Fit for the Future Workshop: Cooma-Monaro Shire, Snowy River Shire and Bombala Councils

**Final Workshop Report** 

4 February 2015



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1. Workshop approach, agenda and attendees





### Fit for the Future Facilitation - EY Approach

EY was engaged by the NSW Office of Local Government to assist Cooma-Monaro Shire, Snowy River Shire and Bombala Council in considering a potential merger as part of their respective submissions to the NSW Government's Fit for the Future Program. Our approach to the assignment is summarised diagrammatically below and included initial desktop research, followed by individual engagement with each council and finally a joint workshop with all three councils. This Report summarises the outcomes of this joint workshop. In preparing for the workshop, the General Managers of the three councils were asked to prepare a presentation to discuss the recommended next steps and requirements for developing a joint merger business case. The agenda and structure of the joint workshop is presented on the following page.

It should be stressed that the purpose of this process was not to have the councils commit to merging, but to see whether there was or wasn't support for jointly developing a merger business case by discussing and agreeing the main considerations to be included in such a business case. The workshop was therefore designed to have an initial discussion regarding the potential benefits, costs, risks and issues associated with a potential merger, however this discussion was held without the benefit of any prior data collection, facts or analysis since this was outside the scope of our engagement.

	1. Scope, Background and Expectation Setting with OLG	2. Engage with Councils	3. Revise Facilitation Process and Prepare Materials	4. Implement Facilitation Plan	5. Document Outcomes
Key Activities	<ul> <li>Meet with OLG to set and confirm expectations</li> <li>Discuss engagement plan submitted with RFO and the potential changes required by OLG</li> <li>Understand specifics and dynamics of the Council's In scope of the facilitation, through research and desktop review of relevant documentation</li> <li>Set parameters for under what circumstances a facilitation process should cease if parties are not willing and cooperative</li> </ul>	Conduct one-on-one Interviews with each Council individually to understand current operations and shared activities Conduct a check-in with OLG, maintaining confidentiality of information as appropriate	Develop a set of materials to support the workshop with selected participants to discuss the barriers to the proposed merger (participants likely to be Mayor, selected Councillors and GMs)	<ul> <li>Facilitate a workshop with stakeholders from Bombala, Cooma-Monaro and Snowy River Shire Councils</li> </ul>	<ul> <li>Develop a report outlining the approach, assumptions, discussion and outcomes of the facilitation process and distribute to the Councils for corrections/clarifications</li> <li>Highlight the Councils' key concerns, risks, issues as well as potential benefits, which will have been agreed to in the workshops</li> <li>Provide a view, for both OLG and Councils, on next steps required to proceed to a Fit for the Future Plan and a Merger Benefits Study</li> </ul>
Outcomes	<ul> <li>Expectations and working arrangements agreed with OLG</li> <li>Context and colour for the Councils understood</li> </ul>	Further information gathered on the Council's operations, interfaces and position regarding a merger Inputs obtained on the likelihood of conducting a meaningful facilitation with Councils	Tailored facilitation process based on Council's initial input Workshop preparation materials	<ul> <li>Understanding of the issues, risks of the proposed merger</li> <li>Agreement to procee to a Merger Business Case (ideally)</li> </ul>	d
Checkpoints	Project initiation with OLG	on Checi	k in with OLG Check in with	OLG	Final Presentation with OLG
сh	Week 1	Week	(s 2-3	N	Neeks 3-4



### Workshop agenda and structure

Stage	Activity	Format	Lead / Support	Time	
	Welcome and opening remarks from Mayors	Discussion	Mayors	10 mins	
1. Scene Setting	Workshop objectives and format	Presentation	EY	5 min	
	Recap on Fit for the Future Process	Presentation	EY	10 min	
2. Develop the case for	Merger business case objectives	Roundtable discussion	EY	45 min	
change	Merger business case scope	Roundlable discussion	LT	45 11111	
3. Potential merger benefits	Identify potential and desired benefits (qualitative / economic / societal and financial) from a merger	Break-out group work session+ Presentation	Working groups / EY	30 min	
	Discussion of potential benefits and importance to each community	Workshop Feedback	Workshop group / EY	30 min	
Break	Morning Tea				
4. Potential merger issues, barriers and risks	Discussion of potential issues, barriers and risks which need to be considered	Break-out group work session + Presentation	Workshop group / EY	30 min	
	Prioritisation of potential risks, barriers and issues	Workshop Feedback	Workshop group / EY	30 min	
5. Developing the business case	Discussion of work already completed, proposed approach, governance arrangements and information required	Presentation	General Managers	30 min	
6. Workshop wrap-up	Next steps Closing remarks	Discussion	Mayors	10 min	
	Lur	nch			

