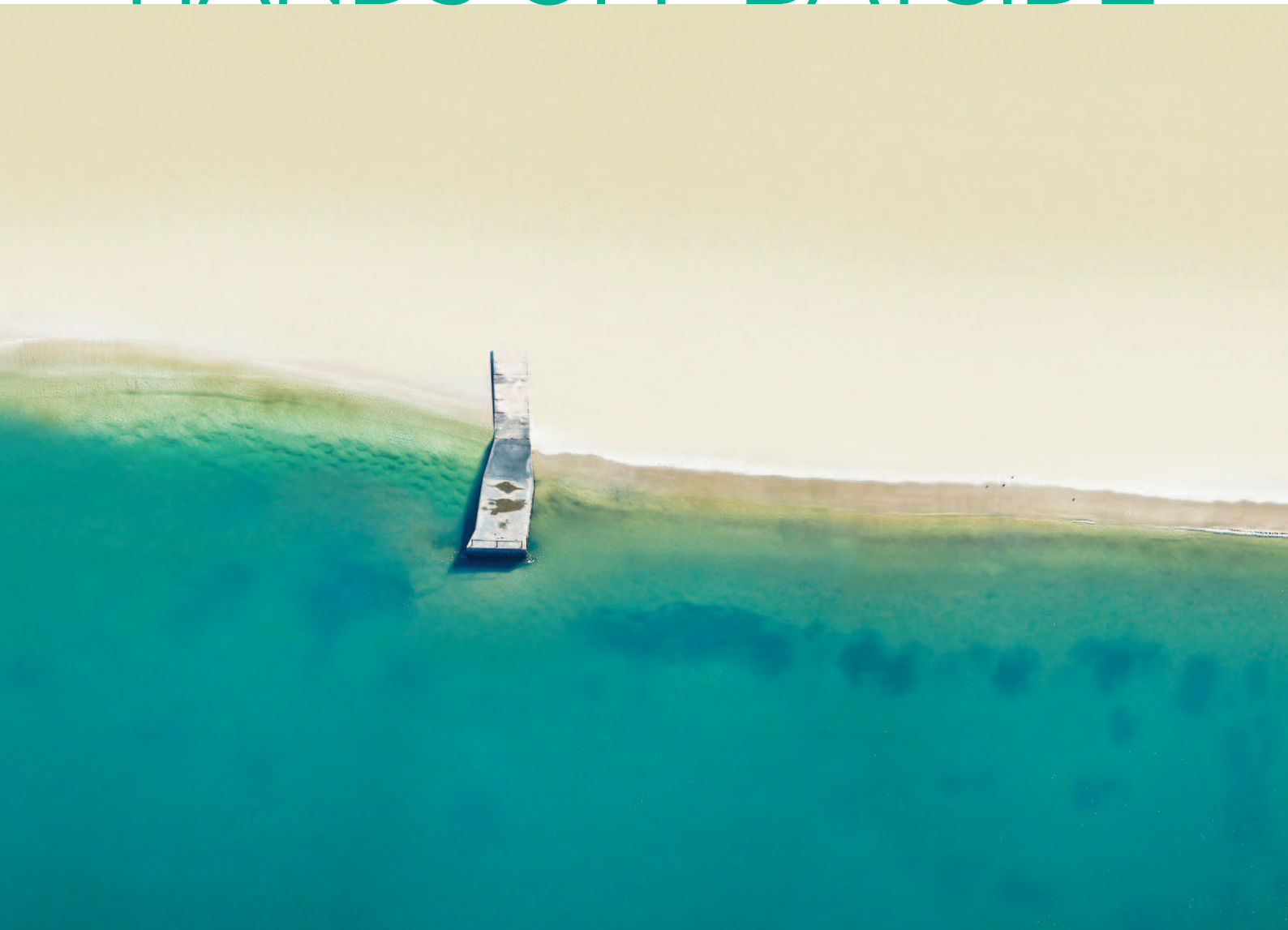


SUBMISSION



# **Georges River Council Boundary Realignment Proposal**

## HANDS OFF BAYSIDE



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Bayside Council Submission:  
GRC Boundary Realignment Proposal - Hands Off Bayside

File: F20/813  
Document: 20/247348

Enquiries: General Manager - Meredith Wallace



**Telephone Interpreter Services - 131 450**

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# Contents

<b>1</b>	<b>Proposed Boundary Realignment</b>	<b>4</b>
<b>2</b>	<b>Elected Council Response</b>	<b>6</b>
<b>3</b>	<b>Amalgamations 2016</b>	<b>9</b>
<b>4</b>	<b>Bayside's Fiscal Management of Ward 5</b>	<b>10</b>
4.1	Current revenue to Bayside Council (\$19.5 million)	10
4.1.1	Rates and annual charges	10
4.1.2	Potential loss of the Financial Assistance Grant (FAG)	11
4.1.3	Loss of other income	11
4.2	Rates rise for impacted residents (increase of 26%)	12
4.3	Destabilising Bayside: A well-run Council	13
4.4	Costs to demerge borne by Bayside ratepayers	17
4.5	Loss of \$50 million worth of Bayside Council owned land	17
<b>5</b>	<b>Bayside's Care and Custodianship of Ward 5</b>	<b>18</b>
5.1	Major infrastructure: loss of \$220 million of Bayside assets	18
5.2	Joint asset management	18
5.3	Operational/Technical infrastructure	18
5.4	Waste and cleansing services	19
5.5	Rebranding	20
5.6	Civil works	21
5.6.1	Street Sweeping Services	21
5.6.2	Environmental Management	21
5.6.3	Lady Robinson's Beach	21
5.7	Parks and open space services	22
<b>6</b>	<b>Bayside's Future: Planning and Managing Ward 5</b>	<b>23</b>
6.1	Urban strategic planning	23
6.2	Environmental management	23
6.3	Asset management	24
6.4	M6 and compensatory works	24
6.5	Sport and recreation facilities	24
<b>7</b>	<b>Conclusion</b>	<b>25</b>

# 1 Proposed Boundary Realignment

On 24 August 2020, at the Ordinary Council Meeting and without consultation with Bayside Mayor and Councillors, Georges River Council (GRC) resolved to consult the community on a proposed boundary change.

The proposal seeks to take-over a portion of the Bayside Council local government area, along the foreshore of Botany Bay.

By their own admission, Georges River Council is financially unsustainable. They are currently reviewing ways to increase rate revenue in order to help the Council 'meet the cost pressure of a growing population'.

It appears that one of its strategies is to take over a healthy proportion of Bayside, effectively stealing \$18 million per annum in rateable income and over \$220 million in assets.

The proposed boundary realignment suggests commencement at President Avenue in the north, to Captain Cook Bridge in the south, taking in the existing Bayside suburbs of Monterey, Sans Souci, Ramsgate, Ramsgate Beach and Dolls Point.

The proposal claims to be required to align with the boundaries of the Federal electorate seat of Cook.

GRC has said the proposal makes sense in terms of service efficiency opportunities for the promotion and use of important sport and recreation assets. *"The proposed changes follow logical boundaries, helping people easily identify with their local Council and benefit from its services,"* the Council's spokesperson said.

The GRC Boundary Realignment Proposal is in three parts. Known as GRC Proposal 1, this element relates to alignment of boundaries at the M5 to the north of Georges River, removing land mass from Canterbury Bankstown Council.

