



Reference: 2.13.10
Contact: Anthony McMahon

30 June 2015

IPART

Independent Pricing and Regulatory Tribunal of New South Wales
PO Box K35
Haymarket Post Shop NSW 1240

Dear Independent Assessment Panel

Please find attached Boorowa Councils Fit for the Future Submission based on Template 1 – Council Merger Proposal.

Council is proposing a merger of Boorowa, Harden and Young Councils to form a new Council which has been widely described as "Hilltops".

Although only two of the 3 Councils have formal resolutions to endorse the final merger, the proposal aligns exactly with the recommendations of the Local Government Independent review Panel and as such Council believes the Fit for the Future assessment panel and the NSW Government should support the proposal and provide associated fit for the future incentives to the new Council.

As you will note from the submission, Harden Shire Council were an active participant in assessing the options available including the Boorowa, Harden and Young merger.

Councils Fit for the Future Submission consists of the following documents:

- Completed Template 1
- LKS Quaero Report entitled "Hilltops Governance and Service Delivery Review"
- Consultants brief
- Terms of reference for hilltops region review steering committee
- Invitation and briefing for Community forums
- Community Consultation powerpoint presentation
- Examples of press releases and newsletters provided throughout local government reform process
- 2013/14 Financial Year comparative information for Boorowa, Harden and Young Councils.
- Submissions received on Draft Fit for the Future submission publicly exhibited for 28 days.
- Correspondence received relating to local government reform

Boorowa Council is aware that Harden Shire Council intends to submit a merger proposal with Cootamundra Shire Council however; Council does not believe this alternate proposal provides scale and capacity consistent with the proposed Hilltops merger, nor does it align with agreed regional boundaries.

Some comparative data on scale of the two proposals is presented below for ease of reference:

Scale measure	Harden/Cootamundra	Harden/Boorowa/Young	Comparative Scale
Population	Approx 11,300	Approx 19,000	59%
Land area	3400km ²	7104km ²	48%
Revenue	\$30 million	\$51 million	59%

From Councils submission you will note that the success of the proposed merger will require considerable support from the NSW Government in line with the "Fit for the Future" incentives package, previously announced by the Government.

Council would welcome the opportunity to personally present to the Fit for the Future Assessment Panel and would be willing to provide further supporting information should it be required.

Yours faithfully



Boorowa Council

Anthony McMahon
General Manager

Template 1

Council Merger Proposal



Office of
Local Government

Getting started . . .

Before you commence this template, please check the following:



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



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



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



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



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

1. The proposed merger

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

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

	Council Name	Date of council resolution to support the merger
Council A	Boorowa	27 April 2015
Council B	Young	29 April 2015
Council C	Harden	Have not supported merger. On 19 February 2014 Harden Shire Council resolved "...In respect of the correspondence of Local Governments Chief Executives [Mr Ross Woodward] correspondence of 23 rd January, 2014 relative to joint Consultancy [Boorowa, Harden and Young Councils] that Council indicate that it will re-engage with the young and Boorowa Council's joint consultancy..." This demonstrates their participation in reviewing the options presented in this submission.

1.2 Agreed boundary changes

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

N/A



See [Guidance material](#) Pg 8 for help completing this section.

1.3 Scale and capacity

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

YES

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

Councils proposed merger is identical to the merger proposed by the independent Panel incorporating Boorowa, Harden and Young Councils. Council believes the proposal provides the scale and capacity required to deliver high quality sustainable planning, governance and service delivery to the region into the foreseeable future. The proposal is supported by a report commissioned by Boorowa, Harden and Young Councils, endorsed by the NSW Government and undertaken by LKS Quaero, a copy of which is attached to this submission.

The report clearly identifies the trajectory of the three Councils individually assuming current trends remain unchanged which identifies that neither of the Councils remains financially sustainable. Alternatively, LKS Quaero also provides a scenario in which the three Councils merged could in fact reach a financially sustainable position. Although some of the assumptions in the financial modelling provided by LKS may be considered overly optimistic (such as the rate at which employee costs can be reduced) the modelling does indicate positive trends can be achieved. There also certain aspects of the model which may be considered conservative, however consistency of assumptions across each of the scenarios analysed allows for relative comparison.

Council firmly believes that an additional benefit of the merger of the three Councils will also be to increase financial scale. With greater financial scale the new Council will be able to attract greater external funding sources through grants by being able to offer increased matched funding. As an example, for each of the Councils to individually try and attract 50/50 co funding for projects, there is limited capacity to fund the 50% co-contribution. In a new Council, the concept of what is considered a financially risky decision will be transformed due to budgetary scale.

A merger of Boorowa, Harden and Young will also provide scale of works programs that will allow for more strategic decision making on selection and allocation of resources both physical and financial.

Based on the investigations of LKS Quaero, the combined population of Boorowa, Harden and Young is projected to be approximately 20,000 in 20 years time and is currently slightly under that figure based on 2011 ABS data.

For further evidence of how the proposal provides adequate scale and capacity, refer to the report of LKS Quaero.



See [Guidance material](#) Pg 9 for help completing this section.

2. The outcome

2.1 Delivering key priorities and addressing challenges

It is recognised that a merged Council would be a new entity accountable to a different community group than what is currently the case. A significant priority of the new Council would be to understand and plan for the needs of its community. This would also coincide with the requirements of the Integrated Planning and Reporting Framework.

Based on the existing Community Strategic Plans of the 3 individual Councils there are 4 key themes that are a common priority across the region. These 4 priorities are included and discussed in the table below.

Priorities	How will the merger help you deliver these priorities?
1. The main priority for the new merged Council will be to develop a new Community Strategic Plan that covers the community of the region.	By having a merged administration and governance structure the new Council will have the capacity to provide a holistic view of the needs of the region through engaging with the community. It is assumed that the NSW Government will provide adequate support resources to the new Council to develop a new and comprehensive Integrated Planning and Reporting Framework that will guide the decision making of the new Council.
2. Developing agreed affordable service levels with the community	It is anticipated that the merged Council will be able to deliver more cost effective services to the community as well as having the strategic capacity to better define the cost of existing services. As indicated above, it is assumed that the NSW Government will provide support resources to allow the new Council to clearly define service levels and facilitate discussion with the community on affordable service levels.
3. Integrating systems, policies and plans	With the formation of a new entity it will be important to develop and implement new aligned systems, policies and plans that create efficiencies relative to the status quo of the individual Councils. This will include implementing a shared corporate software platform, consolidating Local Environment Plans, integrating policies and systems such as rating systems and salary systems. This process is expected to require considerable

	resources and time and again it is assumed that the NSW Government will provide the necessary resources to allow this to occur.
4. Strong Community	A merged Council would allow the individual communities to better integrate and work together rather than compete in certain areas. Each of the communities across the region has commonalities as well as some distinctive characteristics which will be better leveraged by working in unison rather than in relative isolation.
5. Economic Development	Across the 3 Councils there is currently significant duplication of resources to promote and support economic development. In addition there is limited cohesion across the region to identify complementary opportunities within communities such as developing supply chains within the region.
6. Leadership	Through merging as one Council, there will be far greater opportunity for the region to be heard by other levels of Government. It is also anticipated that a single Council representing the region would play a greater leadership role on a larger regional basis. The Councils of Boorowa, Harden and Young are currently members of the Canberra Region Joint Organisation (encompassing the Independent Panels proposed South East and Tablelands Joint Organisations and inclusive of the ACT). Boorowa Council is currently a member of the Executive of the CBRJO (formerly SEROC) and it is anticipated that the newly formed Council would also become a member of the Executive of the CBRJO.
7. Sustainable Environment	The 3 Councils currently have individual Local Environment Plans developed in isolation. There has been limited consideration to regional land use needs or cumulative impacts of development across the region. A merged Council would be able to better identify compatible and complementary land uses giving consideration to cumulative environmental impacts. In addition there will be greater opportunities to identify large scale environmental improvement initiatives. The 3 Councils current manage noxious weeds jointly through a County Council arrangement (with Yass Valley Shire Council also a member) demonstrating the benefit of working together on sustaining the environment.
Challenges	How will the merger help you meet these challenges?

1. Remaining financially sustainable	Through the work of LKS Quaero it has been identified that significant savings can be made through a merger that can be reinvested into infrastructure renewals and potentially service improvements. The merged Council will have the opportunity to make decisions on how this increased financial capacity should be utilised. It should also be recognised that the work of LKS Quaero assumes significant support provided by the State Government by providing an upfront cash contribution to the new Council as well as access to low interest finance to fund infrastructure works.
2. Receiving adequate political recognition	As individual Councils it is often difficult to get the political recognition desired due to a lack of scale that is considered statistically significant to other levels of government. A merged Council will provide a population scale that is too large to be ignored by other levels of Government.
3. Attracting competitive grant funding	For each of the Councils in the proposed merger it is often difficult to secure competitive grants. The reason for this is twofold in that each of the councils individually struggles to have adequate resources to prepare comprehensive grant submissions and additionally, the Councils have limited financial capacity. A merged Council would have greater financial scale meaning that providing co-funding to match large grants would be less financially risky than is the case for individual Councils.
4. Aging Population	A merged Council would be better placed strategically to plan for the challenges (and economic opportunities) associated with an aging population.
5. Forecast static population	Although there are conflicting population growth projections, sustained growth will not occur unless the attractive attributes of the region are adequately leveraged and promoted. As a larger entity, the new Council would be better placed to plan for and attract growth. This will include better land use planning and provision of facilitative infrastructure.
6. Retaining local representation	The formation of a new Council would require a transition in the balance of representation currently in place for each of the individual Councils. In the LKS Quaero report a proposal to establish local community boards is included. The new Council would have the opportunity to utilise this model should it be considered an appropriate way to maintain adequate local representation.

See [Guidance material](#) Pg 10 for help completing this section.



2.2 Financial and non-financial benefits of the merger

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

The LKS Quaero report attached to this submission identifies a number of the benefits associated with a merger. Several of the key benefits including some of those identified by LKS are presented below:

Benefits				
Benefits	Impacts	Assumptions	Risks	Mitigation
Ability to attract and retain skilled staff	Each of the individual Councils currently finds it difficult to attract and retain highly skilled and specialist staff. Although this effect varies within different specialisations and at different times it is an ongoing concern for the Councils. As an example, talented “up and comers” may enter the organisation for a period of time, however with little opportunity for career advancement due to the static nature of the organisations they are more likely to become	It is assumed that with a greater level of employees there will be more opportunity for career progression as well as the ability to create more attractive opportunities for specialised staff. It is also assumed that a larger organisation will have greater resilience to cover periods of absence or vacancy in key positions.	There is a potential risk with a merger that some high quality staff may leave the organisation or find it difficult to adapt to the scale of change likely to occur	Through developing a structure that provides opportunities for talented existing employees and ensuring the transition process is adequately communicated the risk of losing quality employees will be mitigated.

	<p>disenfranchised and move on to other opportunities. Similarly, within the individual Councils, often key personnel may be away from work for periods of leave with limited replacement skills or resources available within the organisations to provide coverage.</p>			
<p>Ability to secure employment</p>	<p>Based on the investigations of LKS Quaero it is obvious that the individual Councils would need to review existing services if unchanged with a view to reduce services and subsequently employment levels. A merger would allow the opportunity to create efficiencies and over a period of time transition the types of roles within the organisation. Based on the modeling of LKS it is not unreasonable to assume that operating surpluses can be achieved over a period whilst retaining full time equivalent employee numbers. This could be achieved by transitioning administrative employee numbers to works employees with a shift from employee costs in the</p>	<p>It is assumed that a process of attrition would be used to transition employee costs from the operational area to the capital area. This transition is likely to take considerable time, however the new Council could elect to offer voluntary redundancies to fast track this process.</p>	<p>There is a risk that the new organisation could try to transition too quickly and lose essential corporate knowledge. As identified, it is considered a greater risk that should a merger not occur there will be a need for the individuals to reduce employment costs and hence lose greater knowledge</p>	<p>By allowing an adequate transition period and ensuring a comprehensive review of needs prior to making any structural decisions the impact on existing staff and corporate knowledge can be minimised.</p>

	operational area to the capital area. This effectively means paying staff to build infrastructure rather than administrative tasks.			
More efficient allocation of resources	As an example, each of the 3 Councils currently has in place a different corporate software systems which each are paying licence and maintenance fees for. By migrating to a new system as one Council there is opportunity to release considerable financial as well as administrative resources. A further example is that each of the 3 Councils currently underutilises plant and also pays high rates to contract specialist plant that is not economical to own as individual Councils. As a merged Council significant resources can be released though more efficient plant utilisation and either lower contract rates through greater purchasing power or alternatively purchasing of specialised plant.	It is assumed that the NSW Government will provide the financial resources required to facilitate more efficient allocation of resources before operational efficiencies can be realised.	The transition period required to facilitate more efficient allocation of resources (human, financial and physical) is likely to be extensive and vary for different resource areas. Unless adequate resources are allocated to identify and implement efficiencies, opportunities may be lost.	Utilisation of NSW Government resources to undertake a comprehensive analysis and implementation program for efficiencies both pre and post merger.



See [Guidance material](#) Pg 11 for help completing this section.

2.3 Financial and non-financial costs of the merger

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

For costs associated with the proposed merger refer to the LKS Quaero report.

The total figure for cost of merger identified by LKS Quaero is \$4.9m which is considered significantly lower than what the true cost would be. The breakdown provided by LKS is as follows:

- Transition Board - \$460,000
- Council rebranding - \$500,000
- Policy alignment - \$100,000
- Information Technology - \$1,040,000
- Employee costs - \$2,800,000

Council believes that LKS Quaero have understated the amount that would be required for policy alignment with \$200,000 a more realistic figure (equivalent to 1 FTE or contractors for a 2 year period).

It is also likely that significant resources will be required for integration of Land Use Plans, rating systems, salary systems and in particular integrated planning and reporting documentation. The figure estimated to undertake this work is \$500,000.

Effectively, Council believes the total cost of merger will be \$5.5m and it is essential that the Government provides support to fund these costs or the desired outcomes of a merger may not be achieved.

Costs				
Costs	Impacts	Assumptions	Risks	Mitigation



See [Guidance material](#) Pg 11 for help completing this section.

3. How has the community been involved?

3.1 Discussing the options

Very early in the NSW local Government Reform process Council identified that a merger of Boorowa, Harden and Young was going to be the Governments preferred outcome. Rather than try and develop reasons as to why a merger should not happen, the 3 Councils decided to proactively explore the options available as objectively as possible to focus on the best possible outcomes for the community. Council took the view that leading significant change was a far better outcome than having significant change imposed upon the community without the opportunity to ensure that the community's interests were adequately accounted for.

The 3 Councils established a Hilltops Steering Committee aimed at guiding the process of assessing the options available to the Councils. A "terms of reference" for the steering committee was developed and endorsed by the 3 Councils with a copy attached to this submission for reference.

As part of the process of objectively assessing options, the 3 Councils initiated a mechanism with the support of the government to ensure that there was some independence when considering options. This involved developing a clear and concise consultancy brief outlining the options to be explored and the methodology to be followed in assessing the options. A copy of the consultants brief is attached to this submission for reference.

LKS Quaero were engaged through a competitive process to undertake an options analysis and develop a preliminary business case for a potential merger which was one of 4 options to be investigated. One of the options to be investigated was a merger consisting of more Councils than recommended by the independent panel however at the time there was no appetite from surrounding Councils to participate in investigating this option. Each of the councils bordering either Boorowa, Harden and Young were written to and offered a presentation outlining the work the 3 Councils would be undertaking, however all declined other than Cowra who were grateful to be informed of what was happening but declined to participate in a merger.

During the options analysis there was a short period where Harden Council indicated they did not wish to participate, however they rejoined the project prior to the engagement of LKA Quaero.

In late December 2015 Council publicly released the final report of LKS Quaero to the community which provided the community an opportunity to better understand the options available. In February, Council undertook a series of 4 community forums both within the main township of Boorowa as well as at the villages of Frogmore and Rye Park. The purpose of the forums was to present to the community the work of LKS Quaero, discuss the options available to Council and the implications of each and to provide the community the opportunity to ask questions and express their views.

At the forums it was apparent that there were two main themes which were of concern to the community, namely maintaining adequate local representation and ensuring continued local employment and future employment opportunities, recognising that Council is the largest employer in the community.

3.2 Explaining the benefits and costs

Throughout the NSW Local Government Reform Process Council has delivered a variety of messages through a range of media to the community. This has included providing media releases, community newsletters, social media messaging and community forums.

Prior to community forums being held, Council also circulated a community briefing paper which discussed the options that had been investigated and commentary around each of those options. During community forums a consistent powerpoint presentation was utilised with a factual presentation provided followed by an open forum style question and answer session on the information presented.

During the presentations to the community, an explanation of the findings of LKS Quaero was provided including presentation of graphical representations of projected future financial positions. The community were made aware that there would be significant initial transition costs before savings could be made.

During presentations several unrealistic assumptions made by LKS Quaero were highlighted and explained. The most prominent of these was that LKS had assumed that excessively large savings in employee expenses could be achieved quite rapidly post merger. It was explained to the community that this would not be achievable to the extent assumed, nor would any future Council support it. It was explained that there would be a process of rationalisation, potentially voluntary redundancies and a reallocation of resources. It was also explained that in the financial model LKS assume a gradual increase in reserve balances with in excess of \$100m in reserves at the end of the modelled period. It was explained again that no Council would build up such excessive reserve balances and would most likely direct those surpluses into services which would potentially require employment of staff.

At its April 2015 Council meeting, Council resolved to prepare a draft FFTF submission on the basis of a merger between Boorowa, Harden and Young Councils. Subsequently, Council considered a draft submission at its May meeting which was endorsed to be publicly exhibited for a period of 28 days to allow the community to review it and provide submissions.



See [Guidance material](#) Pg 12 for help completing this section.

1.3 Community response

Council only received two submissions during the exhibition period relating to the proposed merger of Boorowa, Harden and Young Councils with both submissions highly supportive of the merger and attached to this submission for reference.

Council has also received other limited correspondence during the reform process with copies attached to this submission for reference.

Based on anecdotal evidence from the community forums held a summary of discussions and feedback is provided below:

Benefits

The community believed that it was important Council were proactive in leading a merger if it was to happen. They believed that Council having a role in properly establishing a new Council was far better than having a new Council thrust upon the community. Based on the information presented the community acknowledged the potential long term financial benefits of a merger. The community acknowledged that a larger Council would be better positioned politically.

Concerns

The main concerns of the community identified at public forums related predominantly to loss of local identity, loss of representation and loss of employment. There were also some concerns raised over impacts of a merger upon rates. Concerns were raised that Young as the larger centre would take over the operations of the council to the detriment of smaller communities.



See [Guidance material](#) Pg 13 for help completing this section.

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

For anticipated financial performance of the new Council refer to the LKS Quaero report inclusive of financial modelling. From the modelling it is evident that a merger will significantly improve performance against the benchmarks relative to each of the Councils standing alone.

It should also be noted that the performance improvement is highly dependent upon the provision of Government support. It is also important to note that the LKS Quaero scenario makes some unrealistic assumptions around the level of achievable savings in employee costs and time period over which these savings can be made. If the new organisation is to improve performance there will be requirement for significant Government financial injection in the establishment phase to allow for transition arrangements to be effective and lead to greater sustainability.

Based on the financial projections provided by LKS they make the assumption that surplus cash is transferred to reserves with cash and cash equivalents of \$178m after a 20 year period. This is reflected through to the assessment against benchmarks provided in the report meaning that it appears as though the infrastructure backlog and asset renewal ratios are not being met. In reality, rather than transfer surplus cash to reserve, the new Council would invest in renewals, being capable of removing the asset renewal backlog and achieving the required asset renewal ratio (this is explained within the body of the LKS report).



See [Guidance material](#) Pg 14 for help completing this section.

LKSQUALERO

Commercial in Confidence

Hilltops Region Governance and Service Delivery Review

11 December 2014

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1. Executive Summary

The communities that are represented by the Councils of Young, Harden and Boorowa Shire (the Hilltops Councils) have much in common. Their geographic proximity and their equidistance from each other mean that their residents share leisure activities, go to school together and are generally employed in the same sectors. Likewise, the challenges of the Councils are similar. They represent small communities that are affected by reductions in job opportunities, with unemployment rates above the national averages and therefore static or only slightly growing populations with projected declines in the 25-64 age group. This is a profile that is not dissimilar to many rural areas in New South Wales.

Each of the Councils individually faces a significant financial sustainability issue, largely driven by the lack of revenue sources and limited ability to raise their own revenue, combined with the challenge of maintaining and renewing its infrastructure. There is a focus on delivering core local services, which are at times placed under pressure by the fact that each Council, with its small resource base, has limited flexibility and resilience to deal with non-routine events. Aspirations of enhanced services (in terms of quality or quantity) need to be realised through the injection of additional funds, which the Councils acknowledge is unlikely to be forthcoming in the current sector climate.

Notwithstanding the challenges, the Councils are proud of their communities and there is evidence that the communities are supportive of their Councils, providing them with a sense of community and civic leadership. Local representation and the ability to contribute to the shaping of their local area is therefore of importance. Equally, all the Councils participate in regional forums. There is a recognition that some issues are more effectively voiced and some services better delivered on a regional level. What constitutes the region will vary from time to time depending on the issue and service.

For the Councils to be considering different governance and service delivery options builds upon this recognition. The combined voice is stronger than each individual one, particularly when articulating the common challenges and needs of the Hilltops community. In many respects, the implementation of any option that combines the governance and/or the service delivery capability of the three Councils simply formalises and regularises the many ad hoc arrangements that currently exist among the Councils. These arrangements have been made to benefit all the parties.

A merger of the Councils, whether full or just administrative, brings about financial viability, leading to ongoing sustainability at the end of an assumed five year transition and implementation period. Without any substantial change in policy, solid operating surpluses can be achieved, which will give the Councils choices

about the expenditure of the released funds. For example, maintaining employment through the provision of more services, achieving higher service standards, repayment of debt and addressing the asset renewal backlog could be considered.

In developing these options, it has been necessary to redesign the organisational structures of each option and make assumptions that there will be the standardisation of policies, processes and systems. Simply bringing together the three Councils without undertaking this work will not yield the release of resources that lead to financial viability and thereafter sustainability. The redesign of the organisational structures was necessarily based on assumptions for the purposes of modelling. They represent a potential 'end state' organisation in configuration and size, but will need to be refined with the benefit of determined Council policy, detailed data on activity and volumes and redesign of the way services are to be delivered.

Remaining with the status quo of three separate Councils will not mean that the current financial position will remain. Rather, the small deficits or surpluses achieved by each Council will deteriorate with all three having to carry increasing operating deficits. Without borrowings, none of the Councils will have sufficient funds to maintain their assets over the next twenty years. Likewise, merging the three Councils without undertaking the redesign work will simply multiply the financial difficulties.

Illustrative of the two contrasting scenarios is the combined deficit per resident. By 2034, if there is no change, the combined deficit per resident will be over \$500. If the Councils and/or their administrations were merged, the combined *potential surplus* per resident will be \$45. The substantial released resources could be applied to eliminating the growing asset and infrastructure renewal deficit or to any other priority of Council's or of the Councils'.

Councils are not just about their financial sustainability. They are also about their ability to engage with the populations and have their residents participate in local place shaping. The governance structure explored and modelled mediates the inherent conflict of giving voice to local communities as well as having the mandate to articulate, represent and lead the debate on issues at a regional level. A Council for the whole of the existing Boorowa, Harden and Young areas is established with local committees chaired by members of the Council with membership by nomination.

In this model, it is clear that it is not simply a 'bolting together' of all three Councils, which the word 'merger' implies. It is the establishment by agreement of a new Council or governing body that is not one of the existing three. None can claim to have taken over the others. Nor has any single one been taken over or engulfed.

The management of any transition has to be undertaken in a way that enables a new culture to emerge that, while respectful of the three previous cultures, is uniquely that of the new Council. Care needs to be taken with this aspect of the transition as lessons can be learned from the private sector where 70% of mergers fail through the inability of different organisational and group cultures to integrate.

There are other transitional and implementation issues. These range among the standardisation of policies (e.g. rating), systems and processes. Attention also has to be paid to legislative requirements regarding the maintenance of employment in small communities. If implementation of one of the merger options is decided upon, the development of the transition plan will be of crucial importance. That is, it must not only cover the key tasks, activities and milestones, but also must take the long view of the timing so that the implementation can be completed in a manner that incorporates design of new governance and organisational systems and structures and minimises the impact on the community.