The workshop was kindly hosted by Cooma-Monaro Shire Council at the Cooma Showground



### Workshop invitees, attendees and breakout groups

Name	Position	Council	Group
Joseph Vescio	General Manager	Snowy River	A
John Cahill	Councillor (Mayor)	Snowy River	В
Peter Beer	Councillor (Deputy Mayor)	Snowy River	С
Bob Frost	Councillor	Snowy River	С
John Shumack	Councillor	Snowy River	В
Bill Smits (Apology)	Councillor	Snowy River	В
Colin Stewart-Beardsley	Councillor	Snowy River	A
Vickii Wallace	Councillor	Snowy River	В
Dennis Trezise	Director Community & Environmental Services	Snowy River	В
lliada Bolton	Director Governance & Executive Services	Snowy River	С
Jo-Anne Mackay	Director Corporate Services	Snowy River	С
John Vucic	General Manager	Cooma-Monaro	В
Dean Lynch	Councillor (Mayor)	Cooma-Monaro	С
Rogan Corbett	Councillor (Deputy Mayor)	Cooma-Monaro	A
Angela Ingram	Councillor	Cooma-Monaro	A
lgnazio Mondello (Apology)	Councillor	Cooma-Monaro	В
Craig Mitchell	Councillor	Cooma-Monaro	С

Name	Position	Council	Group
Martin Hughes	Councillor	Cooma-Monaro	A
Tony Kaltoum	Councillor	Cooma-Monaro	С
Peter Smith	Director of Environmental Services	Cooma-Monaro	С
Stephen Molloy	Director of Corporate Services	Cooma-Monaro	A
Keith Walker	Director of Engineering Services	Cooma-Monaro	С
Ngaire McCrindle	General Manager	Bombala	С
Bob Stewart	Councillor (Mayor)	Bombala	A
Brad Yelds	Councillor (Deputy Mayor)	Bombala	В
Diane Hampshire (Apology)	Councillor	Bombala	с
Bill Bateman	Councillor	Bombala	В
Sue Haslingden	Councillor	Bombala	A
Steve Goodyer (Apology)	Councillor	Bombala	A
Joe Ingram (Apology)	Councillor	Bombala	В
Robin Guthrie	Corporate Services Manager	Bombala	А
Grantley Ingram	Director Regulatory Services	Bombala	A
Karen Cash	Ecomonic Development Manager	Bombala	В

It should be noted that five councillors were unable to attend the workshop. Their apologies are noted in the schedule above.



## 2. Objectives and scope of a merger business case





# The case for change – identifying the objectives and scope for a merger business case

The workshop commenced with opening remarks from the three Mayors and a recap of the journey to date. The primary objective of the workshop was to bring together the elected representatives and senior staff from all three councils to jointly discuss whether to proceed with the development of a merger business case or not, the key issues which such a business case would need to consider, and the best way to proceed with its development. At the outset it was acknowledged that while each council had other options they may wish to pursue, the core focus on the workshop was on the option of developing a merger business case. It was also acknowledged that the primary focus of any merger between the councils should be to achieve the best outcome for the regional economy and for each community.

During the workshop, participants expressed concerns over the merits and need for a merger and the ability for the three Councils to cooperate transparently to develop a model that would benefit the entire community. Specifically it was noted that pockets of the community would be disadvantaged through the adoption of a merger model and that compromise is inevitable. The participants also expressed their reservations regarding the realisation of financial benefits and suggested that it was more likely economies of scale would be achieved through the sharing of resources for some, not all, functions.

Following the opening remarks and comments, a roundtable session was held with the workshop participants to determine the objectives of a potential merger and the scope of the merger business case. Based on these discussions, the key themes and issues that need to be considered and articulated in the case for change and the broader merger business case are summarised in the table below.

