY OLYMPIC PARK, NEWINGTON AND PARTS OF THE SILVERWATER INDUSTRIAL AREA.*
- This proposal is impossible as the "IPART" and "Fit for the Future" requirements will not allow any claims on part of another municipal area without the specific written approval and resolution of the affected council. Whilst this is attractive, it is clearly not possible as Auburn have indicated it will never agree to annexation of any of its area and Ashfield have not been canvassed.*
- The Fit for the Future guidance material states that Councils' merger proposals must be endorsed by all councils in the proposed group. Councils are advised however to submit a case for inclusion of additional non-agreeing or silent proposed partners if it is both a physical fit and improves scale and capacity.*
- A grouping of Canada Bay, Burwood, Auburn and Strathfield would see a population of around 250,000 people increasing to 300,000 by 2021. Independent analysis shows that a population around these numbers would show a scale and capacity for greater efficiency and increased public benefit as well as satisfying Fit for the Future requirements.*



3. It should be noted that most if not all of the Councillors of Canada Bay Council believe that the current size of the Council is adequate and the services provided to our residents and ratepayers are outstanding. However, whilst the State Government continues with policies that require an increase in scale and capacity, as well as other heads of consideration, it would not be in Council's best interest to adopt a singular proposal that would automatically determine that Council was "unfit for the future". Whilst at all times we could agree to a policy position that says we should stand alone in our City's best interest, we should adopt a fall-back position which allows us to have scale and capacity that would permit Council to choose adjoining merger partners and not to go by default to the proposed amalgamation recommended by the independent panel. The current resolution from last week's Extraordinary Meeting would ensure a merger with Leichhardt, Marrickville and Ashfield.

4. Therefore we formally move that Council should resolve in the following terms:

- A. To continue with its recognition of the status quo.
- B. Endorse a proposal for a merger with Canada Bay, Burwood, Auburn and Strathfield Councils.
- C. Council should become an equal partner in the proposed merged identity and participation in the preparation of Template 1 proposal with

the adjoining three Councils namely Burwood, Strathfield and Auburn as this would allow us to meet the Scale and Capacity and other requirements of IPART's Fit for the Future review.

- D. None of the other proposals would lead to any other determination other than "unfit for the future".
- E. Council notes that the New South Wales Legislative Council proposes to conduct an Inquiry into the Fit for the Future council mergers and should any outcome of that Inquiry or any change to the State Government's support for the current Fit for the Future requirements, and then Canada Bay Council retains the right to review this resolution. This right to review is also conditional upon the State Government implementing its Fit for the Future program in an equitable fair and consistent manner across the Sydney Metropolitan Councils.
- F. That Canada Bay Council write to Burwood, Auburn and Strathfield Council indicating Council's decision and its resolution.
- G. The General Manager be authorised to take whatever action necessary to ensure that a submission is jointly prepared with the other participating councils and is available for lodgement by the 30th June 2015 deadline as well as providing any further information that IPART may require.

See Appendix 6.5 for Auburn, Burwood, City of Canada Bay Council reports in response to the State Government's Reform Agenda and subsequent resolutions.

## CONSULTATION WITH NEIGHBOURING COUNCILS

The proposal for a new entity, Sydney Olympic Park City Council, is superior to what was recommended in the ILGRP Report.

In preparing this submission, the three Councils did also invite Strathfield Council to participate as their inclusion in this new entity would offer even greater strategic capacity outcomes. However, Strathfield Council wrote to the five inner west Councils as well as Auburn City and Bankstown Councils on 2 June 2015 to clearly articulate the resolution arising from a recent Council meeting whereby Strathfield Council resolved:

*'That Strathfield Council writes to the 5 Inner West Councils plus Auburn and Bankstown Councils, clearly and unequivocally reiterating its long held position that it sees itself as able to stand alone into the future. This correspondence to include:*

- a. The reasons why Council sees itself as able to satisfy the Fit for the Future (FFF) criteria, now or in the near future*
- b. A statement that Strathfield Council will not entertain any boundary adjustments, no matter how other might justify them; and*
- c. A clear indication that Strathfield Council's own FFF submission will be on a 'stand alone' basis.'*

See Appendix 6.6 for letter from Strathfield Council.



## 1.3

### Scale and capacity

Is the proposed merger the same as the Independent Local Government Review Panel recommendation for your councils?

- No

### RATIONALE FOR PROPOSAL

This proposal differs to that recommended by the Independent Local Government Review Panel, however, is broadly consistent and achieves the ILGRP's desired outcomes around population, functional interaction and unified local government to plan and provide for regional infrastructure.

Set out below is a summary of the Panel's rationale for recommended amalgamations for each Council and how this proposal provides a superior option for the future.



| ELEMENT                     | INDIVIDUAL COUNCILS   | ILGRP RECOMMENDATION   | PROPOSED SYDNEY OLYMPIC PARK CITY COUNCIL OUTCOMES  |
|-----------------------------|-----------------------|--|---|
| <b>ILGRP recommendation</b> | Burwood<br>Canada Bay | Amalgamate with Ashfield, Burwood, City of Canada Bay, Marrickville, Leichhardt and Strathfield. | Form a new entity of Sydney Olympic Park City Council comprising Auburn City, Burwood, and City of Canada Bay.  |
|                             | Auburn                | Amalgamate Auburn City, Holroyd, Parramatta, Ryde (part), the Hills (part).                      |   |
| <b>Population</b>           | Burwood<br>Canada Bay | Projected 2031 population 432,300  | <ul style="list-style-type: none"> <li>✓ 289,450 by 2031.</li> <li>✓ Plus an additional 31,000 as a result of the Parramatta Road Urban Renewal Strategy.</li> <li>✓ Total population in excess of 321,000 by 2031.</li> </ul> <p>** this does not include other possible infill developments, such as Rhodes Central which will grow the population further.</p> |
|                             | Auburn                | Projected 2031 population 558,500  |   |



| ELEMENT  | INDIVIDUAL COUNCILS   | ILGRP RECOMMENDATION  | PROPOSED SYDNEY OLYMPIC PARK CITY COUNCIL OUTCOMES  |
|--|-----------------------|---|---|
| <b>Linkages</b>  | Burwood<br>Canada Bay | Close functional interaction and economic/ social links between these councils  | <ul style="list-style-type: none"> <li>✓ Builds on strong journey to work and social/educational trip relationships.</li> <li>✓ Provides for maximum focus on growing Sydney Olympic Park/Rhodes as a major economic node within the networked eastern metropolitan area.</li> <li>✓ Builds on strengthening existing industry and economic connections between Auburn City and locations to the east (SGS 2015:48).</li> <li>✓ Considers the social/ economic links between SOP, Wentworth Point, Newington and Rhodes with the construction of the new Homebush Bay Bridge connecting Wentworth Point to Rhodes, in particular Rhodes Railway Station.</li> </ul> |
|  | Auburn                | Close functional interaction and economic/ social links between these councils  |   |
| <b>Unified local government to plan and manage growth and deliver major infrastructure</b> | Burwood<br>Canada Bay | Need for a unified local government to plan and manage Parramatta Road, the impact and integration of WestConnex, inner west redevelopment and proposed major centre at Burwood | <ul style="list-style-type: none"> <li>✓ Delivers approximately 60% of new dwellings along the Parramatta Road Corridor through one entity.</li> <li>✓ Leaves strong and viable merger combinations for other regional groupings.</li> <li>✓ Delivers a unified local government to plan and manage the Parramatta Road Corridor in the key nodes/precincts along the corridor identified for major growth under the one entity.</li> <li>✓ Considers major growth is underway and is expected to continue around the Wentworth Point, Rhodes, Sydney Olympic Park and Carter Street areas.</li> </ul>  |
|  | Auburn                | Need for stronger unified local government to develop Parramatta as a second CBD  |   |

\*\* New South Wales State and Local Government Area Population, Household and Dwelling Projections: 2014 Final

## WHY SYDNEY OLYMPIC PARK CITY COUNCIL?

This proposal looks to the future and optimises opportunities presented by current and projected growth in this region:

**Population:** Based on the most recent Population Projections released by the NSW Department of Planning and Environment, a merger of Auburn City, Burwood and City of Canada Bay Councils would have an estimated population of 219,800 (September 2016), and an estimated population of 259,550 by 2016 if Strathfield Council was to be included. These figures increase to 289,450 by 2031 (based on Department of Planning Projections released in 2014) or 340,350 if Strathfield were to be included.

It should also be noted that these projections do not include additional population anticipated as part of the Parramatta Road Corridor or further infill

development in Rhodes and other such areas. This may contribute over 31,000 additional residents; taking the population in excess of 321,000 by 2031.

Importantly, it is noted that a merger of Auburn City, Burwood and City of Canada Bay Councils would not prevent viable mergers in terms of scale and capacity in the adjoining areas to the east and west.

This proposal does not 'cherry pick' and does not weaken or disadvantage the options of adjoining Councils. A merger of Leichhardt, Ashfield, Marrickville Councils, together with part of Canterbury Council (to the east), would meet the NSW government's population threshold, whilst a merger of Parramatta City and Holroyd Councils (to the west) would have an existing population of approximately 300,000, should the Government wish to pursue amalgamations in this direction.



**Cultural synergy:** Auburn City, Burwood and the City of Canada Bay Councils all have a similar ethnic cultural mix, with between 40-60% of each Council being overseas born, and China being the top country of birth (for overseas born) in all three Councils.

**Combined financial strength:** Each of the Councils in the proposed merger individually have a strong current financial position, with long term financial plans for continued financial sustainability and efficiency. Thus a merger of the three would result in a new entity with a very strong financial position as a starting point.

**Strong strategic centres:** A key strength of the proposed merger is that the new Council would have 3 Strategic Centres, as defined by the Department of Planning's centres hierarchy: Burwood, Rhodes, and Olympic Park.

Further, this option would see both Rhodes and Olympic Park grouped together under a single entity, whereas the Review Panel's proposal would see these two centres split between 2 Council areas despite being less than 4 kms or 10 mins apart.

**Simplified regional planning for large**

**infrastructure projects:** In particular the Parramatta Road Renewal Project. This project encompasses eight Precincts along the Parramatta Road Corridor, with major development and growth anticipated in the four Precincts of Auburn City, Homebush, Burwood, and Kings Bay. These four Precincts will cater for approximately 60% of all residential growth to be delivered in the corridor. This grouping would enable a cohesive approach to the delivery of these Precincts.

**A strong economic base:** Builds on existing industry and economic connections. It would result in a strong local economy based on a diverse mix of local employment lands, including major retail, extensive office space, ranging from A-grade space at Olympic Park to more affordable office space within the town centres and along Parramatta Road, business parks in Rhodes and Newington, traditional and high-tech industrial lands in Silverwater.

**Strong functional linkages and connections:**

Parramatta Road and the extensive river frontage (Parramatta and Duck Rivers), are two strong unifying elements which link the proposed merger Councils. These Councils are also linked via strong road, bus, rail, and ferry connections.







**Investment in community facilities and town centres:** Each of the Councils has undertaken recent investment in community facilities, including libraries, pools and community centres, as well as having a strong focus on their town centres. This investment strengthens an already even distribution of community facilities across the three Councils.

**A robust revenue base for the future:** A strong balance of residential, large industrial and employment lands to provide a broader rate base that contributes to building financial robustness.

**Broad coverage of facilities and open space:** Geospatially the provision of facilities and open space/recreation is equitably spread across the proposed entity. This includes the significant Sydney Olympic Park Precinct as well as a network of smaller regional and local recreation and community facilities.

**The potential to maximise opportunities arising from rapid growth in the region,** for example, opportunities arising from the Sydney Olympic Park Master Plan which will increase rate revenue as well as offer greater local employment opportunities with the development of knowledge based industries in the Precinct.

**A strong advocacy** voice in an area which will experience high growth in a relatively short period of time.

**An opportunity for improved regional collaboration** around land use, provision of major infrastructure and delivering on the NSW Metropolitan Strategy and precincts being considered for residential growth along the Parramatta Road Corridor.

**No one dominant Council:** A model where there are three willing councils who have demonstrated the ability to collaborate and as such provides a solid foundation from which to build a new entity, rather than one dominant Council 'taking over' another. This is considered advantageous in the transition process to a high performing and cohesive new entity.

**Synergies at the organisational level** in terms of organisational culture and systems that will assist with transitioning arrangements.



## IMPLICATIONS FOR STATE GOVERNMENT PLANNING

This grouping would require a realignment of the NSW Government's work around Regional plans to include the existing Auburn City local government area into the Central area. Given that this is currently under review this should not cause major issues. There is also a precedent with Bankstown City Council requesting a change to its subregional grouping,

which has subsequently been agreed to by the NSW Department of Planning.

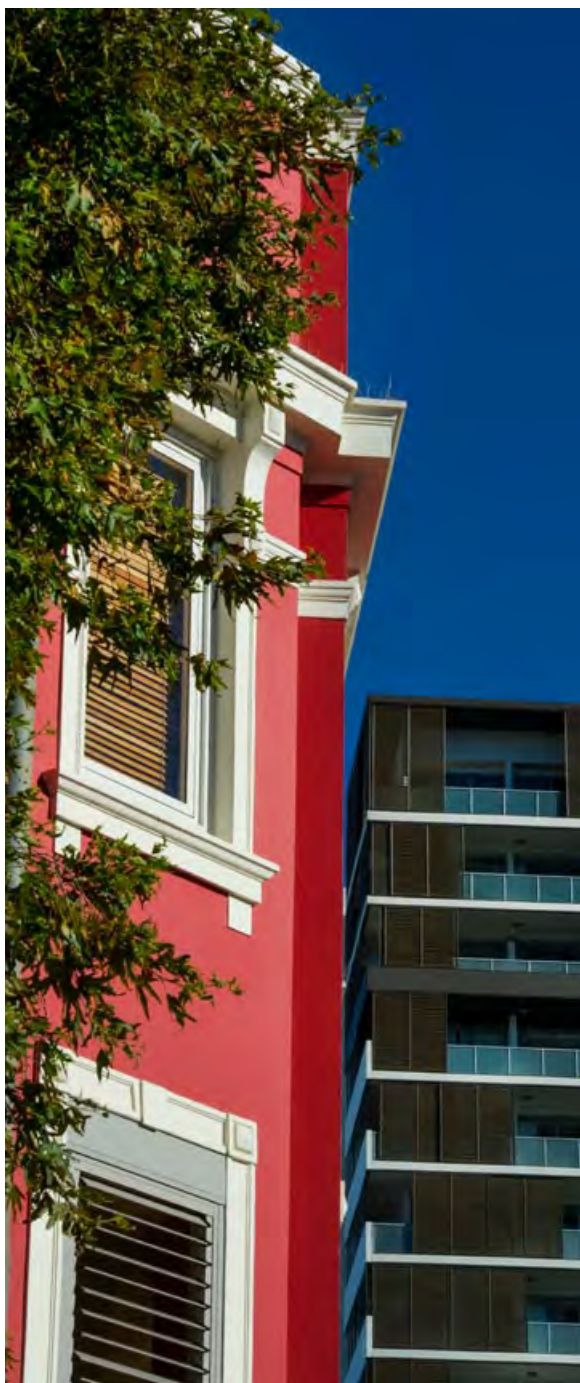
It should be noted that the current NSW Department of Education and Communities boundaries combine Auburn City, Burwood, City of Canada Bay and Strathfield LGAs into one region.



## HOW THE PROPOSAL WILL PROVIDE SUFFICIENT SCALE AND CAPACITY?

The three councils have demonstrated capacity in their own right however, by combining, can maximise the areas of strength each brings.

The following section highlights how the new entity will meet the key elements of Strategic Capacity as outlined in the Independent Local Government Review Panel's Report (2013:p32) as well as each Council's individual strengths demonstrated to date.



## MORE ROBUST REVENUE BASE AND INCREASED DISCRETIONARY SPENDING

### Sydney Olympic Park City Council will:

- Consist of three strategic centres as outlined in the NSW Government's: *A Plan for Growing Sydney 2014* metropolitan strategy. In addition, a more robust revenue base will be provided by a strong economic base with a mix of business, industrial and residential precincts across the new region.
- Have a population of 219,800 by 2016 with a projected growth of over 25% by 2031. This will lead to a significant increase in the revenue base.

### Evidence of current capacity

#### Auburn City

- Own source revenue in 2015 of 83%, and by 2020 forecast at 87%, due to a high annual growth rate of 3.1% per annum of the strategic centres within Auburn City.
- Commercial waste revenue has been flagged to increase by 8 fold. Council has a large business portfolio in Auburn City and has plans to expand services from a current market share of 2% to 20% over the next 10 years. This can be achieved at minimal cost to Council resulting in significant improvements in our margins.
- Construction, DA Fees, s94, Work Zone permits grew 17% last year. Auburn City Council is experiencing over \$2B in developments this financial year, and the associated collection of user fees is increasing and will remain at the current levels until the end of the Carter Street Development in 4-6 years' time.
- Council has some unique income sources with advertising, waste and other services that continue to generate 7-10% of our income not related to Council services.
- Council has a strong base of income from business, with 53% of rates coming from the commercial sector. Our commercial sector is experiencing strong growth due to our strategic location within metropolitan Sydney and our strong north-south and east-west road and rail connections.



- Council has plans to offer services to market in relation to Parks, Rangers, Sport and Community Development so we can work with local business, community land and authorities to provide more shared services on a user paid basis.

#### **Burwood Council**

- Burwood was identified by the NSW Government's *A Plan for Growing Sydney 2014* as a strategic centre, following two previous metropolitan strategies (2010 and 2012) in which Burwood was named a major centre, and is expected to grow as a regional centre over the coming years.
- Burwood Council was identified by NSW Treasury Corporation as one of only five councils in NSW with a positive financial outlook.
- Council's revenue base will continue to increase with more than 1,000 additional dwellings over the next three years (based on 32 current major development proposals/approvals as at February 2015) and an additional 2,000 dwellings in the next five to six years.
- In 2014, Council successfully received approval from IPART for a four year special variation in order to address the infrastructure backlog while maintaining current service levels.
- 70% of Council's revenue base is derived from own sourced revenue such as annual charges and user charges and fees (NSW TCorp).

- Council's level of fiscal flexibility is sound as own source operating revenue is maintained at levels above 70%.

#### **City of Canada Bay**

- Council's rate base will continue to increase as a result of growth in the area.
- Council has a range of revenue raising opportunities in place that can be adjusted to meet demand. This includes:
  - Regulatory function income which has increased from \$2M in 2011/12 to \$3.6M in 2014/15. The additional funds collected in excess of the base line level of \$2M set in 2011/12 have been quarantined to fund increased investment.
  - Paid Parking Income has increased from \$145K in 2011/12 to \$512K in 2014/15. Net funds collected from on street parking meters of \$1.4M have been quarantined to fund increased investment in new and renewal Infrastructure expenditure. This trend is forecast to continue over the life of the next Delivery Plan Cycle 2016/17 through to 2019/20.
  - Using public funds to generate public surplus for reinvestment: Council's Property Strategy enables Council to build capital reserves by disposing of underutilised and non-core property and developing property with potential to provide ongoing revenue streams to Council.