GRC Proposal 2 impacts Bayside Council's Ward 5 (previously Botany Bay Ward) along the Botany Bay Foreshore from President Avenue, going south to Captain Cook Bridge.

GRC Proposal 3 combines GRC Proposals 1 and 2 to the benefit of Georges River Council. The community consultation process by GRC on these three proposals is currently underway, closing 23 December 2020.

Bayside Council is strongly opposed to GRC Proposal 2 (& 3 by association) as it suggests a takeover of the Bayside local government area that significantly and profoundly impacts Bayside residents and ratepayers.

The proposed boundary realignment of the *"area located east of the Georges River Council LGA boundary which is located in the Cook Electoral Division, bounded by President Avenue and currently located within the Bayside LGA. ....This amalgamation would result in the entire Federal Electoral Division of Cook located north of the Georges River being located within the Georges River LGA."*

There is nothing more to the proposal. No facts identifying how this boundary realignment would support a new council boundary meets the fit for the future benchmarks which were the criteria for 2016 amalgamations.

The GRC proposal details *"it would unite the identified communities of interest around the Kogarah town centre (and the Kogarah Collaboration Area), Sans Souci, Ramsgate, Ramsgate Beach and Dolls Point to create service efficiency opportunities for the maintenance, promotion and use of important sport and recreation assets."*

Without any further analysis to underpin the statements, the boundary realignment sought in GRC Proposal 2 **is not supported**.

“ No evidence or analysis to support the claimed  
“identified communities of interest”  
and “service efficiency opportunities”

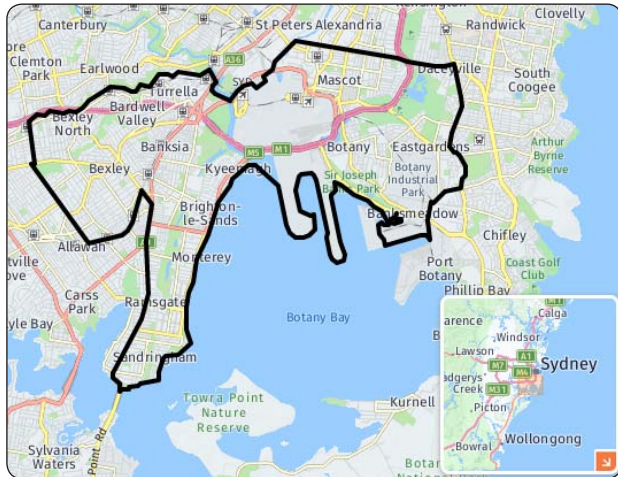


Fig 1 – Existing Bayside Boundaries.

**Black** identifies existing scale of Bayside as proclaimed on 9 September 2016.

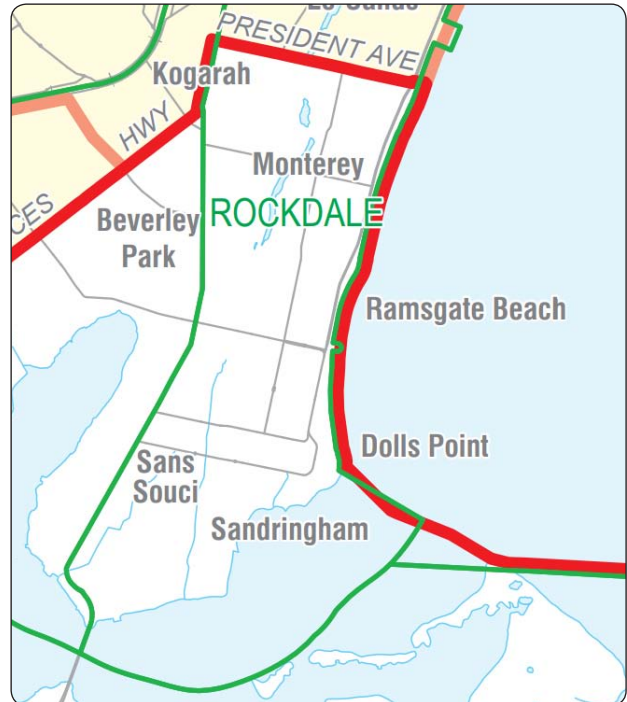


Fig 2 – GRC Proposed Boundary Realignment.

Key: **Red** is proposed GRC boundary realignment.

**Green** is current Bayside boundary identifying Ward 5.

Bayside Council contends that the GRC proposal is ill conceived and opportunistic, and if implemented, would trigger many years of financial, asset management, and staffing upheaval without benefit to the community.

## 2 Elected Council Response

At Bayside's Ordinary Council meeting on 9 September 2020 (ironically the fourth anniversary of Bayside's proclamation) Council resolved as follows on the motion of Councillors Saravinovski and Tsounis as follows:

- 1 *That Council strongly opposes the boundary alignment removing areas up to President Avenue at Kogarah and down to the Botany Bay foreshore from Bayside local government area, as suggested by Georges River Council at their Ordinary Council Meeting on Monday 24 August 2020.*
- 2 *That Council write to the Mayor of Georges River, Councillor Kevin Greene, advising that should the boundary be adjusted at all, that the new boundary incorporate Georges River Council's Kogarah Bay Ward, including the St George Hospital, the collaboration precinct and surrounding areas into Bayside's local government area.*
- 3 *That Council write to the NSW Boundaries Commission expressing it's strong opposition to the Georges River proposal and the way it was conceived on the floor of the Council Chamber.*

The actions from our resolution generated no response from Mayor Greene and Councillors at Georges River Council.

On 30 November 2020, the General Manager GRC, Gail Connelly wrote to Meredith Wallace, General Manager Bayside Council advising of Council's resolution on 24 August 2020, that:

- (a) *In accordance with Section 218E of the NSW Local Government Act 1993, the General Manager prepare an Amalgamation Proposal to be submitted to the Minister for Local Government, proposing an amalgamation of the areas:*
  - i. *The area located in Riverwood and Narwee between the Georges River Council LGA and Watson Electoral Division boundary lines by making use of the M5 motorway which lies on the Watson boundary line and the natural boundary of Salt Pan Creek which is also the boundary of the Stat Electoral District of Oatley. These areas re currently located within the Canterbury Bankstown LGA; and*
  - ii. *The area located east of the Georges River council LGA boundary, which is located in the Cook Electoral Division, bounded by President Avenue. This amalgamation would result in the entire Federal Electoral Division of Cook located north of the Georges River being located within the Georges River LGA.*
- (b) *That prior to the submission of the Amalgamation Proposal, the General Manager conduct appropriate community engagement in respect to the proposed boundary changes.*

*The engagement required by part (b) of this resolution has commenced and you may wish to bring this matter to your Council's and community's attention.*



On 9 December 2020, at the next ordinary meeting of Bayside Council, Mayor Joe Awada put the following Mayoral Minute:

*"At its August Meeting, Georges River Council resolved to formally consult on a proposal to amend their current local government boundaries to absorb our suburbs of Monterey, Sans Souci, Ramsgate, Ramsgate Beach and Dolls Point.*

*This motion was adopted without consultation, without even putting the proposition in writing onto their business paper. It was ill conceived on the floor of their Council Chamber during a debate about their boundary with Canterbury Bankstown.*

*The area being considered for 'amalgamation with Georges River Council' is currently located within our boundaries as part of our Bayside local government area. The reasons put forward for the amalgamation are that*