This will require ambidexterity on the part of the existing Councils as day to day business and services still need to be delivered. The establishment of an Establishment Board from the existing Councils will provide oversight of the transition program while the existing operations continue.

2. Introduction

In June 2014, the Shire Councils of Young, Harden and Boorowa, with support from the Office of Local Government, issued a brief to broadly identify alternative options for governance and service delivery involving any or all three of the Councils.

This review and consideration of alternatives was to be strongly underpinned by principles that ensure:

- Preservation of the local identity of the area(s)
- Improvement of opportunities for economic and community development and engagement
- Improvement in access to services

The review was sought in the context of the local government reforms foreshadowed by the State Government. At the time the brief was issued, the Independent Review Panel had published its report, but the State Government had yet to formally respond to it. In October 2014, the Government announced the Fit for the Future Program, which, amongst other things, required Councils to either demonstrate their fitness for the future against criteria or present their pathway for structural change. For those Councils presenting the latter, the State Government announced the availability of significant packages of support.

Young, Harden and Boorowa Councils (The Hilltops Councils) were clear throughout the review process that they wished to remain in control of the review, which would enable them to take their options to the community. While they were liaising with the Minister and Office of Local Government, they were also conscious that they “owned” the review and would likewise “own” the outcomes. Having commenced the review in advance of the Fit for the Future Program, the Councils consider that they are well positioned for reform and to take advantage of the support offered by the State Government.

The Brief

The brief issued by the Hilltops Councils is attached as an appendix.

In fulfilling the brief, LKS Quaero were mindful of the underpinning principles which were to partly form the criteria against which options could be addressed.

Firstly, it was important to gain a picture of the region and provide a representation of it that was more than simply the geographic boundaries of all three Councils. Insight into the manner in which the residents of the three Councils worked, lived and played could potentially support or undermine any boundary changes.

LKS Quaero undertook analysis of the services, finances and structures of the existing three Councils as a group, with financial modelling projected out over twenty years. This analysis served as the baseline against which the results of the modelling of different scenarios could be viewed and assessed.

Aside from an examination of the existing situation, the brief also required the examination of the following possibilities:

- A full merger of the three Councils, including having a single elected Council
- Full merger of more than the three Councils where interest was expressed and was found to be a viable or optimal option
- A merged administration with the three elected Councils remaining unchanged

The review involved both onsite and offsite research and analysis. In addition to specialist financial input, consultants reviewed the business systems, organisational structures and also plant and equipment utilisation rates. Individual interviews with each General Manager, members of the executive staff and other specialist staff as required were also undertaken. Two full workshops were held at each Council, one for a selected cross section of staff, not inclusive of the General Manager, and another to which all Elected Members were invited.

Throughout the review, there were meetings with the Steering Committee comprising the Mayors and General Managers of each of the Councils. These meetings served to inform and check progress as well as opportunities for the review consultants to receive direction.

3. Definition of the Hilltops Regions

Councils do not exist in isolation. They shape the communities that they lead, represent their interests and articulate their aspirations, while remaining very much part of those communities themselves. Successful and credible Councils cannot just be created by the drawing of boundary lines on a map. There must be some community identification and affiliation to the Council area. This sense of belonging is enhanced by how the communities live their lives: where they work, play, go to school and access health services.

We have looked at the Hilltops region's socioeconomic data and trends as well as existing key infrastructure service areas, including health, education, leisure and transport. This is based on the existent data available on each of the three Councils of Boorowa, Harden and Young. Where possible, we have subjectively validated our observations and analysis with local residents and the Councils themselves.

The analysis is presented under the following headings:

- Demographics

- Health services
- Education services
- Sport and Leisure services
- Transport links
- Economy

Whilst analysing the information, we have retained a regional focus and presented the information accordingly.

There are clear correlations between the three council areas. They share many of the same social and economic trends and challenges, including similar demographics, key industries, infrastructure and economic issues.

Demography

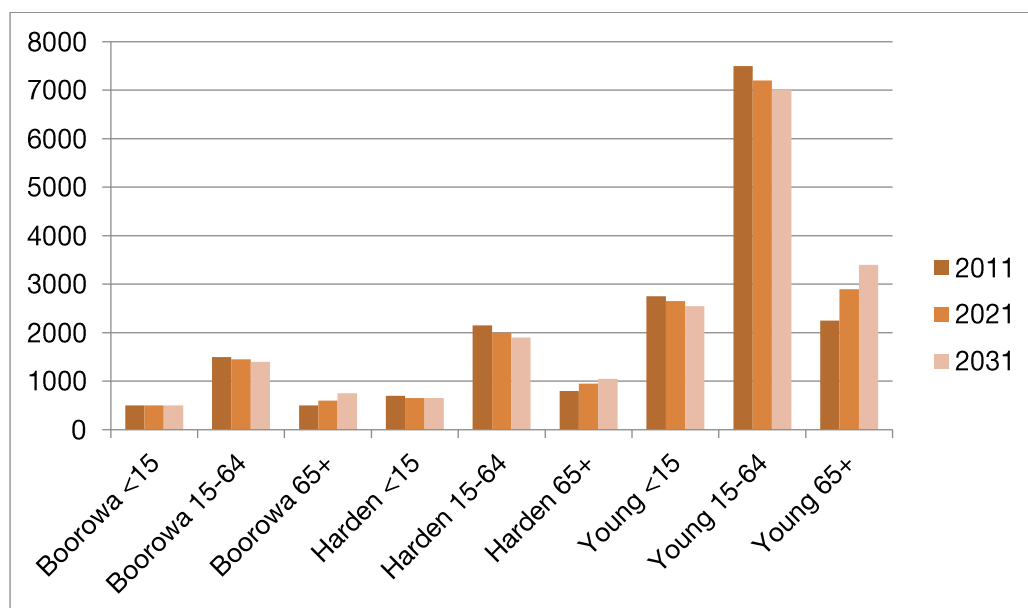
In 2011, the population of Boorowa was estimated at 2399 by the Australian Bureau of Statistics. It is projected to grow to 2469 by the year 2031, with the predominant growth in the under fifteen and over sixty-five age groups. The current median age is ahead of the national average at 45.2.

In Harden Shire, the population was estimated at 3584 and is projected to be largely static from 2011-2031. The median age for the Harden Shire is 48, the highest of the three Council areas.

Young has the largest population, numbering at 12, 514 in 2011. Its population is also projected to be largely static over the twenty year period to 2031, although it has a lower median age of 40.

When we separate the population of the region by different age groups and project the groups' growth over the next twenty years, we see either a slightly growing or an overall static population. It is clear that there is a steady increase in the population of those under fifteen and an increase in over sixty-fives due to an aging population. However, worryingly, the overall decline is in the key 15-64 age bracket which is the working age population. This is highlighted in Graph 1 below. By way of contrast, the Yass Valley is forecast to grow in the next 20 years, including a significantly increased 15-65 age group working population. One of the major drivers for Yass Valley, along with its high fertility rate and aging population, is that people are moving to the area.

Graph 1: Boorowa, Harden and Young Populations over the Next Twenty Years



Economy

The combined workforce of the three Councils areas was 7966 in 2011. Boorowa's labour force numbered at 1093, Harden's at 1531 people, and Young's at 5342 people. While Young was less reliant on the agricultural sector, it still represented a significant sector of employment, with agriculture being the largest employer in Boorowa and Harden at around 46% and 28% respectively.

Boorowa has an unemployment rate of 3.9%, Harden has a rate of 5.9% and Young has a rate of 6.2%. These latter two are above the national averages, although consistent with the unemployment rate of regional Australia.

There is some evidence of commuting to the larger centre of Canberra. In 2011, there were approximately 75 people who commuted from Boorowa to Canberra for work and 45 from Harden. There is anecdotal evidence from real estate agents that there is an increasing trend of "lifestylers" relocating to Boorowa while commuting to jobs in Canberra. Fewer Canberra commuters were from Young.

The region as a whole has a high percentage of people employed in management positions, with Boorowa and Harden also having a large percentage of people employed as labourers. One of the major challenges is that the agricultural industry, although a large economic driver, is not as large an employer as previously. The reducing 15-64 population in all three Council areas is reflective of the decreasing employment opportunities in the area. While there is some evidence of businesses coming into the area, they are agriculturally based.

Health Services

All three Council areas have health services that comprise hospitals, aged care facilities and outreach services. The hospitals handle basic accident and emergency services, but residents are otherwise transferred to Wagga Wagga Base Hospital or The Canberra Hospital for major treatment, maternity care or other services.

Operating from an eighteen-bed hospital, Boorowa Health Service provides emergency services, aged care and outreach community nursing for the residents of Boorowa and its surrounding towns. It also provides allied health, including a Young-based mental health worker who provides outreach services to Boorowa. Part of the Murrumbidgee Local Health District, the Service provides multi-purpose services (MPS) including integrated acute health, nursing homes, hostels and community health. It also provides outpatient services for patients who are not admitted.

There are two aged care facilities in Boorowa. The residential aged care centre, Boorowa Residential Aged Care, is operated by the district hospital and runs a day care centre that is available to the residents of the retirement village as well as other elderly residents. The other facility is Burrowa House, which houses twelve beds in total and one respite bed.

The Harden Health Service provides thirteen acute care beds and a two bed emergency department. The Hospital provides community health services to the locals by way of community health nursing and other outreach services with staff based in Young. It provides outpatient care and it also has facilities to provide for aged care. The Harden Hospital also provides services for cancer treatment and palliative care.

Harden is home to the Kruger Medical Centre, which houses a medical practice, rooms for visiting specialists and allied health providers. The centre also provides Tele Health which uses telecommunications technologies in order to provide patients with health services and information, linking patients to doctors and specialists who are not in the region. The medical complex also has a purpose built Hydrotherapy Centre, which houses the only HydroWorx pool of its kind in Australia.

Young Health Services is the biggest in the region. It provides a twenty-six bed emergency service, acute care, maternity care and surgical and oncology services. It is by far the largest employer of the three hospitals in the region with some 120 medical, nursing and allied health staff.

Mercy Care Hospital at Young provides a number of services to the region, from general medicine to geriatrics, haematology, mental health, palliative care, rehabilitation, respiratory medicine and vascular surgery.

There are two medical centres in town, along with a physiotherapy and sports injury clinic and a diagnostic imaging centre.

Education

Within the Hilltops Region, there are a number of preschools, early childhood centres and kindergartens. There are a total of thirteen primary schools and four high schools.

There are also a number of tertiary level courses that are offered within the region. These include a number of TAFE courses, courses at the Australian National University School of Medicine's Young campus and also the Australian Catholic University running regional programs from the Hennessy Catholic College to promote enhanced learning for pupils. Harden and Boorowa do not currently offer tertiary education options.

Schools within the region are largely populated by local students. However, there are also a number of students from neighbouring regions attending the schools within the Hilltops. This shows that students are not bound by local government boundaries when it comes to education and parents choose schools for reasons other than whether schools are within their local authority area.

Enrolment numbers vary in each year level and across the schools. In 2013, a number of Year 12 students within the region were offered university placements, with many others taking up employment with local businesses, whilst others commenced apprenticeships.

All schools have small school rolls and report them as declining. The rolls are consistent with the steady younger years' population and declining 15-64 age group as school leavers leave the area for further and higher education.

Sports, Leisure and Retail

The sports culture within the region is strong, with a number of clubs as well as sporting events throughout the year. Almost all national sports are represented by clubs locally.

There is a close link between Boorowa and Harden in sports club membership, with Young clubs being filled by local Young residents.

Art galleries, distilleries and wineries provide for a different pace for both the locals and those visiting the region. Tourism relies heavily on these facilities.

Young is the largest retail centre in the Hilltops region. There are a number of small local stores along with some chain retail outlets such as Big W, Rivers, Harvey Norman, Best & Less and major supermarkets like ALDI, Woolworths and an IGA.

Night time entertainment and activities sought by young people are limited. Local residents tend to travel to the centres of Wagga Wagga or Canberra for movies and nightclubs.

Transport

Boorowa is located approximately 113km from Canberra, 174km from Wagga Wagga and about 167km away from Orange. It is approximately 47km away from Young and covers an area of approximately 2578.6 km².

There is a Community Service bus that provides some basic transport needs for people who need to travel outside of the Boorowa region. This service departs from Young to Boorowa and Canberra. It runs once a day for four days a week. There are no public transport services, such as rail or taxis, available within Boorowa. The closest rail service is Yass Valley or Harden. There are twelve school bus services that operate to connect local students to Boorowa. A new service is to commence shortly, which will connect Young, Boorowa and Yass to Canberra. The bus service will travel three times a week.

Harden is approximately 125km from Canberra, 135km from Wagga Wagga and about 194km from Orange. It is approximately 33km from Young has an area of approximately 1868.6 km².

Harden is better positioned with a rail station. It can provide services to both Melbourne and Sydney with a number of stops along the way from Harden to both Sydney and Melbourne, including Goulburn and Wagga Wagga. A coach service also connects Harden to Canberra and Cootamundra. A community bus also exists, providing locals with a way of travelling to Canberra for flexible care services. Harden has eight bus services connecting its students to other schools in the region.

Young is approximately 160km from Canberra, 145km from Wagga Wagga and about 162km from Orange. It has an area of approximately 2693.3 km².

People in Young have more transport services available to them than are available in Harden and Boorowa. The services, provided by Country Transport, can connect Young to most regional towns along routes to Orange, Cootamundra, Bathurst and Grenfell. Young Community Transport Services also provides for additional transport needs. There are a total of twenty-two different school bus services that connect via Young to other local towns and regions. Public transport services are

largely provided by private bus operators, with some buses connecting to NSW TrainLink.

Summary

There is much that the three Councils have in common. Apart from the geographic proximity and economies all dominated by the agricultural sector, the demographic profile is similar and the communities largely “play together” through shared facilities. The challenges faced by all three Councils are likewise similar.

The region’s economy has historically been dominated by the agricultural sector and this continues to be reflected in the employment sectors. However, there is an impact on the population from the retraction of agriculture as a large employer. Given the limited number of institutions providing tertiary or higher education, local students are moving away from the regional towns. Sport is reasonably well embedded in the culture of the region, with significant membership crossover between the sports clubs of the three local authorities. Large scale retail is centred in Young, as are the region’s health services. However, access to this and community engagement is currently hindered by irregular bus services and limited public passenger transport options between the towns and to the larger centres. The current absence of an integrated transport network and digital infrastructure for the region, leading to poor connectivity to major conurbations like Canberra, are the major challenges in the delivery of medium to long term sustainable economic development and growth.

While all three Councils are members of regional organisations of Councils, there is a lack of formal integrated thinking around service delivery, community wellbeing and economic planning for the three Councils specifically to address their shared challenges. Critically, the Hilltops needs to be viewed as a credible voice of the region. A joined up approach to tackling this problem from a regional perspective, focusing on key industries and infrastructure development, not only economises on effort, but also brings with it the advantage of co-operation rather than competition between the existing Councils.

4. The Councils' Status Quo and Baseline Position

The Council

In total, there are twenty-five elected members in the Hilltops Councils. Young and Boorowa have nine elected Councillors each and Harden has seven. Within each Council, the mayors are elected from within the elected bodies.

The Administrations

Each of the elected bodies are supported by an Administration, headed by a General Manager who is appointed by the Council.

The structures follow a conventional local government model, structured largely on professional and technical lines and divided into back office support services and external technical services, such as development control and engineering works. Typically, given that these are small Councils, each of the second level Directors or Managers are responsible for a wide range of activities. In Boorowa, there is an overlap of responsibilities between project management and engineering works. The General Manager established the structure in this way to play to the strengths and experience of his three direct reports.

With the exception of Boorowa, there has been low turnover and much longevity in the Council leadership and staff cohort. Boorowa has recently had a change in General Manager from within the Council, with resulting leadership team changes.

The Services

The services provided by each of the Councils are essentially the same. They are focused upon the core services of:

- Development control and regulatory services
- Infrastructure construction and maintenance, including water, sewerage and storm water
- Leisure facilities: largely based around the swimming pools and the shared library service
- Waste collection and recycling
- Licensing and environmental health inspection

While the services delivered are essentially the same, as the organisational structures suggest, there is little commonality in the way the services are delivered and, in some cases, the policies that underpin their delivery. A technical comparison of service standards was not undertaken, but it was clear that these were determined by the priority given to the service by the Council and the funding available.

Business Systems

Each of the three Councils has a different local government information system. Expenditure on the systems represents a significant component of each Council's operating budget, around \$100,000–200,000 in direct costs. None of the Councils have dedicated staff to support and maintain the systems. Some internal oversight is available, with technical support being outsourced. The Councils manage this lack of dedicated resources by cross training staff, having operations staff who use the systems 'own' them and developing subject matter specialists. In Young, developments and customisation of the systems are undertaken by the Director of Corporate Services.

Young

Young Shire Council, the largest Council, runs CivicView. It was installed in 1999 and is in limited use by other Councils. The leadership of Young Council consider that it fully meets the requirements of the business and the Director of Corporate Services has the skills and capabilities to make necessary modifications. This has both advantages and risks. Costs are kept low with use of in-house capability rather than supplier developments. However, it has become a highly customised system that is heavily reliant upon the current Director to maintain and make future adaptations as the business changes.

Harden

Harden became a Civica Authority user in 2012 following a full competitive provider selection process and twelve months' implementation. This system is seen as a focused local government solution and has been implemented in many councils across Australia and New Zealand. It is commonly regarded as a preferred system for both small and medium-sized councils.

From a total staff of sixty-two, there are twenty computer users. Responsibility for IT lies with the Director of Corporate Services and there are other staff who have some familiarity with the systems environment, but there are no dedicated IT resources. Technical support is contracted as required from IT services company Propellerhead, which is based in Young.

Boorowa

Boorowa Council runs the Fujitsu Local Government system. Fujitsu Solutions was acquired by Civica in 2008 and the system in Boorowa Council is clearly an end-of-life product. The current system has been in use in Boorowa Council for ten years. As the system has not been developed to keep up with changing local government requirements, there are a growing number of gaps in the functionality and issues that are driving the need to move to a new system. A number of issues relate to functions that do not meet audit requirements, such as stores and fuel management.

Within Boorowa Council, there are 20 computer users. Responsibility for IT lies with the Assistant General Manager, who has oversight of the environment, but there are no dedicated IT resources. Technical support is also contracted as required from IT services company Propellerhead.

The Financial Position

Background

In order to assess the financial impact of the different options considered in this project, we developed a model of the long term financial position and performance of the three Councils.

This model used the financial reports of the three Councils as its basis. It projected forward the data using a few basic assumptions and replicating any significant adjustments identified in the long term financial plans of the respective Councils. The long term financial plan was cast in real terms (i.e. money retains a constant value) and extended over a twenty year timeframe.

As far as could be observed, the long term financial plan of each Council showed a continuation of the current level of activity without any significant change in operational or financial direction. This was reflected in the plan developed for the project.

The key assumptions made in the baseline long term financial plan were:

- Municipal rates at 0.2% below inflation each year
- Grants provided for operating purposes at 0.25% below the rate of inflation each year
- Employee benefits to rise at 1% above the rate of general inflation each year
- Materials and contractors to rise at 1% above the rate of inflation each year
- Borrowings based upon borrowings in the long term financial plans of each Council
- Capital expenditure based upon data in the long term financial plan of each Council

These assumptions were validated at both the Councillor and staff workshops.

The outputs of the baseline long term financial plan are:

- The statutory financial statements of
 - each Council
 - the General, Water and Sewer funds (and, in the case of Harden, the Regional Waste Group)

- A series of key performance indicators, including
 - statutory KPIs
 - assessment of financial sustainability risk
 - Fit For the Future criteria (with one measure excluded)

This was a high level review. It did not include consideration of the following:

- Balance of restricted funds
- Review of activities and cost of those activities

The assumptions and methodology above describe how the baseline position of Councils is determined. Using this baseline model, the model for each of the options is developed by adding data to the assumptions made in the model.

The 20 Year View

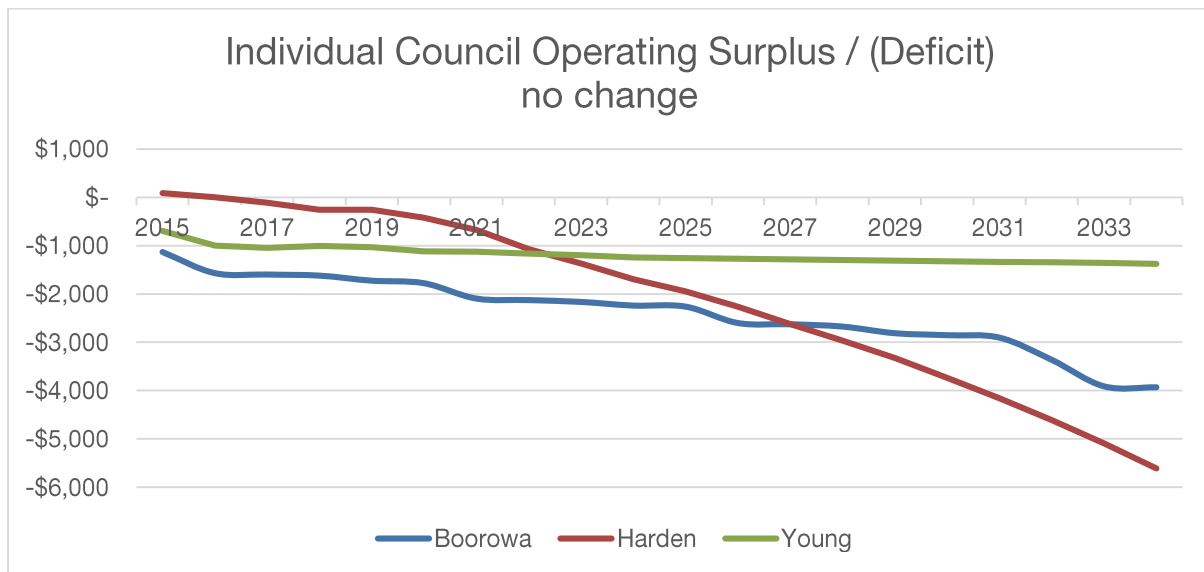
The financial position of the three Councils over the next twenty years can be summarised as follows:

	Boorowa	Harden	Young
Underlying result	Rising deficits	Moving from small surplus to large deficits	Slight deficits
Total cash	Increasing	Significant cash deficit	Increasing
Financial sustainability risk¹	High	Medium - low to high	Medium
Fit for the Future criteria achieved²	No	No	No
Predicted asset renewal backlog in 2034	\$47m	nil	\$58m

The table below shows the expected level of predicted level of Operating Deficits for each Council:

¹ As calculated using the methodology of the Victorian Auditor-General's Office.

² Only six of the seven criteria are reported on. The seventh, Asset Maintenance Ratio, cannot be determined from the data available.



Conclusion

The increasing operating deficits of the Councils will make it increasingly difficult for them to sustain the current level of services. As an example, none of the Councils will have sufficient funds to maintain their assets in an adequate position over the next twenty years. If the current services and service levels are maintained cash reserves will be depleted, operating deficits will increase to a point where they are no longer affordable.

The financial situation of the Councils will mean that at some time in the future each Council will be required to significantly adjust the level of service it provides to its ratepayers. The timing for when this change will need to occur will be different for each Council. If the Councils allow the deficits to continue at the rate predicted in the model without adjusting their services, external intervention would be likely to occur.

At a very late stage in the project, we became aware that the 2013/14 financial result for Harden will, when publicly released, show a significant increase in their projected level of depreciation. Since these figures were not available when the financial modelling was completed, this higher than expected level of depreciation has not been included in the financial analysis. If it were to be included, it would have a negative impact on the operating surplus for Harden Shire Council.

5. Option 2: A Merger of Boorowa, Harden and Young Shire Councils

The Merged Council – Regional and Local

Currently covering the Hilltops region are three Councils comprising twenty-five elected members, including three internally elected Mayors. The current representation of Councillor to residents, using the 2011 ABS data, is broken down as follows:

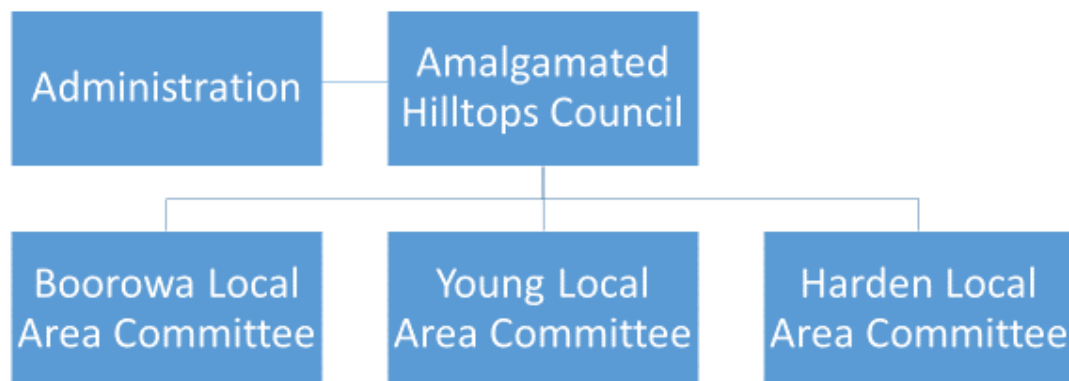
Harden – 1:512
Boorowa – 1:267
Young – 1:1390

Determining the appropriate number of elected representatives for a new merged Council will require a review by the Electoral Commission and boundary adjustment. We have therefore not made recommendations in this respect and the options discuss the Council and representative structure and roles rather than numbers.