## SCOPE TO UNDERTAKE NEW FUNCTIONS AND MAJOR PROJECTS

### Sydney Olympic Park City Council will:

- Build on established strong Integrated Planning and Reporting (IP&R) frameworks to deliver major projects and functions across the inner west region including new libraries, sporting and leisure facilities in addition to a strong maintenance and renewal program.
- Have increased scope to undertake new functions and projects through an increase in revenue base, the possibility to access assisted borrowing and special loans.
- Provide a balanced distribution of facilities and services across the region.
- Will deliver a unified local government to plan and manage growth around:
  - delivery of major infrastructure
  - Parramatta Road Renewal Project
  - impact and integration of WestConnex
  - redevelopment of major infill sites
  - the major Centres at Burwood, Rhodes and Sydney Olympic Park in a cohesive manner

## Evidence of current capacity

### Auburn City

- Established Integrated Planning and Reporting (IP&R) frameworks including Council's Long Term Financial Plan which is regarded as best practice by the Office of Local Government in the *Integrated Planning and Reporting Manual for Local Government in NSW*.
- Extensive audit of infrastructure across Auburn City is nearing completion to update data and asset renewal and management processes.
- Comprehensive *Community Facilities Strategy 2014-2024* developed to promote planned community facility provision, particularly in relation to anticipated growth.
- Delivery of major community infrastructure, including:
  - Auburn Centre for Community
  - Auburn Town Centre public domain upgrade
  - Berala Community Centre (nearing completion)
  - Berala Village Public Domain Upgrade underway
  - Ruth Everuss Aquatic Centre underway
  - Major upgrades of Auburn Park and Auburn Memorial Park
  - Wentworth Point Library and Community Centre underway





## Burwood

- In 2012, Council undertook an extensive audit of infrastructure across the LGA to identify which assets required the most urgent attention. Each asset was given a category ranking from 1-5 based on their condition, forming the basis of Council's long term capital works management strategy.
- Council delivers significant major projects to the community in line with its IP&R process including:
  - Burwood Library and Community Hub - increasing Library membership by 24% since opening
  - Wangal Park wetland oasis – a 4.2 hectare wetland oasis in the heart of the inner west currently being constructed from a former brick pit site
  - Railway Square - improving pedestrian traffic flow and providing an open space in the centre of Burwood with a new bus/rail interchange
  - Fitzroy Centre at Woodstock - a state of the art hall adjoining the historic Woodstock Community Centre
  - Multi-purpose entertainment structure in Burwood Park – scheduled to commence in 2015
- Established Integrated Planning and Reporting (IP&R) framework including Council's Long Term Financial Plan which was regarded as best practice by the Office of Local Government in the *Integrated Planning and Reporting Manual for Local Government in NSW*.



## City of Canada Bay

- Established Integrated Planning and Reporting (IP&R) frameworks including Council's Long Term Financial Plan which is regarded as best practice by the Office of Local Government in the *Integrated Planning and Reporting Manual for Local Government in NSW*.
- Demonstrated ability to deliver major capital works on time and in budget to the value of over \$90M, including:
  - Concord Library and Children's Centre
  - Bay Run upgrades
  - Drummoyne Oval Precinct Upgrade
  - Central Park
  - John Whitton Bridge public domain works & boat ramp upgrade
  - Water for our Community Project
- A program of Town Centre upgrades including Five Dock Streetscape Upgrade; Drummoyne Village Centre, North Strathfield Shopping Village and Wareemba.
- Projects underway and due to be delivered in the term of the current Delivery Plan:
  - The Connection – the Rhodes Community Precinct
  - The Conservatory – a new cultural space at Cabarita Park
  - Five Dock Town Centre Upgrade



## ABILITY TO EMPLOY A WIDER RANGE OF SKILLED STAFF

### **Sydney Olympic Park City Council will:**

- Be located in the centre of Sydney with a strong public and private transport network providing accessibility and interconnectivity across Sydney.
- Build on the existing organisation development strategies of the individual Councils to ensure that the organisation is able to continue to employ a wide range of skilled staff and provide opportunities for existing staff to upskill and develop a greater knowledge of issues relating to Local Government.
- Attract a wider range of skilled staff through the attractive mix of service delivery to a diverse and multicultural community.

### **Evidence of current capacity**

#### **Auburn City**

- Delivering more than 170 services and initiatives to the community.
- Accountability and transparency through yearly and quarterly performance reporting, and Community Priority Surveys (every 2 years).
- Continuous improvement programs for staff and management.
- Over 20 National, State or Industry Awards received over the past 5 years, highlighting its position as a leader across many fields.

#### **Burwood**

- Delivering more than 80 services and initiatives to the community.
- Accountability and transparency in organisation through yearly and quarterly reporting and surveys.
- Continuous improvement programs for staff and management with the delivery of over 130 learning and development programs.
- Strong relationship with external stakeholders with business, learning and employment institutions.

#### **City of Canada Bay**

- Committed to the promotion of a strong, healthy community and the development of an appropriate culture, structure and workforce that will support the achievement of our medium to long term strategies.
- Underpinning organisational values of: Creativity, Fun, Leadership, Respect and Teamwork.
- A Workforce Management Plan in place to ensure sufficient resources available in the right place at the right time with the right skills to deliver on the community's vision and aspirations.
- Workforce management strategies, plans and systems to ensure Council's workforce is supported to efficiently and effectively deliver all its responsibilities.
- Managing workforce engagement and industrial relations to minimise disruption, disharmony and lost productivity.
- Training and development of Council's workforce is strategically targeted to ensure Council has the right skills at the right time to implement its strategies, plans and programs.
- There is a continued focus to approach ongoing learning and skill development through a learning and development program as well as support for further formal studies. Council encourages a high level of educational achievement at the Executive and Senior Manager level. 80% of the Executives have postgraduate – honours/masters qualifications in management or their professional field. 40% of Senior Level Managers have postgraduate – honours/masters qualifications in management or their professional field and 50% have undergraduate qualifications in management and professional field.



## KNOWLEDGE, CREATIVITY AND INNOVATION

### Sydney Olympic Park City Council will:

- Capitalise on the mix between the natural and built environment and the cultural diversity of the region. This includes being involved in major projects, taking advantage of the Parramatta Road growth corridor and providing a diverse range of cultural programs based on the demographics of the area.
- Deliver innovative and creative projects and initiatives to the community, as measured in their Integrated Planning & Reporting mechanisms and biannual community surveys.
- Apply the Australian Business Excellence Framework to measure success and lessons learnt in order to foster creativity and innovation.

### Evidence of current capacity

#### Auburn City

- Creation of the Green Bank – a self-perpetuating fund which captures financial savings resulting from the implementation of water and energy efficiency initiatives identified in Council's four year *Utilities Efficiency Plan*.
- Introduction of electronic Rates Notices.
- Provision of information in multiple languages, including Library management system and website.
- IT training in five languages and video conferencing programs in community languages.
- Over 200 education and skills development programs delivered to the community per annum as part of Council's ongoing Lifelong Learning Program.

#### Burwood

- Application of the Australian Business Excellence Framework to measure success of projects and lessons learnt.
- Providing a commercial Trade Waste program which generates increased income from recyclables.
- Burwood is the first Council to deliver the smarter scheduling system in conjunction with State Agencies.
- 3D modelling system to allow the public to view major Development Applications in an easy to use online format.
- Interactive mapping system which consolidates zoning, drainage, rating, parking, and waste collection maps into one online portal reducing the need for print or digital copies.
- Sophisticated asset management program which provides condition ratings on all local infrastructure assets including roads, footpaths, kerbs and gutters. The rating system is based on audits undertaken on a four year basis.
- Safe and Clean initiative providing ongoing cleaning and maintenance of Burwood CBD and surrounding town centres in addition to customer service support and education to business owners.

#### City of Canada Bay

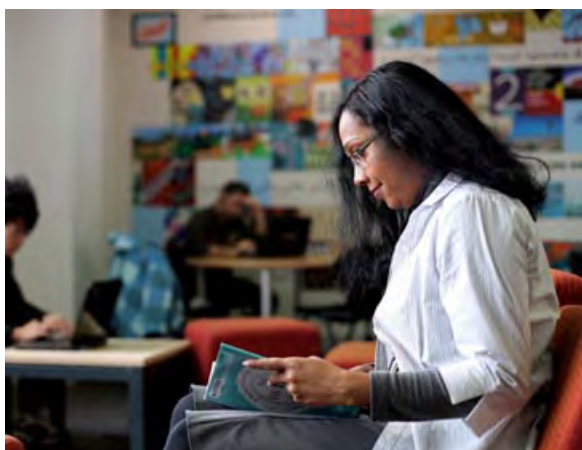
The City of Canada Bay has creativity as a core organisational value and demonstrates innovation in its activities. This includes:

- Management practices around risk management.
- High level of accreditation achieved for direct services including Council's Children's Centre's deemed 'exceeding requirements' and National silver recognition for the Five Dock Leisure Centre.
- Use of technology to improve service and business practices. The One Project – implementation of TechOne across the organisation including rates and property, financial, electronic document management, human resources and payroll and performance management and reporting.
- Use of parking technologies e.g. Phone app, parking sensors, License Plate recognition.
- Applying a Place-based approach in planning and engagement to deliver outcomes: Council has applied a place management approach



since 2009. This initially focussed around the Refresh Drummoyne project which involved the reinvigoration of the Drummoyne Shopping Precinct. This approach was then applied to Rhodes to enable Council to effectively manage the challenges and opportunities associated with the creation of the new suburb in the Rhodes Peninsula.

- Community partnerships to deliver innovation, such as the locally based, Touched by Olivia Foundation to develop Livvis Place and the social enterprise café. The model was developed in the City of Canada Bay and now provides a nationwide model, with four further cafes to be delivered across Australia this year.
- Innovation in community consultation and engagement – 2012 Citizen Panel process in partnership with New Democracy to apply Citizen Panels in Council's decision making promoting deliberative democracy.
- Water reuse and energy efficiency pilots that address both environmental and financial outcomes.



## ADVANCED STRATEGIC PLANNING AND POLICY DEVELOPMENT

### Sydney Olympic Park City Council will:

- Provide better alignment of planning controls in order to maximise the potential of the strategic centres while maintaining the character and locality of the surrounding residential areas.
- Allow the council to cooperate effectively with the State Government on major projects including Parramatta Road Renewal (as approximately 60% of the new population will be located within this new entity), WestConnex and Sydney West Light Rail project to ensure that Sydney remains a dynamic and interconnected city.
- Provide a greater capacity to achieve the outcomes for the community through consistency of policies around managing growth and quality of life for residents

### Evidence of current capacity

#### Auburn City

- A *Plan for Growing Sydney* identifies Olympic Park as a specialised centre, has been identified for its ability to provide additional dwellings serviced by rail and bus transport, as well as proximity to world class sporting venues and parkland.
- The *Auburn Local Environmental Plan 2010* significantly increased the building height and floor space ratio development standards in Auburn City's two town centres to encourage development located close to public transport, schools, shops and services. This complements Council's strategy to protect low density residential areas outside these centres and maximise housing choice and diversity.
- The value of DAs determined by Council in 2014/15 of over \$900M, together with Council's input into the planning for 2 of the NSW Government's 8 original priority precincts, is a testament to Council's sound policy framework and capability to undertake advanced strategic planning.
- Council was one of the first NSW Councils to introduce the Standard Instrument LEP in 2010, and is now leading the way with a comprehensive review of this plan to ensure the controls balance the rapid growth and change occurring with Auburn City.

## Burwood

- *A Plan for Growing Sydney* identifies three tiers of centres including two CBDs, three regional cities and strategic centres including Burwood. Burwood has been identified for its ability to provide additional dwellings serviced by a rail network and other high frequency public transport and the potential to accommodate ongoing job growth over the long-term.
- The Burwood Town Centre Local Environmental Plan significantly increased the building height and floor space ratio development standards in the town centre to encourage mixed development.
- One planning principle adopted by Council was to focus high density development in centres while protecting the amenity and character of low density residential areas outside the centres.
- In 2014, Council prepared a planning proposal for an amendment of the Burwood LEP to allow bonus residential development in the Commercial Core and Middle Ring areas of the Burwood Town Centre and apply design excellence provisions to development three storeys or more in the Burwood Town Centre, Strathfield Town Centre, Enfield Local Centre and Croydon Park Local Centre. This planning proposal has received a Gateway Determination from the State Government and will be placed on public exhibition in the near future.
- Council adopted a policy on carrying out bonus development in exchange for public benefits. This policy informs developers who may seek bonus residential development by providing a public benefit through a voluntary planning agreement (VPA).

## City of Canada Bay

- Council was an early adopter of the Integrated Planning and Reporting Legislation – as a Group one Council, CCBC had a strong culture of strategic planning and was able to immediately transition to the new legislation. Council's Community Strategic Plan (FuturesPlan20) first developed in 2008 through significant consultation with community members, partners, stakeholders, CCBC was recognised by the OLG (former the DLG) as a best practice Council for the preparation of its CSP.
- Council has a robust reporting process that engages all levels of the organisation in monitoring of key deliverables ensuring that budgets and service delivery are on track.
- Strategic Planning processes have been inclusive of the community particularly in areas where there are important service delivery implications. Council has embraced innovative ways of engaging and has partnered with the newDemocracy Foundation to establish a Citizens Panel to consider the range and level of services provided by Council.
- Council's Long Term Financial Plan meets legislative requirements.
- Council is a leader in the Sydney Metropolitan area in the area of progressing Affordable Housing Policy, through negotiating 24 Affordable Housing Units as part of Voluntary Planning Agreements for local key workers and facilitating Policy discussions in collaboration with the Future Cities Program, UrbanGrowthNSW and the NSW Department of Planning.



## EFFECTIVE REGIONAL COLLABORATION

### Sydney Olympic Park City Council will:

- Enable the Council to continue as an active participant on the following major projects:
  - Parramatta Road Renewal Project, via a Memorandum of Understanding with UrbanGrowthNSW which includes secondments and resource sharing.
  - WestConnex
  - Sydney West Light Rail (with potential node at Burwood)
  - Parramatta River Renewal initiative: Our Living River
- Advocacy for the light rail system centring on Parramatta (Westline) and connecting the light rail from Parramatta to Strathfield and Rhodes.
- Inner Sydney Waste Management Group (ISWMG) which involves joint waste related contracts, including regional recycling.

### Evidence of current capacity

#### Auburn City

- Council is an active member of the sub-regional taskforces for WestConnex, and the Parramatta Road Revitalisation Program.
- Effective working relations with NSW Government on major projects, including two Priority Precincts (Wentworth Point and Carter Street).
- Partnering with State and Federal agencies on the Parramatta River renewal initiative – Our Living River.
- Coordination with Sydney Olympic Park Authority for planning and servicing of Olympic Park Strategic Centre, and joint management of special events (e.g. Australia Day Celebrations).
- Strong participation in WSROC, including forthcoming review of the Environmental Impact Statement for the Western Sydney Airport.





## Burwood

- Strong participation with SSROC (the Mayor of Burwood is currently the President of the organisation).
- Council is an active member of the sub-regional taskforces for WestConnex, Parramatta Road Renewal Project, Cooks River Revitalisation, Sydney West Light Rail (with potential node at Burwood), Parramatta River renewal initiative.
- Shared waste management services with Strathfield Council.
- Volunteering opportunities across the inner west through the Volunteer Network.
- Providing Home and Community Care (HACC) services including podiatry across seven LGAs in the inner west region.
- Managing a shared town centre with Strathfield LGA.
- Working with Canada Bay on an extensive CCTV network and shared store purchasing for both depots.
- Maintaining a strong relationship with Westfield while providing support for local business.



## City of Canada Bay

- Delivers environmental sustainability workshops and initiatives with inner west councils.
- Negotiated with the State Government as part of the Northern Rail Underpass project to offer a cost effective solutions.
- Strong participation and collaboration within Southern Sydney Regional Organisation of Councils (SSROC) & the other 12 Councils (including the ISWMG) as grouped by the State government to undertake the Regional waste strategy; cost sharing by regional advertising of the program Ashfield, Burwood, Leichhardt and Canada Bay; and joint tendering for Bulk Household Clean Up Audit; and problem wastes, asbestos, gas cylinders, car tyres etc.
- Participant in Joint Library Collection Purchasing and programming including:
  - Overdrive eBook Platform (Ashfield, Burwood, Marrickville and Strathfield).
  - Joint purchasing for a range of smaller collections to ensure costs minimised. (Ashfield, Botany Bay, Burwood, Canterbury, Kogarah, Marrickville, Rockdale, Strathfield).
- Participant in the Regional Illegal Dumping (RID) Squad, which is a regional program which involves data and intelligence sharing and a consistent approach between the City of Canada Bay, Bankstown, Canterbury, Strathfield, Ashfield and Auburn City.



## CREDIBILITY FOR MORE EFFECTIVE ADVOCACY

### Sydney Olympic Park City Council will:

- Build on all three Councils' positive track record of advocacy. In saying this, a merged Council would provide stronger advocacy on major issues such as infrastructure and community safety by consolidated approach to lobbying key stakeholders.

## Evidence of current capacity

### Auburn City

- Funding secured from Sydney Trains to advance the Regents Park Railway Overbridge Reconstruction.
- Funding secured from NSW Department of Sport and Recreation for the upgrade of the Ruth Everuss Aquatic Centre.
- Successfully attracted funding to Auburn City for the development of the Auburn PCYC from NSW Government.
- Driving the establishment of new outreach services in Auburn North to service complexity of needs, e.g. three civil and immigration law services, settlement support services for new arrivals, emergency relief and welfare provision, and family support services.
- Strong track record in providing assistance to community groups to obtain funding to support local projects in response to community identified needs.



### Burwood

- Different People Different Voices Project to minimise cultural intolerance delivered to schools across Sydney funded by the Federal Attorney General's Department in consultation with the NSW Police Force Counter Terrorism and Special Tactics Command.
- Successful campaign for lift upgrades at Croydon Station.
- Creation of a rail/bus interchange at Railway Parade in Burwood CBD to improve both pedestrian and motor traffic.
- Reduction in robbery offences by 53% as a result of the Watchout: Safer Walkways project funded by NSW Department of Justice and Attorney General.
- Safer transport junctions through the Taxi Security Scheme grant funded by the Attorney General's Department.
- Comprehensive CCTV network as part of the CitySafe program under Federal Government's National Community Crime Prevention Program.
- Reduction in road fatalities as part of the Watch Out Cars About and Slow Down initiatives funded by RMS.

### City of Canada Bay

- Concord West Station upgraded and DDA compliant accessible ramps to North Strathfield Station.
- Rhodes Station scheduled for upgrade as part of North West Rail link.
- Funding achieved from RMS and works have been completed along the Bay Run.
- Council advocating on behalf of Community for West Connex to ameliorate local traffic issues and fair consideration for individual residents whose homes were identified for acquisition and redesign of West Connex was achieved by relocating hockey and sporting facilities and stormwater harvesting tanks.
- Ferry Wharf upgrades achieved at Drummoyne and Chiswick.
- Rhodes Ferry Service currently under investigation.

## CAPABLE PARTNER FOR STATE AND FEDERAL AGENCIES

### Sydney Olympic Park City Council will:

- Increase the Council's capacity to partner and negotiate with State and Federal Agencies on key projects.