- 1 It will align with the Federal seat of Cook (is this relevant?); and*
- 2 Georges River will get access to our important community, sport and recreation assets (such as Depena Reserve, Scarborough Park, Pine Park, Tonbridge Park and Amenities, the new Garrigarrang Child Care Centre, the first class Archery Centre at AS Tanner, the Ramsgate Life Saving Club, the renewed Ramsgate Beach Town Centre, our beaches and swimming enclosures).*

*Councillors, you will recall Councillor Saravinovski's motion at our September 2020 meeting, when this ridiculous idea first popped into the heads of Georges River Councillors at their August meeting.*

*In September 2020, we unanimously resolved that:*

*"Bayside Council strongly oppose the boundary alignment removing areas up to President Avenue at Kogarah and down to the Botany Bay foreshore from Bayside local government area, as suggested by Georges River Council at their Ordinary Council Meeting on Monday 24 August 2020."*

*Our resolution also included writing to the Mayor of Georges River, Councillor Kevin Greene, advising that should the boundary be adjusted at all, that the new boundary would incorporate Georges River Council's Kogarah Bay Ward, including the St George Hospital, the collaboration precinct, and surrounding areas into Bayside's local government area.*

*Further, we wrote to the NSW Boundaries Commission expressing our strong opposition to the Georges River proposal and the way it was conceived on the floor of the Council Chamber.*

*Councillors, in my view - nothing has changed and nothing should change. We still strongly oppose this ridiculous realignment.*

*In fact, Councillors we now have to commit to a large media campaign over the festive season to engage our community. We need our community to individually and collectively respond to this crazy line-in-the-sand which will split our beach and our community in two.*

*Along with our community's support in telling Georges River to 'Butt out of Bayside' our formal Council submission will also advise the true ramifications and costs associated with the ripping apart of our Council to satisfy the whim of Georges River Councillors.*



Mayor Joe Awada, Bayside Council says NO to Georges River.

All Bayside Councillors unanimously supported the motion as follows:

1. *That Council commences a widespread and high profile media campaign to encourage the community to voice their rejection of the proposed Georges River Council takeover of the area south of President Ave (including Monterey, Ramsgate, Ramsgate Beach, Dolls Point and Sans Souci) via the online survey on the Georges River Council website.*
2. *That Council makes its own submission to the survey and to the Minister for Local Government strongly opposing the proposal based on the impact and cost, the disruption to budget, asset management, staffing and service provision.*



# 3 Amalgamations 2016

Georges River Council (GRC) was proclaimed by the NSW Government on 12 May 2016 and incorporates the former Hurstville City and Kogarah City local government areas.

Bayside Council was proclaimed by the NSW Government on 9 September 2016 and incorporates the former City of Botany Bay Council and Rockdale City Council local government areas.

On 14 February 2017, Premier Gladys Berejiklian said: *"Had we had our time over, we would have naturally dealt with councils in Sydney very differently to councils outside of Sydney that is a decision that we took at the time to deal with the one-size-fits-all model throughout NSW."*

*We appreciate for some communities that the process has not been easy. We also appreciate that there will continue to be angst in some communities, but what we're doing today is drawing a line in the sand and providing certainty for the future."*

For the government to consider another boundary realignment in metropolitan Sydney, four years into their previous local government reform process, goes against the Premier's own statements.

At the time of the metropolitan Sydney amalgamations, the argument in favour of bigger councils was increased *"strategic capacity"*. This remains so today, but the Georges River Proposal 2 is silent on how it would demonstrate achieving this benchmark.

Should the government consider a boundary realignment and require benchmarks such as the *"strategic capacity"* benchmark to be achieved, then the better alternative is for Bayside to take in the whole of Georges River and create a new mega Bayside Council.

The new mega Bayside Council boundaries would remain unchanged in the north at the Airport and Cook Cove; expand to the M5 in the West and secure down to Captain Cook Bridge in the South.

This mega Bayside Council would be supported by the views of the Independent Local Government Reform Panel (ILGRP) who argued in 2016, *"Councils are having to function in a much more complex world and face significant challenges in the future. They require higher calibre staff, deeper pockets and more co-ordination over larger regions to plan transport and deal with more complex developments including interacting effectively with state and federal government."*

# 4 Bayside's Fiscal Management of Ward 5

## 4.1 Current revenue to Bayside Council (\$19.5 million)

### 4.1.1 Rates and annual charges

Rates and annual charges collected from the area amounts to around \$18.8 million which accounts for 15% of Bayside Council's yearly Rates and Annual Charges income.

The impact of the proposed boundary changes will result in an immediate and substantial funding shortfall in the operating budget for Bayside as a result of the loss of revenue including the impact of the additional administrative costs of demerging and divesting assets.

To put that into perspective, \$18.8 million in lost income equates to approximately 210 full-time staff members. Effectively this is 1/3 of Bayside Council's entire workforce.

The loss of revenue could shut down an entire Council Directorate such as City Life, which provides essential services such as Community Life, Sport and Recreation, Compliance and Certification, Libraries and Customer Experience.

The rates collected from the affected area are broken up as follows:

TYPE	CATEGORY	FY20/21	%
Ordinary Rates	Residential	\$10,047,000	54%
	Business	\$765,000	4%
Infrastructure Levy	Residential	\$2,564,000	14%
	Business	\$217,000	1%
Waste Fees	Residential	\$4,700,000	25%
	Business	\$156,000	1%
Stormwater Levy	Residential	\$169,000	1%
	Business	\$15,000	0%
Other Special Levies	Residential	\$100,000	1%
	Business	\$40,000	0%
<b>Total</b>		<b>\$18,773,000</b>	<b>100%</b>

Apart from Domestic Waste Services, Bayside would not be able to realise a proportionate decrease in expenses due to the structure of how services are delivered throughout the entire Bayside local government area.

That is, whilst it is fair to assume that there would be a direct decrease in the cost of providing waste services in the order of \$4.8 million, Bayside would not be able to reduce other expenditure annually by the remaining \$14 million that would be lost in rates revenue.

The only way this would be able to be achieved is if entire service lines across the whole of the Bayside LGA were removed or discontinued.



*\$18.8m (or 15%) of Bayside's yearly income  
from Rates and Annual Charges  
will be lost in the proposed take-over*



#### **4.1.2 Potential loss of the Financial Assistance Grant (FAG)**

Local Government Financial Assistance Grants are paid to local councils to help them deliver services to their communities.

The funds are paid annually by the Australian Government and Councils are free to use these funds at their discretion in order to deliver valuable services to their communities and ratepayers for whom they are ultimately accountable too.

The NSW Governments policy is to allocate grants, as far as possible, to the councils with the greatest relative need and therefore a key metric in determining the FAG allocation is population.

