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Boundaries Commission Update on Demerger Proposals

The Local Government Boundaries Commission has appointed Deloitte Touche Tohmatsu to provide advice on the financial aspects of the proposals to demerge Snowy Valleys Council and Cootamundra Gundagai Regional Council.

“Although the COVID-19 pandemic is currently preventing the Commission from holding public meetings, we are continuing our work in examining the proposals”, Boundaries Commission chairman Bob Sendt said today. “We fully understand the extent of local interest in these proposals and we will schedule public meetings once the Government’s COVID-19 restrictions allow. The Commission has already extended indefinitely the original closing date for written submissions.”

“At least 40 days’ notice will be given of the dates of the public meetings and of the closing date for submissions. The Commission has also published FAQs on its website www.olg.nsw.gov.au/lgbc to inform local communities about the process.”

Mr Sendt explained that financial aspects were only one of the nine factors the Local Government Act requires the Commission to consider in its independent examination of the proposals and its recommendations to the Minister for Local Government. (The factors are attached.)

“However a proper analysis of the financial advantages or disadvantages of any proposed change to council boundaries is key to understanding councils’ ability to provide services to local residents and ratepayers while remaining financially viable.”

The Deloitte advice to the Boundaries Commission will cover –

- the financial viability of the existing councils and the new councils (if a demerger proposal is implemented) in the medium term (2 to 5 years)
- identification and quantification of any savings, efficiencies and/or additional costs resulting from the 2016 mergers
- identification and quantification of any potential savings, efficiencies and/or additional costs for existing and new councils should a proposal be implemented
- identification and quantification of any financial impacts from changes in population and forecast population over the medium term
- identification and analysis of the staffing arrangements including change in staff numbers and total staffing costs over the period 2016-17 to 2019-20
- identification and analysis of the level of backlog in infrastructure maintenance
- identification of whether an existing council has developed a rates harmonisation strategy.

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Information about the Local Government Boundaries Commission and its role can be found at www.olg.nsw.gov.au/lgbc

**FACTORS TO BE CONSIDERED BY THE LOCAL GOVERNMENT BOUNDARIES COMMISSION IN
EXAMINING PROPOSALS FOR BOUNDARY CHANGES**

(Section 263(3) of the Local Government Act 1993)

“When considering any matter referred to it that relates to the boundaries of areas or the areas of operations of county councils, the Boundaries Commission is required to have regard to the following factors:

- (a) the financial advantages or disadvantages (including the economies or diseconomies of scale) of any relevant proposal to the residents and ratepayers of the areas concerned,
- (b) the community of interest and geographic cohesion in the existing areas and in any proposed new area,
- (c) the existing historical and traditional values in the existing areas and the impact of change on them,
- (d) the attitude of the residents and ratepayers of the areas concerned,
- (e) the requirements of the area concerned in relation to elected representation for residents and ratepayers at the local level, the desirable and appropriate relationship between elected representatives and ratepayers and residents and such other matters as it considers relevant in relation to the past and future patterns of elected representation for that area,
 - (e1) the impact of any relevant proposal on the ability of the councils of the areas concerned to provide adequate, equitable and appropriate services and facilities,
 - (e2) the impact of any relevant proposal on the employment of the staff by the councils of the areas concerned,
 - (e3) the impact of any relevant proposal on rural communities in the areas concerned,
 - (e4) in the case of a proposal for the amalgamation of two or more areas, the desirability (or otherwise) of dividing the resulting area or areas into wards,
 - (e5) in the case of a proposal for the amalgamation of two or more areas, the need to ensure that the opinions of each of the diverse communities of the resulting area or areas are effectively represented,
- (f) such other factors as it considers relevant to the provision of efficient and effective local government in the existing and proposed new areas.”

Note that factors (e4) and (e5) are not relevant in examining the current proposals.