### Evidence of current capacity

#### Auburn City

- Strong relationships and networks with external stakeholders including over 200 locally based community organisations, State and Federal Government funding bodies, service and employment providers.
- Track record of partnering on projects with State, Federal and private agencies located within Auburn City including:
  - NSW Police, Flemington Local Area Command
  - NSW Department of Justice
  - Multicultural NSW
  - Sydney Trains
  - Arts NSW
  - NSW Department of Health
  - Federal Department of Health and Ageing
  - NSW Department of Family and Community Services
  - NSW Department of Educational, other education and employment institutions including University of Western Sydney, UNSW and TAFE

#### Burwood

- Burwood is one of the best performing strategic centres, meeting both population and state workforce growth while providing additional housing over the next six years.
- Establishment of the Economic Development Advisory Panel which consists of local industry leaders from various sectors.
- The secondment of Council's Executive Strategic Planner and Heritage Advisor to UrbanGrowthNSW for the Parramatta Road Renewal Program.
- Piloted the NSW Department of Premier and Cabinet's smarter scheduling system and the first council to implement the scheduling system in conjunction with various State agencies.

- Partnering with both State and Federal agencies on WestConnex, Parramatta Road Renewal Project, Cooks River revitalisation, Parramatta River renewal initiative, Sydney West Light Rail.
- Auspice of programs including HACC and Volunteer Network delivered across the inner west region.
- State, Federal and private agencies are currently established, or have recently relocated their services, to Burwood including: Burwood Court House; NSW Police Burwood Local Area Command; NSW Justice; State Transit Authority – Burwood Bus Depot; Service NSW; NSW Trustee & Guardian; Sydney Trains; Housing Appeals Committee; and renowned educational institutions MLC, PLC, Santa Sabina, Burwood Girls High School and OTEN.

#### City of Canada Bay

- Council has partnered with the State to promote a thriving and connected community in line with CSP priorities. This includes:
  - WestConnex: Working constructively with the State Government in the planning of the WestConnex project locally to minimise negative impacts.
  - Parramatta Road Renewal Project: Partnering with the UrbanGrowthNSW to undertake land use planning for the revitalisation of the Parramatta Road Corridor, with a particular focus around the Precincts of Homebush, Burwood and Kings Bay.
- Delivery of the Homebush Bay Bridge connecting Rhodes with Wentworth Point: Partnering with the Developer and RMS to facilitate the construction of the Homebush Bay Bridge linking the communities of Rhodes and Wentworth Point for better provision of bus and rail transport access and access to commercial, retail and recreational services.
- Partnering with State Agencies to provide sustainable spaces and places including Parramatta River Renewal initiative; Water for the Community with Sydney Water and Federal funding.
- Partnering with NSW DEC to deliver the Victoria Ave Community Precinct, an innovative model that combines the resources of Council, DEC and the NSW Sydney Local Health District (SLHD) to deliver a new primary school, children's centre, early childhood health, purpose built outside of school hours care centre, a community hall, multipurpose court and playing field.



## RESOURCES TO COPE WITH COMPLEX AND UNEXPECTED CHANGE

### Sydney Olympic Park City Council will:

- Be better positioned to access revenue and funding through an increase in revenue base, increased borrowing capacity, stronger property strategy, rationalisation of rating systems, review of Fees and Charges, combined contracts and procurement.
- Attract additional income from own source revenue which will reduce the reliance on income from rates while continuing to deliver services to the community under the Integrated Planning & Reporting framework.

### Evidence of current capacity

#### Auburn City

- Successful negotiation of a Voluntary Planning Agreement to provide a library and community facility for the rapidly growing community of Wentworth Point.
- Establishment and ongoing operation of Council's Access Loop Bus Service – connecting residents to every suburb across Auburn City with key destinations including Auburn Botanic Gardens and Sydney Olympic Park, five days per week (supported with external resources and funding).
- Provision of affordable housing for seniors (77 units) to help address needs of ageing population and housing market pressures.
- Annual review of Fees and Charges to determine sources for additional revenue.



#### Burwood

- 70% of Council's revenue base is derived from own sourced revenue such as annual charges and user charges and fees.
- Undertaking four service reviews annually.
- Special variation in effect until 2018 providing additional income for infrastructure and asset renewal while maintaining existing service levels.
- Implementation of a Property Strategy to provide additional income following the end of the special variation.
- Annual review of Fees and Charges to determine sources for additional revenue.
- Increased revenue from parking infringements which is reinvested into the Safe and Clean initiative.
- Trade waste revenue funding clean up services, reviewed quarterly.

#### City of Canada Bay

- Council as an adaptable culture and systems to enable the organisation to operate effectively in an environment of constant change.
- Council's Long Term Financial Plan provides for reserves for planned and emergency maintenance; internal reserves to cater for unexpected events without major disruption to services or major fluctuations in fees/charges. The Council has low level debt that, if required, would enable the ability to respond via taking on additional loans.
- Council's core values of Respect, Teamwork, Fun, Creativity and Leadership have led to an adaptable and change ready workforce with the skills required for delivering our services. Evidence supporting this is found in the PWC Operational Effectiveness Survey results which indicate that Council is better than industry medians and standards.
- Council's approach to Strategic Asset Management ensures that construction takes into account environmental impacts to mitigate or eliminate (where possible) impacts – e.g. acid sulphate soils, sea level rises.
- Council has a strong Strategic Risk Management Strategy and Disaster Recovery/Business Continuity Plan to ensure organisation positioned to effectively respond and minimise impact on service to the community.

## HIGH QUALITY POLITICAL AND MANAGERIAL LEADERSHIP

### Sydney Olympic Park City Council will:

- Continue to receive a positive response from their residents' satisfaction surveys which gauge the community's perceptions towards the organisation and the provisions of service.
- Build on established Integrated Planning & Reporting framework and have had stable and experienced Councillors over several terms.
- Provide strong political leadership through quality elected representatives.

### Evidence of current capacity

#### Auburn City

- Integrated Planning & Reporting process highlighted as best practice by OLG.
- Unanimous endorsement of the proposal to merge with Burwood and Canada Bay, when faced with proposed amalgamations.
- Stable Council with active participation from long serving and experienced elected members, including routine street and public meetings.
- Annual budget allocated to training and development for Councillors.
- Streamlined organisational structure focused on key performance indicators.

#### Burwood

- Burwood introduced a popularly elected Mayor at the Local Government Elections 2012 to allow for stability.
- Annual budget allocated to training and development for Councillors on a range of issues including media and strategic planning.
- Active participation from long serving and experienced elected members including routine street meetings and door knocking.
- Taking on hard decisions such as the unanimous endorsement of a special variation following extensive community consultation.

- Burwood Mayor is currently the President of SSROC.
- Innovative indicators and streamline organisational structure focused on key performance indicators.
- Low rate of Code of Conduct complaints annually.
- Stable management bringing a wealth of experience from Local Government and State Agencies across Australia.
- Strong internal culture as evident in the increase in engagement and performance rating of Council in the biannual employee opinion surveys since 2010.
- IP&R process highlighted as best practice by OLG.

#### City of Canada Bay

- Canada Bay has a popularly elected Mayor and eight Councillors. They are a highly experienced and respected elected Council leadership who are able to work cohesively to ensure that the best interests of the community are served.
- Council has had stability in the elected Council, since 2004.
- All Councillors who were seeking re-election were returned to Council, with the exception of one Councillor in the past two elections. This indicates a high satisfaction level with the elected body – despite taking on difficult challenges associated with development impacts from the NSW Metropolitan Strategy.
- Council has a strong commitment to local democracy and working collaboratively with the community. Evidence of this includes being the first council in Australia to undertake a deliberate democracy process in partnership with the newDemocracy Foundation to form a Citizen Panel to review Council's full budget and service levels.
- The elected Council and Management Team have worked effectively to deliver the range of strategies and projects as detailed in this submission.
- Council shows leadership in making the hard decisions. An example of this is the Rhodes West Master Plan which challenged the status quo building heights and involved extensive community consultation and education. The Master Plan has delivered good urban design outcomes; 30% more open space on the previous scheme and over \$40M for the provision of physical and community infrastructure including The Connection a \$21M Community Precinct.

# 2.

## The Outcome

### 2.1

#### Delivering key priorities and addressing challenges

To understand the key priorities and challenges the following work was undertaken in relation to the proposed merged entity:

- Examination of each council's *Community Strategic Plan* and suite of integrated planning documents, as well as other existing specialised plans and reports.
- Analysis of social/cultural, economic, environmental data and other functional/geographic relationships and interests within the new area to identify 'communities of interest,' priorities, challenges and opportunities.
- Consideration of future performance in relation to the *Fit for the Future* benchmarks set by the NSW Government, including financial modelling using in-house expertise and data from all three existing council areas.
- A series of formal discussions/meetings involving all three councils to explore key projects and programs, synergies as well as advantages/strengths, weaknesses, threats and opportunities associated with the Merger Proposal.



#### What are the common priorities identified in our Community Strategic Plans?

A review of Auburn City, Burwood and City of Canada Bay Community Strategic Plans shows that the communities of these three areas share many of the same aspirations; with all Community Strategic Plans referencing common aspirations, including:

- ***Celebrating and embracing diversity***
- ***Inclusive, welcoming and supportive communities***
- ***A sense of pride and realisation of potential***
- ***A sustainable natural environment***
- ***A vibrant economy and thriving places***



## COMMUNITIES OF INTEREST SNAPSHOT

### Community Profile

**Current Population:** 219,800 (NSW Dept. Planning 2016 Estimated Population)

#### Key characteristics:

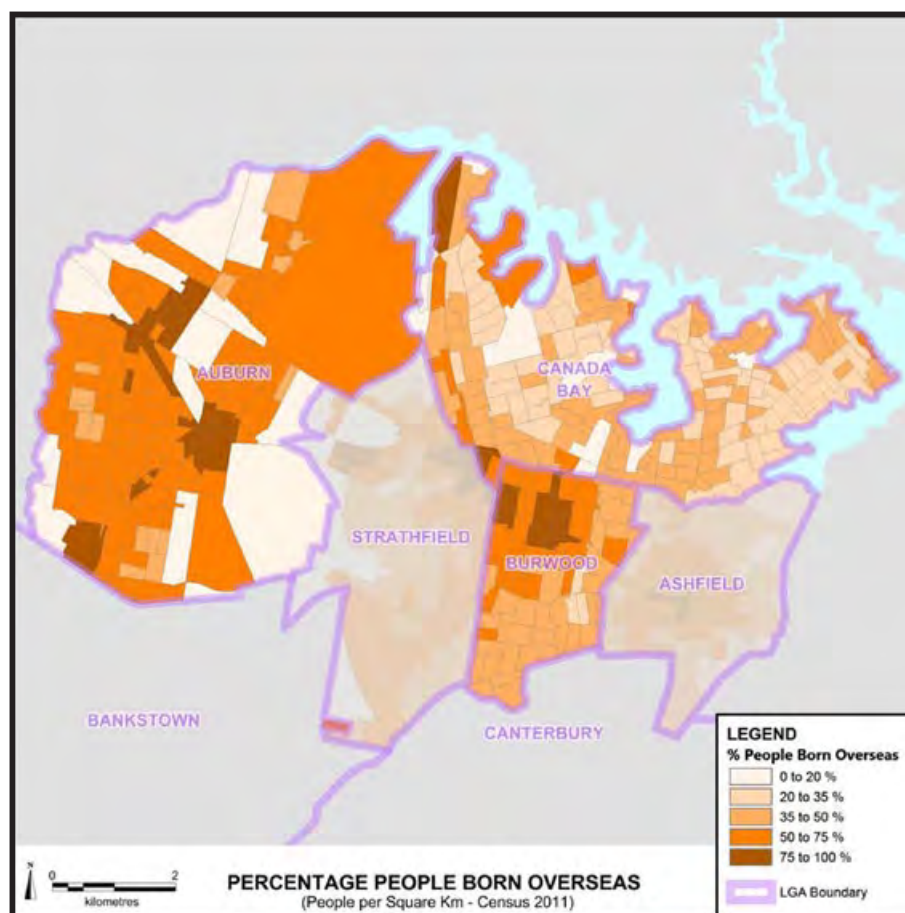
- A younger population than NSW.
- Exceptional diversity of cultures, which characterises the local area's public spaces, the area's sense of cultural distinctiveness, sense of place and positive multicultural identity.
- Focus on education, skills development and lifelong learning opportunities to increase participation in community life, employability and overall community wellbeing.

*The proposed new entity has strong cultural synergies, with between 42-58% of each Council being overseas born, and China being the top country of birth (for overseas born).*

| Top 5 Countries of Birth, 2011 |     |             |     |             |    |
|--------------------------------|-----|-------------|-----|-------------|----|
| AUBURN                         | %   | BURWOOD     | %   | CANADA BAY  | %  |
| China                          | 11% | China       | 15% | China       | 6% |
| Vietnam                        | 5%  | India       | 5%  | Italy       | 5% |
| South Korea                    | 4%  | South Korea | 4%  | UK          | 3% |
| India                          | 4%  | Italy       | 4%  | South Korea | 3% |
| Turkey                         | 4%  | Nepal       | 3%  | New Zealand | 2% |



| Population Highlights (ABS, Census 2011) |  |  |  |
|--|--|--|--|
|  | AUBURN   | BURWOOD  | CANADA BAY   |
| Median Age                               | 31   | 35   | 37   |
| Overseas Born Population                 | 57%  | 58%  | 42%  |
| Couples with children                    | 40%  | 34%  | 32%  |
| Medium and high density housing          | 51%  | 48%  | 56%  |
| Households with a mortgage               | 31%  | 25%  | 29%  |
| Median weekly rent                       | \$350  | \$400  | \$480  |
| Households renting                       | 37%  | 35%  | 32%  |
| University attendance                    | 6%   | 10%  | 6%   |
| Bachelor or higher degree                | 21%  | 30%  | 32%  |
| Vocational                               | 9%   | 10%  | 13%  |
| Public transport (to work)               | 28%  | 36%  | 24%  |
| SEIFA                                    | Highest suburb score: 1,111; and lowest suburb score: 835.4. | Highest suburb score: 1,115; and lowest suburb score: 996.5. | Highest suburb score: 1,042; and lowest suburb score: 960. |



## Economic Profile

### Key characteristics:

- Strong local economy based on a diverse mix of major retail, office space, business parks, traditional and high-tech industrial uses, and a range of industry sectors, with a high Gross Regional Product per capita.
- Strategic location within the metropolitan Sydney market – centrally located, with good access to major road and rail links.
- Strong projected employment growth with increasing demand for industries such as finance and insurance, health care, social assistance, education and training, retail, construction, and accommodation and food services forecast as a result of high population growth.
- Strong comparative advantages including proximity to the Sydney CBD and Parramatta CBD, accessibility (by road and rail), good stock of quality employment floor space.
- A strong centres hierarchy with the strategic centres of Burwood, Olympic Park and Rhodes<sup>1</sup>, supported by a number of town centres, local centres and neighbourhood centres.
- Potential of the Parramatta Road Corridor, with the new entity having the longest stretch of Parramatta Road, and the potential for employment growth generated by revitalisation.

*The proposed new entity has a strong local economy with a Gross Regional Product of approximately \$17 billion.*

| Key Highlights         |  |                                   |                                   |
|------------------------|--|-----------------------------------|-----------------------------------|
|                        | AUBURN   | BURWOOD                           | CANADA BAY                        |
| Local businesses       | 8,236  | 4,727                             | 8,917                             |
| Gross Regional Product | \$8.8B   | \$2.62B                           | \$5.9B                            |
| Local jobs             | 63,263   | 19,146                            | 36,144                            |
| Largest industry       | Manufacturing and Financial/insurance services | Health care and social assistance | Health care and social assistance |
| Employed residents     | 36,082   | 17,945                            | 46,102                            |



<sup>1</sup> NSW Government metropolitan strategy *A Plan for Growing Sydney* released on 14 December 2014.

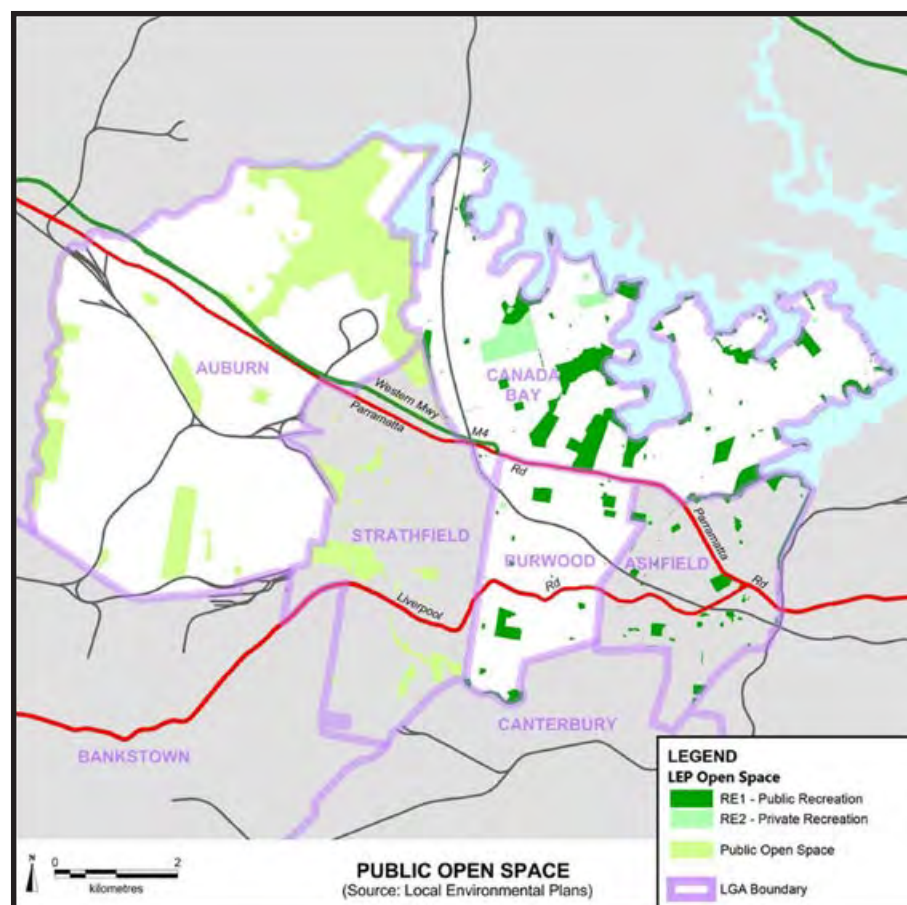


## Environmental Profile

### Key Highlights:

- Extensive Parramatta River and Duck River frontage.
- Diversity of open spaces ranging from small pocket parks, to playing fields, to regional open spaces.
- Diversity of flora and fauna, including endangered ecological plant communities.
- Water, energy, and biodiversity conservation initiatives.

|                              | AUBURN   | BURWOOD  | CANADA BAY   |
|------------------------------|--|--|--|
| Rivers and watercourses      | Parramatta River, Duck River, Haslams Creek  | Cooks River  | Parramatta River   |
| Open Space                   | 780 ha   | 44 ha  | 218.35 ha  |
| Other environmental features | Wetlands (Sydney Olympic Park)<br>Rookwood Cemetery: state significant historical, archaeological and landscape elements<br>Endangered ecological community: Cumberland Plain Woodland | Extensive areas of heritage<br>Wangal Park wetlands attracting native flora and fauna to a natural ecosystem | Wetlands/foreshore<br>Three endangered ecological communities: Sydney Turpentine-Ironbark Forest; Coastal Saltmarsh; and Swamp Oak Floodplain Forest |