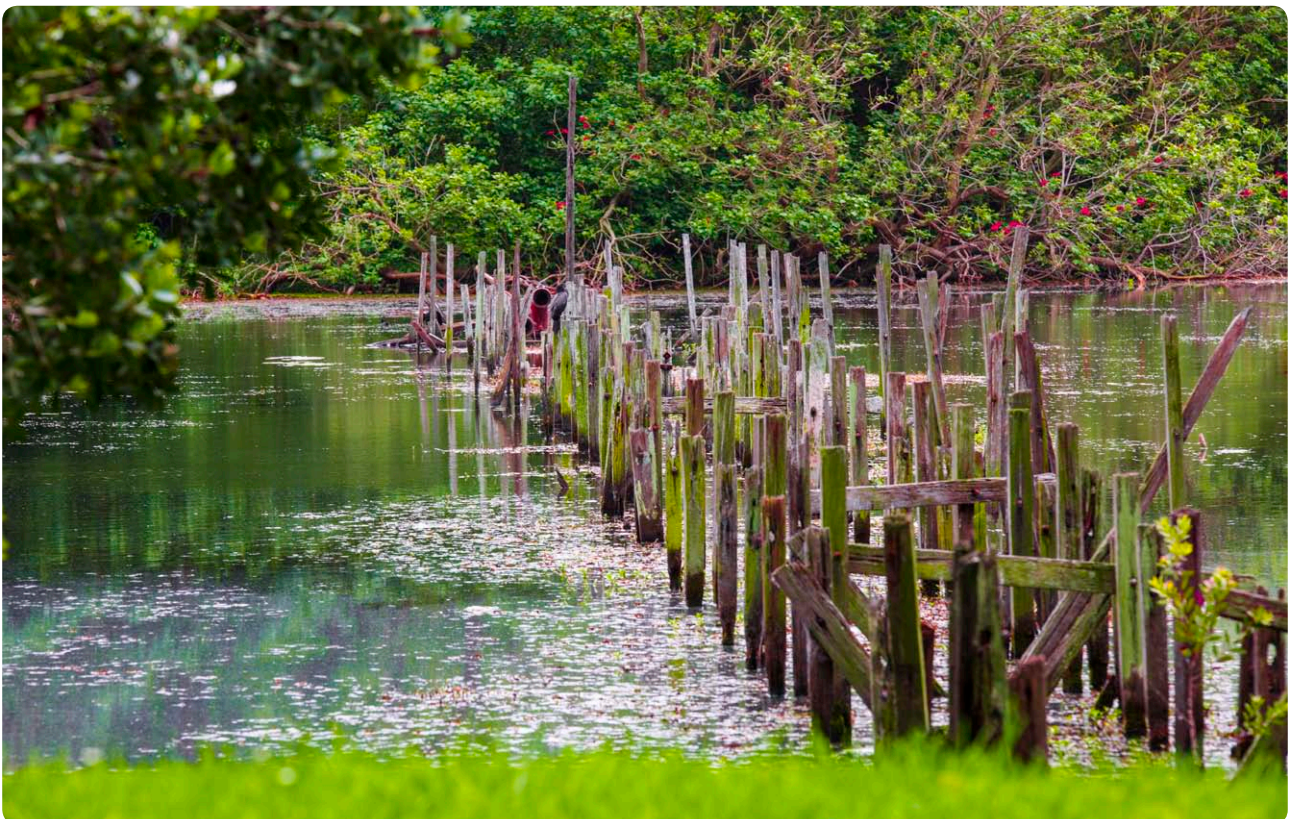
In addition to the impact of lost rates income, the proposed boundary changes and resulting loss of population will also result in Bayside Council losing a significant proportion of its current Financial Assistance Grant (FAG) allocation.

The potential loss of the FAG for the 21/22 financial year is estimated to be approx. \$400k.

#### **4.1.3 Loss of other income**

In addition, Bayside Council also stands to lose a substantial amount of income from other sources such as:

- ▶ Lease and rental income from council owned properties in the LGA;
- ▶ Income from outdoor dining and A-frame fees in the LGA; and
- ▶ Income from sporting and recreation venues in the LGA.



## 4.2 Rates rise for impacted residents (increase of 26%)

Residential ratepayers account for 94% of all the rates revenue collected from the affected part of the LGA whereas business ratepayers only account for 6%. Therefore, the biggest impact of the proposed boundary changes will be on the residents.

The table below shows some Statistics related to the LGA affected by the proposal.

STATISTICS RELATED TO THE LGA AFFECTED BY THE PROPOSED BOUNDARY CHANGES	
Population estimate	29,334
Number of residential ratepayers	9,360
Number of residential ratepayers on the min. rate	4,108
Number of business ratepayers	304
Average ordinary rates (per residential ratepayer)	\$1,073
Average ordinary rates (per business ratepayer)	\$2,516
Land value of affected the LGA	\$6 billion
Land value of affected the LGA as a % of total Bayside land value	15%

There are currently 9,360 residential ratepayers in this part of the Bayside LGA. Of these ratepayers, there are 4,108 rateable properties that pay the minimum ordinary rate, which was \$758 for the 20/21 financial year. This minimum rate relates to the rate path of the former Rockdale City Council.

Comparatively, the minimum ordinary rates of the former Kogarah City Council (part of Georges River Council) for 19/20 was \$942.24 per annum.

Therefore, should the proposal for the change in Council boundary go ahead, the ratepayers in this area of the LGA will be hit with an increase on their minimum rates of \$193 per annum (i.e. 26%).

In addition to this, there could be a further impact on the ratepayers through Georges River Council's rates harmonisation proposal, which recommends an increase to the minimum rates by a further 2.5% to \$965.80 per annum.

Compared to the rates harmonisation path being considered by Bayside, which would currently see the minimum rate being set at around \$773 for the 21/22 FY, those affected ratepayers on the minimum rate could be faced with a rate increase of around 25% or \$192, with the most likely outcome for them being a loss or decrease in quality and quantum of service provision.

Another negative impact, is those ratepayers in the affected area who are paying more than the minimum in Bayside, are likely to receive a rates decrease of up to 20% in the 21/22 FY due to the Bayside rates harmonisation process, if they are transferred over to Georges River Council, they will most likely experience a rates increase compared to what they currently pay in rates.

### **4.3 Destabilising Bayside: A well-run Council**

Bayside Council is a well-run organisation as attested to by the NSW Auditor General who attended and spoke at the October 2020 Ordinary Council Meeting.

Council's financial performance and operational efficiency indicators are now the envy of many in the sector.

This has not happened by chance; this has been achieved by strong financial management and fiscal decision making which protects the financial sustainability of Bayside Council.

The current Council and administration inherited an amalgamation of 2 vastly different Councils, both of which had a very different financial position. It is well known that there were significant financial issues that existed at the former Botany Council. Since amalgamation, the new entity has through sound decision making and strong financial discipline, corrected the errors of the past.

This has been achieved through the internal expertise of Council's political and administrative leadership, committed to making the tough decisions to protect the financial performance and community assets for the whole Bayside community.

Since amalgamation, Bayside has not only overcome significant legacy issues of former Councils but has also successfully and efficiently harmonised its core services across the whole LGA, all while delivering strong financial results.

For the financial year ended 30 June 2020, Bayside Council received its first ever "unqualified audit opinion" which marks a significant milestone in remediating the deep seeded legacy issues of the former City of Botany Bay.

The audit result also confirms Bayside Council's strong financial standing. So much so that the Auditor General of NSW (Margaret Crawford) herself, in an unprecedented move, congratulated Council on its audit result and financial performance at its October Council meeting.

Bayside's operations and decision making process is all about finding the balance between the need for delivering high quality services and infrastructure to the community while maintaining financial sustainability. As evidence, Bayside continues to exceed all of the key financial performance ratios as determined by the Office of Local Government (OLG).

The impact of the proposed boundary changes risks unravelling all the time, energy, effort and resources that Bayside has invested since amalgamation to remediate the legacy issues of the former City of Botany Bay in setting the platform for the future.