#	Theme	Description of what needs to be articulated in the business case
1.	Future Program's	Any proposed merger will need to address the criteria set out by the Fit for the Future Program to gain Government support for the merger business case and its future implementation, otherwise the councils will each have to front up their own costs to pursue other models, such as shared service alliances.
2.		The business case should demonstrate how the three councils can better pool, share and manage their collective resources and should also explore whether the new merger model will increase or limit service provision. Key considerations should include the geographic reach/spread of a merged council, how to achieve equitable access to council representation and council services, and the capacity of the merged council to serve the different communities across the combined region.
3.	depth of capability	The merger option will need to articulate the breadth and depth of capability across the three councils and suggest an approach for leveraging skills to provide an integrated and best practice approach to service delivery across core frontline services and back office functions. There is the possibility that the integration and consolidation of council functions will make some jobs redundant, so the business case should consider the impact this will have on employment in the region and the broader economy, as well as the cost of mitigating these impacts, for example through up-skilling and transitioning people into new roles.
4.	merged council	The councils will need to determine the core business of the merged entity, considering State and Local Government's remit. This core business will drive the supply of services and ultimately the revenue/cost model of the merged entity. In considering the remit and the obligations of the merged entity to provide services that benefit the community and grow the economy, this will need to be balanced with the need to achieve ongoing financial sustainability.
5.	addressing the	The impact on the future management of assets and infrastructure is a critical consideration. The business case will therefore need to consider current asset strategies, plans and backlogs and what impact the future combined asset management requirements will have on future funding and service levels. Consideration also needs to be given to the different infrastructure needs across the region and any potential cross-subsidisation of assets and infrastructure which may occur as a result of a merger model.



## The case for change - identifying the objectives and the scope for a merger business case (continued)

#	Theme	Description of what needs to be articulated in the business case
6.	IF CODOMIC and SOCIETAL	The economic appraisal should consider the impact on the regional economy and the community as a whole, but also the local areas. The business case will need to include the adverse societal impacts as well as the benefits in areas such as employment, tourism, education, agriculture, house prices and public amenities and infrastructure. An economic appraisal and balanced scorecard approach should present whether the merger option presents an improvement to the economy and community locally and regionally, or a deterioration in relation to the base case. The economic and societal considerations of a proposed merger of councils is as significant, if not more significant than the financial considerations. Ultimately, the councils want to pursue a model that improves the economy and community outcomes and therefore, community consultation and community feedback will be a fundamental part of the business case process.
7.	Financial impact and funding considerations	<ul> <li>The financial appraisal will need to consider the financial costs and benefits of a merger. NSW Government funding to local government has been decreasing and there are increasing pressures on the bottom line (profit/loss) and financial sustainability of local councils in the region. The impact of potential future decreases in NSW Government funding should therefore be considered and mitigation strategies to improve financial sustainability will need to be considered and factored into the financial appraisal. Some of the mitigation strategies which could be explored and sensitivity tested as part of the business case, include:</li> <li>Change existing rate base - increase rates on merger. There was general agreement amongst workshop participants that rates would have to increase under a merger model, however the pricing model would need to be carefully assessed and implemented to ensure a fair price across the region and a price that represents access to services and the different economies within the region (e.g. forestry vs. tourism)</li> <li>Back office efficiencies - reduce duplication, improve systems integration, leverage capability across the region to implement better practice</li> <li>Services to reduce/cut - The workshop participants suggested that the focus needs to be on effectiveness and efficiency of service delivery, not necessarily cost savings. Commitment to cost savings should only be in areas where functions are deemed redundant as a result of councils refining their list of core services to be delivered. It might only be financially feasible to merge some functions, particularly where there is scale to achieve financial benefits, for example, Engineering Services, to help address the infrastructure backlog.</li> <li>Explore alternative funding options - increasing the rate base, negotiating terms with NSW Government under a new merger model</li> <li>The costs will need to include implementation costs associated with the merger option, to make sure that the financial incentives propo</li></ul>
8.	Merger structure and governance (including name/brand)	The name of the merged Council entity needs to represent the whole region and not any one town. It is also critical that the governance model for the new merged Council entity ensures each community retains a voice through elected representation.
9.	Government support and incentives	NSW legislation / red tape needs to support any identified economies of scale in the business case and not limit the realisation of benefits. The business case will therefore need to make clear the basis on which the potential benefits have been calculated, and what support is required from the NSW Government to achieve these benefits.

There was general consensus amongst the workshop participants that the proposed merger was "too significant to mess up" and that the community's interest is primary, therefore the development of a robust business case would require an extension to the existing deadline set by the NSW Government to be able to adequately consult with the community and receive their feedback, gather and analyse the necessary data and gain agreement on the underlying business case assumptions by all councils, The three Mayors resolved to seek a meeting with the Minister for Local Government to discuss and secure this extension of time.



# 3. Benefits to consider in the development of a merger business case





### Benefits to consider in the development of a merger business case

In their breakout groups, the workshop participants were asked to discuss and document the major benefits (financial, economic/societal benefits) which could potentially be achieved through a merger of the three councils. The common benefits identified across the three breakout groups were:

- > Improved service provision through sharing of resources and bringing the best from across the region together
- Reducing/removing the infrastructure backlog to improve the regional economy
- One regional LEP and Regional Plan for the merged council which would help harmonise and resolve current inconsistencies between planning controls where the councils adjoin. It would also aid tourism in the region, through a more integrated and holistic planning approach
- > Achieving efficiencies by driving economies of scale and removing duplication in business processes, policies and procedures
- Support regional economic growth and increased tourism

While these potential benefits could be achieved, concern was expressed that any financial savings to be realised by a merger may be limited, and a merger is unlikely to address key issues such as existing infrastructure backlogs.