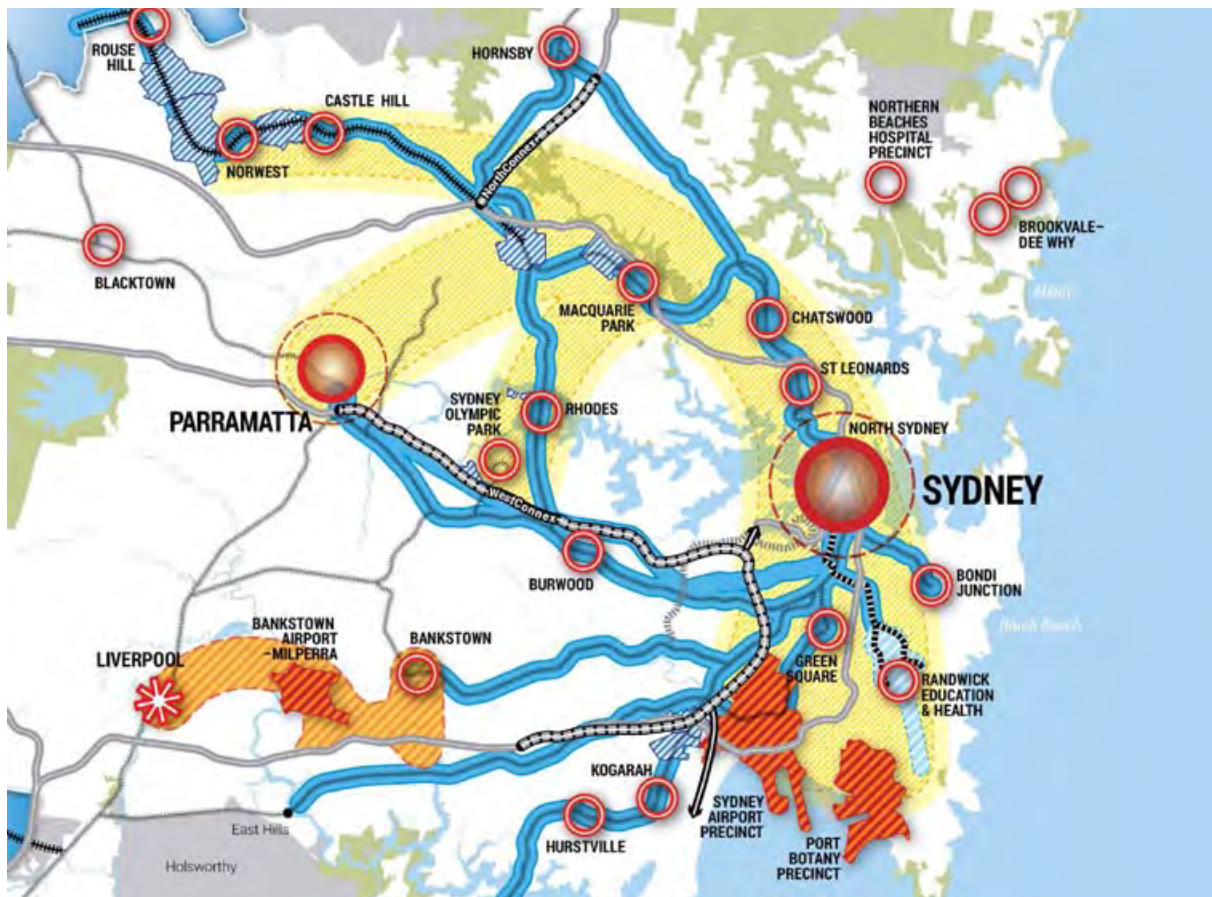
## Growth Profile

**Projected Population:** 289,450 (2031)

### Key characteristics:

- Projected growth of approximately 41% (Auburn is expected to grow by 68%; or around 2.6% each year; and Burwood and City of Canada Bay are expected to grow by 39%; or around 1.6% each year).
- One of the fastest growing areas in metropolitan Sydney and NSW.
- Additional population growth is also expected to result from Parramatta Road Revitalisation project, as well as the two existing State Government priority Precincts of Wentworth Point and Carter Street, and the Sydney Olympic Park Master Plan.

*The proposed new entity will be one of the fastest growing areas in metropolitan Sydney and NSW*



**NOTE:** A detailed analysis of the communities of Auburn City, Burwood and City of Canada Bay has been undertaken and is included in Appendix 6.3 - Morrison Low Independent Merger Business Case – June 2015.

The key sources of information were ABS Census Data, population, household and dwelling projections prepared by NSW Department of Planning and Environment, and the New South Wales Local Government Areas: Similarities and Differences report (NIER, March 2013).





## PRIORITIES AND CHALLENGES

Set out below are specific consideration in relation to each of the priorities and challenges.

| PRIORITIES   | HOW WILL THE MERGER HELP YOU DELIVER THESE PRIORITIES?  |
|--|---|
| <b>Infrastructure &amp; Connectivity meets current and future needs of a growing population</b>  |   |
| Creating strong public transport infrastructure and connections  | <ul style="list-style-type: none"> <li>• The merger will enable Council opportunities for greater advocacy, negotiation on behalf of the community, and coordination in planning of major infrastructure.</li> <li>• Support more effective relationship with Transport for NSW and public transport providers.</li> <li>• Create an effective interface to Greater Sydney via major roads, bus links, rail lines, ferry services and new Olympic Corridor light rail service.</li> <li>• Provide a single local government authority located at the strategic "cross roads" of metropolitan Sydney – including over half of Parramatta Road in one local government entity.</li> </ul> |
| Infrastructure to support new communities  | <ul style="list-style-type: none"> <li>• Enable the high growth areas of Rhodes and Wentworth Point to be managed under one entity. This is critical as the Peninsulas will be joined from September 2016 with the completion of the Homebush Bay Bridge.</li> <li>• Provide larger revenue, investment opportunities.</li> <li>• Offer potential to work with other Councils to activate the recycled water line in Rhodes.</li> </ul>   |
| Supporting the development of significant cultural sites and assets  | <ul style="list-style-type: none"> <li>• Bring under one LGA authority, State and regionally significant sites enabling greater coordination and optimisation of partnerships and leverage of resources. This includes sites such as: Sydney Olympic Park, TAFE NSW (Lidcombe College), The University of Sydney (Cumberland Campus), Rookwood Necropolis, Auburn Hospital, Auburn Botanic Gardens, Bicentennial Park, Concord Hospital, Yaralla Estate, Concord Oval and Drummoyne Oval.</li> </ul>  |
| Growing Sydney Olympic Park as a major node to realise its vision of a world class urban centre where people work, live, learn and play (Master Plan 2030) | <ul style="list-style-type: none"> <li>• Offer the opportunity to better support SOPA.</li> <li>• At present Auburn City Council provides municipal services, City of Canada Bay partners SOPA with connectivity projects (eg. shared pathways, access to adjoining facilities, such as the new Victoria Ave Community Precinct in Concord West).</li> <li>• Enable the new entity to form a new and stronger relationship with Sydney Olympic Park to establish itself as a community 'in its own right' which may present an opportunity to take up new infrastructure and servicing tasks for the new entity.</li> </ul>   |
| Ongoing investment in asset renewal  | <ul style="list-style-type: none"> <li>• Combine high growth entities will strengthen the network of new community facilities to accommodate future growth</li> </ul>   |

| PRIORITIES   | HOW WILL THE MERGER HELP YOU DELIVER THESE PRIORITIES?   |
|--|--|
| <b>Community infrastructure and services meet place specific needs and contribute to a strong sense of community</b> |  |
| Maintaining current high levels of service delivery to the larger community of the new entity                        | <ul style="list-style-type: none"> <li>• Retain even distribution of community facilities across the new entity will enable the current high levels of service provision by each of the three Councils to continue, with minimal disruption or inconvenience to residents.</li> </ul>  |
| High quality sport, community and recreational facilities  | <ul style="list-style-type: none"> <li>• Increase the strength of advocacy and ensure community benefits via the potential of the Parramatta Road Corridor, and its designation as a growth area, provide a potential for further jobs locally.</li> </ul>   |
| Building new strategic partnerships to support community service delivery  | <ul style="list-style-type: none"> <li>• Enable stronger advocacy with State and Federal Government to provide targeted/tailored services to meet complexity of need and minimise unnecessary direct service provision through support of community providers.</li> </ul>  |
| Communities of interest  | <ul style="list-style-type: none"> <li>• Deliver enhanced resources to deal with diverse community, additional cultural programs.</li> <li>• Optimised diversity has been proven to foster community wellbeing and creativity.</li> </ul>  |
| Focus on education, skills development and lifelong learning   | <ul style="list-style-type: none"> <li>• Combine the resources and knowledge of the three entities and building on the individual strengths of each organisation will create further opportunities to increase participation in community life, employability and overall community wellbeing.</li> </ul>  |
| <b>Economic development is focussed on local jobs now and into the future, within a global economy</b>               |  |
| Delivering diversity of housing choice to support multiple entry points into the housing market                      | <ul style="list-style-type: none"> <li>• Enable a coordinated and consistent approach to be applied to creating diversity of housing form to enable affordable housing. This will be achieved through leveraging new housing development opportunities in renewal areas (Rhodes, Wentworth Point, Parramatta Road and in centres and near train stations) and maximise outcomes from government investment in housing assistance and infrastructure delivery.</li> <li>• Improve efficiency of the development process across the three councils, thereby driving down costs in the regional housing market.</li> <li>• Support housing diversity enabling a range of household income types to live and work locally (e.g. through the provision of key worker housing).</li> </ul> |
| Protection of the Town Centres and a place based approach to service delivery based around need                      | <ul style="list-style-type: none"> <li>• Build on the strengths of each Council around Town Centre developments and applying a place based approach will result in the efficient and effective operation of Council by understanding and meeting the characteristics of the communities it serves.</li> </ul>  |



| PRIORITIES   | HOW WILL THE MERGER HELP YOU DELIVER THESE PRIORITIES?  |
|--|---|
| Creation of a cohesive and strong strategic centre of Olympic Park-Rhodes  | <ul style="list-style-type: none"> <li>• Ensure the strategic centre of Olympic Park-Rhodes falls within a single local government authority, enabling more effective strategic planning, and economic and urban design outcomes than if this centre was split between different Council areas.</li> <li>• Support the continued development of Burwood as the other strategic centre within the new entity.</li> </ul> |
| Protection of employment lands within the new entity (both in terms of area and diversity of land uses)                          | <ul style="list-style-type: none"> <li>• Provide greater coordination and negotiating skills in relation to land use.</li> </ul>  |
| Delivery of new dwellings in accordance with Metro strategy along Parramatta Road and in the Homebush Precinct and Carter Street | <ul style="list-style-type: none"> <li>• Deliver 60% of all proposed new dwellings along the Parramatta Road Corridor based on the draft Parramatta Road Renewal Strategy (February 2015).</li> <li>• Support a coordinated approach to the delivery of physical and social infrastructure in a manner that maximises benefit.</li> </ul>   |
| <b>Environmental protection and enhancement in the face of major growth</b>  |   |
| Maintaining high proportions of open space   | <ul style="list-style-type: none"> <li>• Create an opportunity to have one licensed operator to produce recycled water for irrigation, with several harvesting schemes under one license. Ensuring open space is kept at optimal usable level.</li> </ul>   |
| Coordination of natural corridors  | <ul style="list-style-type: none"> <li>• Offer greater co ordination of linkages between bush corridors and native areas to ensure the biodiversity of the area is maintained and enhanced.</li> </ul>  |
| <b>Governance structures based on accountability and strong demonstrative representation</b>                                     |   |
| A cohesive Council   | <ul style="list-style-type: none"> <li>• Enable a new framework for effective governance.</li> </ul>  |
| <b>Delivering a contemporary local government that is customer focussed and delivers great outcomes for its community</b>        |   |
| Smooth transition to the new entity  | <ul style="list-style-type: none"> <li>• Provide an opportunity to undertake service reviews as part of the transition process to define performance outcomes and quality and cost standards developed by the new entity in consultation with local community and key stakeholders.</li> </ul>  |

| CHALLENGES  | HOW WILL THE MERGER HELP YOU DELIVER THESE CHALLENGES?  |
|---|---|
| <b>Infrastructure &amp; Connectivity meets current and future needs of a growing population</b>   |   |
| Improved public transport connections to service the region's growing population  | <ul style="list-style-type: none"> <li>Assist in meeting the challenges presented by the sheer scale of population growth. This growth is creating a current high volume and complexity of development applications, and future challenges such as the provision of open space, community facilities and infrastructure commensurate with growth. This may include delayed infrastructure, including public transport in new growth areas such as Wentworth Point due to scale of requirements for some services to operate.</li> </ul> |
| <b>Community infrastructure and services meet place specific needs and contribute to a strong sense of community</b>  |   |
| Evolving cultural and linguistic diversity  | <ul style="list-style-type: none"> <li>Assist in pooling resources with all three existing LGAs are experiencing change in the cultural backgrounds within their communities and residents newly arrived to Australia. In particular communities born in China and Korea. This will require a focus and ongoing levels of investment in communicating, engaging and building services around the complexity of community needs.</li> </ul>  |
| Community perceptions   | <ul style="list-style-type: none"> <li>Support a strong regional program of community engagement.</li> <li>Address poor perceptions of crime and safety in specific suburbs of the new entity despite decreasing crime rates will be a challenge.</li> </ul>  |
| <b>Economic development is focussed on local jobs now and into the future, within a global economy</b>  |   |
| Delivering infrastructure to meet the scale and pace of growth anticipated around the Parramatta Road Revitalisation Project and Priority Precincts at Wentworth Point, Carter Street | <ul style="list-style-type: none"> <li>Result in a greater ability to strategically plan for infrastructure at the local level, as well as greater ability to advocate for State Government provision of infrastructure.</li> </ul>   |
| <b>Environmental protection and enhancement in the face of major growth</b>   |   |
| Management of the Parramatta and Cooks Rivers and catchments  | <ul style="list-style-type: none"> <li>Enable more effective environmental monitoring and management of natural resources (such as rivers and catchments) across a geographically larger area.</li> </ul>   |
| Managing environmental impacts of Westconnex (e.g. traffic, noise, air quality)   | <ul style="list-style-type: none"> <li>Enable provision of a better coordinated unified response to impacts associated with Westconnex.</li> </ul>  |

| CHALLENGES  | HOW WILL THE MERGER HELP YOU DELIVER THESE CHALLENGES?   |
|---|--|
| Vulnerability of built and natural heritage   | <ul style="list-style-type: none"> <li>Position the new entity to take a broader view in relation to the protection of the built and natural heritage which will be under pressure due to the significant development and population growth.</li> <li>Enable a wider co-ordinated approach to climate change mitigation and adaptation and our vulnerability to its effects (e.g. sea level rise, extreme weather events, flooding), given the proximity to Parramatta River and its tributaries.</li> </ul> |
| <b>Governance structures based on accountability and strong demonstrative representation</b>                                    |  |
| Keeping the 'local' in local government and maintaining local representation and access to elected Council by larger population | <ul style="list-style-type: none"> <li>Offer the opportunity to consider governance structures that preserve local identity and local democracy such as local panels or community boards.</li> </ul>   |
| <b>Delivering a contemporary local government that is customer focussed and delivers great outcomes for its community</b>       |  |
| Relocation and reorganisation of the new Council  | <ul style="list-style-type: none"> <li>Build on existing positive relationships between the three Councils as a voluntary merger already provides a strong basis on which to build as opposed to issues faced by a forced merger with unwilling partners.</li> <li>As this is a voluntary proposal there is already a strong basis on which to build which will reduce this challenge, as opposed to a forced merger/amalgamation of unwilling partners.</li> </ul>  |
| System and process integration  | <ul style="list-style-type: none"> <li>Build on existing common systems (eg. IT) which will assist in process integration.</li> </ul>  |
| Developing a new rating structure for the new entity  | <ul style="list-style-type: none"> <li>Ensure impacts of changes on residents and business are appropriately cushioned, whilst ensuring that the new rating structure provides a robust revenue base for the new entity.</li> </ul>  |
| Impact on staff during the transition process   | <ul style="list-style-type: none"> <li>Be supported by a strong change management program.</li> </ul>  |





## 2.2

### Financial and non-financial benefits of the merger

The formation of this new entity will result in numerous financial and non-financial benefits as a result of a new governance model and organisational structure, rationalisation of duplicate services, streamlined information and communications technology, and improved investment in assets and infrastructure across a larger region.

During this process, the three Councils commissioned an independent modelling study on costs and benefits of the merger (See Appendix 6.3).

Overall, the modelling projects a financial benefit to the three communities arising from the merger of an estimated \$35.1M.

In saying this, the benefits and costs of the merger should not be considered in isolation. They only form part of the information on which a decision should be made and in particular the overall financial performance of the merged council and projected asset expenditure.



| Benefits  |                             |   |  |   |
|---|-----------------------------|---|--|---|
| BENEFITS  | IMPACTS                     | ASSUMPTIONS   | RISKS  | MITIGATION  |
| <b>Rationalisation of services including duplicate services</b> | Immediate savings of \$4.5M | Replacement of back office duplicated services that would be standardised and simplified                        | <p>Prioritisation of services may impact on community's expectations and needs</p> <p>Increased workload for staff in short term</p> | Service reviews and community surveys                     |
| <b>Review of executive management and elected members</b>       | Immediate savings of \$1.6M | Formation of new entity is likely to result in new governance model and rationalisation of executive management | Disharmony in integration of three organisations   | Open communication with staff and integration initiatives |

| BENEFITS  | IMPACTS  | ASSUMPTIONS  | RISKS   | MITIGATION   |
|---|--|--|---|--|
| <b>Information and communications technology (ICT) benefits</b> | Improved ICT systems saving \$3M   | Rationalisation of existing infrastructure, business applications, security and end user support | It may take approximately 3-5 years to finalise depending on complexities of system                 | Three Councils currently share a common IT system  |
| <b>Staff turnover</b>   | Short term savings of \$3.5M   | Reduction in staffing levels through voluntary resignation and voluntary redundancy              | Cultural integration, staff morale and business performance   | Open communication with staff and unions   |
| <b>Procurement of materials and contracts</b>                   | Increased savings through stronger purchasing powers generating up to \$1.7M | Consolidation of suppliers across all three Councils   | Existing contractual arrangements   | Ongoing reviews and stronger contract management   |
| <b>Rationalisation of plant and equipment</b>                   | Estimated one off saving of \$3.4M   | Each Council currently possess more plant and equipment than new entity will require             | Appropriate plant and equipment across new entity to ensure day to day functions operate from Day 1 | Prioritisation of works  |
| <b>Cultural synergy</b>   | Creation and promotion of vibrant, multicultural and modern region           | Development of combined cultural strategy and place management plans                             | Public perception of loss of local identity   | Community engagement and placed based initiatives to preserve identity of local precincts and villages |

| BENEFITS  | IMPACTS  | ASSUMPTIONS  | RISKS  | MITIGATION  |
|---|--|--|--|---|
| <b>Property rationalisation</b>                 | Reduction in maintenance costs, increased revenue opportunity, prioritise investment spending on current and future assets | Change business needs, consolidate asset base, match portfolio to new organisation's needs                                 | Short term sale of assets for immediate benefit  | Open communication lines with community, new future direction   |
| <b>Increase investment in roads</b>             | Reduction in operating and maintenance costs   | Update road renewal program and identify new funding sources for maintenance   | Competing priorities   | Consolidated and combined assessment of infrastructure and development of capital works program based on standardised condition rating system |
| <b>Improved transport and interconnectivity</b> | Improved strategic alliances with agencies and stronger involvement in major projects                                      | Current major projects underway i.e. WestConnex, Parramatta Road renewal and Sydney West Light Rail will benefit community | Delays in project delivery and meeting targets   | Effective collaboration with agencies   |
| <b>Investment in community facilities</b>       | Opportunity to identify innovative management solutions for public and open spaces   | Existing and proposed facilities are currently evenly distributed across the new region addressing short term requirements | Additional facilities may be required in the long term to address growth in new entity | Effective consultation with community and development of community plans under IP&R framework   |



## 2.3

### Financial and non-financial costs of the merger

A merger will involve significant costs during the implementation phase. However, an independent assessment undertaken by Morrison Low indicates that there are some similarities in business applications used internally within the group, which will help with the cost of integration (Appendix 6.3).