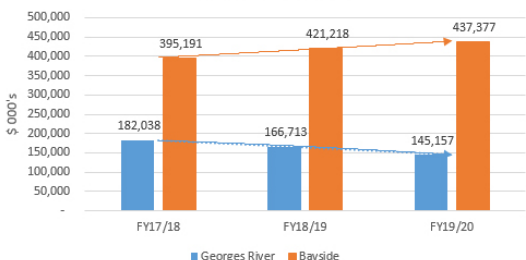
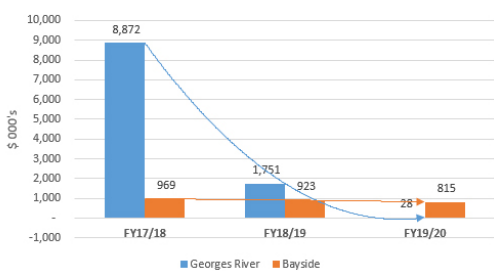
*In short, the proposed boundary changes  
will destabilise Bayside*



The table below compares the most recent key financial performance ratios of Georges River Council and Bayside Council for the financial year ended 30 June 2020.

OLG'S FINANCIAL PERFORMANCE RATIOS	OLG BENCHMARK	GEORGES RIVER	BAYSIDE
<b>Operating performance ratio</b> The 'operating performance ratio' measures how well council contained operating expenditure within operating revenue (excluding capital grants and contributions, fair value adjustments, and reversal of revaluation decrements).	> 0%	- 8.19%	2.33%
<b>Own source operating revenue ratio</b> The 'own source operating revenue ratio' measures council's fiscal flexibility and the degree to which it relies on external funding sources such as operating grants and contributions.	> 60%	77%	75%
<b>Unrestricted current ratio</b> The 'unrestricted current ratio' is specific to local government and represents council's ability to meet its short-term obligations as they fall due.	> 1.5x	2.44	3.62
<b>Cash expense cover ratio</b> This liquidity ratio indicates the number of months the council can continue paying for its immediate expenses without additional cash inflow.	> 3x	10.23	32.23
<b>Rates and annual charges outstanding ratio</b> The 'rates and annual charges outstanding percentage' assesses the impact of uncollected rates and annual charges on council's liquidity and the adequacy of debt recovery efforts.	< 5%	4.26%	7.02%
<b>Debt service cover ratio</b> The 'debt service cover ratio' measures the operating cash to service debt including interest, principal and lease payments.	> 2x	20.36	23.76

The series of graphs below further compare Bayside Council's financial performance against Georges River Council and shows the direct correlation between the net operating result and cash reserve balances of both Councils.

OTHER KEY FINANCIAL INDICATORS	COMMENTARY												
<p><b>Net operating result / (loss)</b> before capital grants &amp; contributions</p>  <table><tr><th>Financial Year</th><th>Georges River (\$'000's)</th><th>Bayside (\$'000's)</th></tr><tr><td>FY17/18</td><td>-769</td><td>2,709</td></tr><tr><td>FY18/19</td><td>-3,269</td><td>4,565</td></tr><tr><td>FY19/20</td><td>-9,484</td><td>5,241</td></tr></table>	Financial Year	Georges River (\$'000's)	Bayside (\$'000's)	FY17/18	-769	2,709	FY18/19	-3,269	4,565	FY19/20	-9,484	5,241	<p>This graph shows a comparison of the net operating results between Georges River Council and Bayside Council.</p> <p>It can be seen that whilst Bayside has delivered strong performance results (including growth in positive operating results), the losses of Georges River Council have continued to increase exponentially.</p> <p>Over the 3 financial years, Bayside Council's net results have improved by 93% whereas Georges River Council's results have worsened by 1113%.</p>
Financial Year	Georges River (\$'000's)	Bayside (\$'000's)											
FY17/18	-769	2,709											
FY18/19	-3,269	4,565											
FY19/20	-9,484	5,241											
<p><b>Overall Cash Balance</b></p>  <table><tr><th>Financial Year</th><th>Georges River (\$'000's)</th><th>Bayside (\$'000's)</th></tr><tr><td>FY17/18</td><td>182,038</td><td>395,191</td></tr><tr><td>FY18/19</td><td>166,713</td><td>421,218</td></tr><tr><td>FY19/20</td><td>145,157</td><td>437,377</td></tr></table>	Financial Year	Georges River (\$'000's)	Bayside (\$'000's)	FY17/18	182,038	395,191	FY18/19	166,713	421,218	FY19/20	145,157	437,377	<p>This graph shows a comparison of the overall cash balances between Georges River Council and Bayside Council.</p> <p>Over the three years, Bayside's overall cash and investments balances have increased by 11% whereas Georges River Council's overall cash and investments balance has decreased by 20%.</p>
Financial Year	Georges River (\$'000's)	Bayside (\$'000's)											
FY17/18	182,038	395,191											
FY18/19	166,713	421,218											
FY19/20	145,157	437,377											
<p><b>Unrestricted cash</b></p>  <table><tr><th>Financial Year</th><th>Georges River (\$'000's)</th><th>Bayside (\$'000's)</th></tr><tr><td>FY17/18</td><td>8,872</td><td>969</td></tr><tr><td>FY18/19</td><td>1,751</td><td>923</td></tr><tr><td>FY19/20</td><td>28</td><td>815</td></tr></table>	Financial Year	Georges River (\$'000's)	Bayside (\$'000's)	FY17/18	8,872	969	FY18/19	1,751	923	FY19/20	28	815	<p>This graph shows a comparison of the unrestricted cash balances between Georges River Council and Bayside Council.</p> <p>The graphs show that Bayside has managed to maintain its unrestricted cash at the same level, whereas Georges River Council has been consuming what was a healthy unrestricted cash balance 3 years ago to what is now almost non-existent.</p>
Financial Year	Georges River (\$'000's)	Bayside (\$'000's)											
FY17/18	8,872	969											
FY18/19	1,751	923											
FY19/20	28	815											
<p><b>Internally restricted reserves (cash)</b></p>  <table><tr><th>Financial Year</th><th>Georges River (\$'000's)</th><th>Bayside (\$'000's)</th></tr><tr><td>FY17/18</td><td>77,118</td><td>68,330</td></tr><tr><td>FY18/19</td><td>60,871</td><td>73,273</td></tr><tr><td>FY19/20</td><td>43,116</td><td>73,964</td></tr></table>	Financial Year	Georges River (\$'000's)	Bayside (\$'000's)	FY17/18	77,118	68,330	FY18/19	60,871	73,273	FY19/20	43,116	73,964	<p>This graph also shows how Bayside has maintained its internal cash reserve balances over the past 3 years, whilst Georges River Council has continued to consume and deplete these reserves.</p>
Financial Year	Georges River (\$'000's)	Bayside (\$'000's)											
FY17/18	77,118	68,330											
FY18/19	60,871	73,273											
FY19/20	43,116	73,964											

These indicators provide evidence of how Bayside Council has successfully managed the past 3 years in maintaining or improving on these key financial indicators.

In contrast, the indicators for Georges River Council have been worsening over time. It would appear that Georges River Council is spending more than it should and not operating within its means.

The table below shows additional statistics and indicators that demonstrates where Bayside Council is out performing Georges River Council.