However, recognising that there is a transition period, we have highlighted some options for that period. In the transition period, it will be necessary to acknowledge the historical representation in order to minimise perceptions of either loss or gain on the part of the communities of the current Council boundaries. What will in essence be occurring is not a merger of the three Councils so much as the former three Councils coming together to establish a new Council.

To merge the three Councils and be true to the principles of local place shaping while gaining the advantages of a regional voice and financial benefits, it is important to redesign both the governance and organisational structures. A simple combination approach will not achieve these. Indeed, it is possible that all of the current challenges and disadvantages will be imported into the larger entity.

The overview depiction of the redesigned governance and administrative structure is below:



Regional Level – Hilltops Council

This will comprise elected representatives elected in accordance with the Local Government Act 1993. The Council will be the peak decision making body for the Hilltops region. The Mayor of the Hilltops region will be elected from within this Council.

In line with the legislation, the Hilltops Council will, among other roles:

- Appoint the General Manager
- Approve strategic plans and policies for the Hilltops region such as the Community Strategy, Development Plan, Delivery Plans and Asset Management Plans
- Ensure the services required by the region and in the local communities are properly commissioned to meet community needs
- Establish and appoint to such Committees as it requires to oversight and conduct the business of Council, including the Development Assessment and Control Committee
- Approve the Long Term Financial Plan and annual budgets
- Advocate for the region and represent the region when negotiating and dealing with State and Commonwealth governments
- Elect and appoint from the Council chairs of the Hilltops Area Committees
- Receive and consider submissions and input on local issues from the Area Committees

- Monitor and hold to account the organisation's performance in the delivery of the Delivery Plans and annual business plans and budgets

Local Level – Hilltops Area Committees

To maintain and enhance the ability of the residents of the Hilltops region to participate in shaping the place in which they live, play and work, Area Committees will be established. It is envisaged that the Area Committees be chaired by an Elected Member of the Hilltops Council. Membership of the Area Committees will be by nomination (including self-nomination). Members might comprise people from Residents Associations, Neighbourhood Watch groups or simply people in the community interested in making a contribution to general and specific local issues. While the Committees will have their own standing orders, it is not intended that they are able to make decisions binding on the Hilltops Council. Their role is advisory and recommendatory in nature. However, the chairmanship of the Committees by an Elected Councillor will provide the Committees with a direct voice with decision-making authority in the Council for the region. In this manner, they are more than a local resident or interest group and will have a formal role in providing input into the plans and priorities of the Council.

The key roles of the Area Committees will be:

- Monitoring the performance of the local services contracts and service level agreements
- Providing the Hilltops Council with advice on local needs and issues for consideration when developing the regional plans, including financial plans and budgets
- Commenting and making recommendations on development applications
- Providing advice and input with respect to the local area for local projects commissioned by the Hilltops Council, such as playground development
- Dealing with local resident requests with respect to local service delivery or monitoring them through the Hilltops Council regional office

The number of area committees will be at the Hilltops Council's discretion. Early in the life of the Hilltops Council, to assist with transition, it is recommended that there be at least three Area Committees, generally mirroring the boundaries of the former Young, Boorowa and Harden Shire Councils.

The supporting organisational structure

A schematic organisational structure is appended.

It is designed to enable financial modelling of a merged Council scenario and further detailed design will be necessary to enable the structure to be implemented. A 'top down' approach has been taken and volumetric data that is currently not available

from the individual Councils will need to be collected to inform the final size of the organisation. Further, assumptions had to necessarily be made about the operating model of the new Council, based on greater use of technology, devolved working practices, economies of scale and redesigned service delivery models.

It reflects the size and configuration of a Council delivering the current range of services given those assumptions.

Organisationally, the governance structure will be supported by a regional organisation that provides support for long term planning and direction setting as well as annual and work planning.

On a service delivery level, identification of needs and priorities will be identified by the regional organisation. Resources will be managed regionally to ensure best utilisation. Services will be delivered at a local level, having been planned and programmed regionally.

Underpinning principles of the 'end state' structure:

- Delivery of the current service catalogue
- Separation of regional functions (direction and commissioning) from local delivery
- Functional and process coherence: services that do similar things, operate in a similar way, or that should naturally work together within an "end to end" process to deliver services to the customer or community, are grouped together
- There are inherent assumptions about the management of resources that enable them to be managed to achieve "best value"
- Improved customer and community orientation resulting from greater focus on meeting customer expectations in service delivery and engaging with the community in strategic needs assessment and service design
- Use of technology to change the way work is done, including empowering residents remote from the office to transact business: complaints, request forms, pay accounts, obtain licences and request books
- Centralised management of resources with the resultant savings and synergies. Actual location of employees delivering services may depend upon the locality of the services to be delivered
- Greater strategic capacity through greater delineation between strategy development and service delivery operations. It enables a "commissioning" approach to be taken where services are specified to meet established needs at best value

Integrating activities by function or process enables the benefits of streamlining and economies of scale. This group would appear to be fairly independent of other sections of council apart from related field services at the Depot.

- For example, grouping administrative services allows the streamlining of processes, making administration quicker and cheaper. This gives better value to the internal and external customer
- Integrating functional and process activities fosters better team working and resource planning within teams. This structure enables improved working between teams as linkages can be more easily identified in “end to end” processes
- Integrating functional activities enables increased spans of control. This makes it easier for the leaders of these areas to influence and direct staff and activity to deliver specified community outcomes.
- Integrating functional activity will enable work processes and practices in these functions to be re-engineered from “end to end”. This will yield cost reduction and often improved satisfaction as staff report greater ownership over the policies and processes that determine their work. The reduction in process time and multiple handling of activity often results in improved satisfaction from both internal and external customers
- Opportunity to design systems without reference to precedent
- Functional business units that give the Council the opportunity to explore partnering or contestable options which promote long term sustainability

Opportunities for scalability arising from adoption of alternative partnering, service delivery and governance models

Financial sustainability over twenty years

The following adjustments were made to the financial model to represent the merger of the three councils:

Ongoing Savings

Corporate & Governance costs	\$649k
Accommodation	\$345k
Information Technology	\$175k
Employee costs	\$4,472k

Once off Income

State Government grant	\$11,500k
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Once off Costs

Transition Board	\$460k
Council rebranding	\$500k

Policy alignment	\$100k
Information Technology	\$1,040k
Employee costs	\$2,800k

Ongoing costs

Local Area Committee	\$50k
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No additional State government grants have been included in the analysis.

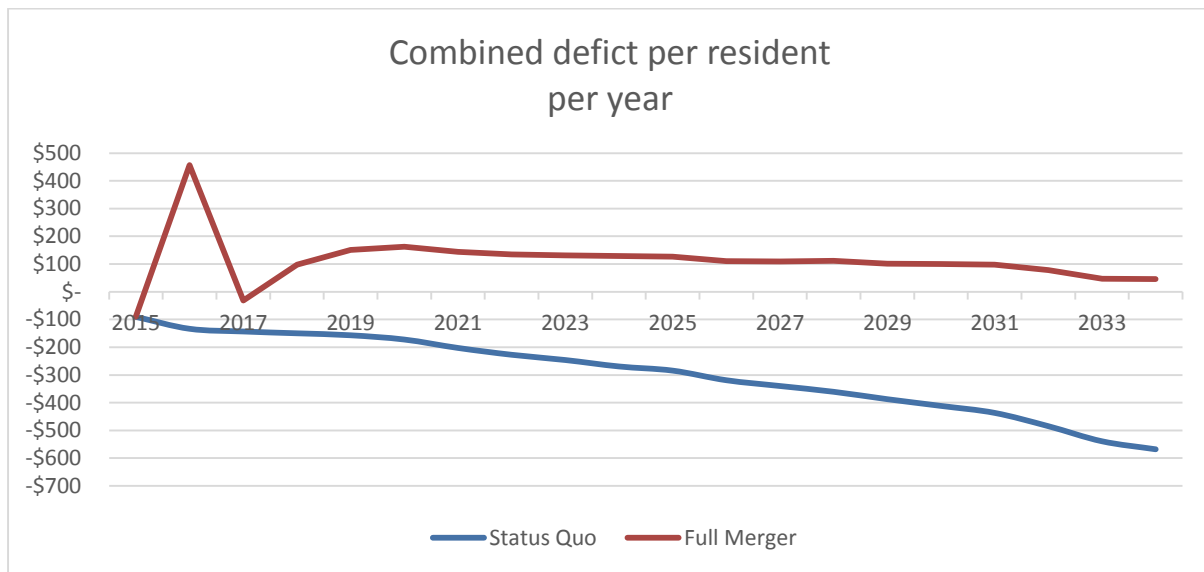
Each of the costs above have their own unique timing and this has been reflected in the financial model.

The financial outcome is summarised in the table below:

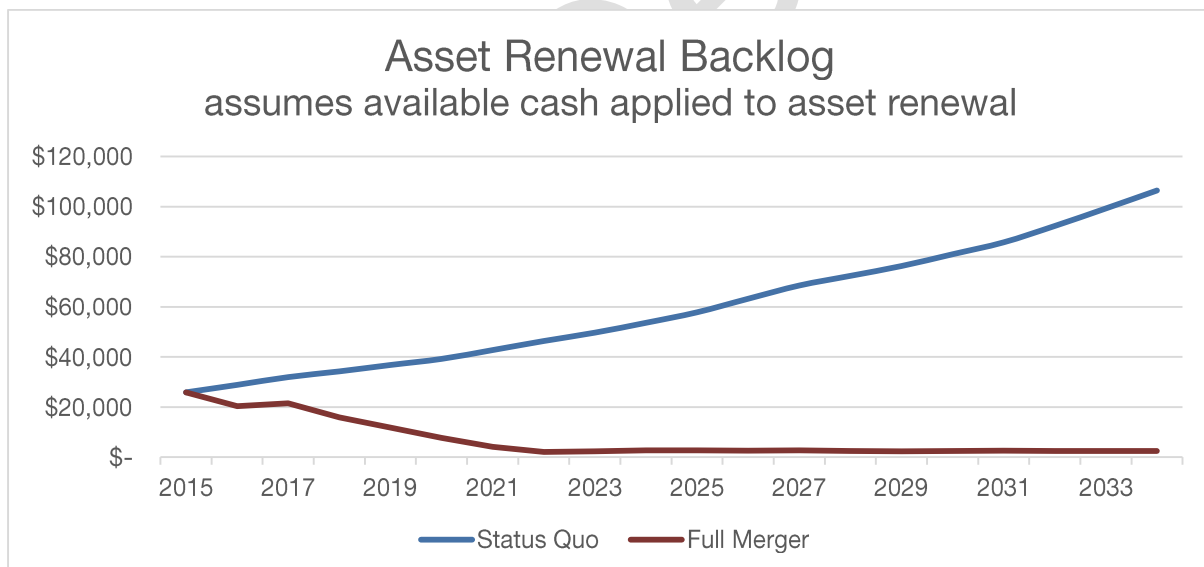
Full council merger	
Underlying result	Initial deficit then steady surpluses achieved
Total cash	Significant cash surpluses achieved
Financial sustainability risk³	Medium to Low
Number of Fit for the Future criteria achieved⁴	Up to all 6
Predicted asset renewal backlog in 2034	Potential for the backlog to be addressed by 2025

³ As calculated using the methodology of the Victorian Auditor-General's Office.

⁴ Only six of the seven criteria are reported on. The seventh, Asset Maintenance Ratio, cannot be determined from the data available.



The graph below illustrates the financial impact of the new structure by assuming that all the savings, at least initially, that result from the change are directed towards the renewal of existing Council assets. As can be seen from the graph, the significant asset renewal backlog is able to be quickly reduced.



Just as easily, the savings that result from the merger could be directed to other areas of need within the community. When this redirection of resources occurs, it will require the use of people to perform the additional services. This will offset the impact of the reduced number of staff required to conduct the current level of council business.

Conclusion

The merged council with the regional and local structure will be able to operate with financial soundness. After the merger is implemented, the merged Council will be able to achieve solid operating surpluses into the foreseeable future without any significant policy adjustments.

Should it decide to use the resources released by the merger, the new Council will be able to quickly reduce the infrastructure asset backlog to nil. The value of the resources released through this option, when compared to the status quo or baseline option, totals \$156m over 20 years. Care must be taken in understanding this figure as the status quo position would never be left to occur. External intervention is likely to occur to arrest the financial decline and unviability at some point. However, it is illustrative of the substantial benefits that could be obtained through the implementation of this option, which could see the use of resources available to the Councils moved away from funding less than efficient structures to being applied to meet the needs of the local community.

6. Option 3: An Alternative Hilltops Regional Council Structure, Incorporating Other Communities of Interest or Local Government Areas as Appropriate

At the outset of the review, it was considered prudent to provide for the possibility that other Councils would wish to participate in the review. This was particularly so as the signals coming from State Government about reform of the sector were becoming more specific and stronger. The initial approach to a number of neighbouring Councils yielded no other initial interest. While other Councils were aware of the review being undertaken, and dialogue by the three Councils were maintained with others, no other Councils expressed interest in participating in the review.

It was determined that to locate the information necessary to undertaking the analysis of another Council would have proved difficult without the concurrence of that Council or Councils.

There emerged the view from the Steering Committee that proceeding with the review with three willing Councils was the best way forward. However, the review was to be conducted in a manner that was scalable and other information could be added without the need to revisit underpinning principles and assumptions.

7. Option 4: Maintain the Existing Councils with a Different Administrative/ Management Structure

The Councils

This option retains the existing governance structure with no changes in either composition or location. This would therefore leave the local representation and access of local communities to their elected representatives in no different a position than is currently the case. However, a full integration of the administrative organisation would foreshadow significant changes internally, although it is assumed that from the perspective of customers and residents there will be no change to the way in which they currently interact with either their elected representatives or the Council Administration.

There are some underlying assumptions that underpin this option. The newly formed Council administration will be located together. The business systems will be integrated, but will continue to collect and provide data on all three Councils and customers interacting with the Councils will continue to do so separately with Boorowa, Harden and Young. The staff of the new administration will, however, be employed, led and managed under a single structure.

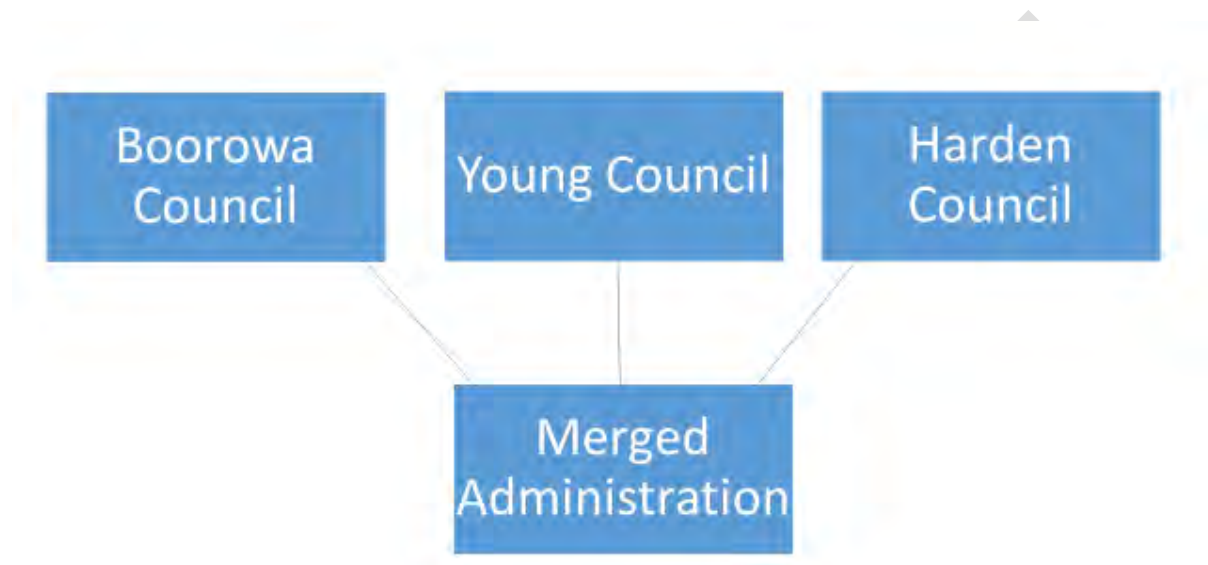
The three political bodies and their committees will be supported by the single administration in all aspects. While each Council will continue to determine its own strategic direction and policies, including financial budgets, the single administration will require extensive redesign of its structure, systems and processes.

This option is conceived to determine the level of financial benefit that can be achieved by the full integration of the Administration. In developing this option, we have proposed a redesigned single structure. In doing so, it has enabled the release of resources among, particularly, the clerical staff. The numbers with respect to the technical services, works and horticultural staff are to some extent fewer, but issues of geography and service levels (to be agreed) will determine the final numbers.

The distinction between the regional organisation and local delivery teams is less distinct in this scenario, although it is highly feasible to divide the local works teams into geographic areas. The structure follows a more traditional structure rather than the regional 'commissioning' with local delivery approach of the fully merged Council scenario. However, the principles and assumptions used in the design of the regional/local structure have also been applied to this structure.

Any changes in staff numbers will need to be considered in the light of S218CA, *NSW Local Government Act 1993**.⁵ Consideration of the impact of this section may include the length of the period of transition.

The redesigned governance and administrative structure of the merged administration may be represented by:



Financial Sustainability Over 20 Years

The following adjustments were made to the financial model to represent the merger of the three councils:

Ongoing Savings

Corporate & Governance costs	\$280k
Accommodation	\$345k
Information Technology	\$175k
Employee costs	\$4,309k

Once off Costs

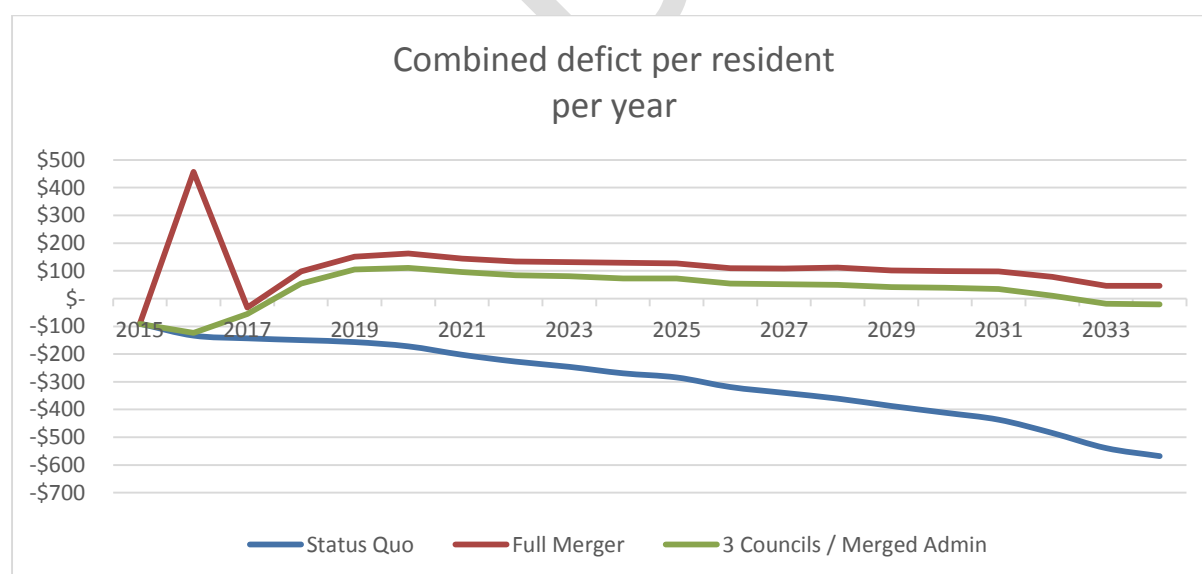
Council rebranding	\$500k
Policy alignment	\$100k
Information Technology	\$1,040k
Employee costs	\$2,750k

⁵ See "Transition" for more detailed discussion of this provision.

No additional State government grants have been included in the analysis. Each of the costs above have their own unique timing and this has been reflected in the financial model.

The financial outcome is summarised in the table below:

Council administration merger	
Underlying Result	Initial deficits for 3 years, then steady surpluses achieved
Total Cash	Significant cash surpluses achieved
Financial Sustainability Risk⁶	Medium to Low
Number of Fit for the Future criteria achieved⁷	Up to 5
Predicted Asset Renewal Backlog in 2034	\$23m. The backlog reaches a low of \$14.3m in 2026 and starts to climb after then

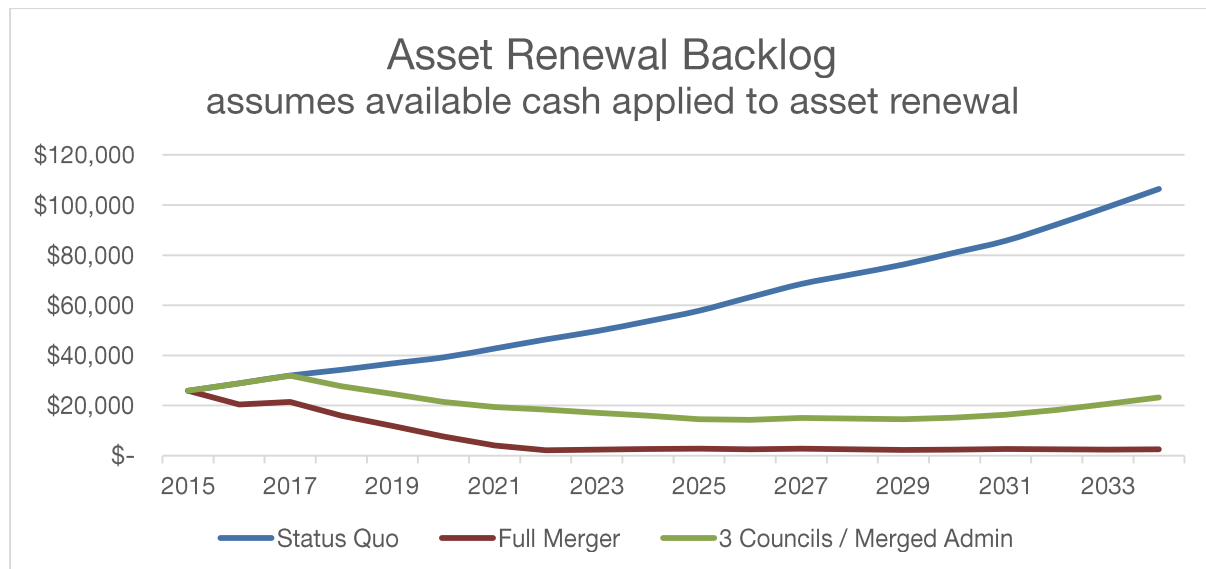


The graph below illustrates the financial impact of the new structure by assuming that all the savings which result from the change are directed towards the renewal of existing Council assets. As can be seen the significant asset renewal backlog is significantly reduced. After 2031 the renewal backlog starts to increase as the

⁶ As calculated using the methodology of the Victorian Auditor-General's Office.

⁷ Only six of the seven criteria are reported on. The seventh, Asset Maintenance Ratio, cannot be determined from the data available.

council is no longer able to provide sufficient cash to fund the estimated degeneration of its assets.



As discussed earlier the savings which result from the new structure could be redirected into any area which is a priority for the new councils. As resources are directed to a particular area, human resources will be required to carry out that work.

Conclusion

In this scenario, the merging of the administrations only, would enable the Council to operate with financial soundness. After the integration of the administrations is bedded down, the Council would be able to achieve solid operating surpluses for at least the next 18 years without any significant policy adjustments.