One of the strongest advantages of this merger proposal is that each Council brings a relatively strong financial position to the new entity. In addition, analysis of key community facilities (such as libraries, aquatic centres and major open spaces) across the three Councils indicates that there is an even geographic distribution of facilities across the new entity.

Recent investment by each Council in infrastructure and asset maintenance and renewal further supports this position, meaning an amalgamated entity would be in a strong position to continue to deliver services to the community from Day 1.



| Costs                  |  |   |   |   |
|------------------------|--|---|---|---|
| COSTS                  | IMPACTS  | ASSUMPTIONS   | RISKS   | MITIGATION  |
| <b>Transition body</b> | Operational costs of at least \$4.6M for staff, contractors and other costs such as rented accommodation, ICT and communications | Based on Auckland Transition Agency (ATA) costs estimated by Stimpson & Co for the proposed Wellington amalgamation | Establishing temporary operational centre from Day 1<br><br>Delivering Customer Service and other vital services (i.e. waste collection) from Day 1 | Secondment of transition staff to assist with process<br><br>Development of transition plan |

| COSTS  | IMPACTS   | ASSUMPTIONS   | RISKS   | MITIGATION   |
|--|---|---|---|--|
| <b>Information and communications technology (ICT)</b> | Rationalisation of existing infrastructure, business applications, security and end user support costing \$23-37M             | Based on scenarios explored by Deloitte's 2014 for Wellington reorganisation<br><br>Original estimate of costs has been reduced by \$10M as the Councils currently work on similar IT platforms | Full rationalisation of IT systems may take approximately 3-5 years to finalise depending on complexities of system<br><br>Establishment of key functions for Day 1 including ability to make and receive payments, procurements and manage staff | Three Councils currently share a common IT system  |
| <b>Branding</b>  | New branding across organisation costing up to \$1.5M   | New branding, logo, uniforms, signage for buildings and facilities, websites, trucks, brochures and forms   | Mixed messaging<br><br>Lack of clear identity for new body in short term  | Development of joint branding and communications strategy<br><br>Prioritisation of branding for public material such as signage, website and documents |
| <b>Business process</b>                                | Redesign business processes that integrate with ICT systems such as consent and licensing forms to replace existing documents | Tasks undertaken by staff seconded to transition body   | Differences in processes between Councils may lead to short term inconsistencies  | Secondment of transition staff to assist with process  |

| COSTS  | IMPACTS   | ASSUMPTIONS   | RISKS   | MITIGATION  |
|--|---|---|---|---|
| <b>Senior redundancy costs</b>                           | Reduction of General Managers and senior contracted staff costing \$3M                  | Calculated based on annual reports (2014-15) and standard redundancy provisions   | Extra costs due to accumulated leave and long service | Negotiate employment terms  |
| <b>Review of organisational structures and positions</b> | Reduction of staff due to turnover, resignation and streamlining of duplicate functions | Reduction in staffing levels through voluntary resignation and voluntary redundancy<br><br>Staff will continue on existing terms and conditions for first three years | Staff morale<br><br>Retention of corporate knowledge  | Open communication with staff and unions<br><br>Advice and support services for staff |
| <b>Remuneration harmonisation</b>                        | Remuneration, terms and conditions from staff reviewed costing \$2.1M                   | Staff will continue on existing terms and conditions for first three years  | Different for all three councils<br><br>Staff morale  | Open communication with staff and unions<br><br>Advice and support services for staff |

Further detail is available in Appendix 6.3: Sydney Olympic Park City Council Merger Business case.



# 3.

## Community Involvement



Community involvement has played an integral role in the development of this *Merger Proposal* and the development of each partner Council's 'Fit for the Future' position.

The Councils of Auburn City, Burwood and City of Canada Bay have all undertaken significant community engagement to date, including engagement of *Micromex Research* to seek community input and feedback independently in each Council area via telephone surveys. Each Council has also implemented a full suite of comparable engagement activities across the three Council areas utilising a range of engagement methods to reach their communities.

The following section provides a summary of how each merger partner consulted with their communities to arrive at this *Merger Proposal*, the response of the communities across the three current Council areas, and how merger partners have further communicated to communities of the proposed new entity following each Council's resolution to pursue a joint proposal using Template 1.

## 3.1

### Discussing the options

Following the endorsement of the Merger Proposal by all three councils at meetings in May and June, all Merger partners have continued to develop and provide consistent information to residents of the new proposed entity.

An identical newsletter including uniform information was jointly produced and distributed across all three Council areas in June 2015 providing further information on the Merger Proposal, and associated costs and benefits.

*In addition to extensive community engagement, all three Councils have continued to brief and consult with their staff in relation to this merger proposal*

The joint engagement program for involving the communities across the new proposed entity has also included:

- ✓ Advertisements about the Merger Proposal in Local Papers covering the new entity
- ✓ Separate and joint media statements to Sydney Metropolitan electronic and print media
- ✓ Consistent and timely website content
- ✓ Consistent social media messages and updates (including Facebook and Twitter)
- ✓ Council E-News items and e-alerts across all three areas
- ✓ Distribution of Joint Information Sheet and Newsletter deliveries to households across the proposed new entity
- ✓ Provision of copies of Council's proposal and further information at Council venues and service points
- ✓ Provision of information to existing partners, businesses and community groups.

Following is an outline of specific community engagement programs implemented by each Council.



## AUBURN CITY COUNCIL

Auburn City Council's community engagement program involved:

| STAGE          | DESCRIPTION  | PURPOSE   | TIMEFRAME              |
|----------------|--|---|------------------------|
| <b>STAGE 1</b> | Report to Council  | To seek Council's position regarding 'Fit for the Future'.  | November 2014          |
| <b>STAGE 2</b> | Biannual Community Priorities Survey<br>Sample Size= 1000                              | To understand the community's priorities in relation to Council activities, services and facilities and identify the overall level of satisfaction with Council's performance as well as areas for improvement.   | January 2015           |
| <b>STAGE 3</b> | Fit for the Future Survey: <i>'Awareness &amp; Support'</i><br>Sample Size= 500        | To understand the community's awareness and support of the amalgamation of Councils proposed by the NSW Government following provision of an amalgamation information pack.   | March 2015             |
| <b>STAGE 4</b> | Fit for the Future Survey: <i>'Preferred Amalgamation Options'</i><br>Sample Size= 500 | To ask local residents their opinions about Council amalgamations being proposed by the NSW Government and further understand the community's preferred amalgamation option, particularly in light of the NSW Government's 'scale and capacity' requirements. | May 2015               |
| <b>STAGE 5</b> | Public Exhibition of Draft Merger Proposal   | To communicate to the community about the Draft Merger Proposal and its contents, including explaining the benefits and costs of the proposal throughout the public exhibition period.  | 27 May to 24 June 2015 |

Over 2000 residents of Auburn City participated in the community engagement process outlined above.





A specific engagement Program was also delivered by Auburn City Council specifically about the Merger Proposal over its public exhibition period from 27 May to 24 June 2015, which included:

| METHOD OF ENGAGEMENT                                   | TOTAL REACH   | TIMEFRAME/KEY DATES   |
|--|---|---|
| Advertisements in Local Paper (Auburn Review)          | Circulation of 25,000   | 26 May, 2 June, 9 June, 16 June and 23 June                               |
| Media releases   | Sydney Metropolitan electronic and print media  | From 27 May (ongoing and as required throughout public exhibition period) |
| Website  | On average 85,000 hits per month  | From 27 May (ongoing throughout public exhibition period)                 |
| Social Media Campaign (including Facebook and Twitter) | Total monthly reach over 40,000   | From 27 May (ongoing throughout public exhibition period)                 |
| Weekly Council E-News                                  | As per website; subscribers   | From 27 May (weekly throughout public exhibition period)                  |
| Quarterly Newsletter                                   | 28,000 copies delivered to all households in Auburn City with additional copies provided via Council venues and online (includes translations in top 4 languages) | Distributed to all households in Auburn City from 8 June 2015             |

| METHOD OF ENGAGEMENT   | TOTAL REACH  | TIMEFRAME/KEY DATES   |
|--|--|---|
| Advertisements in Mayoral Columns (including 4 community language papers)  | Circulation of 100,000   | 2 June, 9 June, 16 June and 23 June (Auburn Review) and weekly in Zaman Australia (Turkish), Korean Herald, Australian Chinese Daily and An-Nahar (Arabic) papers over the public exhibition period |
| Email alerts to Council's community groups e-networks  | Targeted Council e-groups included 397 community groups and community services agencies, including community leaders of 'hard to reach' communities  | From 27 May (twice over the exhibition period)  |
| Provision of copies of Council's proposal and further information at Council Libraries, Community Centres and at Council's Customer Service Centre (including digital information screens across all venues) | On average 49,000 community members access these venues per month  | From 27 May (ongoing throughout public exhibition period)   |
| Delivery of information to Council partners and community groups via Council interagency networks and committees   | The following networks met in the public exhibition period and were informed about Council's proposal:<br><ul style="list-style-type: none"> <li>- Auburn Community Sector Networking Forum (27 May)</li> <li>- Auburn Youth Interagency (28 May)</li> <li>- Auburn Employment Working Group (2 June)</li> <li>- Auburn Artists Network (13 June)</li> <li>- Auburn Youth Advisory Collective (23 June)</li> </ul> | From 27 May (ongoing throughout public exhibition period)   |
| Delivery of 'Fit for the Future' information stalls  | Council delivered 6 staffed information booths across 6 suburbs over the 2 week period and received a direct response of 76 community members  | Sunday 31 May - Friday 12 June 2015 (across various times and locations)  |

***For further information see Auburn City Council - Fit for the Future Communication and Community Engagement Report attached in Appendix 6.7***

## BURWOOD COUNCIL

Burwood Council commenced its consultation with the community in October 2014. Initially, Burwood sought feedback on the NSW Government's recommendation of the merger of Ashfield, Burwood, City of Canada Bay, Leichhardt, Marrickville and Strathfield.

The consultation included a range of traditional and innovative communication methods in order to raise awareness across Burwood's diverse community.

A telephone survey was undertaken in October 2014 by an independent research company to gauge residents' knowledge of the reform agenda and determine their perception of the proposal.

In December 2014, Ashfield, Burwood, Canada Bay, Leichhardt and Marrickville Councils engaged an independent consultant, Morrison Low, to undertake

a feasibility study on the potential impacts and benefits of the Panel's proposed inner west council. The study revealed that an inner west council comprising the abovementioned councils would not create a council that is 'fit for the future'. As a result, the five councils also undertook a joint communications campaign in order to highlight the outcomes of the study and raise awareness on a regional level.

In addition to a region wide consultation, Burwood also undertook extensive consultation with its residents and stakeholders. This included a series of media releases, newsletters to residents, information on the benefits and impacts of mergers on Council's website, social media, advertisements in local publications, and information at Council's facilities. Residents were also given the opportunity to provide feedback through numerous channels.





Burwood Council's community engagement program involved:

| TIMEFRAME               | METHOD OF ENGAGEMENT                 | TARGET AUDIENCE   | ACTION   |
|-------------------------|--------------------------------------|---|--|
| October 2014 - May 2015 | 2 x Micromex Surveys                 | Sample size of residents  | Phone survey to gauge residents' perceptions towards FFF                               |
| February - Current      | Website                              | Online users  | Dedicated website/ microsite on FFF including all information                          |
| Ongoing                 | Media releases                       | Local publications (combined circulation of 150,000)<br>- Burwood Scene<br>- Inner West Courier     | Media releases will be distributed to media outlets                                    |
| May - June 2015         | Advertisements in local publications | Local publications:<br>- Burwood Scene<br>- Inner West Courier                                      | Advertisements including information and directing traffic to website                  |
| April - June            | 2 x Special residents newsletters    | Burwood LGA (36,000 residents and 4,727 businesses)   | 2 designated newsletters delivered across LGA with information on merger proposals     |
| Ongoing                 | Social media                         | Social media users who may not engage with Council through traditional methods                      | Social media campaign which links back to dedicated FFF website to generate discussion |
| Ongoing                 | Information at facilities            | Visitors to Council's facilities:<br>- Chambers<br>- L&C Hub (60,000/month)<br>- EAC<br>- Woodstock | Signage at facilities to raise awareness on FFF  |
| Ongoing                 | Online feedback                      | Online users  | Link to feedback included on website/social media/ newsletters                         |

***For further information see Burwood Council - Fit for the Future Communication and Community Engagement Report attached in Appendix 6.7***

## CITY OF CANADA BAY

Council's communication and community engagement plan for the *Fit for the Future* program extends on various planning initiatives undertaken in recent years as part of broader long term planning processes.

The approach to communications and community engagement reflects the staged decision making activities that have occurred as part of Council's

response to *Fit for the Future* and to align engagement with key decisions made by the state government in their time line.

The following decision milestones of the state government as well as key research activities of Council influenced the timing of information provision.

| DATES          | MILESTONES  | INFORMATION PROVISION  |
|----------------|---|--|
| September 2014 | <i>Fit for the Future</i> Package <b>Announcement</b>   | <ul style="list-style-type: none"> <li>Information about the package</li> <li>Council position of 'No forced Amalgamations'</li> </ul>                                       |
| September 2014 | <b>Review of Criteria</b> for <i>Fit for the Future</i> undertaken by Independent Pricing and Regulatory Tribunal (IPART) | <ul style="list-style-type: none"> <li>Information about proposed criteria</li> <li>Council position of 'No forced Amalgamations'</li> </ul>                                 |
| February 2015  | Inner West Councils <b>Shared Modelling</b> Report  | <ul style="list-style-type: none"> <li>Information about outcomes of modelling and Council achievement against criteria from a stand-alone and merger perspective</li> </ul> |
| April 2015     | IPART <b>Draft Methodology</b> for Assessment of <i>Fit for the Future</i> Proposals                                      | <ul style="list-style-type: none"> <li>Information about draft methodology</li> <li>Information about merger options</li> </ul>  |
| June 2015      | IPART <b>Final Methodology</b> for the Assessment of <i>Fit for the Future</i> Proposals                                  | <ul style="list-style-type: none"> <li>Information about final methodology</li> <li>Information about FFF proposal and recommended merger</li> </ul>                         |



A two phased approach was developed consistent with Council's communications and community engagement principles.

## Phase One Communication and Engagement

Phase one engagement aimed to provide residents with balanced and objective information about the *Fit for the Future* program to assist them in understanding the local government reform program and the request by the State Government to consider Council mergers in line with the Independent Local Government Review Panel Final Report and proposed assessment criteria.

Various engagement activities were undertaken to support this phase of engagement.

### Phase One communication and engagement objectives:

- To work with neighbouring inner west Councils to ensure there is an informed debate and to share communication messages where appropriate for this phase of the program
- To raise community awareness about the *Fit for the Future* program and its potential impacts on local communities
- Develop clear simple public information about the NSW Government's *Fit for the Future* agenda
- To generate and encourage community debate on *Fit for the Future* and potential amalgamations
- To encourage the State Government to inform our community about why amalgamation will be of benefit
- To present a clear picture to our community about all of the impacts – positive and negative – on potential amalgamations.

### Phase One communication and engagement methods and tools:

- Council communications (newsletters, website, Mayoral column, social media, media releases)
- Joint communication methods with inner west Councils (website, joint media releases, social media)
- No forced merger logo on all material
- Fit for Future regular community flyers.

| Phase One timeline       |   |  |
|--------------------------|---|--|
| WHEN                     | RATIONALE   | WHAT   |
| November – December 2014 | Reform Package Announcement                               | Joint communication with other inner west Councils   |
| January – March 2015     | Following Independent Modelling and as impacts were known | Joint communication with other inner west Councils; Community engagement focusing on Canada Bay, including public meeting, regularly communication to entire community |
| April – June 2015        | As Final Methodology became known                         | Continued communication  |



## Phase Two Communication and Engagement

Phase two engagement aimed to seek direct feedback regarding preferred Council merger options so that these details can strengthen Council's understanding of what the community see as the benefits and areas of concern regarding the merger options.

### Phase Two communication and engagement objectives:

- To work with neighbouring inner west Councils to ensure there is an informed debate and to share communication messages where appropriate for this phase of the program
- To raise community awareness about the Fit for the Future program and its potential impacts on local communities
- Develop clear simple public information about the NSW Government's Fit for the Future agenda
- To generate and encourage feedback on Fit for the Future and potential amalgamations
- To present a clear picture to our community about all of the impacts – positive and negative – on potential amalgamations.