#	Benefit type	Benefit area	Description of what needs to be articulated in the business case
1.	Financial / Economic	Human resources	<ul> <li>Human resources:</li> <li>Management structure changes - cost savings through redundant/duplicated functions and avoiding excessive layers of management</li> <li>Ability to attract and retain talent by providing career pathways in an entity covering a greater region</li> <li>Standardised wages, employment conditions and payroll</li> </ul>
2.	Economic	Local Environmental Plans (LEPs)	<ul> <li>Having one LEP will drive efficiency and a collaborative effort to improving the regional economy, infrastructure and environment as a whole:</li> <li>Waste, IT, Engineers, back office staff, economic efficiencies</li> <li>Resource rationalisation and utilisation, i.e., remove dead assets or share where appropriate to increase utilisation and increase the economic productivity and financial return to the region over the longer-term</li> </ul>
3.	Economic	Policies and Procedures	Standardised across the region to improve efficiency and productivity
4.	Financial / Economic	Sharing Resources and Improving Services	Sharing of resources and leveraging broader skills to deliver best practice integrated services in the core service delivery areas of the merged council entity

#### Group A



# The case for change - identifying the objectives and the scope for a merger business case (continued)

#### Group B

#	Benefit type	Benefit area	Description of what needs to be articulated in the business case
1.	Economic	Regional Plans	It should be feasible to create a single LEP and Regional Plan for the merged council and this would help to harmonise and resolve current inconsistencies between planning controls where the councils adjoin. It would also aid tourism in the region, through a more integrated, holistic approach
2.	Economic	Infrastructure	Share resources to remove the infrastructure backlog to boost the economy
	Financial / Economic		More effective delivery through the sharing of resources - leveraging broader skills and experience and bringing best practice to the region as a whole
3			Shared resources to deliver more services and improve efficiency or resource base
			However, overcoming funding constraints might impact the services that are provided - some services might be cut and not deemed "core" to the region under the new merger model. Rates will also have to reflect level of service and the economic drivers and needs of each area within the region
4.	Economic	Employment growth	A greater region with a consolidated focus on improving the economy, reducing business costs and attracting investment. This will drive employment growth
5.	Economic	House price growth	A greater region with a consolidated focus on improving the economy and attracting investment. This will increase the attraction to the region - attracting people because of employment opportunities, will increase the demand for property and the economic wealth of the region. It is important to manage the adverse impacts of this on welfare in the area, i.e., housing affordability issues will lead to social distress, community disruption and an increased demand for social welfare

#### Group C

#	Benefit type	Benefit area	Description of what needs to be articulated in the business case
1.	Economic	Regional Plans	It should be feasible to create a single LEP and Regional Plan for the merged council and this would help to harmonise and resolve current inconsistencies between planning controls where the councils adjoin. It would also aid tourism in the region, through a holistic approach
2	Economic	Business process	No duplicated business plans and processes
2.	Economic	Business process	State Government that supports the realisation of benefits through the removal of unnecessary red tape
2	Financial / Economic	Organisation structure & governance	Streamlined management structures - more effective management, less duplication is key
5.			Community representation, an individual voice, not to be lost
	Financial /	limproving services	In 3 years time the benefits around improving resources are expected to be - improved capacity, agreement on the level of core service delivery and what the region can and cannot afford
4.	Economic		Regional Organisation to help solve community and economic problems proactively and reactively, as a collective - should improve responsiveness
5	Economic	Employment opportunities	Career advancement through access to a wider variety of work
5.			Larger mix of staff - bringing the best from the region together to drive better services and economic growth



# 4. Risks and issues to consider in the development of a merger business case





# Risks and issues to consider in the development of a merger business case

In their breakout groups, the workshop participants were asked to discuss and document the major risks and issues to consider in the planning and implementation of a potential merger between the three councils. The breakout groups were also asked to rank the risks and issues associated with merging. The risks presented in the tables below are in priority order. The most important risks and issues to consider were:

- The timeframe to deliver a merger business case is very short, particularly given it falls during a busy period for the councils. There was general consensus amongst workshop participants that there would need to be an extension to at least December 2015 to be able to gather the necessary data and information, conduct community consultations and properly assess the benefits, costs, risks and issues in a robust manner. The merger business case was deemed far too significant to compromise on time and quality. On this basis it was noted that the Mayor's will be requesting an extension to the business case deadline from the Minister for Local Government
- Costing the new model and determining the new operating model will be through a bottom-up approach, hence will involve a lot of work
- Determining the core services and how to deliver them it is envisaged that some services will no longer be provided to ensure financial sustainability and a more focussed approach to regional service delivery
- The governance arrangements under the merger model will be difficult because of a range of issues, including the need to political and community representation (losing democratic representation due to smaller areas not having as strong a voice in the region)
- > The lack of certainty from the State Government will make it difficult for councillors and their communities to buy-in to the change

#	Risk / Issue area	Description of the risk or issue
1.	Job losses	Potential job losses, through removal of duplication over three years, could have flow on economic consequences on region, however a regional plan and more focussed region could achieve economic growth and drive employment within three years
2.	Loss of local representation	Loss of local inputs and representation is a particular risk for smaller parts of the community and Bombala having a smaller population
3.	Cumbersome governance	"Process for process sake" and red tape to manage new model - difficulty in harmonising processes and a risk of governance, policies and procedures becoming cumbersome
4.	Rate increase	A rate increase is inevitable, however harmonisation of a rate that is fair and representative of the diversity of the region's needs and economy will be difficult to achieve
5.	Short timeframe to develop robust business case	Timing is an issue to develop a robust business case and make a decision in the available timeframe. Need to get this right, as the consequences of getting things wrong are high. Also, the time needed for the merger and implementation.
6.	Culture change	Cultural issues and risks arising from a merger. Recent changes in the region have taken up to five years for the community and councils to adopt. There is also the risk of regional "brain drain" and loss of intellectual property and corporate jobs through rationalisation

#### Group A



# Risks and issues to consider in the development of a merger business case (continued)

#### Group B

#	Risk / Issue area	Description of the risk or issue
1.	Lack of quality data to develop robust Business Case	Lack of quality data to build a robust business case and make a decision on the basis of the business case.
2.	Difficulty in harmonisation of rates and LEPs	Harmonisation of rates and planning (Local Environment Plans) is very difficult because of the different economies within the region and differing needs of the community
3.	Industrial Relations	Industrial Relations (IR) issues to deal with as a result of potential redundancies
4.	Difficulty reducing the consolidated infrastructure backlog	There could be a lack of resources to address the infrastructure backlog and it is likely that any merged council will have to cross-subsidise the backlogs of the existing councils to address their infrastructure backlog under one regional plan
5.	Overcoming barriers to sharing resources and IP	Operationalising the merged council and sharing resources and intellectual property (IP) could be difficult - the what and the how
6.	Governance model	<ul> <li>Agreeing on a governance model of fair representation is difficult, with many factors to consider, for example:</li> <li>Different councillors - the key is how to represent each of the three local areas fairly and leverage the best capabilities in the merged model</li> <li>Labor / Liberal / Green</li> <li>What type of council and what structure should it take?</li> </ul>
7.	Representing smaller sections of the region	<ul> <li>Centralisation of resources and service - moving away from localisation. People / homes on the fringe might struggle to gain representation and have an equal voice - smaller towns could suffer through a merger model</li> <li>Businesses have access to councils now, however ease of access and council responsiveness might be impaired through a centralised merger model</li> </ul>
8.	Building trust	Need to build trust in the community and amongst the three councils to ensure a successful merger

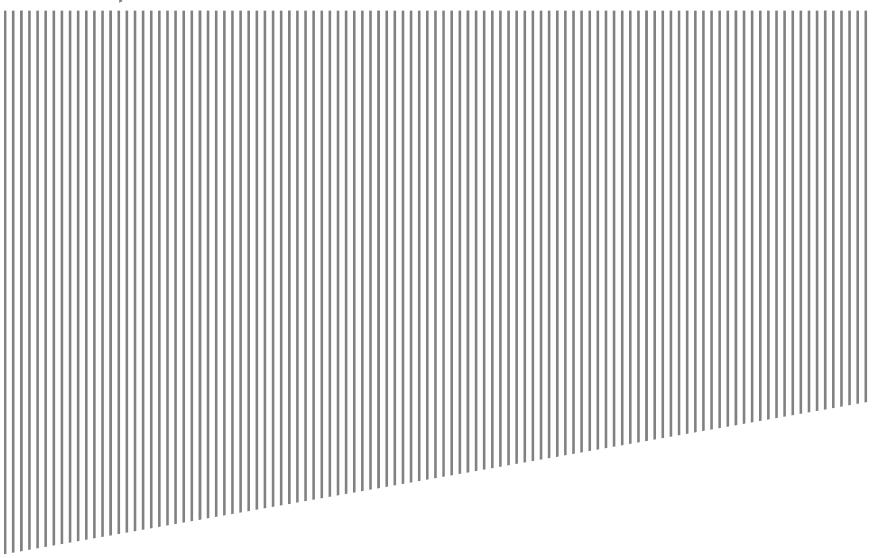
# Risks and issues to consider in the development of a merger business case (continued)