When compared to the status quo or baseline position, this option releases resources to the value of \$126m over 20 years. As mentioned previously, as the status quo position would never be left to occur, this calculation is illustrative only. However, it demonstrates the significant benefits that could be obtained through the implementation of this option.

Should they decide to, the Councils would be able to make a substantial inroads into their asset renewal backlog or whatever priorities the Councils may have.

This option does not achieve the same level of savings and income as the full merger option and therefore does not release the same level of resources. The full merger option could provide up to \$1m per year in additional resources over the 20 year period being considered.

8. Transition Issues

The key issues to be considered in relation to the transition from the current position of three Councils, each with separate administrations, are:

Governance (options 2 and 3)

The Electoral Act requires that any changes in the numbers of Councillors will be the subject of boundary adjustments and application of the formulae determining representation. Whatever the eventual outcome of that boundary adjustment and representation review, consideration is needed as to the timing and means of migrating from the twenty-five Councillors of the three Councils to the number of Councillors required for the single Council. While the Electoral Commission will determine numbers, the current Councillors, in making the decision on the model of governance and service delivery, will have views on the optimum manner of transition.

The options for a transition Hilltops Council could include:

Amalgamation of Three Political Bodies

The benefit of this option is simplicity of implementation, with no loss of existing experience and expertise. However, it would be a large elected body (25 Councillors) and could become unwieldy for the purposes of conducting business. More importantly, for representation purposes, there is an imbalance created. Young, while having roughly twice the population of either Boorowa or Harden, will have the same representation as Boorowa and only two representatives more than Harden.

Ratio-Determined Representation

By and large, Councils in New South Wales comprise between seven and ten Councillors. In seeking to maintain bodies of this size, and to demonstrate more appropriate ratios of representation, the Council could comprise three Councillors from the former Boorowa area, three from the former Harden area and six from the former Young area.

This was the option favoured by the Steering Committee as it provided, in the short term, the ability to mitigate the perception that the largest Council, Young, had the ability to dominate the two smaller ones. This perception is one to be managed and will lessen over time as affiliations move to the broader Hilltops Council.

Population-Based Representation

There are varying ratios of Councillors to population among the three Councils. The lowest ratio belongs to Boorowa and the highest to Young. The average is one Councillor to 723 residents. Using this simple arithmetic ratio, the Hilltops Council could, in the interim, comprise three Councillors from the former Boorowa area, five from the former Harden area and seventeen from the former Young area.

While the option standardises the elected member to resident ratio, as based on ABS statistics, it has a number of disadvantages. The main one is sheer size and the difficulties that will present in conducting business. Secondly, it will not assist with the short term need to ameliorate perceptions of irredeemability by the larger Council.

Remaining with the status quo or pursuing option 4 will mean there is no change in the governance arrangements.

Services (Options 3 and 4)

At present, each of the Councils has its own set of policies covering both internal and external matters. While the visions of each of the Councils and the strategic directions of all three Councils are similar, focusing on the environment and prosperity, the policies that give effect to those directions and from which operating procedures are derived need to be standardised and made consistent. At a broad level the standardisation will include:

- Policies – especially revenue, rating
- Service standards
- Business systems

In a single Council scenario, this would then extend to the service standards experienced by the residents and visitors.

Staffing/Structure and Systems (Options 2, 3 and 4)

All Councils are supported by an organisation that implements and gives effect to the vision and aspirations of the elected Council. Ideally, the organisational structure would be designed based on the following principles:

- Focuses on outcomes to be achieved for the community
- Enables a clear line of sight from the those determining direction
- Provides for accountability for performance
- Supported by the most efficient use of technology and processes

In options 2, 3 and 4, there is the opportunity to redesign the organisational structure that takes advantage of the technology available now and enables options to be provided to residents and customers regarding how they wish to interact with the Council.

The redesigned organisational structures for options 2 and 4 upon which the financial modelling was undertaken are appended.

Impact of Industrial Instruments and Legislative Requirements

Both the options of a fully merged Council and Administration and the merged Administration present opportunities to significantly release staffing resources.

For the operational areas of the Councils there are opportunities to enable:

- Less plant required to be operated over a greater spread of hours;
- Greater opportunities for the acquisition of specialised plant;
- Targeted construction/maintenance where plant from each region works in the one area;
- Consolidation of plant maintenance;
- Reduction of plant and depot infrastructure in regional areas and;
- Centralised operations administration, being able to draw on all plant and staff

The release of a number of employees from their existing roles presents opportunities that include:

- Maintaining staffing levels to increase levels of service or increase the number of services provided or
- Reducing overall staffing levels and re-allocating the cost savings into increased asset maintenance/replacement
- Released staff having the opportunity to establish businesses that provide services, historically provided by Council

In addition to the obligations existing Councils have towards their employees under the Award, there is a significant obligation placed upon Councils in rural centres under the NSW Local Government Act 1993 (the Act). In establishing a new Council, the Act would apply not to the current Councils but to the new one that is established under options 2, 3 and 4. There would be a need to determine “regular staff levels” in Boorowa and Harden prior to any transition to a new Council.

The Act places certain obligations on the transferee Council (a Council that is constituted as a result of the amalgamation of two or more areas). These obligations are required under clauses 218 and 354 of the Act and covers the maintenance of staff numbers in rural centres. Rural centres are defined under clause 354 of the Act as ‘a centre of population of 5,000 people or fewer’. It requires the transferee to ‘ensure that the number of regular staff of the council employed at the rural centre is, as far as is reasonably practicable, maintained at not less than the same level of

regular staff as were employed by the previous council at the centre immediately before the amalgamation or alteration of boundaries took effect’.

In 2012, the Australian Bureau of Statistics reported the following populations:

- Young LGA: 12,702
- Harden LGA: 3,712
- Boorowa LGA: 2,525

Clearly, the requirement would apply to regular staff at both Boorowa and Harden LGAs.

The definition for “regular staff” includes permanent and part-time staff employed immediately prior to any amalgamation and casual staff engaged on a regular and systematic basis, senior staff and temporary staff positions being exempt.

The provisions within the Act, while seeking to ensure the maintenance of staff numbers in rural areas, are not absolute and recognise that this should be achieved ‘as far as is reasonably practicable’. It is therefore possible that, if it is impractical to maintain a particular position in a rural centre, then the transferee may properly decide to not maintain that position. If the overall number of regular staff employed in a rural centre falls below the number applying at the time immediately prior to an amalgamation, the transferee would need to investigate what other regular staff positions could reasonably and practically be transferred to the rural centre workplace.

Should a transition to a new Council proceed, these points should be considered:

- The timeframe over which the transition is to be effected as natural turnover could mitigate the impact upon existing jobs
- Supporting establishment of new local businesses out of the employment teams of the Councils, such as employee buyouts and local authority owned enterprises
- Determining and maintaining minimum staffing levels for employees falling into the definition of “regular staff” in both the rural centres and any potential transferee council
- Developing a policy for “Regular Staff Numbers at Rural Centres”

Considering basing regional services in local areas

Local Government (State) Award 2010

Each Council operates under the Local Government (State) Award 2014 (the Award), which allows for some uniformity in application of employees’ terms and conditions across the Councils. The Award also allows for some flexibility and makes provision for “Council agreements”. These Council agreements can provide an opportunity for

changing work conditions, however, when each condition is considered in isolation to the bigger picture, they can become restrictive. It is our understanding that no Council agreements exist within the Councils. This presents a greater opportunity to commence engagement to develop workplace terms and conditions that are uniquely suited to the new Council or Administration. This could include terms and conditions that are beneficial to the workforce and council such as:

- Salary grading and progression linked to performance and productivity
- Flexibility in hours of work and work place

The Award provides Councils with a mechanism that allows for meaningful dialogue with its employees on work conditions and reward under consultative arrangements and, therefore, a communication and consultation strategy for employee consultation should be developed as part of the program plan.

Industrial relations legislation provides Councils with an opportunity to develop more flexible terms and conditions of employment under workplace change/consultative processes. The benefits are many and include being able to determine those terms and conditions that benefit Council and its employees as well as developing a participative framework for meaningful dialogue on transitional arrangements.

Depots, Staff, Plant and Equipment

With the transition to a new Council comes the opportunity to revisit the traditional structures within outdoor operations as well as the supporting indoor infrastructure. In addition to those elements mentioned earlier, issues that currently exist within operational crews include but are not limited to:

- Plant and equipment available usage versus available employee hours
- Operator absenteeism making the plant idle
- Low plant utilisation on essential plant
- Lack of funding for plant purchase (due to carrying excess or incorrect plant)
- Lack of funding for existing plant usage

Consideration should be given to establishing one regional plant depot and one regional supporting infrastructure (ref: Organisational Structures). Following the establishment of the regional depot, the local depots (or alternative sites) could then become "terminals" where only plant required at that time is stored when not in use. Within the terminals, the types of plant and staff required to operate them would vary, based on the allocation of work in and around that locale at the time. Starting point issues for staff are addressed in the "Industrial Instrument" section of this report.

Essentially, this provides for plant and equipment to be managed to maximise utilisation, although the location of it is localised to where the work to be performed exists.

The Councils currently monitor some usages. However, this is mainly used for assessing replacement scheduling for plant rather than plant utilisation/productivity management. Some work is being undertaken to benchmark usages of plant against Institute of Public Works Engineers (IPWEA) benchmarks, but these benchmarks only identify break even points to assess if an item of plant should be owned or hired. A real benefit would derive from analyses of down time, that is, the time plant spends in the depot, terminals or roadside, rather than the time spent with "blades down," which is the time the plant is actually performing the operation it is required to perform. Technology for managing plant utilisation is constantly evolving and more and more we are able to analyse true productivity data. Centralising the programming of works would allow resources to focus on productivity/utilisation initiatives.

The Establishment Board

In both merger options, there is a significant program of work that realistically will span a number of years. In previous iterations of sector reform where mergers have occurred, one of the challenges is maintaining the focus on the current business while preparing and transitioning to the new future state.

One of the means of mitigating the risk of failing to deliver services to the existing community, or of poor implementation of the program of works required to establish the new Council, is the establishment of an Establishment Board. This device is recognised by the Office of Local Government as it has made available support to establish such Boards.

This Board will oversee the transition from three Shire Councils to the Hilltops Council and the establishment of Area Committees. In the event that the option of merged Administrations is implemented, it will oversee that merger. However, it is worth noting that State Government's Fit for the Future Program provides for funding of Councillors to undertake the establishment role only if there is a full merger of Councils.

The Establishment Board will be for a fixed duration, overseeing the transition of the governance arrangements from 1 July 2015 to the election of the Hilltops Council in September 2016. Once the Hilltops Council has been established, the Mayor and Deputy Mayor of that Council will take their place on the Establishment Board for the duration of the organisational transition, which will take place over three years until 30 June 2018.

While the timeframe is tight, the momentum and focus will be maintained.

It is proposed the Board comprises Mayors, Deputy Mayors and General Managers of the existing three Shire Councils, supported by an Executive Officer, with appropriate dedicated resources and support.

The key role of the Establishment Board will be two-fold:

Governance

- Consult with the Local Government Boundary Adjustment Commission and seek the commencement of the boundary adjustment process*
- Determine to seek a referendum on whether to be a “divided” or “undivided” Council
- Resolve and determine the number and coverage of Area Committees
- Approve the Terms of Reference for the Area Committees
- Approve the Standing Orders and Constitution of the Hilltops Council
- Ensure adequate executive support is identified and provided to the Interim Hilltops Council
- Monitor and give direction to the establishment of the Hilltops Council in accordance with the approved program plan

Management/Organisation

The transition of the organisational arrangements of the three Councils into a single entity will need to take place over a longer timeframe as there are many and complex activities.

While those on the Establishment Board from the Interim Hilltops Council will provide the oversight up until 2016, the members will need to change with the existence of the new Council.

The key role of the Establishment Board in relation to creation of the single entity from the existing Councils will be to:

- Approve the Program Plan and monitor its progress. The plan will comprise such milestones as, but not limited to:
 - Appointment of the General Manager of the Hilltops Council
 - Policy review and triaging to ensure integrated policies are rewritten to be fit for purpose as required
 - Development and implementation of the organisational structure
 - Business systems are reviewed, migrated and integrated
 - Implementation of HR and industrial processes during the transition
 - Development of communications plans, branding and livery
 - Ensuring the ongoing business of delivery to the community is uninterrupted

- Approving the interim commissioning framework and service level agreements with the local delivery teams
- Approving the initial strategic and operating plans

Conclusion

The transition issues are complex. The timeframe within which they are to take place and be completed will have a direct impact upon how they will be implemented and managed.

Changes to the governance structure (Councils) can be coincided with the normal election cycles, while the changes to the Administrative structure and implementation of these will realistically need to take place over a longer time frame. While this report on the transition focuses on the structural changes necessary to the Council and Administration, it is crucial that the people, aspects of any proposed changes are a key priority in any program implementation plan. This would need to cover consideration of impacts upon the community (or communities), staff and Councillors.

9. Appendices

1. Consultancy Briefing – Terms of Reference Hilltops
2. Option 2 Proposed Organisational Structure
3. Option 4 Proposed Organisational Structure
4. Financial reports for status quo
5. Financial reports for merger
6. Financial reports for 3 councils / 1 administration

LKSQUAERO



REQUEST FOR QUOTATION

Consultants – Review of Future Council Governance and Service Delivery Arrangements

The Council's of Boorowa and Young are seeking submissions from suitably capable organisations to undertake a study to identify the most suitable future Governance and Service delivery arrangements for the Hilltops region.

Consultants are invited to provide a submission to be received by 8th April, 2014 with a copy of the submission to be received by both Boorowa and Young Shire Councils

Copies of the Consultancy Brief and relevant information is available on Council's websites:

www.boorowa.nsw.gov.au

www.young.nsw.gov.au

Peter Vlatko
General Manager
Young Shire Council

Anthony McMahon
General Manager
Boorowa Shire Council

CONSULTANCY BRIEFING

The NSW Local Government Minister has recently released the Local Government Independent Review Panel's final report titled "Revitalising Local Government".

Prior to the release of the paper, the Councils of Boorowa and Young had been working collaboratively to secure funding to undertake a study of the Hilltops region to identify the most suitable future Governance and Service delivery arrangements for the region.

The Councils are now in the position where they are seeking submissions from suitably capable organisations to undertake the above mentioned study which is anticipated to provide a roadmap for the future of governance and service delivery across the Hilltops region.

Consultants are invited to provide a submission to be received by 8th April 2014

Submissions are to be emailed to:

anthony.mcmahon@boorowa.nsw.gov.au and peter.vlatko@young.nsw.gov.au

Hard copies are also to be posted to:

*General Manager Boorowa Council
PO Box 96
Boorowa NSW 2586*

and

*General Manager Young Shire Council
Locked Bag 5
Young NSW 2594*

Submissions are expected to provide sufficient information to clearly understand how the consultancy service is to be delivered including resources allocated, deliverables and timeframes; and capacity to deliver.

The submission shall include a financial proposal that details all inclusions and any exclusions that may apply.

Consultants are asked to refer to the attached Hilltops Regional Governance Paper and Terms of Reference for Hilltops Region Review Steering Committee for guidance and details on consultancy services required.

Hilltops Regional Governance Options

Councils within the Hilltops Region of southern NSW have a vision to raise the profile of their region and improve the wellbeing and prosperity of local communities. The strategic vision builds on the successful Hilltops branding, originally developed for marketing and promotion of the region incorporating Boorowa, Harden and Young. It respects and capitalises on the identity of the region's main settlements while recognising the value of adopting a regional approach to ensure the long-term sustainability and growth of the area.

As part of this vision, the councils wish to explore new structural arrangements for local government within the Hilltops Region, to improve strategic capacity, operational efficiencies and service delivery.

The drivers and anticipated community outcomes of this project are depicted below.

Drivers

Preserve local identity

Each community is unique. We want to preserve our local identity and local involvement in decision making, but also recognise that we have a shared future in the Hilltops. We want to create a regional local government structure that works for our situation.

Provide more opportunities

The region needs more jobs and educational opportunities for our young people. We need a stronger voice to lobby for funding and get things done. Joining forces would help us to achieve this

Improve access to services

Our communities would really benefit from a wider range of services and better service delivery. As individual councils we find it difficult to meet these needs. Joining forces could improve the wellbeing of our communities.

Outcomes

Shared prosperity

Our people love living in their own communities, but get the benefit of being part of a wider region. Each community is better off since we started working together.

Sustainable communities

There are more jobs in our region, tourism increases and people want to invest in, and move to, the Hilltops to be part of our special community. We can see a positive future for our region.

A great place to live

People enjoy living in the Hilltops. It's a welcoming and "go ahead" place. The facilities that people need for their lifestyle are here and the local services are well managed and affordable.



The project

The councils of Boorowa and Young are seeking expressions of interest from suitably qualified consultants to develop a report on future governance options for the Hilltops Region.

The report will draw on draft inputs from the councils, as agreed, with the consultants being responsible for compiling and presenting the final analysis.

The report will explore two key themes, as outlined below:

Defining the region

This section will identify the current and future communities of interest, demographic profile and economic relationships of the Hilltops Region

Exploring the opportunities, considering structural options

This section will explore four structural scenarios for councils within the region, having regard to opportunities to improve strategic capacity and operational efficiency

- Scenario One: Maintaining the status quo of the three Hilltops councils
- Scenario Two: The Independent Local Government Review Panel's recommendation for the region - a merger of Boorowa, Harden and Young Shire Councils.
- Scenario Three An option for an alternative Hilltops Regional council structure, incorporating other communities of interest or local government areas as appropriate.
- Scenario Four: Maintain the existing Councils with a different administrative/management structure.

These themes are explained in detail on the following pages.

Deliverables

The project includes the following deliverables:

- A draft options report on Hilltops regional governance, presented for review by participating councils and the Division of Local Government
- A final options report on Hilltops regional governance, following consideration of feedback from the draft review
- Presentation of the report's key findings to a workshop of project stakeholders
- Ongoing advice and review, as required

Key themes of the report

Defining the region

The Hilltops Regional brand was originally developed with a tourism/economic development focus, to promote local wine production activities, agricultural produce and events. The region has traditionally been defined as the three local government areas of Boorowa, Harden and Young. The branding is now gaining a wider application, with plans to develop a regional approach to local governance.

This section of the report will largely be undertaken through desktop analysis and consider the following:

- The demographic and economic profile of the existing “Hilltops region”
- Future demographic trends and economic opportunities
- The region’s existing alignment with state planning, administrative and service delivery boundaries
- Communities outside of the traditional “Hilltops” grouping (Boorowa, Harden & Young) which may have current or future common interests with the region. This assessment will consider access to services, cross-border movements and social/economic links.

Suggested References: <http://www.hilltops.com.au/>, Council websites, CENTROC website, ACT Government website, Department of Planning and Infrastructure website.

It is expected that consultants will undertake a comprehensive review of all reference information available, not limited to the above suggested references.

Exploring the opportunities, considering structural options

This section will draw on information provided by participating councils, as well as publicly available information on council performance within the region. This component of the project will require on-site attendance as well as desktop analysis.

The main focus of this section will be on exploring the different scenarios with an emphasis on determining the most suitable long term outcome for the region.

This section will:

- Explore the “base case” of the three councils (Scenario One), including:
 - Review of existing integrated planning and reporting for the subject LGAs
 - Current financial sustainability ratings
 - Existing service profiles, including, as far as possible, service or skills gaps within the subject councils.
 - Current asset management, including infrastructure backlogs
 - Current and historical trend information from annual reports regarding operating costs and revenues

- Review of historical missed opportunities and learning's
- Identification of barriers to providing higher quality services under current arrangements

The base case will also consider existing regional service arrangements, for example water supply arrangements and shared service contracts relating to the subject councils.

- Conduct an analysis of the potential impacts of the participating councils maintaining the status quo over the longer term (minimum 10 years), including financial sustainability, strategic capacity, asset management and service delivery.
- Conduct a strategic analysis of the potential costs and benefits associated with a merger of the three subject councils (Scenario Two) in terms of increased strategic capacity. This analysis to include:
 - Financial sustainability
 - Strategic planning capacity
 - Opportunities to address skills or service gaps
 - Opportunities for more effective application of existing resources
 - Opportunities for increased or improved service delivery, particularly on a regional basis, including capacity to undertake larger scale or more complex projects. This analysis to specifically focus on opportunities for water management, waste management and land use planning
 - Governance and community engagement, including opportunities to support local democracy and local determination
 - Opportunities for improved state-local co-ordination at the sub-regional level.
- Conduct an analysis of the potential costs and benefits associated with Scenario Two in terms of improved operational efficiencies. This analysis to include:
 - Potential efficiencies in administration, governance, service provision and infrastructure/asset renewal
- Consider the costs associated with amalgamation and establishment of a new entity under Scenario Two, based on available case study information and/or estimates prepared by participating councils
- Consider the revenue implications of structural reform under Scenario Two, including existing liabilities, changes to grant income, property rating/tax levels, variations in fees and charges and development contributions across the three subject councils.

- Complete a financial analysis over a minimum 10 year period of Scenario Two. This analysis will consider the ability to establish a sustainable financial basis, the ability to fund asset renewal gaps and the impact on revenue and levels of property rates.
- Suggest a possible corporate structure and local representation model for the proposed Scenario Two regional entity.
- Identify a potential configuration for Scenario 3 and provide a broad analysis of potential strategic capacity and operational efficiencies that may be achieved through this wider regional governance configuration
- Provide comment on potential governance configurations for Scenario Three that would support local identity concepts, while realising the identified benefits of a regional entity.
- Provide a comparative analysis between Scenario Two and Scenario Four to determine if Scenario Four is a workable model that will achieve desired outcomes.

Indicative References:

- Council annual reports
- TCorp analysis
- Infrastructure audit

Timeframes and milestones

Consultants are required to provide a suggested timeframe and program with their submission, with reference to the project steering group at the following milestones:

- Completion of analysis for the “Defining the Region” section
- Completion of analysis for Scenarios One and Two
- Completion of draft final report for review
- Completion of final report.

Contact details

Mr Peter Vlatko – General Manager Young Shire Council –
peter.vlatko@young.nsw.gov.au – (02) 63801231

Mr Anthony McMahon – General Manager Boorowa Council –
anthony.mcmahon@boorowa.nsw.gov.au – (02) 6380 2000

TERMS OF REFERENCE FOR HILLTOPS REGION REVIEW STEERING COMMITTEE

Background

As a result of sector wide consultation commenced in Dubbo NSW in August 2011, the NSW Government has been undertaking what is considered a comprehensive review of the local government sector within NSW.

The initial consultation was the basis of “Destination 2036” and was attended by representatives from all 152 Councils that currently exist across NSW.

According to the Division of Local Government (DLG) “Destination 2036 is the start of a new way of planning which moves local government in NSW from talking about and reacting to change, to managing change to create a preferred future. In effect, it will begin the strategic plan and delivery program for NSW local government, mirroring key elements of the integrated planning and reporting frameworks which individual councils are implementing.”

As a follow on from the early work of Destination 2036, the NSW government commissioned an Independent Local Government Review Panel to thoroughly investigate all options available for the future of local government.

In April 2013 the Independent Panel released “Future Directions for NSW Local Government – 20 Essential Steps” which provided the first major insight into the thinking of the panel and the potential range of final recommendations to be delivered to the local government Minister.

With the initial report recommending major changes for the Councils of Boorowa, Young and Harden, it became obvious that the Councils could either be proactive in creating their own future or run the risk of being dictated to by the State Government.

This initially entailed the three Councils of Boorowa, Young and Harden working collaboratively to determine what the future of the region known as the Hilltops should be and how this new future would be achieved. Consultation with the NSW Local Government Minister as well as the Chief Executive of the Division of Local Government determined that the Division would be highly supportive of the three Councils in working together to develop a suitable future model for the Hilltops Region. This culminated in the Minister pledging funding on a 50/50 basis for the engagement of a consultant to specifically review the Hilltops Region and potential options for the future.

Subsequent to the offer being made by the Minister for funding support, Harden Council independently made the decision to wait to take any further action until the final report of the Independent Review Panel was made public (released 8 January 2014) and the State Government responded to the recommendations in the report.

Introduction

With Boorowa and Young Councils preparing to engage a Consultant to undertake a review of the Hilltops Region with a view to the future, it is important to clearly define how the process will occur and what the intended outcomes are. As the process involves multiple Councils and communities it is particularly important that an agreed framework is established early on.

This document is intended to be a guidance document and may be subject to review and change at any stage throughout the process as parameters change.

Project Parameters

Objectives

The overarching objective of Councils working collaboratively in shaping the future of the Hilltops Region is to ensure that the community receives the best quality of life possible.