STATISTICS AND OTHER RELEVANT FINANCIAL INDICATORS AS AT 30 JUNE 2020	GEORGES RIVER	BAYSIDE
Population	159,471	178,396
Number of full time employees (FTE) <sup>1</sup>	580	791
FTE per capita	275	226
Employee costs (gross) per FTE <sup>2</sup>	\$104,000	\$90,000
Employee costs as a % of total rates (ex. Waste & Stormwater levy) <sup>2</sup>	87%	78%
Operating expenditure per Capita <sup>3</sup>	\$785	\$800
Operating expenditure per FTE <sup>3</sup>	\$215,748	\$206,409
Net operating result / (loss) per Capita	(\$59)	\$29
Other fees and user charges as % of total revenue	9%	6%
Annual capital spend	\$54m	\$42m

1. Includes vacancies.

2. Employee benefits and on-costs as per 19/20 audited financial statements including capitalised costs.

3. Excludes depreciation and amortisation and fair value decrements.

Employee and staff related costs are the largest expenditure for NSW Councils. Bayside Council not only has a greater staff to population ratio but also has a lower average cost per employee and overall lower percentage of total employee costs as a proportion of total revenue when compared to Georges River Council. This indicates Bayside Council's greater efficiency in delivering services while controlling expenditure.

In addition to containing employee costs Bayside also out performs Georges River Council in other areas as evidenced by other indicators such as "Operating expenditure per Capita & FTE, Net Operating result per capita and fee & user charges as a % of total revenue."



*Changing boundaries will result in Bayside Council losing approximately \$50 million worth of Council owned land from its asset base*



## 4.4 Costs to demerge borne by Bayside ratepayers

The proposed boundary changes will also place an unnecessary administrative burden on Bayside. The quantitative and qualitative costs of this administrative burden will ultimately be borne by the ratepayers across the entire LGA.

At a minimum, the following relating to the Ward will need to be located, demerged, and transferred:

- ▶ Information pertaining to rateable properties (demerge from councils financial systems)
- ▶ Impact on locked-in contracts and supplier agreements relating to services in the LGA
- ▶ Bank guarantees held in respect of the above mentioned contracts
- ▶ Other Legal Documents including contracts, titles, etc.
- ▶ Records – electronic and physical (including business papers and consents across various databases like pathway & content manager)
- ▶ Outstanding formal and informal GIPA applications
- ▶ NAR – transfer and update
- ▶ Insurance Premiums – adjustment e.g. asset devaluation
- ▶ Claims liability – lodged and outstanding and negotiation on any in train (claims history)
- ▶ Court matters pending or in train (arrangement as to ongoing carriage of matters)
- ▶ Integrated Planning and Reporting – review and update (including actions and CWP)
- ▶ Planning Panel – transfer of any matters listed and to be heard

The substantial administrative effort required for demerger activities noted above will not only result in increased costs but will also come at the expense of service provisions as staff time is redirected to the above mentioned tasks.

## 4.5 Loss of \$50 million worth of Bayside Council owned land

The table below shows the value of council owned land (by category) in the affected area of the LGA.

CATEGORY OF LAND	VALUE AS AT 30 JUNE 2020	VALUATION BASIS
Operational land	\$25.5 million	Highest and best use (Fair market value)
Community land	\$24 million	Unimproved land value (NSW Valuer General)
Land under roads	\$0.5 million	Unimproved land value (NSW Valuer General)
<b>Total</b>	<b>\$50 million</b>	<b>-</b>

The impact of this loss will be taken directly into equity and it is ultimately the rate payers that lose out as these acquisitions of land assets occurs over time for strategic purposes and is mainly funded by ratepayers across the LGA and not just from a specific area.

The loss of these assets will significantly and unfairly disadvantage the residents and ratepayers of the whole Bayside LGA.

# 5 Bayside's Care and Custodianship of Ward 5

## 5.1 Major infrastructure: loss of \$220 million of Bayside assets

Our City Presentation Team of 350 staff are currently responsible for the maintenance of all parks and open spaces, including the 8.5kms of foreshore along the eastern side of Botany Bay. Ratepayer funded infrastructure in the beachside suburbs and the waterfront proposed in the takeover by Georges River Council equals to assets values at \$222,788,555, including:

- ▶ Amenities blocks
- ▶ Waste disposal infrastructure (waste bins, coal bins etc...)
- ▶ Swimming enclosures (ocean tide effected)
- ▶ Associated marine life management
- ▶ Beach Erosion & Nourishment Program
- ▶ Rock Groyne Management
- ▶ Recreational equipment
- ▶ BBQ's
- ▶ Beach maintenance

## 5.2 Joint asset management

The management of the various eco-systems around Botany Bay would have responsibility split across four council areas, already an imposition across the three existing local government areas. Bayside's currently well managed beachfront parks and promenade infrastructure would require a line drawn in the sand to split existing areas into the two new local government areas as proposed by GRC.

It should be noted that GRC have no experience in Beach Management.

## 5.3 Operational/Technical infrastructure

The associated infrastructure maintenance in and around the major infrastructure on Botany include:

- ▶ Beach rake and annual costs
- ▶ Regional cycleway maintenance
- ▶ Creek and waterways maintenance and annual costs
- ▶ Flooding, aeration, blockages, fish kills, air valves
- ▶ Public amenities maintenance and cleaning (contract and in-house labour)
- ▶ Staffing numbers
- ▶ Rebranding: Street signs, park signs, amenities, infrastructure signage etc...



## 5.4 Waste and cleansing services

The investment associated with waste and cleansing services in and around the major infrastructure on the foreshore of Botany Bay currently managed by Bayside Council includes:

- ▶ LoRaWAN gateway in Peter Depena for smart sensor technology.
- ▶ 40 x 80L custom built beach bins (on the sand) with smart sensors.
- ▶ This affects a service run for 1 FTE and fleet utilisation (\$45k) including weekends & public holidays.
- ▶ 3 custom charcoal public place bins.
- ▶ 32 x 240L (approx.) fixed stainless public place bin enclosures.
- ▶ 20 x 660L (approx.) fixed stainless public place bin enclosures.
- ▶ 10 x 60L (approx.) fixed stainless public place bin enclosures.
- ▶ Dog waste receptacles.
- ▶ This affects a service run for 2 FTE and fleet utilisation (\$350k) including weekends & public holidays.
- ▶ 7 public amenities building cleaning.
- ▶ This affects a service run for 1 FTE and fleet and plant utilisation (\$60k) including weekends & public holidays.
- ▶ Garbage, recycling service will be affected by change to collection days, cost of service and rates (impact on Council, Community, and contractual obligations). Impacts approx. fleet of >30 vehicles (>\$10.5M) and associated staff. This impacts Waste app, rates database, GIS, website information, printed calendars, etc.
- ▶ Misallocation of Services (such as green waste bins) will need to be harmonised (impact on Council, Contractor and Community). New vehicles and staff may be required.
- ▶ Kerbside Bulky Goods Clean-up Service will be affected by different levels of services, calendar collection dates changes, cost of service and rates.

Major staff restructures will be required including associated industrial relations issues due to the impacts of the utilisation of 15 full time equivalent (FTE's) employees and four service vehicle utilisations (costing \$1.4M). Restructure will be required across the entire run (12 zones) which impact on specialist software and programs including GIS mapping systems, pathway workflows and database, mobile Bayside Waste App, Waste Collection Calendars and associated collateral for community information, education, and awareness.