#### Group C

#	Risk / Issue area	Description of the risk or issue
1.	Red tape restricting realisation of merger	Don't know legislation and regulation and the impact or limitations this would have on new governance and award arrangements
2.	Minimal cost savings	No real cost savings to improve profitability or financial sustainability, however there are economies of scale to be achieved
4.	Service delivery not as responsive	<ul> <li>Centralisation could impact the efficiency and responsiveness of services to all areas of the region</li> <li>Travel times will increase as a result of a centralised model</li> </ul>
5.	Loss of representation in smaller sections of region	Centralisation of resources and service - moving away from localisation. People / homes on the fringe might struggle to gain representation and have an equal voice - smaller towns could suffer through a merger model
6.	Community identity and reputation	Community backlash due to a loss of identity and a diminishing representation under a merger model
7.	Difficulty achieving buy-in to merge	No will to make it happen - backing of staff and councillors required
8.	Infrastructure backlog	Could be a lack of resources to address the infrastructure backlog and it is likely that rates will increase and a merged council will have to cross-subsidise the three councils to address their infrastructure backlog under one regional plan
9.	Harmonising rates	A rate increase is inevitable, however harmonisation of a rate that is fair and representative of the diversity of the region's needs and economy will be difficult to achieve
10.	Attracting and retaining talent	Potential job losses, through removal of duplication over three years and centralisation of jobs will mean that staff may have to travel further to and from work, making it less attractive for them. It may also be difficult to attract and retain staff given the uncertainty caused by a potential merger
11.	Inefficient use of landfill	Potential difficulty in waste transportation and insufficient utilisation of landfill through a centralised model
12.	Remuneration and political tension	<ul> <li>Could introduce more politics, particularly in regards to remuneration</li> </ul>
13.	Harmonising IT	Linking IT infrastructure over 3 centres could be difficult to achieve, whilst ensuring it meets business needs. This could also introduce large upfront costs to achieve



# Appendix A: General Managers' "Next Steps" presentation to workshop









SPIRIT OF THE SNOWY MOUNTAINS

# Fit For Future Workshop Template 1- Merger Case

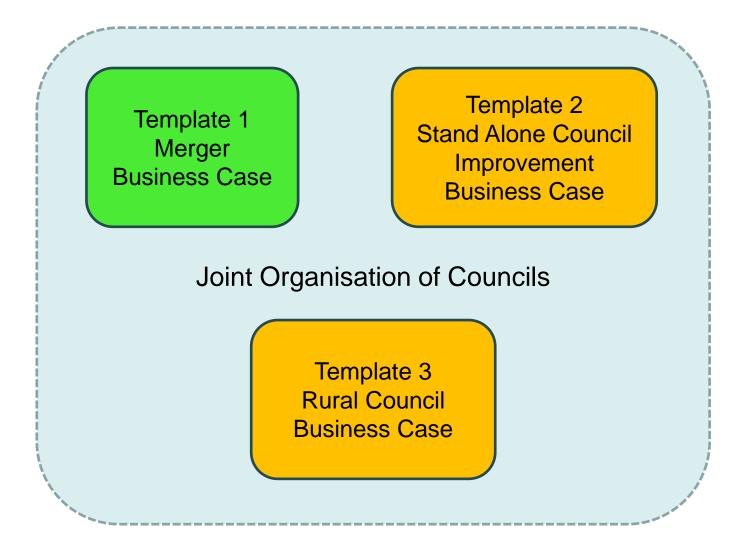
Presentation by: Ngaire McCrindle Joe Vescio John Vucic