There are a number of sub-objectives of the project which are as follows:

- Strengthen individual communities within a regional context
- Enhanced economic activity across the region
- Increased political strength and recognition with other levels of Government
- Maintain fair, open and accountable local democracy
- Maintain and strengthen local employment
- Securing the best value for money services for the community whilst acknowledging social and environmental implications.
- Strong place management where distinct communities have the ability to influence the identity of their place.
- Maintain the individuality and uniqueness of the communities that make up the Hilltops Region.

Outcomes

Specific outcomes of the project are as follows:

- Clear understanding of the definition and constituents of the Hilltops Region
- Identify areas of commonality across the region to identify obvious areas for cost saving
- Identify and consider strengths and weaknesses of current representation models, governance arrangements and service delivery mechanisms
- Identify and assess alternative representation models, governance arrangements and service delivery mechanisms
- Identify the most desirable future representation models, governance arrangements and service delivery mechanisms and develop a road map for how this best possible future can be achieved
- A clear and shared understanding of the desired future of the region with majority support from the community

Scope

The project is going to require a broad range of resources and a diverse range of stakeholders made up from a variety of communities.

The scope of the project will initially involve the following key aspects:

- Engage with Councils within and surrounding the Hilltops region to allow for early participation
- Development of a stakeholder communications plan
- Engaging a consultant to independently and objectively review the region, the Councils that make up the region and the way services are provided to the communities of the region.
- Identifying the most suitable model going forward that will provide the most cost effective, highest quality and democratically fair service to the community.
- Develop a transition plan that clearly identifies the steps associated with moving from where we are now towards the ideal future

Governance Framework

Participants

At commencement of the project participating Councils are Boorowa Council and Young Shire Council. It is acknowledged that participant Councils are likely to change as the process progresses.

The steering committee consists of the Mayor and General Manager of each participating Council.

Invited representatives of the Division of Local Government may attend as observers, to provide information and advice, as required and receive updates on project milestones.

Delegations

The steering committee has not been given any initial delegations and will act as an information and advice conduit between consultants and participating Councils.

Role of the Steering Committee

The role of the committee and its members is to undertake research, consultation and communications in relation to the progress of the project. The committee will meet as needed and provide regular updates to participant Councils. The committee will provide guidance and input into consultant work that will form the basis of draft reports to be presented to each participating Council for consideration.

Overarching Principles Critical for Success

At the outset of the project the following principles are considered as critical to moving towards a successful future:

- The project's main aim is to ensure that all Hilltops communities ultimately benefit from the proposal.

- The community will have opportunities to be engaged in the process and contribute to the final model
- The community will receive clear and consistent information from committee members regarding the process
- Local identity will be respected and enhanced
- Each participating Council agrees to remain focused on the long term benefits for their community and the wider region
- All options are to be considered objectively within the context of what is best for our long term future
- No future model shall be adopted unless endorsed by each participating Council.

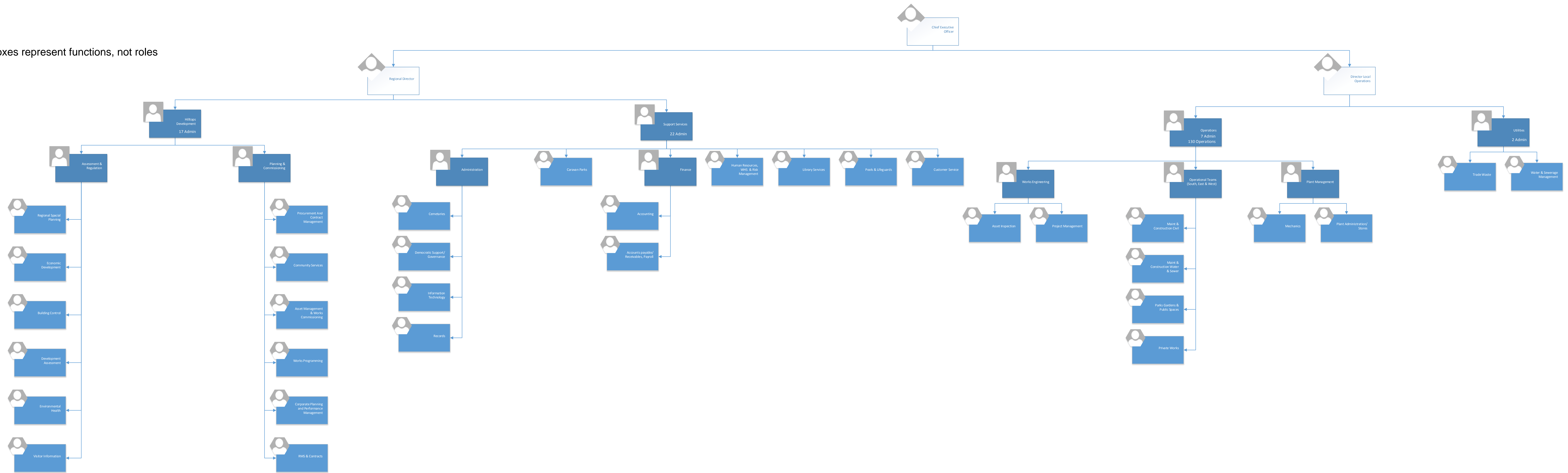
Project Management

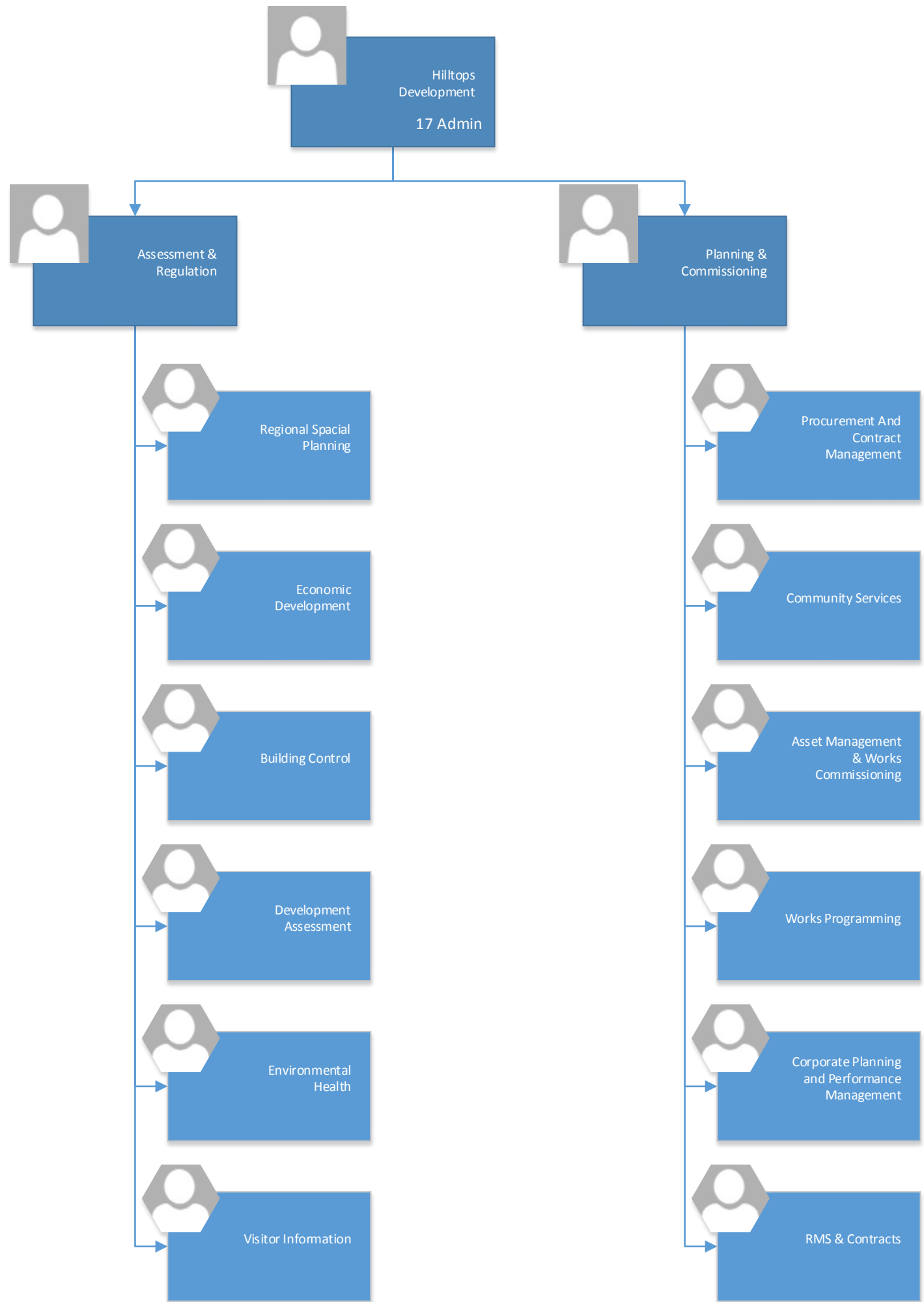
The project will be managed on a joint basis by the General Managers of the participating Councils. It will be the responsibility of the General Managers to coordinate meetings and ensure that all correspondence relating to the project is distributed to all steering committee members.

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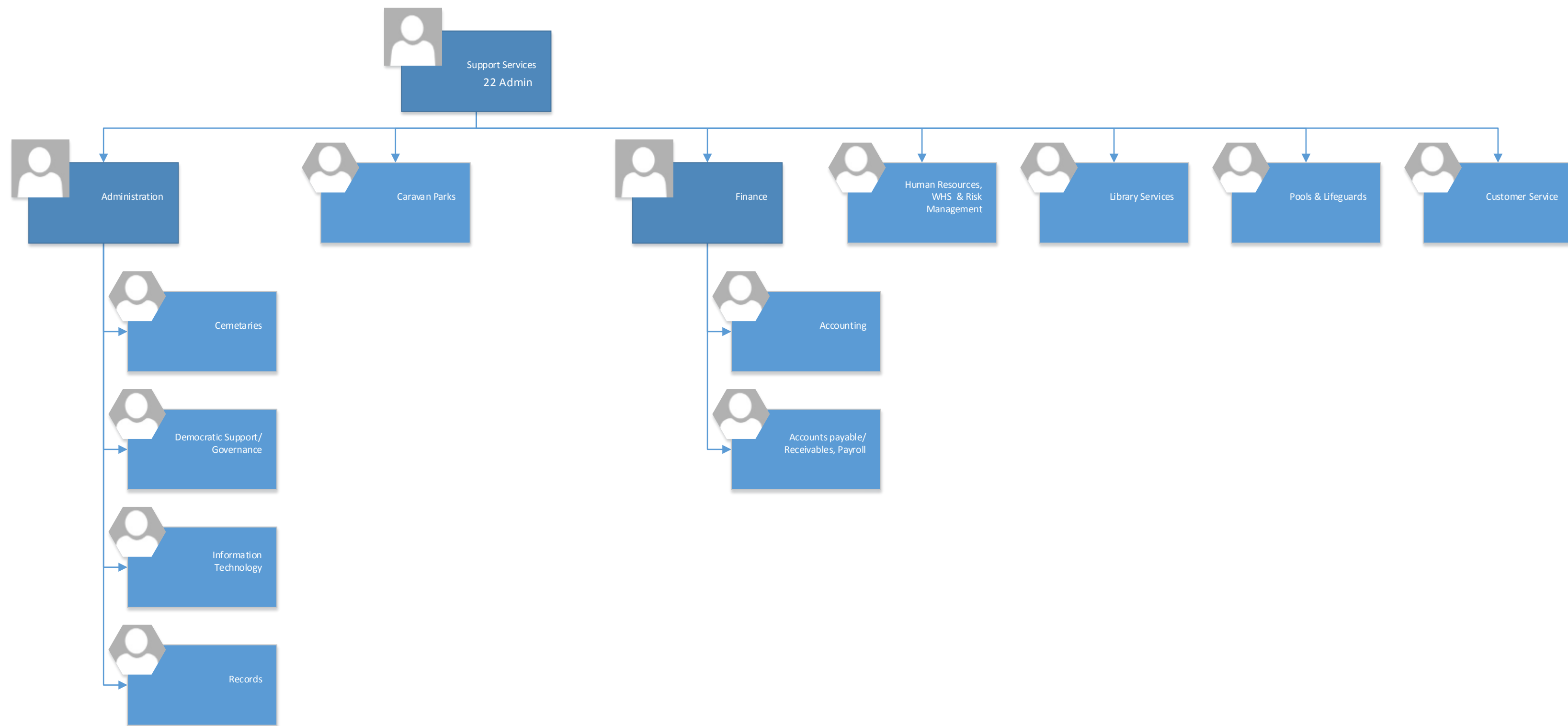
Option 2 Proposed Structure

Note: These boxes represent functions, not roles

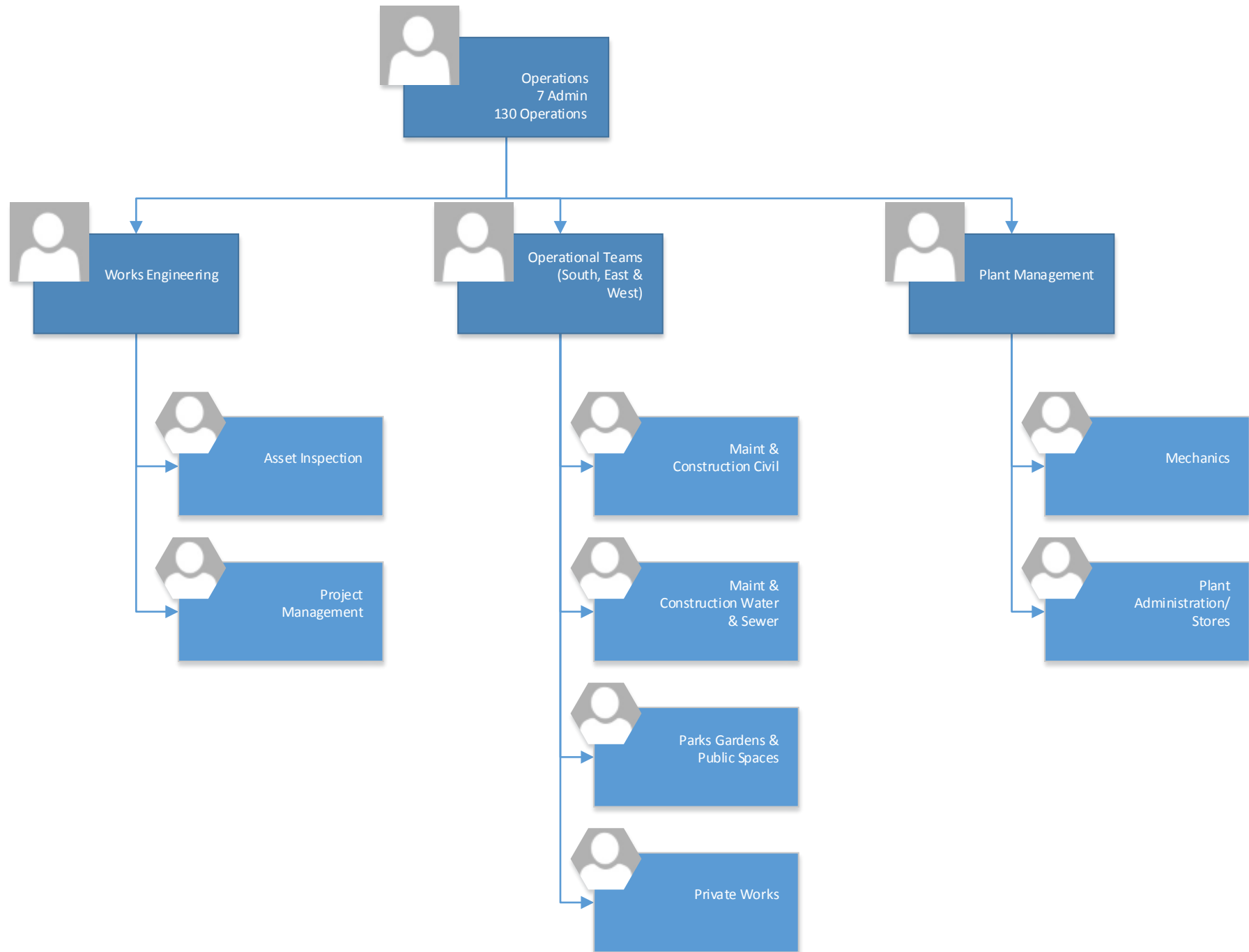




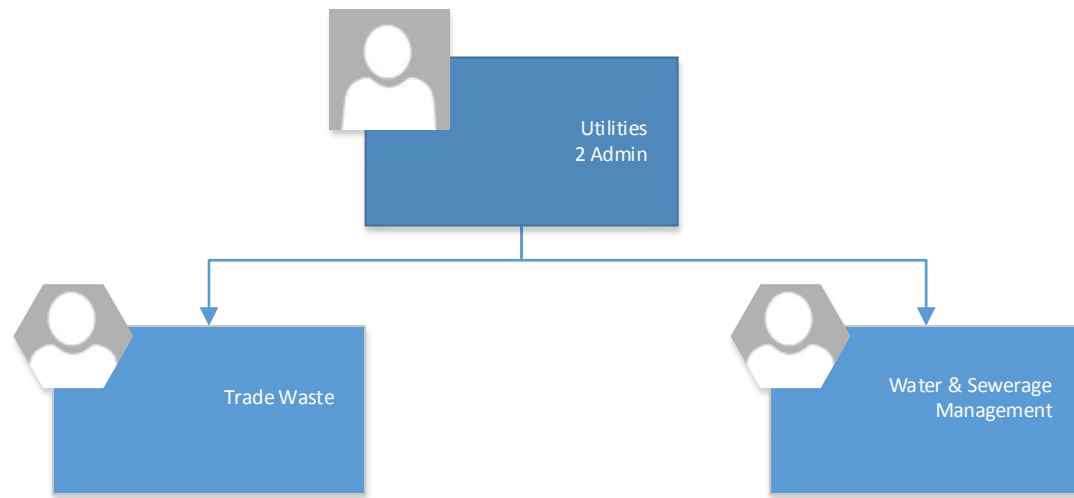
Note: These boxes represent functions, not roles



Note: These boxes represent functions, not roles



Note: these boxes represent functions, not roles

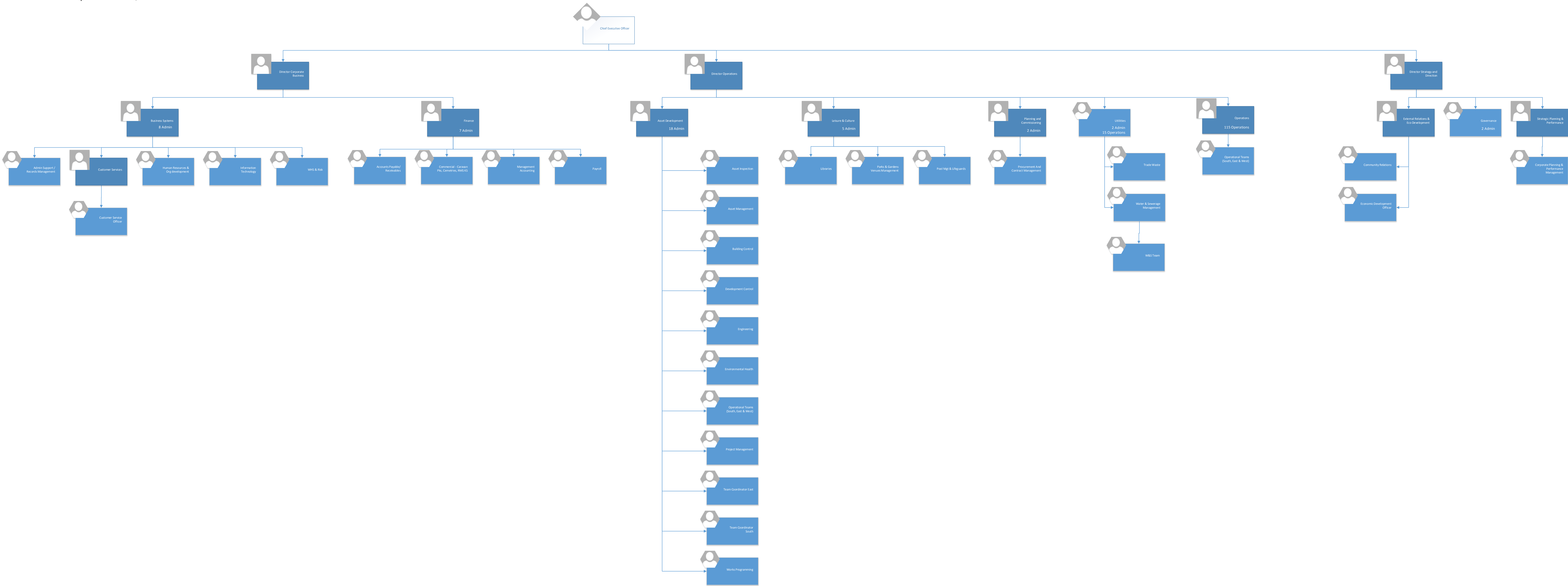


Note: These boxes represent functions, not roles

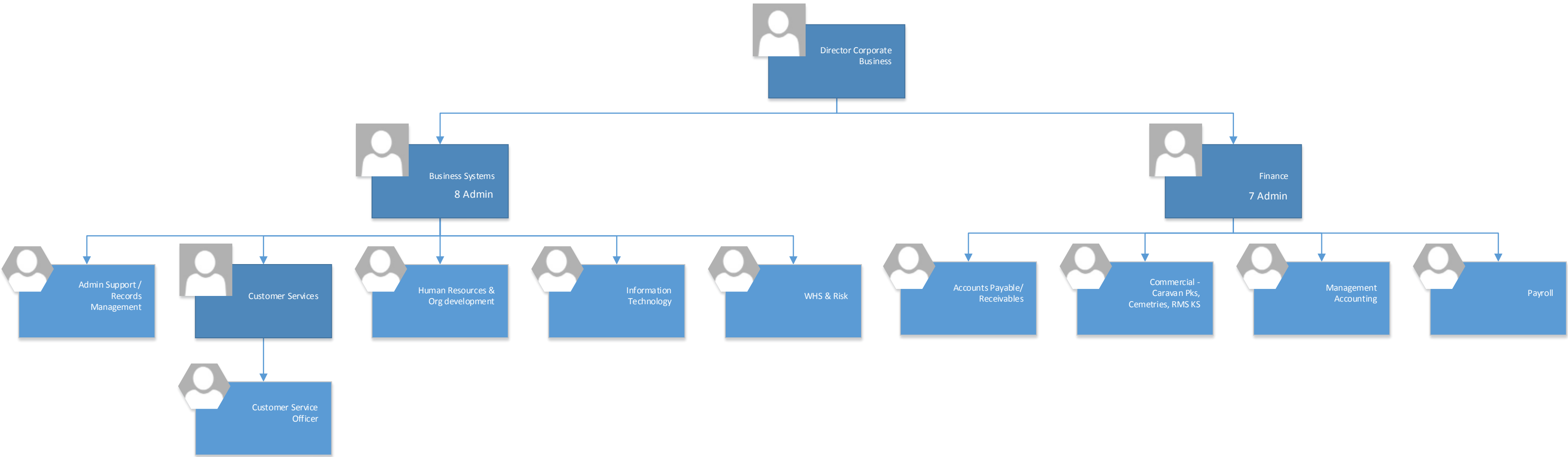
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Option 4 Proposed Structure