### Phase Two communication and engagement methods and tools:

- Telephone survey of local residents gauging awareness of potential Council merger and merger options
- Council communications (newsletters, website, Mayoral column, social media, media releases)
- Joint communication methods with inner west Councils (website, joint media releases, social media)
- No forced merger logo on all material
- Fit for Future regular community flyers.

| Phase Two timeline |                                   |   |
|--------------------|-----------------------------------|---|
| WHEN               | RATIONALE                         | WHAT  |
| April – June 2015  | As Final Methodology became known | Community engagement and statistical feedback via telephone survey; continued communication |



## Communication and Engagement Plan of Action:

| DATE                 | OBJECTIVE   | ACTION/ACTIVITY   | OUTCOME  |
|----------------------|---|---|--|
| <b>December 2014</b> | Raise community awareness   | Open letter to the community distributed in Bayside Brief   | Distributed to 36,000 households across LGA                            |
|                      |   | Develop "no forced mergers logo"  | Used on all communication in relation to forced mergers                |
| <b>January 2015</b>  | Work with neighbouring inner west Councils to ensure there is informed debate | Developed working group with 5 of 6 inner west Councils   | Joint website and communications                                       |
|                      |   | Joint media release developed and pitched to local and metro media  | Media coverage in local Inner West Courier and Sydney Morning Herald   |
|                      | Raise community awareness   | Weekly message in the Mayor's Council column in the Inner West Courier  | Reaching 86,000 households across the Inner West                       |
|                      | Encourage community debate  | Regular social media posts in January with updated FFF information  | Reaching on average around 2,000 people via Facebook and Twitter       |
| <b>February 2015</b> | Raise community awareness   | Developed flyer outlining what an inner west mega Council could mean for the Canada Bay community, based on independent research. | Distributed to 36,000 households across LGA                            |
|                      |   | Created specific FFF section on Council's website and developed specific email address to encourage community feedback            | Website regularly updated and around 100 emails received on the issue. |
|                      |   | Weekly message in the Mayor's Council column in the Inner West Courier  | Reaching 86,000 households across the Inner West                       |
|                      |   | Media release distributed to announce public meeting  | Story in Inner West Courier (86,000 distribution)                      |

| DATE                 | OBJECTIVE   | ACTION/ACTIVITY  | OUTCOME  |
|----------------------|---|--|--|
| <b>February 2015</b> | To generate and encourage public community debate   | Created tag line and participated in "twitter storm" regarding no forced mergers and to get the message out there that local government wants reform but does not want to be forced to merge | A total of 464 tweets across NSW, with a reach of 170,715 twitter users. Message delivered online to around 472,568 via a range of different online platforms (as retweets; copying & pasting on Facebook etc) |
|                      | Encourage community debate  | Regular social media posts in February with updated FFF information  | Reaching on average around 2,000 people via Facebook and Twitter   |
| <b>March 2015</b>    | Raise community awareness;<br>Develop clear and simple information;<br>Generate and encourage community debate  | Flyer communicating a public meeting on the issue  | Delivered to 36,000 households in LGA  |
|                      | Raise community awareness;<br>Develop clear and simple information;<br>Generate and encourage community debate;<br>Encourage the State Government to inform our community | Public meeting   | Around 100 community members attended  |
|                      | Raise community awareness   | Media release about outcomes of public meeting   | Story in Inner West Courier (86,000 distribution)  |
|                      |   | Weekly message in the Mayor's Council column in the Inner West Courier   | Reaching 86,000 households across the Inner West   |
|                      | Encourage community debate  | Regular social media posts in March with updated FFF information   | Reaching on average around 2,000 people via Facebook and Twitter   |

| DATE              | OBJECTIVE  | ACTION/ACTIVITY  | OUTCOME  |
|-------------------|--|--|--|
| <b>April 2015</b> | Raise community awareness;<br>Develop clear and simple information   | Flyer to community encouraging them to find out about Fit for the Future                             | Delivered to 36,000 households in LGA  |
|                   | Raise community awareness  | Weekly message in the Mayor's Council column in the Inner West Courier                               | Reaching 86,000 households across the Inner West   |
|                   | Encourage community debate   | Regular social media posts in April with updated FFF information                                     | Reaching on average around 2,000 people via Facebook and Twitter   |
| <b>May 2015</b>   | Generate and encourage debate;<br>Present a clear picture to our community;<br>Seek feedback regarding options | Independent telephone survey asking our community about Fit for Future and merger option preferences | 66% of those surveyed were aware of the State Government's potential amalgamation plan;<br>40% were aware via media and 30% as a result of Council information;<br>70% of those surveyed supported Canada Bay standing alone;<br>57% were not in favour of the potential merger;<br>Key benefits and concerns identified |
|                   |  | Weekly message in the Mayor's Council column in the Inner West Courier                               | Reaching 86,000 households across the Inner West   |
|                   |  | Updated media release about why decision was deferred by Council                                     | Story in Inner West Courier (Distribution 86,000)  |
|                   | Encourage community debate   | Regular social media posts in May with updated FFF information                                       | Reaching on average around 2,000 people via Facebook and Twitter   |
| <b>June 2015</b>  | Raise community awareness  | Updated information where appropriate published in Mayor's Council column in the Inner West Courier  | Reaching 86,000 households across the Inner West   |
|                   | Encourage community debate   | Regular social media posts in June with updated FFF information                                      | Reaching on average around 2,000 people via Facebook and Twitter   |

***For further information see City of Canada Bay Council - Fit for the Future Communication and Community Engagement Report attached in Appendix 6.7***



## 3.2

### Explaining the benefits and costs

Each Council ensured that their existing communities were informed of the potential benefits and costs of amalgamations throughout the entire *Fit for the Future* process.

In order to accurately explain the benefits and costs of the NSW Government's recommended merger option, Ashfield, Burwood, City of Canada Bay, Leichhardt and Marrickville Councils commissioned an independent study on the feasibility of a large scale council. The study revealed that a combined inner west council would have an immediate funding shortfall of more than \$60 million, take up to 10 years to break even and would cost more than \$96 million in transition costs.

A joint communications campaign was undertaken by the five councils in order to highlight the outcomes of the study.

Auburn City Council also investigated the benefits and costs of the NSW Government's recommendation – a merger of Parramatta City, Holroyd, and Auburn, together with parts of Ryde and the Hills Shire Councils. Analysis of this option by Council staff and consultants highlighted concerns about the ability of a Council of that size to be responsive to community needs, capacity to build stronger strategic centres outside Parramatta City and a number of financial considerations. Initial community feedback reiterated these concerns, and a lack of support for the NSW Government's recommendation.

Following the above, Auburn City, Burwood and City of Canada Bay engaged in conversations to determine the benefits and costs of a smaller scale merger. The following benefits of the Merger Proposal were explained to communities across the new entity.

#### Benefits of this Merger Proposal include:

- ✓ Meets NSW Government estimated minimum population size for Councils
- ✓ Significant long term savings
- ✓ Protects local town centres and villages
- ✓ Same level of services provided
- ✓ Combined financial strength which meets 'Fit for the Future' benchmarks, including low debt
- ✓ Cultural synergies - cosmopolitan communities
- ✓ Investment in community facilities and infrastructure
- ✓ Strong connectivity between the Councils through Parramatta Road and extensive river frontage
- ✓ Powerful local economies that build on existing industry and business, strengthening employment opportunities
- ✓ Key strategic centres, including Sydney Olympic Park, Rhodes and Burwood
- ✓ Equal footing of merged Councils



### 3.3

## Community response

The response of communities across the three current Council areas varied in relation to the Merger Proposal.

Whilst it is difficult to compare results across different types of engagement activities and non-identical surveys, the findings arising via related telephone surveys undertaken by *Micromex Research* for each Council provide some insight into the variations in community support for the Merger Proposal across the new entity.

The highest level of community support for the Merger Proposal (with the addition of Strathfield) was recorded in Auburn, followed by Burwood, and then the City of Canada Bay.



Whilst the level of support for the Merger Proposal did vary, common benefits and concerns were identified by communities across the new entity in relation to the Merger Proposal, including:

| BENEFITS   | CONCERNS   |
|--|--|
| <ul style="list-style-type: none"><li>• Increased efficiency without compromising local service provision</li><li>• Better community representation than the State Government recommendation</li><li>• Better management and delivery of services than State Government recommendation</li><li>• Economically efficient to merge</li><li>• Geographically appropriate to merge with proposed Councils</li><li>• Area is similar in character</li><li>• Potential for improved services</li></ul> | <ul style="list-style-type: none"><li>• Size of the population of the new entity and resultant poorer levels of service provision</li><li>• Incompatible demographics and needs across new entity</li><li>• Local issues may be neglected</li><li>• Area might be too big to be serviced effectively</li></ul> |

Following is an outline of specific community responses in each Council area.

## SUMMARY OF AUBURN CITY COUNCIL RESPONSE

The results of consultation with the Auburn community have consistently indicated a strong community preference for opposing a Council merger as per the recommendation of the ILGRP Report (Auburn amalgamating with Parramatta, Holroyd, and parts of Ryde and The Hills Councils).

The initial *Fit for the Future Survey: 'Awareness and Support' Report* produced by *Micromex Research* for Auburn City Council in March 2015 found that 64% of Auburn City residents opposed any amalgamation, and only 15% indicated support for the proposal included in the ILGRP Report.

Following this outcome, Council engaged *Micromex Research* to undertake a further telephone survey with a new sample of 500 residents to further explore the community's preferred amalgamation option, particularly in light of the NSW Government's 'scale and capacity' requirements.

Key findings of the *Fit for the Future Survey: 'Preferred Amalgamation Options'* completed in May 2015 with a further 500 residents highlighted:

- The option to merge with Parramatta, Holroyd, and parts of Ryde and The Hills Councils was not very popular with residents, with less than half of the population prepared to indicate any level of support for this option (46%).
- The option to merge with Strathfield, Canada Bay, and Burwood Councils was more palatable to residents, with 71% indicating support.
- When given the choice between the 2 different merger options, residents strongly elected to merge with 'Burwood, Canada Bay and Strathfield Councils' as their preference.

Additional community feedback received by Auburn City Council via 'Fit for the Future' information booths during the public exhibition phase of the Merger Proposal indicated a further increase in support. Of 76 face to face conversations held explaining the benefits and costs of the Merger Proposal to local residents, 93% indicated support.



## SUMMARY OF BURWOOD COUNCIL RESPONSE

The initial *Resident Satisfaction Survey Report* (including a number of 'Fit for the Future' questions) produced by *Micromex Research* for Burwood City Council in October 2014 found that 50% of residents interviewed were against amalgamations, while 29% declared support for a possible merger, with the remaining 21% undecided.

The view of the community, combined with the results of the Morrison Low review, provided Burwood Council with an indication that the merger of the six Inner West Councils would unlikely lead to an entity that could be defined as 'fit for the future'.

Following the initial residents' survey, Burwood Council conducted further consultation in May 2015, to gauge the community's views on the Burwood, Canada Bay and Auburn merger, as well as a 'stand-alone' option via telephone survey.

The findings indicated that:

- Option 1 to stand-alone - 68% indicated a level of support.
- Option 2 to merge with Auburn, Canada Bay (and possible inclusion of Strathfield) - 59% indicated a level of support.



## SUMMARY OF CITY OF CANADA BAY RESPONSE

A wide range of communication tools were used across phases one and two of the City of Canada Bay Council's engagement program.

A telephone survey conducted by *Micromex Research* for City of Canada Bay Council in May 2015 explored awareness levels and specifically sought feedback on merger options. Residents were asked to provide reasons for their merger preferences.

Survey residents were asked to consider their level of support for four merger options. Responses are outlined below:

- Option 1 to stand-alone - 74% indicated a level of support.
- Option 2 (City of Canada Bay Council merge with Burwood and Strathfield Councils) - 44% indicated a level of support.
- Option 3 (City of Canada Bay Council merge with Burwood, Strathfield and Auburn Councils) - 14% indicated a level of support.
- Option 4 (City of Canada Bay merge with Burwood, Strathfield, Ashfield, Leichhardt and Marrickville Councils) - 21% indicated a level of support.

The preferred option of those that were surveyed was for the City of Canada Bay Council to stand alone. Residents cited satisfaction with Council's performance and the belief that smaller councils can provide localised services more effectively.

Options 3 and 4 were the least preferred option and the most common justification for rejecting this was a sense of incompatibility between merged councils and a feeling of those surveyed that the size of the new Council would be too great.

***Further information on community engagement results and outcomes is attached in Appendix 6.7***



# 4.

## Achieving the Benchmarks



## OVERALL MODELLING ASSUMPTIONS

### Financial Integrity

The three Councils have each adopted a Long Term Financial Plan and 4 Year Operational Plan (updated between May - June 2015). The individual plans are included in Appendix 6.8 and can provide further details about the assumptions for the financial forecasts. The three Councils have agreed to include forecasts based on their normal business practice.

It was noted that each suburb across the new entity has a high level of development activity and there is a huge potential to increase user charges and asset sales to fund large scale projects. The Councils have adopted a prudent approach to not include these in the forecasts and to use the forecasts approved by each council.

### Economic Assumptions

|                                |   |
|--------------------------------|---|
| <b>CPI</b>                     | We have adopted the CPI for cost inflation  |
| <b>Population</b>              | NSW Department of Planning forecast (rather than ABS)   |
| <b>Assessments</b>             | Increase rates assessments is based on projects that are approved or close to approval  |
| <b>Base data</b>               | The starting point for forecast was the audited 2014/15 financial statements  |
| <b>Interest rates</b>          | Based on rates at 30 April 2015 for Income and Borrowing  |
| <b>Special Rates Variation</b> | Councils are all in different cycles whereby one Council has finished rate variances in 2013/14 but remains on rate peg, one Council has an approved rate variation, and one Council has a planned rate variation |

### Consolidated numbers including Integration and Synergies

The Councils engaged Morrison Low to prepare a combined forecast. The assumptions for this forecast are included in Appendix 6.3.

#### The process included:

- Councils providing financial forecasts
- Independent review by Morrison Low of the integrity of forecast
- Independent setting of integration costs
- Independent setting of Synergy/Savings.

The three Councils feel these assumptions are prudent and meet best practice for amalgamation.

#### Disclosure requirements with guidelines

- The Councils recognise that the forecast and financial ratio are estimates, but decided to undertake independent modelling to satisfy the community concerns with the potential impacts of amalgamations.
- **Timelines:**
  - Clearly outlined in Table 6 and Table 7 of Morrison Low report.
  - The Councils recognised that the timeline to prepare full investigations is insufficient. Nevertheless, we remain 95% confident that the major items have been addressed in the Morrison Low Report.
- **Resources:**
  - The three Councils are aware that there will be significant resources required, and there is a 3-5 year plan to integrate. The resources are detailed in Section 1.3 item 9. From a business integration perspective it should be acknowledged that the three Councils believe willing parties with a common goal are fundamental to the success of the merger.
  - Financial capacity was not included in the financial ratio but the three Councils have significant financial capacity to fund the Capital Expenditure identified in the four year Operating Plans. Further, each of the three Councils has

historically demonstrated sound financial management with a combination of debt and cash for intergenerational investments.

- **Demographic Information:**

- Detailed demographic data is provided in Section 2.1 under the Communities of Interest Snapshot.

































- **Transition agreements affecting performance:**

- These are considered a risk. The three Councils have a lot of synergies including all using TechnologyOne corporate application, two of the three Councils are in the same insurance pool, and the proposed new entity provides an ideal geographical distribution in terms of administrative offices, depots and community centres located at convenient distances. It will be the role of the Transition Committee to consider all these matters after a decision is made.



## 4.1

### Expected Improvement in Performance

| MEASURE/<br>BENCHMARK   | 2014/15  | 2015/16   | 2016/17   | 2017/18  | 2018/19   | 2019/20   |
|---|--|---|---|--|---|---|
| <b>Operating Performance Ratio</b><br>(Greater than or equal to break-even average over 3 years)                | (0.4)%<br>  | (3.2)%<br>   | (4.9)%<br>   | (3.4)%<br>   | 0.2%<br>     | 3.1%<br>     |
| <b>Own Source Revenue Ratio</b><br>(Greater than 60% average over 3 years)                                      | 79.6%<br>   | 80.4%<br>    | 82.0%<br>    | 83.5%<br>    | 84.8%<br>    | 84.3%<br>    |
| <b>Building and Infrastructure Asset Renewal Ratio</b><br>(Greater than 100% average over 3 years)              | 148.3%<br> | 176.6%<br>  | 159.6%<br>  | 139.4%<br>  | 116.9%<br>  | 105.8%<br>  |
| <b>Infrastructure Backlog Ratio</b><br>(Less than 2%)   | 2.4%<br>  | 1.0%<br>   | 0.0%<br>   | 0.0%<br>   | 0.0%<br>   | 0.0%<br>   |
| <b>Asset Maintenance Ratio</b><br>(Greater than 100% average over 3 years)                                      | 98.1%<br> | 100.1%<br> | 102.1%<br> | 100.9%<br> | 102.4%<br> | 103.4%<br> |
| <b>Debt Service Ratio</b><br>(Greater than 0% and less than or equal to 20% average over 3 years)               | 2.4%<br>  | 1.2%<br>   | 0.8%<br>   | 0.5%<br>   | 0.5%<br>   | 0.5%<br>   |
| <b>Real Operating Expenditure per capita</b><br>(A decrease in real operating expenditure per capita over time) | \$733<br> | \$783<br>  | \$712<br>  | \$660<br>  | \$633<br>  | \$617<br>  |

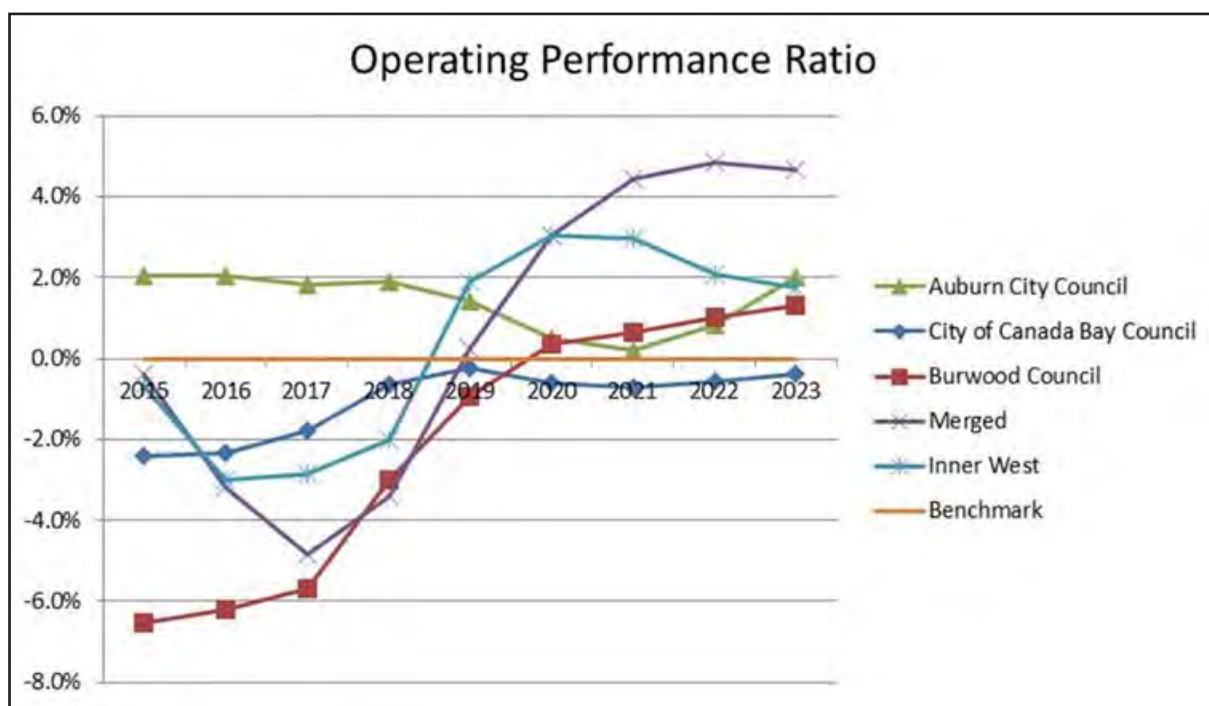
A detailed report on each ratio follows.



## OPERATING PERFORMANCE RATIO

- Modelling has assumed grant revenue for merged entity remains the same as per individual Councils.