## Fit for the Future Submission Requirements



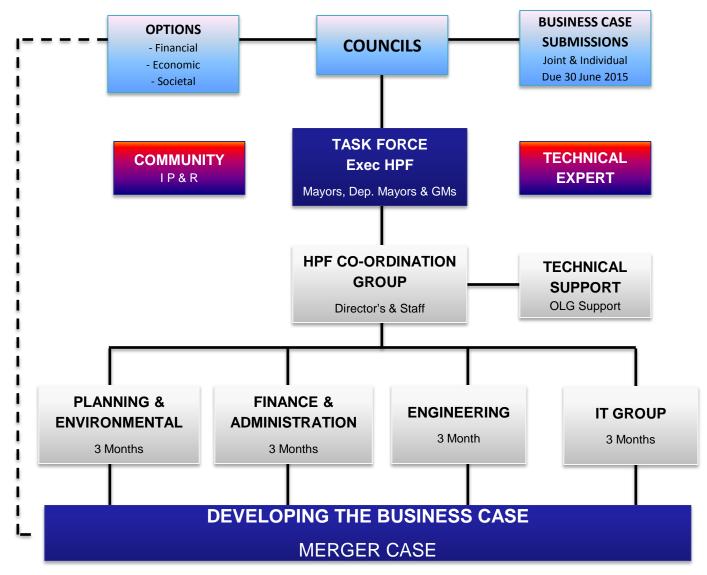






#### SPIRIT OF THE SNOWY MOUNTAINS

### Governance Structure – Template 1

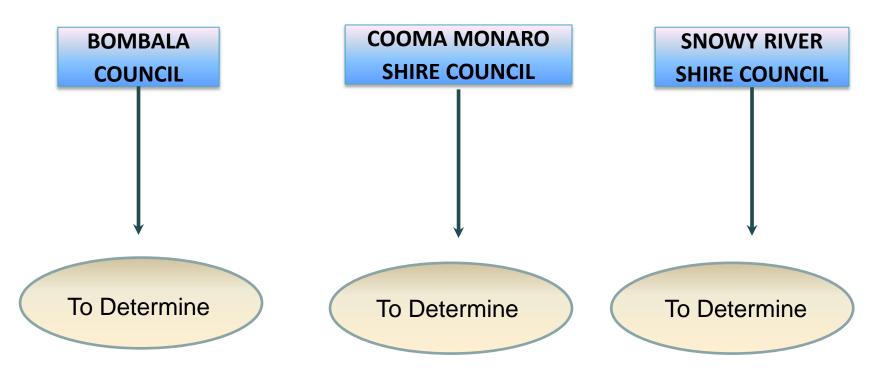








### Governance Structure – Templates 2 & 3









## Available Information for Business Cases

- Comparative analysis of Snowy River, Cooma-Monaro & Bombala Shire Councils
- > All Councils' Community Strategic Plans and other IPR Documents
- > All Councils' published financial statements for last 3 years (or longer)
- > All Councils' Asset, Water, Sewer, and Waste Strategic Plans
- > Any other Council Strategic Plans including LEPs
- > Department of Planning Population Projections for all Councils
- Bureau of Statistics Population figures for last 3,5,10? Years
- OLG Local Government Comparative information for all 3 Councils
- All Councils' published Social Plans







## Additional Information for Business Cases

The FIRST requirement of any Council Submission is:

- Scale and Capacity:
  - More robust revenue base and ability to cope with unexpected events
  - Ability to employ range of skilled staff, meet IP&R requirements, and effectively partner with the State
  - Impact on local employment
  - Ongoing costs including qualitative and quantitative costs and impact of changes to Government funding







## Additional Information for Business Cases

- Socio-Economic Analysis of 3 Shires current and future projections
  - What services, assets and resources may be needed in future?
  - What growth is expected in local economies?
  - What housing/ education/ transport/ health needs are expected over next 10 years?
- Potential Boundary Adjustments
- Risk assessment of all options







## **Risks Associated with All Business Cases**

### ➢ Resources

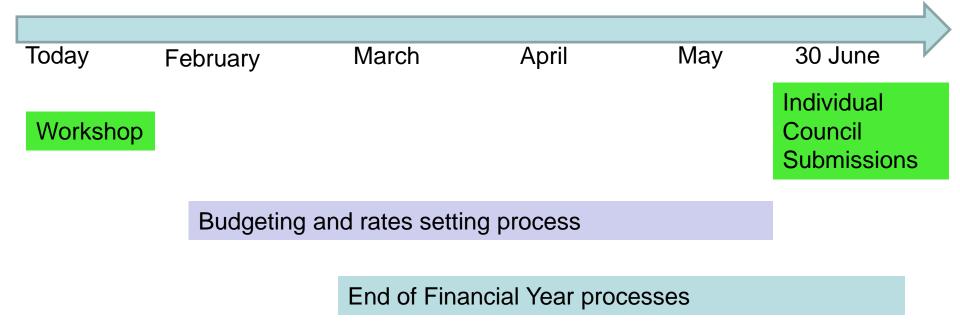
- Staff and expertise additional resources required due to other statutory requirements
- Time February to May is all we have for multiple Business Cases
- State Election Result
- Risk assessment of all options
- Management of Industrial Relations
- Management of Information to Councils and Communities