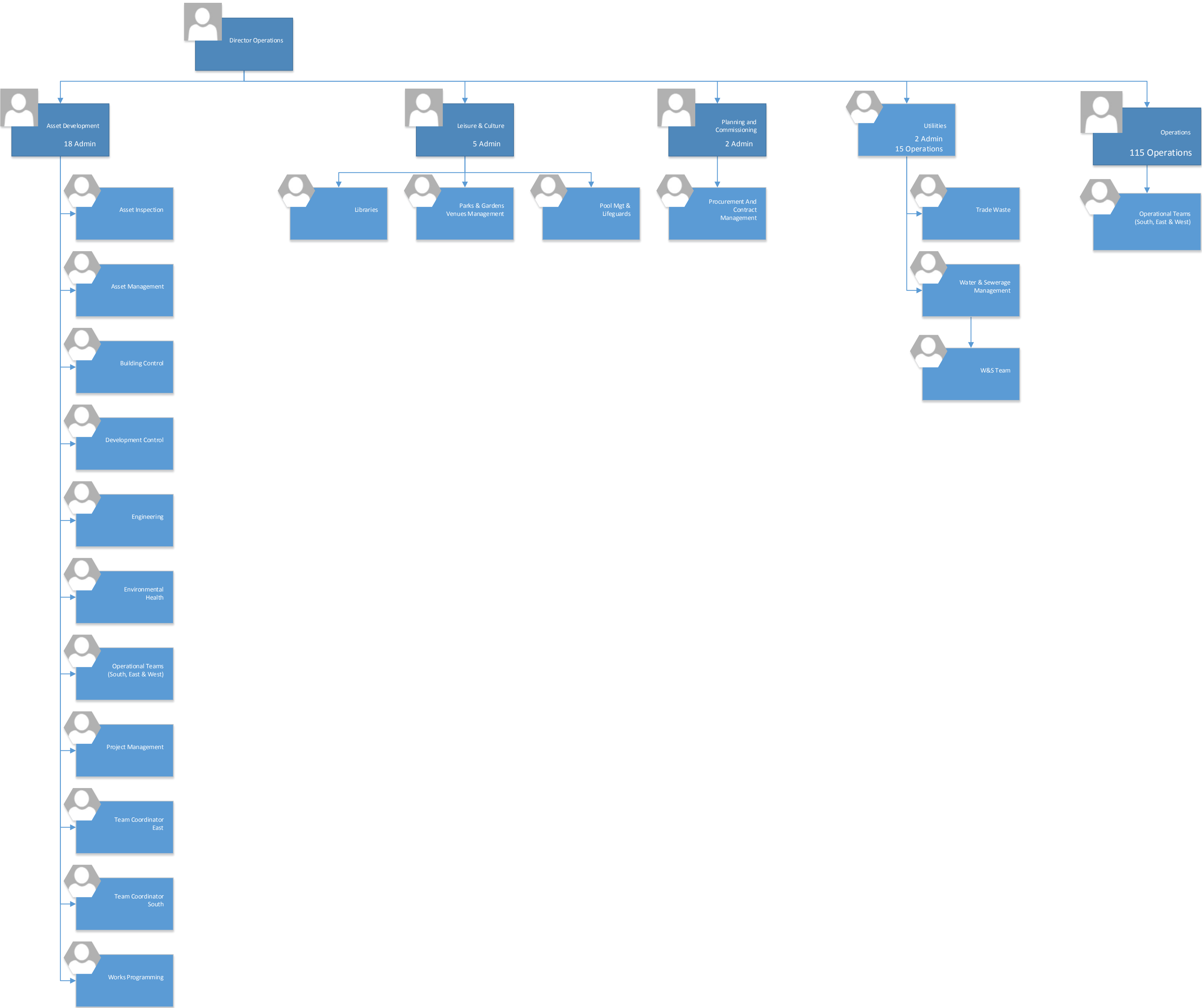
Note: These boxes represent functions, not roles

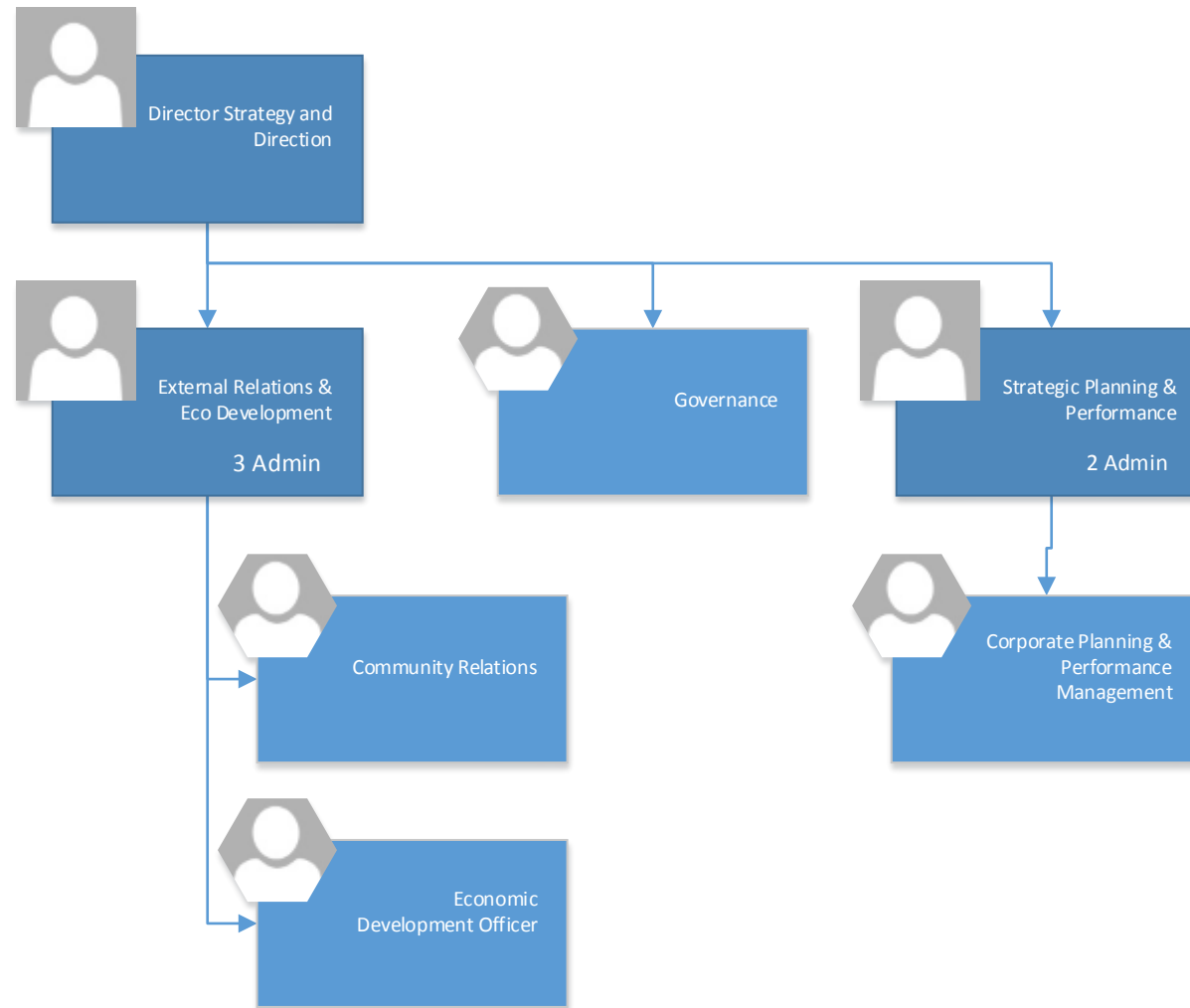


Note: these boxes represent functions, not roles



Note: these boxes represent functions, not roles





Note: These boxes represent functions, not roles

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Finance Reports – Status Quo

All Funds

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income Statement										
Income from continuing operations										
Rates and annual charges	18,213	18,190	18,167	18,144	18,121	18,099	18,076	18,053	18,031	18,009
User charges and fees	11,308	11,350	11,378	11,386	11,393	11,400	11,408	11,415	11,422	11,430
Interest and investment revenue	1,096	1,090	1,035	1,155	1,185	1,212	1,249	1,330	1,421	1,520
Other revenues	2,785	2,768	2,768	2,768	2,753	2,693	2,693	2,693	2,693	2,693
Grants and contributions provided for operating purposes	14,240	14,205	14,170	14,134	14,099	14,065	14,030	13,995	13,960	13,926
Grants and contributions provided for capital purposes	4,822	3,558	4,058	7,058	4,058	4,058	4,058	4,058	4,058	3,558
Net gain from the disposal of assets	-	-	-	-	-	-	-	-	-	-
Total Income	52,463	51,161	51,575	54,645	51,609	51,526	51,514	51,544	51,586	51,135
Expenses from continuing operations										
Employee benefits and on-costs	16,815	16,969	17,125	17,283	17,442	17,603	17,766	17,930	18,096	18,263
Borrowing costs	1,407	1,231	1,100	990	910	831	872	981	1,127	1,315
Materials and contracts	15,203	15,180	15,233	15,285	15,338	15,391	15,445	15,499	15,553	15,607
Depreciation and amortisation	11,607	12,471	12,493	12,551	12,663	12,729	13,079	13,145	13,212	13,330
Impairment	-	-	-	-	-	-	-	-	-	-
Other expenses	4,364	4,364	4,364	4,364	4,364	4,364	4,364	4,364	4,364	4,364
Net loss from the disposal of assets	(17)	(47)	(45)	(9)	(151)	(139)	(176)	(66)	(92)	(125)
Total Expenses	49,379	50,169	50,271	50,465	50,566	50,779	51,349	51,853	52,259	52,754
Net Operating Result	3,084	992	1,305	4,180	1,043	747	165	(309)	(673)	(1,620)
Net operating result before grants and contributions provided for capital purposes	(1,738)	(2,566)	(2,753)	(2,878)	(3,015)	(3,311)	(3,893)	(4,367)	(4,731)	(5,178)
Statement of Comprehensive Income										
Net Operating Result for the Year	(1,738)	(2,566)	(2,753)	(2,878)	(3,015)	(3,311)	(3,893)	(4,367)	(4,731)	(5,178)
Other Comprehensive Income:										
Amounts which will not be reclassified subsequently to the Operating Result										
Gain (loss) on revaluation on I,PP&E	-	-	-	-	-	-	-	-	-	-
Impairment (loss) reversal relating to I,PP&E	-	-	-	-	-	-	-	-	-	-
Total Items which will not be reclassified subsequently to the Operating Result	-	-	-	-	-	-	-	-	-	-
Amounts which will be reclassified to the Operating Result										
	-	-	-	-	-	-	-	-	-	-
Total Other Comprehensive Income for the year	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income for the year	(1,738)	(2,566)	(2,753)	(2,878)	(3,015)	(3,311)	(3,893)	(4,367)	(4,731)	(5,178)

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income Statement										
Income from continuing operations										
Rates and annual charges	17,986	17,964	17,942	17,920	17,898	17,876	17,854	17,832	17,810	17,789
User charges and fees	11,437	11,445	11,452	11,460	11,467	11,475	11,482	11,490	11,497	11,505
Interest and investment revenue	1,619	1,730	1,829	1,914	1,986	2,080	2,165	2,290	2,410	2,540
Other revenues	2,693	2,693	2,693	2,693	2,693	2,693	2,693	2,693	2,693	2,693
Grants and contributions provided for operating purposes	13,891	13,857	13,823	13,789	13,754	13,720	13,686	13,653	13,619	13,585
Grants and contributions provided for capital purposes	3,558	3,558	3,558	3,558	3,558	3,558	3,558	3,558	3,558	3,558
Net gain from the disposal of assets	-	-	-	-	-	-	-	-	-	-
Total Income	51,185	51,247	51,297	51,332	51,356	51,402	51,439	51,516	51,588	51,670
Expenses from continuing operations										
Employee benefits and on-costs	18,432	18,603	18,775	18,950	19,126	19,303	19,483	19,664	19,847	20,032
Borrowing costs	1,408	1,560	1,750	1,943	2,153	2,406	2,666	2,960	3,298	3,667
Materials and contracts	15,661	15,716	15,771	15,826	15,882	15,938	15,994	16,051	16,107	16,164
Depreciation and amortisation	13,347	13,693	13,714	13,736	13,834	13,857	13,881	14,347	14,890	14,917
Impairment	-	-	-	-	-	-	-	-	-	-
Other expenses	4,364	4,364	4,364	4,364	4,364	4,364	4,364	4,364	4,364	4,364
Net loss from the disposal of assets	(120)	(116)	(104)	(111)	(115)	(113)	(112)	(111)	(112)	(113)
Total Expenses	53,093	53,820	54,271	54,708	55,244	55,756	56,277	57,275	58,394	59,032
Net Operating Result	(1,908)	(2,573)	(2,975)	(3,375)	(3,887)	(4,354)	(4,839)	(5,759)	(6,806)	(7,362)
Net operating result before grants and contributions provided for capital purposes	(5,466)	(6,131)	(6,533)	(6,933)	(7,445)	(7,912)	(8,397)	(9,317)	(10,364)	(10,920)
Statement of Comprehensive Income										
Net Operating Result for the Year	(5,466)	(6,131)	(6,533)	(6,933)	(7,445)	(7,912)	(8,397)	(9,317)	(10,364)	(10,920)
Other Comprehensive Income:										
Amounts which will not be reclassified subsequently to the Operating Result										
Gain (loss) on revaluation on I,PP&E	-	-	-	-	-	-	-	-	-	-
Impairment (loss) reversal relating to I,PP&E	-	-	-	-	-	-	-	-	-	-
Total Items which will not be reclassified subsequently to the Operating Result	-	-	-	-	-	-	-	-	-	-
Amounts which will be reclassified to the Operating Result										
	-	-	-	-	-	-	-	-	-	-
Total Other Comprehensive Income for the year	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income for the year	(5,466)	(6,131)	(6,533)	(6,933)	(7,445)	(7,912)	(8,397)	(9,317)	(10,364)	(10,920)

Balance Sheet

Assets

Current Assets

Cash and cash equivalents

Investments

Receivables

Inventories

Other

Total Current Assets

Non-Current Assets

Investments

Receivables

Infrastructure, property, plant and equipment

Total Non-Current Assets

Total Assets

Liabilities

Current Liabilities

Payables

Borrowings

Provisions

Total Current Liabilities

Non-Current Liabilities

Borrowings

Provisions

Total Non-Current Liabilities

Total Liabilities

Net Assets

Equity

Retained earnings

Revaluation reserves

Council equity interest

Total Equity

All Funds

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash and cash equivalents	36,337	35,974	33,931	37,755	38,539	39,186	39,609	39,393	39,056	38,972
Investments	-	-	-	-	-	-	-	-	-	-
Receivables	5,026	5,026	5,026	5,026	5,026	5,026	5,026	5,026	5,026	5,026
Inventories	378	378	378	378	378	378	378	378	378	378
Other	264	264	264	264	264	264	264	264	264	264
Total Current Assets	42,005	41,642	39,599	43,423	44,207	44,854	45,277	45,061	44,724	44,640
Investments	-	-	-	-	-	-	-	-	-	-
Receivables	-	-	-	-	-	-	-	-	-	-
Infrastructure, property, plant and equipment	489,746	489,157	490,479	489,417	488,201	486,819	485,240	483,926	482,307	479,490
Total Non-Current Assets	489,746	489,157	490,479	489,417	488,201	486,819	485,240	483,926	482,307	479,490
Total Assets	531,751	530,799	530,079	532,840	532,408	531,673	530,517	528,987	527,031	524,131
Payables	2,074	2,074	2,074	2,074	2,074	2,074	2,074	2,074	2,074	2,074
Borrowings	1,963	2,026	1,418	1,476	1,482	1,320	1,222	1,283	1,281	1,078
Provisions	4,320	4,320	4,320	4,320	4,320	4,320	4,320	4,320	4,320	4,320
Total Current Liabilities	8,357	8,420	7,812	7,870	7,876	7,714	7,616	7,677	7,675	7,472
Borrowings	21,989	19,983	18,565	17,089	15,607	14,287	13,065	11,782	10,502	9,424
Provisions	3,783	3,783	3,783	3,783	3,783	3,783	3,783	3,783	3,783	3,783
Total Non-Current Liabilities	25,772	23,766	22,348	20,872	19,390	18,070	16,848	15,565	14,285	13,207
Total Liabilities	34,129	32,185	30,160	28,742	27,266	25,784	24,464	23,242	21,959	20,679
Net Assets	497,622	498,614	499,919	504,099	505,142	505,889	506,054	505,745	505,072	503,452
Retained earnings	321,351	322,343	323,648	327,828	328,871	329,618	329,783	329,474	328,801	327,181
Revaluation reserves	176,272	176,272	176,272	176,272	176,272	176,272	176,272	176,272	176,272	176,272
Council equity interest	-	-	-	-	-	-	-	-	-	-
Total Equity	497,623	498,615	499,920	504,100	505,143	505,890	506,055	505,746	505,073	503,453
	1	1	1	1	1	1	1	1	1	1

Balance Sheet

Assets

Current Assets

Cash and cash equivalents

Investments

Receivables

Inventories

Other

Total Current Assets

Non-Current Assets

Investments

Receivables

Infrastructure, property, plant and equipment

Total Non-Current Assets

Total Assets

Liabilities

Current Liabilities

Payables

Borrowings

Provisions

Total Current Liabilities

Non-Current Liabilities

Borrowings

Provisions

Total Non-Current Liabilities

Total Liabilities

Net Assets

Equity

Retained earnings

Revaluation reserves

Council equity interest

Total Equity

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Assets										
Current Assets										
Cash and cash equivalents	38,703	38,963	38,442	37,075	34,919	33,031	30,407	28,642	26,179	23,563
Investments	-	-	-	-	-	-	-	-	-	-
Receivables	5,026	5,026	5,026	5,026	5,026	5,026	5,026	5,026	5,026	5,026
Inventories	378	378	378	378	378	378	378	378	378	378
Other	264	264	264	264	264	264	264	264	264	264
Total Current Assets	44,371	44,631	44,110	42,743	40,587	38,699	36,075	34,310	31,847	29,231
Non-Current Assets										
Investments	-	-	-	-	-	-	-	-	-	-
Receivables	-	-	-	-	-	-	-	-	-	-
Infrastructure, property, plant and equipment	476,774	472,890	469,416	466,436	463,687	460,154	456,823	451,997	446,983	441,531
Total Non-Current Assets	476,774	472,890	469,416	466,436	463,687	460,154	456,823	451,997	446,983	441,531
Total Assets	521,145	517,521	513,526	509,179	504,274	498,853	492,897	486,307	478,830	470,762
Liabilities										
Current Liabilities										
Payables	2,074	2,074	2,074	2,074	2,074	2,074	2,074	2,074	2,074	2,074
Borrowings	1,050	1,020	972	1,018	1,066	1,117	831	670	707	22
Provisions	4,320	4,320	4,320	4,320	4,320	4,320	4,320	4,320	4,320	4,320
Total Current Liabilities	7,444	7,414	7,366	7,412	7,460	7,511	7,225	7,064	7,101	6,416
Non-Current Liabilities										
Borrowings	8,373	7,353	6,381	5,364	4,297	3,180	2,348	1,678	971	949
Provisions	3,783	3,783	3,783	3,783	3,783	3,783	3,783	3,783	3,783	3,783
Total Non-Current Liabilities	12,156	11,136	10,164	9,147	8,080	6,963	6,131	5,461	4,754	4,732
Total Liabilities	19,601	18,550	17,530	16,558	15,541	14,474	13,357	12,525	11,855	11,148
Net Assets	501,544	498,971	495,996	492,621	488,733	484,379	479,541	473,781	466,975	459,613
Equity										
Retained earnings	325,273	322,700	319,725	316,350	312,462	308,108	303,270	297,510	290,704	283,342
Revaluation reserves	176,272	176,272	176,272	176,272	176,272	176,272	176,272	176,272	176,272	176,272
Council equity interest	-	-	-	-	-	-	-	-	-	-
Total Equity	501,545	498,972	495,997	492,622	488,734	484,380	479,542	473,782	466,976	459,614
	1	1	1	1	1	1	1	1	1	1

Statement of Changes in Equity

Retained Earnings

Balance at end of previous period	318,267	321,351	322,343	323,648	327,828	328,871	329,618	329,783	329,474	328,801
Net Result for the year	3,084	992	1,305	4,180	1,043	747	165	(309)	(673)	(1,620)
Transfer to and (from) retained earnings	-	-	-	-	-	-	-	-	-	-
Balance at end of period	321,351	322,343	323,648	327,828	328,871	329,618	329,783	329,474	328,801	327,181

Revaluation Reserves

[illegible]

Council Equity Interest

Balance at end of previous period	-	-	-	-	-	-	-	-	-
Net Result for the year	-	-	-	-	-	-	-	-	-
Transfer to and (from) retained earnings	-	-	-	-	-	-	-	-	-
Balance at end of period	-	-	-	-	-	-	-	-	-

Total Equity at end of reporting period

All Funds									
2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
318,267	321,351	322,343	323,648	327,828	328,871	329,618	329,783	329,474	328,801
3,084	992	1,305	4,180	1,043	747	165	(309)	(673)	(1,620)
-	-	-	-	-	-	-	-	-	-
321,351	322,343	323,648	327,828	328,871	329,618	329,783	329,474	328,801	327,181
176,272	176,272	176,272	176,272	176,272	176,272	176,272	176,272	176,272	176,272
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
176,272	176,272	176,272	176,272	176,272	176,272	176,272	176,272	176,272	176,272
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
497,623	498,615	499,920	504,100	505,143	505,890	506,055	505,746	505,073	503,453

Statement of Changes in Equity

Retained Earnings

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at end of previous period	327,181	325,273	322,700	319,725	316,350	312,462	308,108	303,270	297,510	290,704
Net Result for the year	(1,908)	(2,573)	(2,975)	(3,375)	(3,887)	(4,354)	(4,839)	(5,759)	(6,806)	(7,362)
Transfer to and (from) retained earnings	-	-	-	-	-	-	-	-	-	-
Balance at end of period	<u>325,273</u>	<u>322,700</u>	<u>319,725</u>	<u>316,350</u>	<u>312,462</u>	<u>308,108</u>	<u>303,270</u>	<u>297,510</u>	<u>290,704</u>	<u>283,342</u>

Revaluation Reserves

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at end of previous period	176,272	176,272	176,272	176,272	176,272	176,272	176,272	176,272	176,272	176,272
Other Comprehensive Income	-	-	-	-	-	-	-	-	-	-
Transfer to and (from) retained earnings	-	-	-	-	-	-	-	-	-	-
Balance at end of period	<u>176,272</u>	<u>176,272</u>	<u>176,272</u>	<u>176,272</u>	<u>176,272</u>	<u>176,272</u>	<u>176,272</u>	<u>176,272</u>	<u>176,272</u>	<u>176,272</u>

Council Equity Interest

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at end of previous period	-	-	-	-	-	-	-	-	-	-
Net Result for the year	-	-	-	-	-	-	-	-	-	-
Transfer to and (from) retained earnings	-	-	-	-	-	-	-	-	-	-
Balance at end of period	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Total Equity at end of reporting period

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	<u>501,545</u>	<u>498,972</u>	<u>495,997</u>	<u>492,622</u>	<u>488,734</u>	<u>484,380</u>	<u>479,542</u>	<u>473,782</u>	<u>466,976</u>	<u>459,614</u>

Cash-Flow Statement

Cash flows from operating activities

Receipts:

Rates & annual charges	18,213	18,190	18,167	18,144	18,121	18,099	18,076	18,053	18,031	18,009
User charges & fees	11,308	11,350	11,378	11,386	11,393	11,400	11,408	11,415	11,422	11,430
Investment & interest revenue received	1,096	1,090	1,035	1,155	1,185	1,212	1,249	1,330	1,421	1,520
Grants & contributions	19,062	17,763	18,228	21,192	18,157	18,123	18,088	18,053	18,018	17,484
Other receipts	2,785	2,768	2,768	2,768	2,753	2,693	2,693	2,693	2,693	2,693

Payments:

Employee benefits & on-costs	(16,815)	(16,969)	(17,125)	(17,283)	(17,442)	(17,603)	(17,766)	(17,930)	(18,096)	(18,263)
Borrowing cost payments	(1,407)	(1,231)	(1,100)	(990)	(910)	(831)	(872)	(981)	(1,127)	(1,315)
Materials & contracts	(15,203)	(15,180)	(15,233)	(15,285)	(15,338)	(15,391)	(15,445)	(15,499)	(15,553)	(15,607)
Other payments	(4,364)	(4,364)	(4,364)	(4,364)	(4,364)	(4,364)	(4,364)	(4,364)	(4,364)	(4,364)

Net cash provided (or used in) operating activities

14,674	13,416	13,753	16,722	13,554	13,337	13,067	12,771	12,447	11,586
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Cash flows from investing activities

Receipts:

Sale of investments										
Sale of infrastructure, property, plant and equipment	1,073	951	826	991	1,383	1,224	840	732	874	1,264
Deferred debtors receipts	-	-	-	-	-	-	-	-	-	-

Payments:

Purchase of investments	-	-	-	-	-	-	-	-	-	-
Purchase of property, plant and equipment - renewal	(6,933)	(9,498)	(9,388)	(10,263)	(10,112)	(10,303)	(9,555)	(9,534)	(9,871)	(9,404)
Purchase of property, plant and equipment - new	(5,825)	(3,288)	(5,208)	(2,208)	(2,565)	(2,129)	(2,608)	(2,963)	(2,504)	(2,248)
Impairment reversal	-	-	-	-	-	-	-	-	-	-