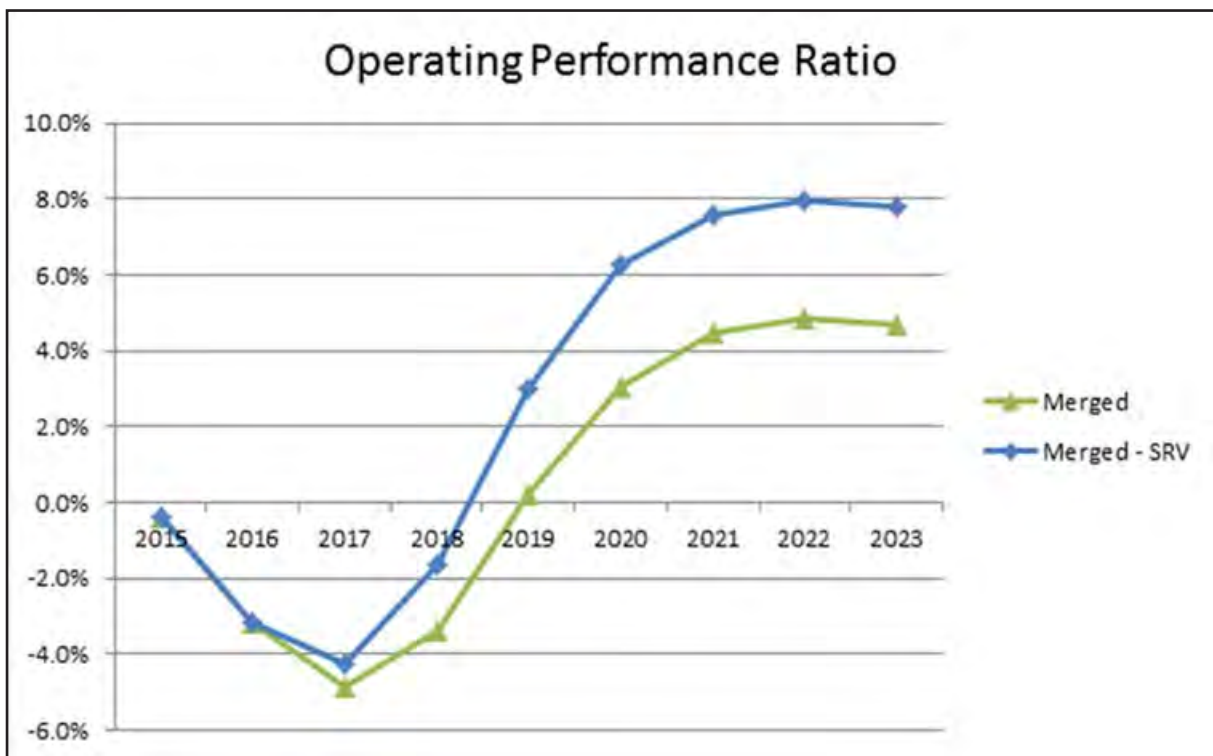
|                                   | 2014/15<br>FORECAST | 2015/16<br>FORECAST | 2016/17<br>FORECAST | 2017/18<br>FORECAST | 2018/19<br>FORECAST | 2019/20<br>FORECAST |
|-----------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>Auburn City Council</b>        | 2.0%                | 2.0%                | 1.8%                | 1.9%                | 1.4%                | 0.5%                |
| Meets Benchmark                   | Yes                 | Yes                 | Yes                 | Yes                 | Yes                 | Yes                 |
| <b>City of Canada Bay Council</b> | -2.4%               | -2.3%               | -1.8%               | -0.7%               | -0.2%               | -0.6%               |
| Meets Benchmark                   | Yes                 | No                  | No                  | No                  | No                  | No                  |
| <b>Burwood Council</b>            | -6.6%               | -6.2%               | -5.7%               | -3.0%               | -0.9%               | 0.3%                |
| Meets Benchmark                   | No                  | No                  | No                  | No                  | No                  | Yes                 |
| <b>Merged</b>                     | -0.4%               | -3.2%               | -4.9%               | -3.4%               | 0.2%                | 3.1%                |
| Meets Benchmark                   | No                  | No                  | No                  | No                  | Yes                 | Yes                 |
| <b>Inner West</b>                 | -0.7%               | -3.0%               | -2.8%               | -2.0%               | 1.9%                | 3.0%                |
| Meets Benchmark                   | No                  | No                  | No                  | No                  | Yes                 | Yes                 |



## Merged Councils with SRV

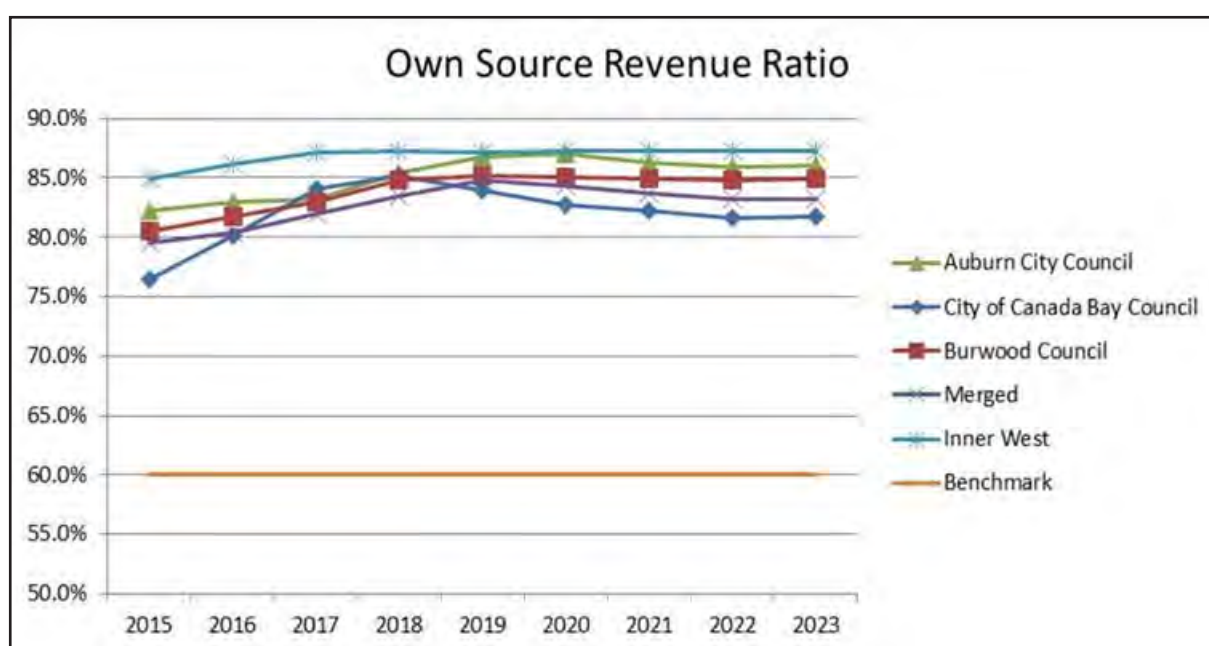
- Assumed a 4.5% increase above current rate peg in 2016/2017 and 2017/2018 (City of Canada Bay and Auburn City only).

|                     | 2014/15<br>FORECAST | 2015/16<br>FORECAST | 2016/17<br>FORECAST | 2017/18<br>FORECAST | 2018/19<br>FORECAST | 2019/20<br>FORECAST |
|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>Merged</b>       | -0.4%               | -3.2%               | -4.9%               | -3.4%               | 0.2%                | 3.1%                |
| Meets Benchmark     | Yes                 | Yes                 | Yes                 | Yes                 | Yes                 | Yes                 |
| <b>Merged - SRV</b> | -0.4%               | -3.2%               | -4.2%               | -1.7%               | 3.0%                | 6.3%                |
| Meets Benchmark     | No                  | No                  | No                  | No                  | Yes                 | Yes                 |



## OWN SOURCE REVENUE RATIO

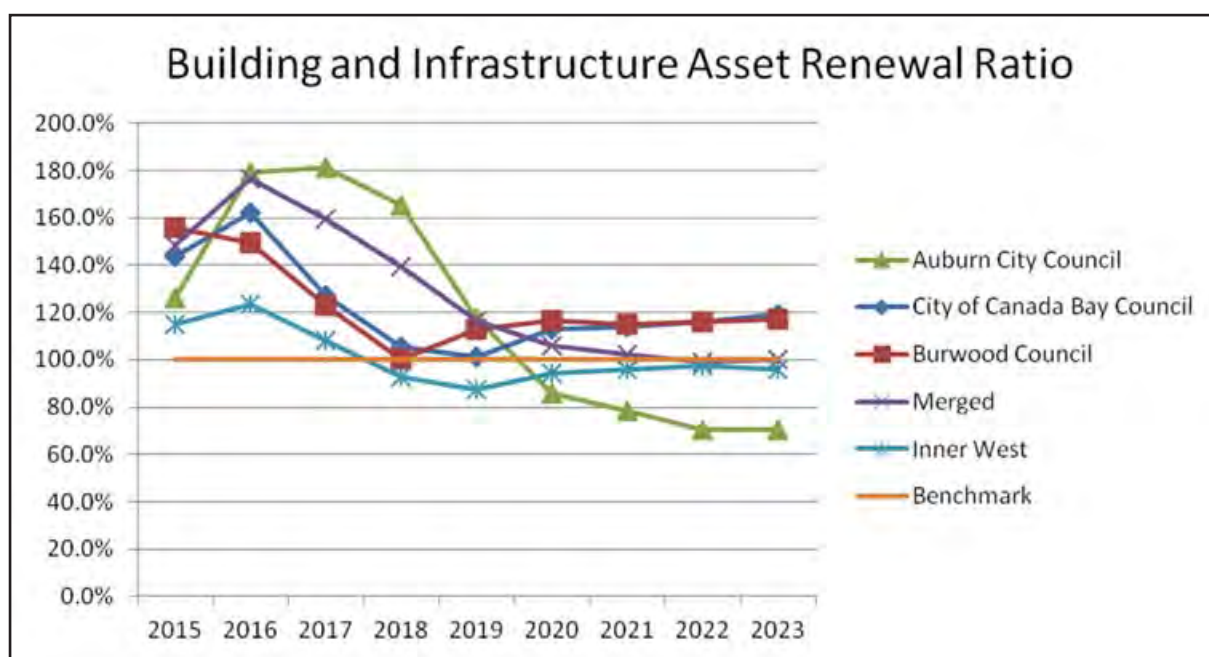
|                                   | 2014/15<br>FORECAST | 2015/16<br>FORECAST | 2016/17<br>FORECAST | 2017/18<br>FORECAST | 2018/19<br>FORECAST | 2019/20<br>FORECAST |
|-----------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>Auburn City Council</b>        | 82.2%               | 83.0%               | 83.2%               | 85.4%               | 86.7%               | 87.0%               |
| Meets Benchmark                   | Yes                 | Yes                 | Yes                 | Yes                 | Yes                 | Yes                 |
| <b>City of Canada Bay Council</b> | 76.5%               | 80.1%               | 84.1%               | 85.1%               | 84.0%               | 82.8%               |
| Meets Benchmark                   | Yes                 | Yes                 | Yes                 | Yes                 | Yes                 | Yes                 |
| <b>Burwood Council</b>            | 80.6%               | 81.7%               | 82.9%               | 84.8%               | 85.1%               | 85.0%               |
| Meets Benchmark                   | Yes                 | Yes                 | Yes                 | Yes                 | Yes                 | Yes                 |
| <b>Merged</b>                     | 79.6%               | 80.4%               | 82.0%               | 83.5%               | 84.8%               | 84.3%               |
| Meets Benchmark                   | Yes                 | Yes                 | Yes                 | Yes                 | Yes                 | Yes                 |
| <b>Inner West</b>                 | 84.9%               | 86.2%               | 87.1%               | 87.2%               | 87.2%               | 87.2%               |
| Meets Benchmark                   | Yes                 | Yes                 | Yes                 | Yes                 | Yes                 | Yes                 |



## BUILDING AND INFRASTRUCTURE ASSET RENEWAL RATIO

- Forecast building and infrastructure depreciation for the proposed merger Council has been based on a proportion of total depreciation as per the 2013/2014 financial statements.

|                                   | 2014/15<br>FORECAST | 2015/16<br>FORECAST | 2016/17<br>FORECAST | 2017/18<br>FORECAST | 2018/19<br>FORECAST | 2019/20<br>FORECAST |
|-----------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>Auburn City Council</b>        | 126.2%              | 178.9%              | 181.1%              | 165.3%              | 117.5%              | 85.9%               |
| Meets Benchmark                   | Yes                 | Yes                 | Yes                 | Yes                 | Yes                 | No                  |
| <b>City of Canada Bay Council</b> | 143.5%              | 162.1%              | 127.0%              | 105.6%              | 101.1%              | 112.7%              |
| Meets Benchmark                   | Yes                 | Yes                 | Yes                 | Yes                 | Yes                 | Yes                 |
| <b>Burwood Council</b>            | 155.6%              | 149.3%              | 122.8%              | 100.1%              | 113.1%              | 116.5%              |
| Meets Benchmark                   | Yes                 | Yes                 | Yes                 | Yes                 | Yes                 | Yes                 |
| <b>Merged</b>                     | 148.3%              | 176.6%              | 159.6%              | 139.4%              | 116.9%              | 105.8%              |
| Meets Benchmark                   | Yes                 | Yes                 | Yes                 | Yes                 | Yes                 | Yes                 |
| <b>Inner West</b>                 | 114.9%              | 123.4%              | 108.1%              | 92.9%               | 87.3%               | 94.2%               |
| Meets Benchmark                   | Yes                 | Yes                 | Yes                 | No                  | No                  | No                  |

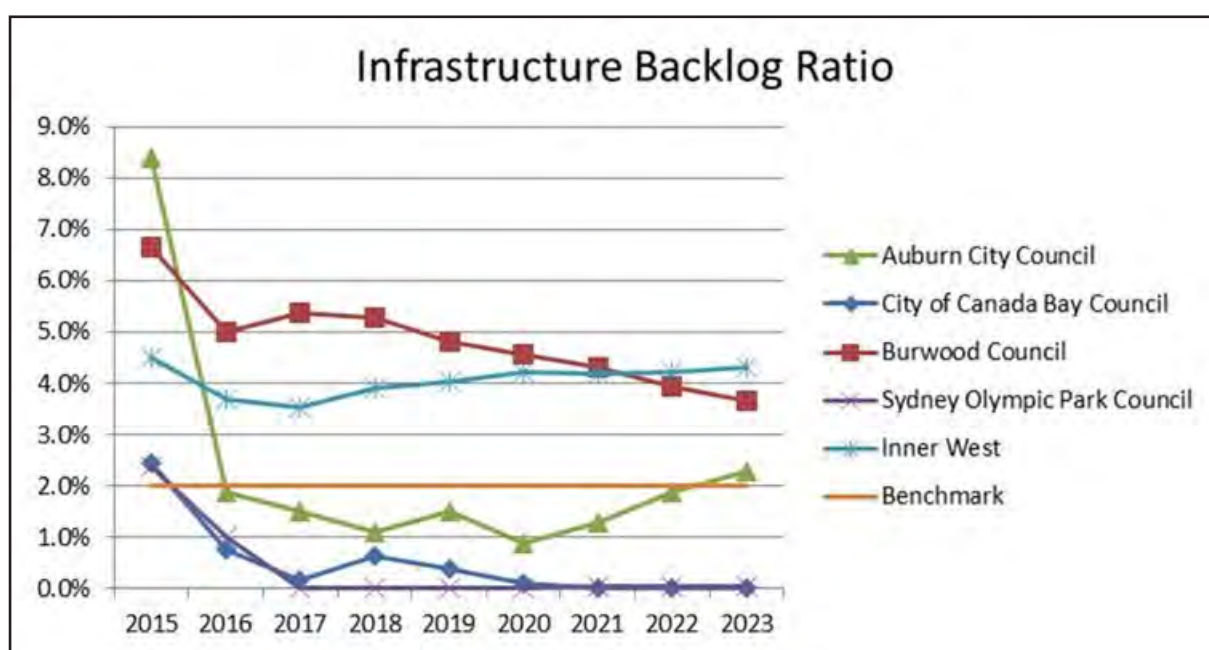




## BUILDING AND INFRASTRUCTURE BACKLOG RATIO

- The merger backlog ratios are based on a condition 3 rating being satisfactory.
- Cost to satisfactory numbers have been normalised by Morrison Low.
- Forecast backlog ratios are a result of Renewals expenditure, with any expenditure over the renewals ratio of 100% having a positive effect on the Backlog ratio and vice versa.
- All Backlog ratios are based on Written Down Value (WDV).

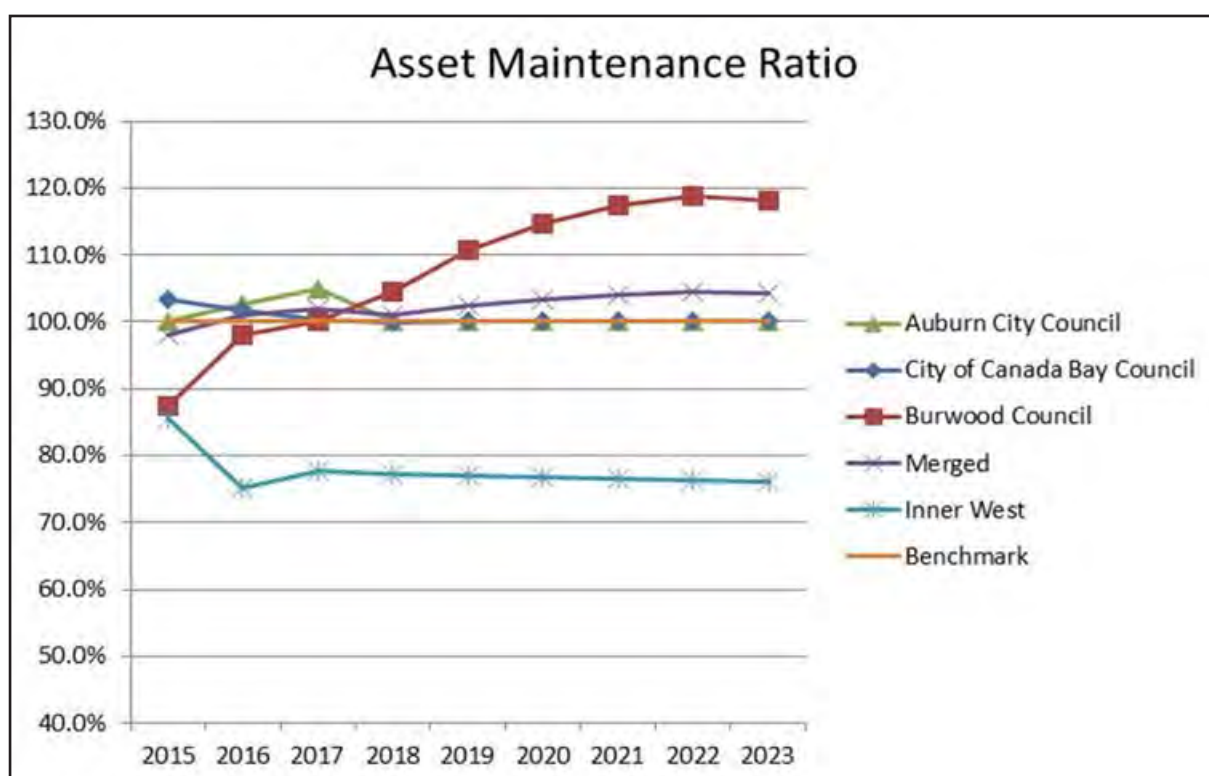
|                                   | 2014/15<br>FORECAST | 2015/16<br>FORECAST | 2016/17<br>FORECAST | 2017/18<br>FORECAST | 2018/19<br>FORECAST | 2019/20<br>FORECAST |
|-----------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>Auburn City Council</b>        | 8.4%                | 1.9%                | 1.5%                | 1.1%                | 1.5%                | 0.9%                |
| Meets Benchmark                   | No                  | Yes                 | Yes                 | Yes                 | Yes                 | Yes                 |
| <b>City of Canada Bay Council</b> | 2.4%                | 0.7%                | 0.2%                | 0.6%                | 0.4%                | 0.1%                |
| Meets Benchmark                   | No                  | Yes                 | Yes                 | Yes                 | Yes                 | Yes                 |
| <b>Burwood Council</b>            | 6.7%                | 5.0%                | 5.4%                | 5.3%                | 4.8%                | 4.6%                |
| Meets Benchmark                   | No                  | No                  | No                  | No                  | No                  | No                  |
| <b>Merged</b>                     | 2.4%                | 1.0%                | 0.0%                | 0.0%                | 0.0%                | 0.0%                |
| Meets Benchmark                   | No                  | Yes                 | Yes                 | Yes                 | Yes                 | Yes                 |
| <b>Inner West</b>                 | 4.5%                | 3.7%                | 3.5%                | 3.9%                | 4.0%                | 4.2%                |
| Meets Benchmark                   | No                  | No                  | No                  | No                  | No                  | No                  |