## **Timeline for Statutory Requirements**



I P & R Delivery Program and Operational Planning process

Fit for the Future Process







### Fit for the Future Timeline 30 June Today March April May February Fit for the Future Process Workshop **Technical Expert appointed** Individual Council Information Gathering & Review **Submissions** Community Consultation by each Council Due Diligence to Develop Business Cases Prepare Submission (Story) that goes with Template

Progress Reports to Council & Community

Workshops

Finalise Template







SPIRIT OF THE SNOWY MOUNTAINS

## **NEXT STEPS**

- Issue Joint Communique
- Council resolutions "to investigate and fund the merger business case"
- Council resolutions to prepare other business cases
- > Appoint teams
- Lodge Technical Expert application with OLG
- > Seek quotes for other business case preparation

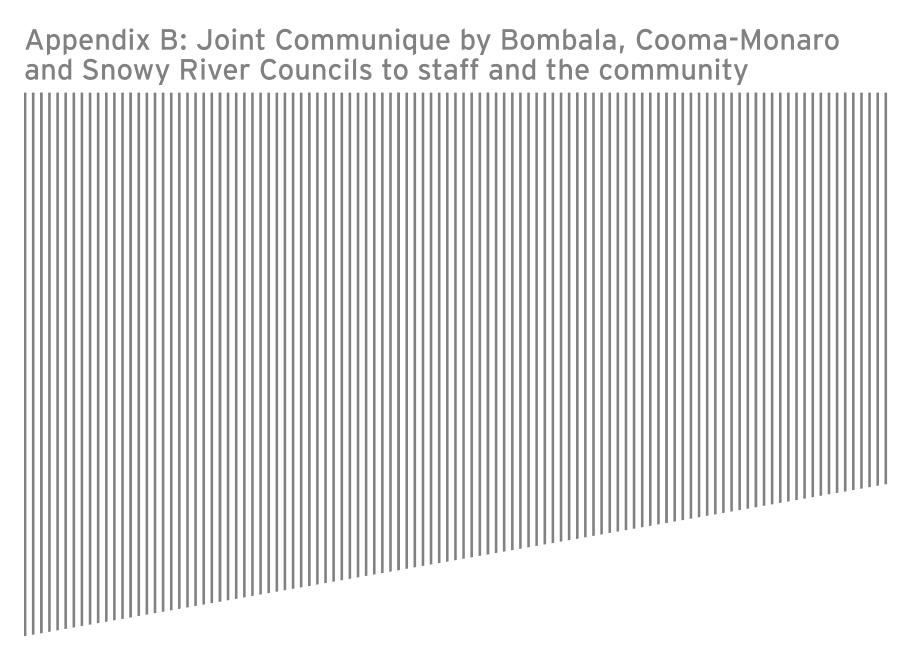






SPIRIT OF THE SNOWY MOUNTAINS

## **Questions?**





### Joint Communique by Bombala, Cooma-Monaro and Snowy River Councils to staff and the community



Media Release: Councils to Prepare Business Case for a Potential Merger

On Thursday 15 January 2015 the Councillors of Bombala, Cooma and Snowy River together with their respective General Managers and Executives attended a facilitated workshop in Cooma to discuss the preparation of a business case for a potential merger. The business case will be funded 50/50 by the State Government and the three Councils and will be one of a number that will be prepared over the coming months as the Councils prepare their submissions in response to the State Governments Fit for the Future Program.

The workshop was the result of an offer by the State Government for a facilitator to explore the interest in, and feasibility of, a potential merger by Councils. "This is not to say we will merge but it would be negligent for us not to at least develop a business case which explores the benefits and costs of a merger as well as the socio-economic impacts on our communities if the three Councils were to merge" said John Cahill Mayor of Snowy River.

'It is necessary for our communities to evaluate a range of options to ensure they make an informed decision of whether they will support a merger or prefer for the Council's to remain stand alone. As such a merger business case will be required so the community can compare this to a stand alone option' said Dean Lynch Mayor of Cooma

'I think it would be the preference our each of the Councils and the communities to stand alone, this would be my preference, but if there is a greater benefit for the community in a merger, in more jobs or economic growth or more services or better roads through a merger and this can be shown, then I would consider it' said Bob Stewart Mayor of Bombala

The Councils will make an application to the State Government for the 50/50 funding of technical experts to undertake the preparation of the business case due by 30 June 2015.

Councillors expressed their concern at the requirements of this process and the limited time available to properly consider options. The three Mayors will be seeking to discuss this timeframe with the Minister.

NGAIRE MCCRINDLE	JOHN VUCIC	JOE VESCIO
General Manager	General Manager	General Manager
Bombala Council	Cooma Monaro Shire Council	Snowy River Shire Council



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