Net cash provided (or used in) investing activities

(11,686)	(11,835)	(13,770)	(11,481)	(11,294)	(11,208)	(11,323)	(11,765)	(11,501)	(10,389)
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Cash flows from financing activities

Receipts:

New loans	1,200	-	-	-	-	-	-	-	-	-
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Payments:

Repayment of borrowings and advances	(1,884)	(1,944)	(2,026)	(1,418)	(1,476)	(1,482)	(1,320)	(1,222)	(1,283)	(1,281)
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Net cash provided (or used in) investing activities

(684)	(1,944)	(2,026)	(1,418)	(1,476)	(1,482)	(1,320)	(1,222)	(1,283)	(1,281)
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Net increase / (decrease) in cash

2,305	(363)	(2,043)	3,824	784	646	424	(216)	(337)	(84)
34,032	36,337	35,974	33,931	37,755	38,539	39,186	39,609	39,393	39,056
36,337	35,974	33,931	37,755	38,539	39,186	39,609	39,393	39,056	38,972

Cash-Flow Statement

Cash flows from operating activities

Receipts:

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Rates & annual charges	17,986	17,964	17,942	17,920	17,898	17,876	17,854	17,832	17,810	17,789
User charges & fees	11,437	11,445	11,452	11,460	11,467	11,475	11,482	11,490	11,497	11,505
Investment & interest revenue received	1,619	1,730	1,829	1,914	1,986	2,080	2,165	2,290	2,410	2,540
Grants & contributions	17,449	17,415	17,381	17,347	17,312	17,278	17,244	17,211	17,177	17,143
Other receipts	2,693	2,693	2,693	2,693	2,693	2,693	2,693	2,693	2,693	2,693

Payments:

Employee benefits & on-costs	(18,432)	(18,603)	(18,775)	(18,950)	(19,126)	(19,303)	(19,483)	(19,664)	(19,847)	(20,032)
Borrowing cost payments	(1,408)	(1,560)	(1,750)	(1,943)	(2,153)	(2,406)	(2,666)	(2,960)	(3,298)	(3,667)
Materials & contracts	(15,661)	(15,716)	(15,771)	(15,826)	(15,882)	(15,938)	(15,994)	(16,051)	(16,107)	(16,164)
Other payments	(4,364)	(4,364)	(4,364)	(4,364)	(4,364)	(4,364)	(4,364)	(4,364)	(4,364)	(4,364)

Net cash provided (or used in) operating activities

	11,320	11,004	10,636	10,249	9,831	9,390	8,931	8,477	7,971	7,443
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Cash flows from investing activities

Receipts:

Sale of investments										
Sale of infrastructure, property, plant and equipment	1,080	789	757	1,465	1,438	1,172	1,172	640	640	634
Deferred debtors receipts	-	-	-	-	-	-	-	-	-	-
Payments:	-	-	-	-	-	-	-	-	-	-
Purchase of investments	-	-	-	-	-	-	-	-	-	-
Purchase of property, plant and equipment - renewal	(9,144)	(8,285)	(8,440)	(9,876)	(9,919)	(9,149)	(9,129)	(7,816)	(7,901)	(7,752)
Purchase of property, plant and equipment - new	(2,448)	(2,197)	(2,454)	(2,234)	(2,489)	(2,234)	(2,482)	(2,234)	(2,503)	(2,234)
Impairment reversal	-	-	-	-	-	-	-	-	-	-

Net cash provided (or used in) investing activities

	(10,512)	(9,693)	(10,137)	(10,645)	(10,970)	(10,211)	(10,439)	(9,410)	(9,764)	(9,352)
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Cash flows from financing activities

Receipts:

New loans	-	-	-	-	-	-	-	-	-	-
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Payments:

Repayment of borrowings and advances	(1,078)	(1,050)	(1,020)	(972)	(1,018)	(1,066)	(1,117)	(831)	(670)	(707)
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Net cash provided (or used in) investing activities

	(1,078)	(1,050)	(1,020)	(972)	(1,018)	(1,066)	(1,117)	(831)	(670)	(707)
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Net increase / (decrease) in cash

	(270)	261	(521)	(1,367)	(2,156)	(1,887)	(2,625)	(1,765)	(2,463)	(2,616)
Cash at the beginning of the year	38,972	38,703	38,963	38,442	37,075	34,919	33,031	30,407	28,642	26,179
Cash at the end of the year	38,703	38,963	38,442	37,075	34,919	33,031	30,407	28,642	26,179	23,563

		All Funds									
		2015 \$'000	2016 \$'000	2017 \$'000	2018 \$'000	2019 \$'000	2020 \$'000	2021 \$'000	2022 \$'000	2023 \$'000	2024 \$'000
Key Performance Indicators											
Debt Servicing Ratio - %		-46%	-45%	-46%	-46%	-46%	-46%	-46%	-46%	-46%	-46%
Debt Service cost											
Revenue from continuing operations excluding capital items and specific purpose grants / contributions											
Rate Coverage Ratio - %		38%	38%	38%	38%	38%	38%	38%	38%	38%	38%
Rates and Annual Charges											
Revenue from continuing operations											
Building and Infrastructure Renewals Ratio - %		-60%	-76%	-75%	-82%	-80%	-81%	-73%	-73%	-75%	-71%
Asset renewals (buildings and infrastructure)											
Depreciation, amortisation and impairment (building and infrastructure)											
Operating Surplus Ratio - %		-4%	-5%	-6%	-6%	-6%	-7%	-8%	-9%	-10%	-11%
Net operating result before grants and contributions provided for capital purposes											
Total Income											
Own Source Income Ratio - %		64%	65%	65%	61%	65%	65%	65%	65%	65%	66%
Total operating income less grant income											
Total operating income											
MAV Sustainability Framework											
Underlying Result %		-3.3%	-5.0%	-5.3%	-5.3%	-5.8%	-6.4%	-7.6%	-8.5%	-9.2%	-10.1%
Adjusted Net Surplus											
Underlying Revenue											
Liquidity Ratio		5.0	4.9	5.1	5.5	5.6	5.8	5.9	5.9	5.8	6.0
Current Assets											
Current Liabilities											
Indebtedness (%)		77.2%	71.2%	67.0%	62.4%	58.0%	54.1%	50.4%	46.5%	42.6%	39.2%
Non-current liabilities											
Own source revenue											
Self-financing (%)		28.0%	26.2%	26.7%	30.6%	26.3%	25.9%	25.4%	24.8%	24.1%	22.7%
Net operating cash flows											
Underlying revenue											
Capital replacement		60%	76%	75%	82%	80%	81%	73%	73%	75%	71%
Capital expenditure											
Depreciation											
Renewal Gap		60%	76%	75%	82%	80%	81%	73%	73%	75%	71%
Renewal expenditure											
Depreciation											
Financial Sustainability Risk Assessment											
		Medium Risk	Medium Risk	Medium Risk	Medium Risk	Medium Risk	Medium Risk	Medium Risk	Medium Risk	Medium Risk	High Risk

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Key Performance Indicators										
Debt Servicing Ratio - %	-46%	-46%	-47%	-47%	-47%	-47%	-47%	-47%	-47%	-47%
Debt Service cost										
Revenue from continuing operations excluding capital items and specific purpose grants / contributions										
Rate Coverage Ratio - %	38%	38%	38%	38%	37%	37%	37%	37%	37%	37%
Rates and Annual Charges										
Revenue from continuing operations										
Building and Infrastructure Renewals Ratio - %	-69%	-61%	-62%	-72%	-72%	-66%	-66%	-54%	-53%	-52%
Asset renewals (buildings and infrastructure)										
Depreciation, amortisation and impairment (building and infrastructure)										
Operating Surplus Ratio - %	-11%	-13%	-14%	-15%	-16%	-17%	-18%	-19%	-22%	-23%
Net operating result before grants and contributions provided for capital purposes										
Total Income										
Own Source Income Ratio - %	66%	66%	66%	66%	66%	66%	66%	67%	67%	67%
Total operating income less grant income										
Total operating income										
MAV Sustainability Framework										
Underlying Result %	-10.7%	-12.0%	-12.7%	-13.5%	-14.5%	-15.4%	-16.3%	-18.1%	-20.1%	-21.1%
Adjusted Net Surplus										
Underlying Revenue										
Liquidity Ratio	6.0	6.0	6.0	5.8	5.4	5.2	5.0	4.9	4.5	4.6
Current Assets										
Current Liabilities										
Indebtedness (%)	36.0%	32.9%	30.0%	26.9%	23.7%	20.4%	17.9%	15.9%	13.8%	13.7%
Non-current liabilities										
Own source revenue										
Self-financing (%)	22.1%	21.5%	20.7%	20.0%	19.1%	18.3%	17.4%	16.5%	15.5%	14.4%
Net operating cash flows										
Underlying revenue										
Capital replacement	69%	61%	62%	72%	72%	66%	66%	54%	53%	52%
Capital expenditure										
Depreciation										
Renewal Gap	69%	61%	62%	72%	72%	66%	66%	54%	53%	52%
Renewal expenditure										
Depreciation										
Financial Sustainability Risk Assessment	High Risk	High Risk	High Risk	High Risk	High Risk	High Risk	High Risk	High Risk	High Risk	High Risk

All Funds

2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000

Fit for the Future Criteria

Sustainability

Operating Performance Ratio

-3.6%	-5.4%	-5.8%	-6.0%	-6.3%	-7.0%	-8.2%	-9.2%	-10.0%	-10.9%
✗	✗	✗	✗	✗	✗	✗	✗	✗	✗

Own Source Revenue Ratio

64%	65%	65%	61%	65%	65%	65%	65%	65%	66%
✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

Building and Infrastructure Asset Renewal Ratio

60%	76%	75%	82%	80%	81%	73%	73%	75%	71%
100% ✗	✗	✗	✗	✗	✗	✗	✗	✗	✗

Effective Infrastructure & Service Management

Infrastructure Backlog Ratio

5%	6%	7%	7%	8%	8%	9%	10%	10%	11%
2% ✗	✗	✗	✗	✗	✗	✗	✗	✗	✗

Asset Maintenance Ratio

100%

Debt Service Ratio

6.9%	6.7%	6.6%	5.1%	5.0%	4.9%	4.6%	4.6%	5.1%	5.5%
20% ✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

Efficiency

Real Operating Expenditure per capita

\$ 2.57	\$ 2.61	\$ 2.61	\$ 2.62	\$ 2.63	\$ 2.64	\$ 2.67	\$ 2.70	\$ 2.72	\$ 2.74
0 ✗	✗	✗	✗	✗	✗	✗	✗	✗	✗

2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000

Fit for the Future Criteria

Sustainability

Operating Performance Ratio

-11.5%	-12.9%	-13.7%	-14.5%	-15.6%	-16.5%	-17.5%	-19.4%	-21.6%	-22.7%
✗	✗	✗	✗	✗	✗	✗	✗	✗	✗

Own Source Revenue Ratio

66%	66%	66%	66%	66%	66%	66%	67%	67%	67%
✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

Building and Infrastructure Asset Renewal Ratio

69%	61%	62%	72%	72%	66%	66%	54%	53%	52%
✗	✗	✗	✗	✗	✗	✗	✗	✗	✗

Effective Infrastructure & Service Management

Infrastructure Backlog Ratio

12%	13%	15%	16%	16%	18%	19%	20%	22%	24%
✗	✗	✗	✗	✗	✗	✗	✗	✗	✗

Asset Maintenance Ratio

100%

Debt Service Ratio

5.2%	5.5%	5.8%	6.1%	6.6%	7.3%	7.9%	7.9%	8.3%	9.1%
✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

Efficiency

Real Operating Expenditure per capita

\$ 2.76	\$ 2.80	\$ 2.82	\$ 2.85	\$ 2.87	\$ 2.90	\$ 2.93	\$ 2.98	\$ 3.04	\$ 3.07
✗	✗	✗	✗	✗	✗	✗	✗	✗	✗

LKSQUALERO

Finance Reports – Merger

All Funds

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income Statement										
Income from continuing operations										
Rates and annual charges	18,213	18,190	18,167	18,144	18,121	18,099	18,076	18,053	18,031	18,009
User charges and fees	11,308	11,350	11,378	11,386	11,393	11,400	11,408	11,415	11,422	11,430
Interest and investment revenue	1,090	1,419	1,419	1,669	1,863	2,069	2,274	2,470	2,671	2,891
Other revenues	2,785	2,768	2,768	2,768	2,753	2,693	2,693	2,693	2,693	2,693
Grants and contributions provided for operating purposes	14,240	25,705	14,170	14,134	14,099	14,065	14,030	13,995	13,960	13,926
Grants and contributions provided for capital purposes	4,822	3,558	4,058	7,058	4,058	4,058	4,058	4,058	4,058	3,558
Net gain from the disposal of assets	-	-	-	-	-	-	-	-	-	-
Total Income	52,458	62,989	51,960	55,159	52,288	52,383	52,539	52,684	52,836	52,506
Expenses from continuing operations										
Employee benefits and on-costs	16,815	16,618	15,432	13,908	13,075	12,971	13,119	13,283	13,449	13,616
Borrowing costs	1,407	1,231	1,100	990	910	831	751	689	627	625
Materials and contracts	15,207	16,011	15,170	14,516	14,569	14,547	14,676	14,730	14,784	14,763
Depreciation and amortisation	11,607	12,471	12,493	12,451	12,563	12,629	12,979	13,045	13,112	13,230
Impairment	-	-	-	-	-	-	-	-	-	-
Other expenses	4,364	4,364	4,364	4,364	4,364	4,364	4,364	4,364	4,364	4,364
Net loss from the disposal of assets	(17)	(47)	(45)	(9)	(151)	(139)	(176)	(66)	(92)	(125)
Total Expenses	49,383	50,648	48,514	46,221	45,330	45,203	45,712	46,045	46,243	46,473
Net Operating Result	3,075	12,341	3,445	8,938	6,958	7,180	6,827	6,639	6,593	6,033
Net operating result before grants and contributions provided for capital purposes	(1,747)	8,783	(613)	1,880	2,900	3,122	2,769	2,581	2,535	2,475
Statement of Comprehensive Income										
Net Operating Result for the Year	(1,747)	8,783	(613)	1,880	2,900	3,122	2,769	2,581	2,535	2,475
Other Comprehensive Income:										
Amounts which will not be reclassified subsequently to the Operating Result										
Gain (loss) on revaluation on I,PP&E	-	-	-	-	-	-	-	-	-	-
Impairment (loss) reversal relating to I,PP&E	-	-	-	-	-	-	-	-	-	-
Total Items which will not be reclassified subsequently to the Operating Result	-	-	-	-	-	-	-	-	-	-
Amounts which will be reclassified to the Operating Result										
-	-	-	-	-	-	-	-	-	-	-
Total Other Comprehensive Income for the year	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income for the year	(1,747)	8,783	(613)	1,880	2,900	3,122	2,769	2,581	2,535	2,475

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income Statement										
Income from continuing operations										
Rates and annual charges	17,986	17,964	17,942	17,920	17,898	17,876	17,854	17,832	17,810	17,789
User charges and fees	11,437	11,445	11,452	11,460	11,467	11,475	11,482	11,490	11,497	11,505
Interest and investment revenue	3,114	3,362	3,597	3,821	4,030	4,259	4,479	4,740	4,993	5,257
Other revenues	2,693	2,693	2,693	2,693	2,693	2,693	2,693	2,693	2,693	2,693
Grants and contributions provided for operating purposes	13,891	13,857	13,823	13,789	13,754	13,720	13,686	13,653	13,619	13,585
Grants and contributions provided for capital purposes	3,558	3,558	3,558	3,558	3,558	3,558	3,558	3,558	3,558	3,558
Net gain from the disposal of assets	-	-	-	-	-	-	-	-	-	-
Total Income	52,679	52,878	53,065	53,240	53,400	53,581	53,753	53,966	54,171	54,387
Expenses from continuing operations										
Employee benefits and on-costs	13,785	13,956	14,128	14,303	14,479	14,656	14,836	15,017	15,200	15,385
Borrowing costs	509	460	408	363	318	271	222	174	140	105
Materials and contracts	14,892	14,947	15,002	14,982	15,113	15,169	15,225	15,207	15,338	15,395
Depreciation and amortisation	13,247	13,593	13,614	13,636	13,734	13,757	13,781	14,247	14,790	14,817
Impairment	-	-	-	-	-	-	-	-	-	-
Other expenses	4,364	4,364	4,364	4,364	4,364	4,364	4,364	4,364	4,364	4,364
Net loss from the disposal of assets	(120)	(116)	(104)	(111)	(115)	(113)	(112)	(111)	(112)	(113)
Total Expenses	46,678	47,204	47,413	47,537	47,893	48,105	48,317	48,898	49,720	49,954
Net Operating Result	6,002	5,674	5,652	5,703	5,507	5,476	5,435	5,068	4,451	4,433
Net operating result before grants and contributions provided for capital purposes	2,444	2,116	2,094	2,145	1,949	1,918	1,877	1,510	893	875
Statement of Comprehensive Income										
Net Operating Result for the Year	2,444	2,116	2,094	2,145	1,949	1,918	1,877	1,510	893	875
Other Comprehensive Income:										
Amounts which will not be reclassified subsequently to the Operating Result										
Gain (loss) on revaluation on I,PP&E	-	-	-	-	-	-	-	-	-	-
Impairment (loss) reversal relating to I,PP&E	-	-	-	-	-	-	-	-	-	-
Total Items which will not be reclassified subsequently to the Operating Result	-	-	-	-	-	-	-	-	-	-
Amounts which will be reclassified to the Operating Result										
	-	-	-	-	-	-	-	-	-	-
Total Other Comprehensive Income for the year	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income for the year	2,444	2,116	2,094	2,145	1,949	1,918	1,877	1,510	893	875

Balance Sheet

Assets

Current Assets

Cash and cash equivalents

Investments

Receivables

Inventories

Other

Total Current Assets

Non-Current Assets

Investments

Receivables

Infrastructure, property, plant and equipment

Total Non-Current Assets

Total Assets

Liabilities

Current Liabilities

Payables

Borrowings

Provisions

Total Current Liabilities

Non-Current Liabilities

Borrowings

Provisions

Total Non-Current Liabilities

Total Liabilities

Net Assets

Equity

Retained earnings

Revaluation reserves

Council equity interest

Total Equity

All Funds

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Assets										
Current Assets										
Cash and cash equivalents	36,327	47,313	47,411	55,893	62,492	69,471	76,457	83,088	89,917	97,386
Investments	-	-	-	-	-	-	-	-	-	-
Receivables	5,026	5,026	5,026	5,026	5,026	5,026	5,026	5,026	5,026	5,026
Inventories	378	378	378	378	378	378	378	378	378	378
Other	264	264	264	264	264	264	264	264	264	264
Total Current Assets	41,995	52,981	53,079	61,561	68,160	75,139	82,125	88,756	95,585	103,054
Non-Current Assets										
Investments	-	-	-	-	-	-	-	-	-	-
Receivables	-	-	-	-	-	-	-	-	-	-
Infrastructure, property, plant and equipment	489,746	489,157	490,479	489,517	488,401	487,119	485,640	484,426	482,907	480,190
Total Non-Current Assets	489,746	489,157	490,479	489,517	488,401	487,119	485,640	484,426	482,907	480,190
Total Assets	531,741	542,139	543,558	551,078	556,560	562,258	567,765	573,182	578,492	583,244
Liabilities										
Current Liabilities										
Payables	2,074	2,074	2,074	2,074	2,074	2,074	2,074	2,074	2,074	2,074
Borrowings	1,963	2,026	1,418	1,476	1,482	1,320	1,222	1,283	1,281	1,078
Provisions	4,320	4,320	4,320	4,320	4,320	4,320	4,320	4,320	4,320	4,320
Total Current Liabilities	8,357	8,420	7,812	7,870	7,876	7,714	7,616	7,677	7,675	7,472
Non-Current Liabilities										
Borrowings	21,989	19,983	18,565	17,089	15,607	14,287	13,065	11,782	10,502	9,424
Provisions	3,783	3,783	3,783	3,783	3,783	3,783	3,783	3,783	3,783	3,783
Total Non-Current Liabilities	25,772	23,766	22,348	20,872	19,390	18,070	16,848	15,565	14,285	13,207
Total Liabilities	34,129	32,185	30,160	28,742	27,266	25,784	24,464	23,242	21,959	20,679
Net Assets	497,613	509,954	513,399	522,337	529,294	536,475	543,301	549,940	556,533	562,566
Equity										
Retained earnings	321,342	333,683	337,128	346,066	353,023	360,203	367,030	373,669	380,262	386,295
Revaluation reserves	176,272	176,272	176,272	176,272	176,272	176,272	176,272	176,272	176,272	176,272
Council equity interest	-	-	-	-	-	-	-	-	-	-
Total Equity	497,614	509,955	513,400	522,338	529,295	536,475	543,302	549,941	556,534	562,567
	1	1	1	1	1	1	1	1	1	1

Balance Sheet

Assets

Current Assets

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash and cash equivalents	104,926	113,334	121,339	128,950	136,089	143,932	151,481	160,443	169,138	178,217
Investments	-	-	-	-	-	-	-	-	-	-
Receivables	5,026	5,026	5,026	5,026	5,026	5,026	5,026	5,026	5,026	5,026
Inventories	378	378	378	378	378	378	378	378	378	378
Other	264	264	264	264	264	264	264	264	264	264
Total Current Assets	110,594	119,002	127,007	134,618	141,757	149,600	157,149	166,111	174,806	183,885

Non-Current Assets

Investments	-	-	-	-	-	-	-	-	-	-
Receivables	-	-	-	-	-	-	-	-	-	-
Infrastructure, property, plant and equipment	477,574	473,790	470,416	467,536	464,887	461,454	458,223	453,497	448,583	443,231
Total Non-Current Assets	477,574	473,790	470,416	467,536	464,887	461,454	458,223	453,497	448,583	443,231

Total Assets **588,168** **592,792** **597,423** **602,155** **606,644** **611,054** **615,372** **619,608** **623,389** **627,115**

Liabilities

Current Liabilities

Payables	2,074	2,074	2,074	2,074	2,074	2,074	2,074	2,074	2,074	2,074
Borrowings	1,050	1,020	972	1,018	1,066	1,117	831	670	707	22
Provisions	4,320	4,320	4,320	4,320	4,320	4,320	4,320	4,320	4,320	4,320
Total Current Liabilities	7,444	7,414	7,366	7,412	7,460	7,511	7,225	7,064	7,101	6,416

Non-Current Liabilities

Borrowings	8,373	7,353	6,381	5,364	4,297	3,180	2,348	1,678	971	949
Provisions	3,783	3,783	3,783	3,783	3,783	3,783	3,783	3,783	3,783	3,783
Total Non-Current Liabilities	12,156	11,136	10,164	9,147	8,080	6,963	6,131	5,461	4,754	4,732

Total Liabilities **19,601** **18,550** **17,530** **16,558** **15,541** **14,474** **13,357** **12,525** **11,855** **11,148**

Net Assets **568,568** **574,242** **579,894** **585,596** **591,104** **596,580** **602,015** **607,083** **611,534** **615,967**

Equity

Retained earnings	392,297	397,971	403,622	409,325	414,833	420,309	425,744	430,812	435,263	439,696
Revaluation reserves	176,272	176,272	176,272	176,272	176,272	176,272	176,272	176,272	176,272	176,272
Council equity interest	-	-	-	-	-	-	-	-	-	-

Total Equity **568,569** **574,243** **579,894** **585,597** **591,105** **596,581** **602,016** **607,084** **611,535** **615,968**

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Statement of Changes in Equity