## 5.5 Rebranding

All assets and infrastructure would require rebranding at significant cost with campaigns to raise awareness amongst the community. The proposal includes the unique suggestion that a continuous strip of beach should be divided into two. This 'line in the sand' would result in maintenance complexities, not given any consideration by GRC.

Rebranding impacts Include:

- ▶ Illegal Dumping (RID operations including Council staff employed to regulate and educate this area)
- ▶ Signage and branding restructure
- ▶ Impacts on community and school education programs
- ▶ Impacts on community clean-up events such as Clean-Up Australia
- ▶ Impacts on residents' ability to utilise the Bayside Community Drop-Off Events
- ▶ Impacts on pharmacies participating in council run sharps disposal program



## **5.6 Civil works**

### **5.6.1 Street Sweeping Services**

Bayside's street sweeping services will be impacted by the proposed boundary change. We currently run three mechanical sweepers with operators and a crew of two in a vehicle in the manual sweeping team.

GRC have the same service frequency of twice per month however they do not run any manual/blow out crews, hence they achieve a lower service level by skipping areas that are parked out.

The proposed boundary change would require a full rescheduling and restructure to accommodate the reduction in assets, impacting five FTE staff and associated industrial relations management.

### **5.6.2 Environmental Management**

#### **Effects of environmental management of our creeks and drains.**

Currently a crew of two is allocated per vehicle. A range of gross pollutant traps and litter nets have been installed and are serviced within the 'take over area' as proposed.

Bayside also manages a number of environmentally sensitive creeks and open channels and have worked tirelessly with State Government Agencies to design and implement proactive Part 5 Approvals and Schedules to maintain these channels, including Bado Berong Creek, Goomun Creek and Waradiel Creek.

We have setup various maintenance schedules and regimes in the mobility project and would need to unwind these schedules and re-implement workarounds, if all the associated assets were to change hands in the proposed takeover.

Properties and Facilities staff maintain playgrounds in the area including soft fall top-up, equipment inspections and repairs. Recalibration of schedules impacting on staff and vehicles including an 8-tonne truck and associated industrial relations management.

### **5.6.3 Lady Robinson's Beach**

Bayside Council has care and control of the 8.5K of beach including inspection and maintenance of swimming nets and enclosures along Lady Robinson Beach. Extending from the southern training wall at the Cook's River in Kyeemagh to the south-south west and then south again for 5.5km to Dolls Point.

This is Sydney's longest beach and the proposed boundary change would split this beach and the associated management of it across two different Council areas literally by a drawing "line-in-the-sand."

The regular maintenance includes management of the rock groins, sand erosion and beach nourishment programs, which Bayside has provided for decades. We have extensive experience in beach management and have completed several studies to build understanding and address sand circulation issues that have been greatly altered due to airport and port development.

## 5.7 Parks and open space services

The investment associated with maintaining our vast parks and open space areas around the Botany Bay foreshore is significant. Specific specialised equipment and associated staff operators include:

- ▶ Beach cleaner tractor / surf rake cleaning
- ▶ 2 x Turf mowing crews
- ▶ 3 x Landscaping maintenance crews
- ▶ 1 x Parks refuse truck service
- ▶ 1 x Wide area mowing service
- ▶ 1 x Tractor broad acre mowing service
- ▶ 1 x Tree services truck and chipper

Major staff restructures will be required including associated industrial relations issues due to:

- ▶ All Park & Open Space Turf Services maintenance programs will require changing and re-scheduling
- ▶ All Parks & Open Space Landscaping maintenance programs will require changing and re-scheduling
- ▶ All Parks & Open Space Tree Services maintenance programs will require changing and re-scheduling

With unprecedented development and growth of our local government area focused on high-density housing, this has the potential to create an even larger shortage of greenspace for the rate-paying residents of Bayside.

Bayside is the current custodian of Crown Lands including the whole of Cook Park and beach accessibility. The largest active sports facilities in the area include Scarborough Park, North Scarborough and Scarborough East, which will effectively be the potential loss of 12 Playing Fields.

This proposal will impact Clubs and User Groups residing in Bayside local government area. All of these active sports facilities have undergone recent amenities upgrades and installation of irrigation systems at significant cost to the Bayside ratepayer.

Millions of Bayside ratepayer dollars have been spent landscaping Ramsgate Road, upgrading the town centre. Stronger communities funding has been spent on landscaping and upgrades to carparks at Cook Park, Ramsgate to Pine Park. Impacts on Scarborough Park wetlands and development potential along with our two off leash dog walking facilities and green space corridors all providing recreational usage near to the RMS Corridors.

# 6 Bayside's Future: Planning and Managing Ward 5

## 6.1 Urban strategic planning

Bayside and Georges River are in two different planning districts and therefore conduct strategic planning under different District Plans.

The District Plans have different objectives and priorities.

The proposed boundary change would require the Greater Sydney Regional Plan, the Sydney South District Plan, and the Eastern City District Plan to be re-written to reflect the change.

Alternatively, Georges River Council would need to participate in planning in two separate Districts, which would be an inefficient duplication of effort for no gain.

The Local Strategic Planning Statements that currently reside under the two District plans would also need to be re-written to reflect the new boundaries. Executed properly, this is a resource intensive process that requires extensive community consultation.

It has taken over four years since amalgamation for both Council to reconcile and consolidate their local planning controls through Local Environmental Plans and Development Control Plans.

The proposed boundary change would require both Councils to embark on this changed program all over again, resulting in unnecessary expenditure of resources and re-engagement with the community, for no real gain.

## 6.2 Environmental management

Bayside Council has developed an intimate knowledge and extensive experience in managing its 8km of frontage to Botany Bay. The Bay is a significant environmental and recreational resource that needs to be very carefully managed.

The management of coastal erosion, beach nourishment, beach grooming and the like are specialised areas that require both expertise and unique equipment.

Best practice is clearly to have the management of such a fragile and valuable resource in the custody of as few authorities as possible. Splitting the current Bayside frontage into two local government areas would be contrary to best practice.

Similarly, Bayside has three large, linear spaces containing unique environments such as coastal fresh water wetlands.

Placing the State Heritage listed Scarborough Park lakes in the hands of Georges River Council, with no experience in managing this type of environment would place these assets at risk and require unnecessary duplication of expertise.

“*Georges River has no experience in beach management along Botany Bay*”





*Bayside Council has a combined asset base value of \$222,788,555 in the area proposed by Georges River boundary realignment*



### **6.3 Asset management**

The area subject of the proposed takeover by Georges River contains numerous open spaces, recreation, and community assets that Bayside has worked hard to embellish and maintain for the entire Bayside community. The proposed change would see these valued assets shift into the control of a different community that has not contributed, financially or otherwise, to their establishment and care.

It makes no sense to split between two councils the management and ongoing embellishment of regionally significant linear assets such as the foreshore cycleway and the wetland/parkland system stretching from Cooks River to Sans Souci.

These spaces are enjoyed by the community as contiguous spaces and having differing levels of maintenance and treatment on either side of an artificial boundary is nonsensical.

Part of the harmonisation exercise for amalgamated Councils has been merging data systems. This has been a very complex, resource consuming, and long process.

The transfer of assets and the associated data that would need to follow the proposed boundary change would trigger another expensive and several year-long process to combine data, which is an unnecessary distraction from Council's core business of delivering services to the community.

### **6.4 M6 and compensatory works**

The M6 project is underway in Bayside, involving both complex road construction and delivery of compensatory offset works (primarily substantial upgrades of sport and recreation assets) involving four councils and at least three state departments.