## ASSET MAINTENANCE RATIO

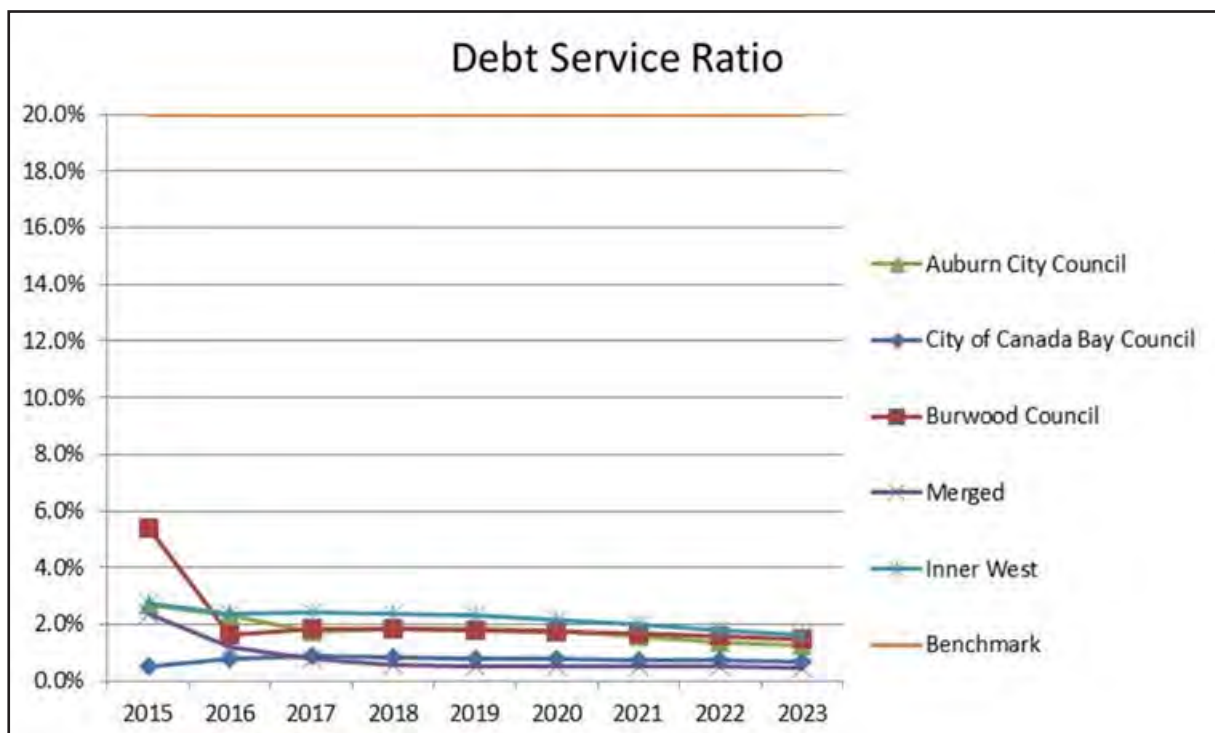
- Morrison Low financial figures are normalised values based on a percentage of valuation data to provide a comparison.
- Merged (Council's data) – Council's required and actual maintenance figures have been used.

|                                   | 2014/15<br>FORECAST | 2015/16<br>FORECAST | 2016/17<br>FORECAST | 2017/18<br>FORECAST | 2018/19<br>FORECAST | 2019/20<br>FORECAST |
|-----------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>Auburn City Council</b>        | 100.1%              | 102.6%              | 104.9%              | 100%                | 100%                | 100%                |
| Meets Benchmark                   | Yes                 | Yes                 | Yes                 | Yes                 | Yes                 | Yes                 |
| <b>City of Canada Bay Council</b> | 103.4%              | 101.7%              | 100.3%              | 99.9%               | 100.0%              | 100.0%              |
| Meets Benchmark                   | Yes                 | Yes                 | Yes                 | No                  | Yes                 | Yes                 |
| <b>Burwood Council</b>            | 87.4%               | 98.0%               | 100.1%              | 104.4%              | 110.7%              | 114.7%              |
| Meets Benchmark                   | No                  | No                  | Yes                 | Yes                 | Yes                 | Yes                 |
| <b>Merged</b>                     | 98.1%               | 100.1%              | 102.1%              | 100.9%              | 102.4%              | 103.4%              |
| Meets Benchmark                   | No                  | Yes                 | Yes                 | Yes                 | Yes                 | Yes                 |
| <b>Inner West</b>                 | 85.6%               | 75.1%               | 77.8%               | 77.3%               | 77.0%               | 76.8%               |
| Meets Benchmark                   | No                  | No                  | No                  | No                  | No                  | No                  |



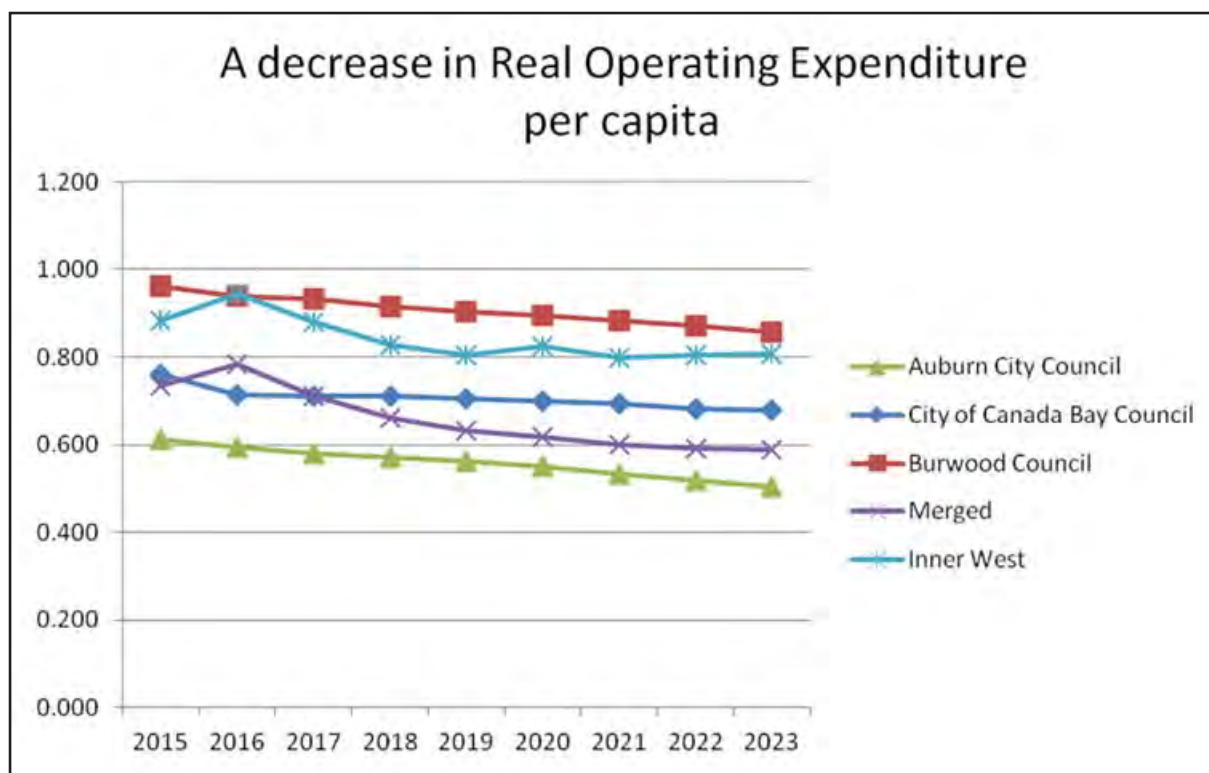
## DEBT SERVICE RATIO

|                                   | 2014/15<br>FORECAST | 2015/16<br>FORECAST | 2016/17<br>FORECAST | 2017/18<br>FORECAST | 2018/19<br>FORECAST | 2019/20<br>FORECAST |
|-----------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>Auburn City Council</b>        | 2.7%                | 2.3%                | 1.7%                | 1.8%                | 1.8%                | 1.8%                |
| Meets Benchmark                   | Yes                 | Yes                 | Yes                 | Yes                 | Yes                 | Yes                 |
| <b>City of Canada Bay Council</b> | 1.0%                | 0.9%                | 0.9%                | 0.8%                | 0.8%                | 0.8%                |
| Meets Benchmark                   | Yes                 | Yes                 | Yes                 | Yes                 | Yes                 | Yes                 |
| <b>Burwood Council</b>            | 5.4%                | 1.6%                | 1.8%                | 1.8%                | 1.8%                | 1.7%                |
| Meets Benchmark                   | Yes                 | Yes                 | Yes                 | Yes                 | Yes                 | Yes                 |
| <b>Merged</b>                     | 2.4%                | 1.2%                | 0.8%                | 0.5%                | 0.5%                | 0.5%                |
| Meets Benchmark                   | Yes                 | Yes                 | Yes                 | Yes                 | Yes                 | Yes                 |
| <b>Inner West</b>                 | 2.7%                | 2.4%                | 2.4%                | 2.4%                | 2.3%                | 2.2%                |
| Meets Benchmark                   | Yes                 | Yes                 | Yes                 | Yes                 | Yes                 | Yes                 |



## REAL OPERATING EXPENDITURE PER CAPITA

|                                   | 2014/15<br>FORECAST | 2015/16<br>FORECAST | 2016/17<br>FORECAST | 2017/18<br>FORECAST | 2018/19<br>FORECAST | 2019/20<br>FORECAST |
|-----------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>Auburn City Council</b>        | \$611               | \$594               | \$580               | \$572               | \$562               | \$549               |
| Meets Benchmark                   | Yes                 | Yes                 | Yes                 | Yes                 | Yes                 | Yes                 |
| <b>City of Canada Bay Council</b> | \$761               | \$713               | \$711               | \$711               | \$705               | \$699               |
| Meets Benchmark                   | Yes                 | Yes                 | Yes                 | Yes                 | Yes                 | Yes                 |
| <b>Burwood Council</b>            | \$961               | \$939               | \$933               | \$914               | \$905               | \$895               |
| Meets Benchmark                   | Yes                 | Yes                 | Yes                 | Yes                 | Yes                 | Yes                 |
| <b>Merged</b>                     | \$733               | \$783               | \$712               | \$660               | \$633               | \$617               |
| Meets Benchmark                   | Yes                 | No                  | Yes                 | Yes                 | Yes                 | Yes                 |
| <b>Inner West</b>                 | \$882               | \$945               | \$879               | \$827               | \$806               | \$825               |
| Meets Benchmark                   | Yes                 | No                  | Yes                 | Yes                 | Yes                 | Yes                 |





# 5.

## Conclusion



Despite Auburn City, Burwood and the City of Canada Bay Councils' excellent financial and asset management positions, the option for each of the three to stand alone does not meet the scale and capacity requirements of the State Government's *Fit for the Future* program.

The Review Panel's recommendation that Auburn City Council merge with a number of large Councils to the west, is not considered a desirable outcome for the Auburn City community. Similarly, the Panel's recommendation that Burwood and City of Canada Bay merge with a number of Councils to the east, is also not considered to be a desirable outcome for these Councils and their communities.

Detailed research and analysis has found the proposed alternative merger of Auburn City, Burwood and City of Canada Bay Councils into a new entity - Sydney Olympic Park City Council - to be a significantly preferable option for each.

Reasons for this include the existence of strong cultural synergies and communities of interest, and the strong financial position of each Council involved and thus of the potential new entity overall. Another key strength of this merger proposal is the absence of a single dominant entity, and the resultant amalgamation of three relatively equal entities would be conducive to the creation of a strong, cohesive new Council, which was still able to be responsive to local needs and issues.





**Burwood Council**  
heritage • progress • pride



## Template 1

# Council Merger Proposal

Sydney Olympic Park City Council



Office of  
Local Government



# Getting started . . .

Before you commence this template, please check the following:



You have chosen the correct template – only councils that are intending to merge should complete Template 1



You have obtained a copy of the guidance material for Template 1 and instructions for completing each question



You have undertaken analysis of the costs and benefits of the proposed merger. This could include preparing a Merger Business Case for your proposal.



Each council has met the minimum public exhibition requirements for the proposal (28 days) and consulted with staff



Your submission has been endorsed by a resolution of each council involved in the proposed merger.

# 1. The proposed merger

*N.B. This template should be endorsed by all councils within the proposed merger group. The council completing the template on the group's behalf should ensure that endorsements from the other councils are attached to the submission.*

## 1.1 Which councils have agreed to merge and form a new council?

|           | <b>Council Name</b> | <b>Date of council resolution<br/>to support the merger</b> |
|-----------|---------------------|---|
| Council A | Auburn City Council | 26 May 2015   |
| Council B | Burwood Council     | 9 June 2015   |
| Council C | City of Canada Bay  | 16 June 2015  |

## 1.2 Agreed boundary changes

If there are any external boundary changes proposed in the merger, please provide details below and attach letters of support from the affected councils.

Auburn City Council, Burwood Council and the City of Canada Bay have agreed to submit a merger proposal on the basis that the Government is progressing with its overall agenda of local government reform.

Each Council believes that it is fit for the future to stand alone and meets the State Government's criteria around capacity, as well as demonstrates the ability to meet the Sustainability, Infrastructure and Service Management and Efficiency ratio benchmarks within the recently released IPART Methodology for Assessment of *Fit for the Future* proposals.

However, the State Government and IPART have clearly stated that in reviewing scale objectives, they will be guided by the scale objectives of the Independent Local Government Review Panel.

On this basis, Auburn City Council, Burwood Council and the City of Canada Bay Council have all resolved to consider mergers in the face of forced change, all highlighting that if the Government does not proceed with the reform agenda, then all three will revert to the status quo.

**Please refer to page 11 of *Council Merger Proposal - Sydney Olympic Park City Council***

## 1.3 Scale and capacity

Is the proposed merger the same as the Independent Local Government Review Panel recommended for your councils?

**NO**

*(or the same as one option, where more than one was presented)*

This proposal differs to that recommended by the Independent Local Government Review Panel, however, is broadly consistent and achieves the ILGRP's desired outcomes around population, functional interaction and unified local government to plan and provide for regional infrastructure.

A detailed summary of the Panel's rationale for recommended amalgamations for each Council and how this proposal provides a superior option for the future can be viewed on page 16 of the *Council Merger Proposal - Sydney Olympic Park City Council*.

**Please refer to page 16 of *Council Merger Proposal - Sydney Olympic Park City Council***



## 2. The outcome

### 2.1 Delivering key priorities and addressing challenges

Please refer to page 36 of *Council Merger Proposal - Sydney Olympic Park City Council*

## 2.2 Financial and non-financial benefits of the merger

Summarise the key benefits of the proposal and the risk management strategies and assumptions that support your findings

*Councils may wish to attach a supporting business case and any research/analysis undertaken*

**Please refer to page 49 of *Council Merger Proposal - Sydney Olympic Park City Council***

## 2.3 Financial and non-financial costs of the merger

Summarise the anticipated costs of the proposal and the risk management strategies and assumptions that support your findings.

*Councils may wish to attach a supporting business case and any research/analysis undertaken*

**Please refer to page 52 of *Council Merger Proposal - Sydney Olympic Park City Council***

### 3. How has the community been involved?

#### 3.1 Discussing the options

Community involvement has played an integral role in the development of this Merger Proposal and the development of each partner Council's *Fit for the Future* position.

Following the endorsement of the Merger Proposal by all three councils at meetings in May and June, all merger partners have continued to develop and provide consistent information to residents of the new proposed entity.

An identical newsletter including uniform information was jointly produced and distributed across all three Council areas in June 2015 providing further information on the Merger Proposal, and associated costs and benefits.

**Please refer to page 55 of *Council Merger Proposal - Sydney Olympic Park City Council***

#### 3.2 Explaining the benefits and costs

Each Council ensured that their existing communities were informed of the potential benefits and costs of amalgamations throughout the entire *Fit for the Future* process. In order to accurately explain the benefits and costs of the NSW Government's recommended merger option, Ashfield, Burwood, City of Canada Bay, Leichhardt and Marrickville Councils commissioned an independent study on the feasibility of a large scale council. Similarly, Auburn City Council also investigated the benefits and costs of the NSW Government's recommendation – a merger of Parramatta City, Holroyd, and Auburn together with parts of Ryde and the Hills Shire Councils.

Following the above, Auburn City, Burwood and City of Canada Councils engaged in conversations to determine the benefits and costs of a smaller scale merger.

**Please refer to page 68 of *Council Merger Proposal - Sydney Olympic Park City Council***



## 3.3 Community response

| Benefits   |
|--|
| Increased efficiency without compromising local service provision                            |
| Better community representation than the State Government recommendation                     |
| Better management and delivery of services than State Government recommendation              |
| <i>Please refer to page 69 of Council Merger Proposal - Sydney Olympic Park City Council</i> |
| Concerns   |
| Size of the population of the new entity and resultant poorer levels of service provision    |
| Incompatible demographics and needs across new entity  |
| Local issues may be neglected  |
| <i>Please refer to page 69 of Council Merger Proposal - Sydney Olympic Park City Council</i> |

## 4. How will the merger help you achieve the benchmarks?

Please provide some estimates to show the new organisation's anticipated performance

| 4.1 Expected improvement in reference   |  |  |  |  |  |  |
|---|--|--|--|--|--|--|
| Measure / benchmark   | 2014/15  | 2015/16  | 2016/17  | 2017/18  | 2018/19  | 2019/20  |
| <b>Operating Performance Ratio</b><br>(Greater than or equal to break-even average over 3 years)                | (0.4)%<br>  | (3.2)%<br>   | (4.9)%<br>  | (3.4)%<br>  | 0.2%<br>    | 3.1%<br>    |
| <b>Own Source Revenue Ratio</b><br>(Greater than 60% average over 3 years)                                      | 79.6%<br>   | 80.4%<br>    | 82.0%<br>   | 83.5%<br>   | 84.8%<br>   | 84.3%<br>   |
| <b>Building and Infrastructure Asset Renewal Ratio</b><br>(Greater than 100% average over 3 years)              | 148.3%<br>  | 176.6 %<br>  | 159.6%<br>  | 139.4%<br>  | 116.9%<br>  | 105.8%<br>  |
| <b>Infrastructure Backlog Ratio</b><br>(Less than 2%)   | 2.4%<br>    | 1.2 %<br>    | 0.8%<br>    | 0.5%<br>    | 0.5%<br>    | 0.5%<br>    |
| <b>Asset Maintenance Ratio</b><br>(Greater than 100% average over 3 years)                                      | 98.1%<br>  | 100.9 %<br> | 101.7%<br> | 100.5%<br> | 102.1%<br> | 103.1%<br> |
| <b>Debt Service Ratio</b><br>(Greater than 0% and less than or equal to 20% average over 3 years)               | 2.4%<br>  | 1.2 %<br>  | 0.8%<br>  | 0.5%<br>  | 0.5%<br>  | 0.5%<br>  |
| <b>Real Operating Expenditure per capita</b><br>(A decrease in real operating expenditure per capita over time) | \$733<br> | \$783<br>  | \$712<br> | \$660<br> | \$633<br> | \$617<br> |

Please refer to page 72 of *Council Merger Proposal - Sydney Olympic Park City Council*