The proposed boundary realignment would result in the M6 tunnel exiting on to the road that would be the new boundary, meaning that the proposed new Georges River area would receive all of the additional traffic and Bayside would receive all of the compensatory works.

The delivery process would be further complicated by needing to have both Councils on the Project Control Group, putting at risk the long established, positive working relationship between Bayside Council and Transport for NSW, and ultimately the successful delivery of the project.

### **6.5 Sport and recreation facilities**

The Bayside community has worked hard to deliver many high-quality recreation and open space assets for the entire LGA. Financial contribution toward these facilities has come from across the LGA to develop assets in the contested area in favour of community assets in other communities in Bayside.

The proposed boundary change would rob Bayside residents of several 'jewels in the crown' that they have worked hard to acquire. It would be unfair and unreasonable for Georges River and its community to take over assets that they have been delivered under the sound management of Bayside Council for its entire community.

# 7 Conclusion

Cook provides the basis for their proposal to take-over Ward 5 from Bayside is futile.

Federal seat boundaries do not form the basis for local government boundaries anywhere in the State of NSW.

Georges River Councillors put this ill-thought proposal to the Council floor in August 2020, yet delayed the community consultation program that did not commence until 23 November 2020, concluding 23 December 2020.

Bayside have spent valuable resources including ratepayer's money to defend our boundaries against this ludicrous proposal.

Bayside has recently achieved classification as a large metropolitan council. We have achieved all of our success due to the diligence and stewardship of our management team in delivering the elected Council's vision.

Our Mayor and Councillors remember the very public commitment from NSW Premier Gladys Berejiklian that there would be "no more forced amalgamations"

Mayor Joe Awada and Councillors on behalf of the Bayside community, ask the question of the NSW government, did you get it wrong in 2016?

We are a well-managed Council in our current form. The current M6 works is a state significant project that sets the stage for Bayside Council to demonstrate our increased strategic capacity to hold our own seat capably and efficiently at the table.

Proven negotiations regarding state significant infrastructure including successful relationships with Sydney Airport and the Ports Authority and other relevant state government departments along the Eastern Economic Corridor have established our position as a leading local government agency in NSW.

Should the government consider further amalgamations, Bayside sets the benchmark for how to deliver a contemporary NSW council, meeting the needs of its community.

**“ TO GEORGES RIVER WE SAY  
HANDS OFF BAYSIDE! ”**

# LEGISLATIVE ASSEMBLY HANSARD

## FEBRUARY 2018

### BAYSIDE COUNCIL

**Mr STEPHEN KAMPER (Rockdale) (16:51)** I refer to the severe financial shortfall faced by the Bayside community following the forced merger of the former Botany Bay and Rockdale local government areas by the New South Wales Government, and add my support to the forthcoming council request for additional State funding to help them complete the merger transition. Last night at a meeting of the Bayside Council a resolution was passed unanimously that the council would make representations to Premier Berejiklian and the Minister for Local Government seeking a financial contribution of \$17 million to repay the Bayside community for costs related to the extenuating circumstances of this particular merger over and above what has been provided by the State Government to date, as well as costs related to the misappropriation of funds by officers of the former council of Botany Bay and the ensuing Independent Commission Against Corruption investigation, legal representation and external audit required by the new council.

It has become clear since the Government's forced merger process that in many cases the funding provided to facilitate the merger process has been woefully inadequate. After the poorly implemented and now abandoned merger process, I believe the least the Government can do is provide fair funding to councils like Bayside that have been unable to comply fully with their merger obligations with the funds provided. In addition, the residents of Bayside have had to face the incredible indignity of discovering that they were being robbed blind by a group of corrupt council officers at the former City of Botany Bay, as uncovered by Operation Ricco.

The former Government appointed administrator of Bayside Council, Greg Wright, has acknowledged that the loss from the theft of public funds by those council employees was well above that reported by the Independent Commission Against Corruption. While I understand that some of this money may be recovered by Bayside Council through legal action, there is still likely to be a major shortfall that will be borne by the community. When the State Government announced the council mergers, although we had some misgivings, my colleagues and I took a reasoned and measured approach to our local mergers in St George and Botany. We have been interested only in the ongoing welfare of our communities. This was on the basis that the State Government would bear the cost of the mergers. Unfortunately, in the case of Bayside Council, the State Government's funding has simply not been anywhere near enough to cope with the dual issues of merging the councils while dealing with the fallout from the gross misconduct of the officers identified by Operation Ricco.

Although I know that there are ongoing recovery actions by the Bayside Council against the various targets of Operation Ricco, I understand that many of those who have allegedly misappropriated funds have stripped themselves of assets while simultaneously having inexplicably wealthy spouses and having made other similar arrangements, which makes recovery by the council difficult. In addition, I believe there is scope for the State Government to pursue those wrongdoers or crooks through the Crime Commission. There has been reluctance on the part of the council to refer those matters, as it would have no guarantee that funds recovered as part of any investigation by the Crime Commission would be returned to the Bayside Council and defrauded ratepayers.

It would be only just that a guarantee be provided to the people of Bayside that anything recovered as proceeds of crime would be returned to Bayside in this instance. I encourage the Government to make this goodwill gesture to Bayside and to open this option for the city. While it is all well and good that the Independent Commission Against Corruption highlights that type of behaviour, justice will not have been done for the people of Botany Bay, Bayside or New South Wales until the offenders have been brought to justice, and local councils and residents have been compensated for their loss. Mayor Bill Saravinovski and the elected councillors are doing the best they can to fight for the community, but the time has come for the State Government to step in and do what is right. I encourage the Minister for Local Government, the Minister for Police, and the Attorney General to actively pursue all available options to ensure that the people of Bayside are treated fairly.

# LEGISLATIVE ASSEMBLY HANSARD

## NOVEMBER 2020

### BAYSIDE COUNCIL

**Mr STEPHEN KAMPER (Rockdale)** I rise to congratulate Bayside Council on their ongoing financial performance following a difficult amalgamation, and to correct the record regarding certain contentions published in the Sydney Morning Herald on the 31st of October 2020. The Sydney Morning Herald's publication essentially took the report of a single local government consultant at face value, who appears to have made fundamental accounting errors in the 2016-17 financial year regarding the rates revenue of the former Rockdale and Botany Bay councils. As somebody who has been in regular communication with the financial and accounting staff at Bayside Council, I have a high degree of confidence that their refutations of these errors are likely to be correct.

With that being said, Bayside Council appears to be one of very few amalgamated councils that has actually achieved efficiencies as a result of amalgamation, and I believe it would be appropriate for the Sydney Morning Herald to reconsider this story, undertake its own investigation independent of both the Council and the consultant they relied on, and publish a new story correcting the record. I once again wish to congratulate Bayside Council on the efficiencies they have achieved, as well as their recent unqualified audit from the Auditor-General.



**Bayside Council**  
Serving Our Community

**Bayside Customer Service Centres**

Rockdale Library, 444-446 Princes Highway, Rockdale  
Westfield Eastgardens, 152 Bunnerong Road, Eastgardens  
Monday to Friday 8:30am – 4:30pm, Saturday 9am – 1pm

Phone **1300 581 299 | 9562 1666**

Email **[council@bayside.nsw.gov.au](mailto:council@bayside.nsw.gov.au)**

Web **[www.bayside.nsw.gov.au](http://www.bayside.nsw.gov.au)**