Retained Earnings

Balance at end of previous period

Net Result for the year

Transfer to and (from) retained earnings

Balance at end of period

Revaluation Reserves

Balance at end of previous period

Other Comprehensive Income

Transfer to and (from) retained earnings

Balance at end of period

Council Equity Interest

Balance at end of previous period

Net Result for the year

Transfer to and (from) retained earnings

Balance at end of period

Total Equity at end of reporting period

All Funds

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at end of previous period	318,267	321,342	333,683	337,128	346,066	353,023	360,203	367,030	373,669	380,262
Net Result for the year	3,075	12,341	3,445	8,938	6,958	7,180	6,827	6,639	6,593	6,033
Transfer to and (from) retained earnings	-	-	-	-	-	-	-	-	-	-
Balance at end of period	321,342	333,683	337,128	346,066	353,023	360,203	367,030	373,669	380,262	386,295
Balance at end of previous period	176,272	176,272	176,272	176,272	176,272	176,272	176,272	176,272	176,272	176,272
Other Comprehensive Income	-	-	-	-	-	-	-	-	-	-
Transfer to and (from) retained earnings	-	-	-	-	-	-	-	-	-	-
Balance at end of period	176,272	176,272	176,272	176,272	176,272	176,272	176,272	176,272	176,272	176,272
Balance at end of previous period	-	-	-	-	-	-	-	-	-	-
Net Result for the year	-	-	-	-	-	-	-	-	-	-
Transfer to and (from) retained earnings	-	-	-	-	-	-	-	-	-	-
Balance at end of period	-	-	-	-	-	-	-	-	-	-
Total Equity at end of reporting period	497,614	509,955	513,400	522,338	529,295	536,475	543,302	549,941	556,534	562,567

Statement of Changes in Equity

Retained Earnings

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at end of previous period	386,295	392,297	397,971	403,622	409,325	414,833	420,309	425,744	430,812	435,263
Net Result for the year	6,002	5,674	5,652	5,703	5,507	5,476	5,435	5,068	4,451	4,433
Transfer to and (from) retained earnings	-	-	-	-	-	-	-	-	-	-
Balance at end of period	392,297	397,971	403,622	409,325	414,833	420,309	425,744	430,812	435,263	439,696

Revaluation Reserves

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at end of previous period	176,272	176,272	176,272	176,272	176,272	176,272	176,272	176,272	176,272	176,272
Other Comprehensive Income	-	-	-	-	-	-	-	-	-	-
Transfer to and (from) retained earnings	-	-	-	-	-	-	-	-	-	-
Balance at end of period	176,272	176,272	176,272	176,272	176,272	176,272	176,272	176,272	176,272	176,272

Council Equity Interest

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at end of previous period	-	-	-	-	-	-	-	-	-	-
Net Result for the year	-	-	-	-	-	-	-	-	-	-
Transfer to and (from) retained earnings	-	-	-	-	-	-	-	-	-	-
Balance at end of period	-	-	-	-	-	-	-	-	-	-

Total Equity at end of reporting period

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	568,569	574,243	579,894	585,597	591,105	596,581	602,016	607,084	611,535	615,968

All Funds

Cash-Flow Statement
Cash flows from operating activities

Receipts:

Rates & annual charges	18,213	18,190	18,167	18,144	18,121	18,099	18,076	18,053	18,031	18,009
User charges & fees	11,308	11,350	11,378	11,386	11,393	11,400	11,408	11,415	11,422	11,430
Investment & interest revenue received	1,090	1,419	1,419	1,669	1,863	2,069	2,274	2,470	2,671	2,891
Grants & contributions	19,062	29,263	18,228	21,192	18,157	18,123	18,088	18,053	18,018	17,484
Other receipts	2,785	2,768	2,768	2,768	2,753	2,693	2,693	2,693	2,693	2,693

Payments:

Employee benefits & on-costs	(16,815)	(16,618)	(15,432)	(13,908)	(13,075)	(12,971)	(13,119)	(13,283)	(13,449)	(13,616)
Borrowing costs	(1,407)	(1,231)	(1,100)	(990)	(910)	(831)	(751)	(689)	(627)	(625)
Materials and contracts	(15,207)	(16,011)	(15,170)	(14,516)	(14,569)	(14,547)	(14,676)	(14,730)	(14,784)	(14,763)
Other payments	(4,364)	(4,364)	(4,364)	(4,364)	(4,364)	(4,364)	(4,364)	(4,364)	(4,364)	(4,364)

Net cash provided (or used in) operating activities

	14,665	24,765	15,893	21,381	19,369	19,669	19,629	19,619	19,612	19,138
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Cash flows from investing activities

Receipts:

Sale of investments

Sale of infrastructure, property, plant and equipment	1,073	951	826	991	1,383	1,224	840	732	874	1,264
Deferred debtors receipts	-	-	-	-	-	-	-	-	-	-

Payments:

Purchase of investments	-	-	-	-	-	-	-	-	-	-
Purchase of property, plant and equipment - renewal	(6,933)	(9,498)	(9,388)	(10,263)	(10,112)	(10,303)	(9,555)	(9,534)	(9,871)	(9,404)
Purchase of property, plant and equipment - new	(5,825)	(3,288)	(5,208)	(2,208)	(2,565)	(2,129)	(2,608)	(2,963)	(2,504)	(2,248)
Impairment reversal	-	-	-	-	-	-	-	-	-	-

Net cash provided (or used in) investing activities

	(11,686)	(11,835)	(13,770)	(11,481)	(11,294)	(11,208)	(11,323)	(11,765)	(11,501)	(10,389)
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Cash flows from financing activities

Receipts:

New loans

	1,200	-	-	-	-	-	-	-	-	-
Repayment of borrowings and advances	(1,884)	(1,944)	(2,026)	(1,418)	(1,476)	(1,482)	(1,320)	(1,222)	(1,283)	(1,281)

Net cash provided (or used in) investing activities

	(684)	(1,944)	(2,026)	(1,418)	(1,476)	(1,482)	(1,320)	(1,222)	(1,283)	(1,281)
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Net increase / (decrease) in cash

	2,295	10,986	98	8,482	6,599	6,979	6,986	6,632	6,829	7,469
Cash at the beginning of the year	34,032	36,327	47,313	47,411	55,893	62,492	69,471	76,457	83,088	89,917
Cash at the end of the year	36,327	47,313	47,411	55,893	62,492	69,471	76,457	83,088	89,917	97,386

Cash-Flow Statement
Cash flows from operating activities

Receipts:

Rates & annual charges	17,986	17,964	17,942	17,920	17,898	17,876	17,854	17,832	17,810	17,789
User charges & fees	11,437	11,445	11,452	11,460	11,467	11,475	11,482	11,490	11,497	11,505
Investment & interest revenue received	3,114	3,362	3,597	3,821	4,030	4,259	4,479	4,740	4,993	5,257
Grants & contributions	17,449	17,415	17,381	17,347	17,312	17,278	17,244	17,211	17,177	17,143
Other receipts	2,693	2,693	2,693	2,693	2,693	2,693	2,693	2,693	2,693	2,693

Payments:

Employee benefits & on-costs	(13,785)	(13,956)	(14,128)	(14,303)	(14,479)	(14,656)	(14,836)	(15,017)	(15,200)	(15,385)
Borrowing costs	(509)	(460)	(408)	(363)	(318)	(271)	(222)	(174)	(140)	(105)
Materials and contracts	(14,892)	(14,947)	(15,002)	(14,982)	(15,113)	(15,169)	(15,225)	(15,207)	(15,338)	(15,395)
Other payments	(4,364)	(4,364)	(4,364)	(4,364)	(4,364)	(4,364)	(4,364)	(4,364)	(4,364)	(4,364)

Net cash provided (or used in) operating activities

	19,129	19,151	19,162	19,228	19,126	19,120	19,105	19,204	19,129	19,138
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Cash flows from investing activities

Receipts:

Sale of investments

Sale of infrastructure, property, plant and equipment	1,080	789	757	1,465	1,438	1,172	1,172	640	640	634
Deferred debtors receipts	-	-	-	-	-	-	-	-	-	-

Payments:

Purchase of investments	-	-	-	-	-	-	-	-	-	-
Purchase of property, plant and equipment - renewal	(9,144)	(8,285)	(8,440)	(9,876)	(9,919)	(9,149)	(9,129)	(7,816)	(7,901)	(7,752)
Purchase of property, plant and equipment - new	(2,448)	(2,197)	(2,454)	(2,234)	(2,489)	(2,234)	(2,482)	(2,234)	(2,503)	(2,234)
Impairment reversal	-	-	-	-	-	-	-	-	-	-

Net cash provided (or used in) investing activities

	(10,512)	(9,693)	(10,137)	(10,645)	(10,970)	(10,211)	(10,439)	(9,410)	(9,764)	(9,352)
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Cash flows from financing activities

Receipts:

New loans

	-	-	-	-	-	-	-	-	-	-
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Payments:

Repayment of borrowings and advances	(1,078)	(1,050)	(1,020)	(972)	(1,018)	(1,066)	(1,117)	(831)	(670)	(707)
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Net cash provided (or used in) investing activities

	(1,078)	(1,050)	(1,020)	(972)	(1,018)	(1,066)	(1,117)	(831)	(670)	(707)
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Net increase / (decrease) in cash

	7,540	8,408	8,005	7,611	7,139	7,843	7,549	8,962	8,695	9,079
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Cash at the beginning of the year	97,386	104,926	113,334	121,339	128,950	136,089	143,932	151,481	160,443	169,138
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Cash at the end of the year	104,926	113,334	121,339	128,950	136,089	143,932	151,481	160,443	169,138	178,217
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		All Funds									
		2015 \$'000	2016 \$'000	2017 \$'000	2018 \$'000	2019 \$'000	2020 \$'000	2021 \$'000	2022 \$'000	2023 \$'000	2024 \$'000
Key Performance Indicators											
Debt Servicing Ratio - %		-46%	-47%	-45%	-43%	-43%	-42%	-43%	-43%	-42%	-42%
Debt Service cost											
Revenue from continuing operations excluding capital items and specific purpose grants / contributions											
Rate Coverage Ratio - %		38%	31%	38%	38%	38%	37%	37%	37%	37%	37%
Rates and Annual Charges											
Revenue from continuing operations											
Building and Infrastructure Renewals Ratio - %		-60%	-76%	-75%	-82%	-80%	-82%	-74%	-73%	-75%	-71%
Asset renewals (buildings and infrastructure)											
Depreciation, amortisation and impairment (building and infrastructure)											
Operating Surplus Ratio - %		-4%	15%	-1%	4%	6%	6%	6%	5%	5%	5%
Net operating result before grants and contributions provided for capital purposes											
Total Income											
Own Source Income Ratio - %		64%	54%	65%	62%	65%	65%	66%	66%	66%	67%
Total operating income less grant income											
Total operating income											
MAV Sustainability Framework											
Underlying Result %		-3.3%	13.9%	-1.2%	3.4%	5.5%	6.0%	5.3%	4.9%	4.8%	4.7%
Adjusted Net Surplus											
Underlying Revenue											
Liquidity Ratio		5.0	6.3	6.8	7.8	8.7	9.7	10.8	11.6	12.5	13.8
Current Assets											
Current Liabilities											
Indebtedness (%)		77.2%	70.5%	66.3%	61.4%	56.8%	52.7%	48.9%	44.9%	41.0%	37.7%
Non-current liabilities											
Own source revenue											
Self-financing (%)		28.0%	39.3%	30.6%	38.8%	37.0%	37.5%	37.4%	37.2%	37.1%	36.4%
Net operating cash flows											
Underlying revenue											
Capital replacement		60%	76%	75%	82%	80%	82%	74%	73%	75%	71%
Capital expenditure											
Depreciation											
Renewal Gap		60%	76%	75%	82%	80%	82%	74%	73%	75%	71%
Renewal expenditure											
Depreciation											
Financial Sustainability Risk Assessment		Medium Risk	Medium Risk	Medium Risk	Medium Risk	Medium Risk	Medium Risk	Medium Risk	Medium Risk	Medium Risk	Medium Risk

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Key Performance Indicators										
Debt Servicing Ratio - %	-42%	-42%	-42%	-42%	-42%	-42%	-42%	-41%	-41%	-41%
Debt Service cost										
Revenue from continuing operations excluding capital items and specific purpose grants / contributions										
Rate Coverage Ratio - %	37%	36%	36%	36%	36%	36%	36%	35%	35%	35%
Rates and Annual Charges										
Revenue from continuing operations										
Building and Infrastructure Renewals Ratio - %	-69%	-61%	-62%	-72%	-72%	-67%	-66%	-55%	-53%	-52%
Asset renewals (buildings and infrastructure)										
Depreciation, amortisation and impairment (building and infrastructure)										
Operating Surplus Ratio - %	5%	4%	4%	4%	4%	4%	4%	3%	2%	2%
Net operating result before grants and contributions provided for capital purposes										
Total Income										
Own Source Income Ratio - %	67%	67%	67%	67%	68%	68%	68%	68%	68%	68%
Total operating income less grant income										
Total operating income										
MAV Sustainability Framework										
Underlying Result %	4.6%	4.0%	3.9%	4.0%	3.7%	3.6%	3.5%	2.8%	1.6%	1.6%
Adjusted Net Surplus										
Underlying Revenue										
Liquidity Ratio	14.9	16.1	17.2	18.2	19.0	19.9	21.7	23.5	24.6	28.7
Current Assets										
Current Liabilities										
Indebtedness (%)	34.5%	31.4%	28.5%	25.5%	22.4%	19.2%	16.8%	14.9%	12.9%	12.7%
Non-current liabilities										
Own source revenue										
Self-financing (%)	36.3%	36.2%	36.1%	36.1%	35.8%	35.7%	35.5%	35.6%	35.3%	35.2%
Net operating cash flows										
Underlying revenue										
Capital replacement	69%	61%	62%	72%	72%	67%	66%	55%	53%	52%
Capital expenditure										
Depreciation										
Renewal Gap	69%	61%	62%	72%	72%	67%	66%	55%	53%	52%
Renewal expenditure										
Depreciation										
Financial Sustainability Risk Assessment	Medium Risk	Medium Risk	Medium Risk	Medium Risk	Medium Risk	Medium Risk	Medium Risk	Medium Risk	Medium Risk	Medium Risk

	All Funds									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Fit for the Future Criteria										
Sustainability										
Operating Performance Ratio	-3.7%	14.8%	-1.3%	3.9%	6.0%	6.5%	5.7%	5.3%	5.2%	5.1%
	✗	✓	✓	✓	✓	✓	✓	✓	✓	✓
Own Source Revenue Ratio	64%	54%	65%	62%	65%	65%	66%	66%	66%	67%
	✓	✗	✓	✓	✓	✓	✓	✓	✓	✓
Building and Infrastructure Asset Renewal Ratio	60%	76%	75%	82%	80%	82%	74%	73%	75%	71%
100%	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗
Effective Infrastructure & Service Management										
Infrastructure Backlog Ratio	5%	6%	7%	7%	7%	8%	9%	9%	10%	11%
2%	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗
Asset Maintenance Ratio										
100%										
Debt Service Ratio	6.9%	5.3%	6.5%	5.0%	4.9%	4.8%	4.3%	3.9%	3.9%	3.9%
20%	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Efficiency										
Real Operating Expenditure per capita	\$ 2.57	\$ 2.63	\$ 2.52	\$ 2.40	\$ 2.36	\$ 2.35	\$ 2.38	\$ 2.40	\$ 2.41	\$ 2.42
0		✗	✓	✓	✓	✓	✗	✗	✗	✗

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Fit for the Future Criteria										
Sustainability										
Operating Performance Ratio	5.0%	4.3%	4.2%	4.3%	3.9%	3.8%	3.7%	3.0%	1.8%	1.7%
	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔
Own Source Revenue Ratio	67%	67%	67%	67%	68%	68%	68%	68%	68%	68%
	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔
Building and Infrastructure Asset Renewal Ratio	69%	61%	62%	72%	72%	67%	66%	55%	53%	52%
100%	✘	✘	✘	✘	✘	✘	✘	✘	✘	✘
Effective Infrastructure & Service Management										
Infrastructure Backlog Ratio	12%	13%	14%	15%	16%	17%	18%	20%	22%	24%
2%	✘	✘	✘	✘	✘	✘	✘	✘	✘	✘
Asset Maintenance Ratio										
100%										
Debt Service Ratio	3.2%	3.1%	2.9%	2.7%	2.7%	2.7%	2.7%	2.0%	1.6%	1.6%
20%	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔
Efficiency										
Real Operating Expenditure per capita	\$ 2.43	\$ 2.46	\$ 2.47	\$ 2.47	\$ 2.49	\$ 2.50	\$ 2.51	\$ 2.54	\$ 2.59	\$ 2.60
0	✘	✘	✘	✘	✘	✘	✘	✘	✘	✘

LKSQUALERO

Finance Reports – Three Councils / One
Administration

All Funds

Income Statement
Income from continuing operations

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Rates and annual charges	18,213	18,190	18,167	18,144	18,121	18,099	18,076	18,053	18,031	18,009
User charges and fees	11,308	11,350	11,378	11,386	11,393	11,400	11,408	11,415	11,422	11,430
Interest and investment revenue	1,090	1,085	1,074	1,304	1,476	1,656	1,838	2,009	2,184	2,377
Other revenues	2,785	2,768	2,768	2,768	2,753	2,693	2,693	2,693	2,693	2,693
Grants and contributions provided for operating purposes	14,240	14,205	14,170	14,134	14,099	14,065	14,030	13,995	13,960	13,926
Grants and contributions provided for capital purposes	4,822	3,558	4,058	7,058	4,058	4,058	4,058	4,058	4,058	3,558
Net gain from the disposal of assets	-	-	-	-	-	-	-	-	-	-
Total Income	52,457	51,155	51,615	54,794	51,900	51,970	52,102	52,223	52,349	51,992

Expenses from continuing operations

Employee benefits and on-costs	16,815	16,543	15,434	14,136	13,328	13,224	13,372	13,536	13,702	13,869
Borrowing costs	1,407	1,231	1,100	990	910	831	751	689	627	625
Materials and contracts	15,207	15,411	15,268	14,760	14,813	14,866	14,920	14,974	15,028	15,082
Depreciation and amortisation	11,607	12,471	12,493	12,451	12,563	12,629	12,979	13,045	13,112	13,230
Impairment	-	-	-	-	-	-	-	-	-	-
Other expenses	4,364	4,364	4,364	4,364	4,364	4,364	4,364	4,364	4,364	4,364
Net loss from the disposal of assets	(17)	(47)	(45)	(9)	(151)	(139)	(176)	(66)	(92)	(125)
Total Expenses	49,383	49,974	48,614	46,693	45,827	45,775	46,209	46,542	46,740	47,045

Net Operating Result

3,074 1,181 3,001 8,101 6,073 6,195 5,893 5,681 5,609 4,946

Net operating result before grants and contributions provided for capital purposes

(1,748) (2,377) (1,057) 1,043 2,015 2,137 1,835 1,623 1,551 1,388

Statement of Comprehensive Income

Net Operating Result for the Year (1,748) (2,377) (1,057) 1,043 2,015 2,137 1,835 1,623 1,551 1,388

Other Comprehensive Income:
Amounts which will not be reclassified subsequently to the Operating Result

Gain (loss) on revaluation on I,PP&E	-	-	-	-	-	-	-	-	-	-
Impairment (loss) reversal relating to I,PP&E	-	-	-	-	-	-	-	-	-	-
Total Items which will not be reclassified subsequently to the Operating Result	-	-	-	-	-	-	-	-	-	-

Amounts which will be reclassified to the Operating Result

- - - - - - - - - -

Total Other Comprehensive Income for the year

- - - - - - - - - -

Total Comprehensive Income for the year

(1,748) (2,377) (1,057) 1,043 2,015 2,137 1,835 1,623 1,551 1,388

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income Statement										
Income from continuing operations										
Rates and annual charges	17,986	17,964	17,942	17,920	17,898	17,876	17,854	17,832	17,810	17,789
User charges and fees	11,437	11,445	11,452	11,460	11,467	11,475	11,482	11,490	11,497	11,505
Interest and investment revenue	2,573	2,794	3,003	3,197	3,378	3,580	3,773	4,005	4,231	4,468
Other revenues	2,693	2,693	2,693	2,693	2,693	2,693	2,693	2,693	2,693	2,693
Grants and contributions provided for operating purposes	13,891	13,857	13,823	13,789	13,754	13,720	13,686	13,653	13,619	13,585
Grants and contributions provided for capital purposes	3,558	3,558	3,558	3,558	3,558	3,558	3,558	3,558	3,558	3,558
Net gain from the disposal of assets	-	-	-	-	-	-	-	-	-	-
Total Income	52,139	52,311	52,471	52,616	52,749	52,902	53,047	53,231	53,409	53,598
Expenses from continuing operations										
Employee benefits and on-costs	14,038	14,209	14,381	14,556	14,732	14,909	15,089	15,270	15,453	15,638
Borrowing costs	509	460	408	363	318	271	222	174	140	105
Materials and contracts	15,136	15,191	15,246	15,301	15,357	15,413	15,469	15,526	15,582	15,639
Depreciation and amortisation	13,247	13,593	13,614	13,636	13,734	13,757	13,781	14,247	14,790	14,817
Impairment	-	-	-	-	-	-	-	-	-	-
Other expenses	4,364	4,364	4,364	4,364	4,364	4,364	4,364	4,364	4,364	4,364
Net loss from the disposal of assets	(120)	(116)	(104)	(111)	(115)	(113)	(112)	(111)	(112)	(113)
Total Expenses	47,175	47,701	47,910	48,109	48,390	48,602	48,814	49,470	50,217	50,451
Net Operating Result	4,964	4,610	4,560	4,507	4,359	4,300	4,233	3,761	3,192	3,147
Net operating result before grants and contributions provided for capital purposes	1,406	1,052	1,002	949	801	742	675	203	(366)	(411)
Statement of Comprehensive Income										
Net Operating Result for the Year	1,406	1,052	1,002	949	801	742	675	203	(366)	(411)
Other Comprehensive Income:										
Amounts which will not be reclassified subsequently to the Operating Result										
Gain (loss) on revaluation on I,PP&E	-	-	-	-	-	-	-	-	-	-
Impairment (loss) reversal relating to I,PP&E	-	-	-	-	-	-	-	-	-	-
Total Items which will not be reclassified subsequently to the Operating Result	-	-	-	-	-	-	-	-	-	-
Amounts which will be reclassified to the Operating Result										
	-	-	-	-	-	-	-	-	-	-
Total Other Comprehensive Income for the year	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income for the year	1,406	1,052	1,002	949	801	742	675	203	(366)	(411)

Balance Sheet

Assets

Current Assets

Cash and cash equivalents

Investments

Receivables

Inventories

Other

Total Current Assets

Non-Current Assets

Investments

Receivables

Infrastructure, property, plant and equipment

Total Non-Current Assets

Total Assets

Liabilities

Current Liabilities

Payables

Borrowings

Provisions

Total Current Liabilities

Non-Current Liabilities

Borrowings

Provisions

Total Non-Current Liabilities

Total Liabilities

Net Assets

Equity

Retained earnings

Revaluation reserves

Council equity interest

Total Equity

All Funds

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash and cash equivalents	36,327	36,153	35,806	43,452	49,166	55,160	61,212	66,886	72,732	79,114
Investments	-	-	-	-	-	-	-	-	-	-
Receivables	5,026	5,026	5,026	5,026	5,026	5,026	5,026	5,026	5,026	5,026
Inventories	378	378	378	378	378	378	378	378	378	378
Other	264	264	264	264	264	264	264	264	264	264
Total Current Assets	41,995	41,821	41,474	49,120	54,834	60,828	66,880	72,554	78,400	84,782
Investments	-	-	-	-	-	-	-	-	-	-
Receivables	-	-	-	-	-	-	-	-	-	-
Infrastructure, property, plant and equipment	489,746	489,157	490,479	489,517	488,401	487,119	485,640	484,426	482,907	480,190
Total Non-Current Assets	489,746	489,157	490,479	489,517	488,401	487,119	485,640	484,426	482,907	480,190
Total Assets	531,741	530,978	531,954	538,637	543,235	547,948	552,520	556,980	561,306	564,972
Payables	2,074	2,074	2,074	2,074	2,074	2,074	2,074	2,074	2,074	2,074
Borrowings	1,963	2,026	1,418	1,476	1,482	1,320	1,222	1,283	1,281	1,078
Provisions	4,320	4,320	4,320	4,320	4,320	4,320	4,320	4,320	4,320	4,320
Total Current Liabilities	8,357	8,420	7,812	7,870	7,876	7,714	7,616	7,677	7,675	7,472
Borrowings	21,989	19,983	18,565	17,089	15,607	14,287	13,065	11,782	10,502	9,424
Provisions	3,783	3,783	3,783	3,783	3,783	3,783	3,783	3,783	3,783	3,783
Total Non-Current Liabilities	25,772	23,766	22,348	20,872	19,390	18,070	16,848	15,565	14,285	13,207
Total Liabilities	34,129	32,185	30,160	28,742	27,266	25,784	24,464	23,242	21,959	20,679
Net Assets	497,612	498,793	501,794	509,895	515,968	522,164	528,057	533,738	539,347	544,293
Retained earnings	321,341	322,522	325,523	333,624	339,697	345,893	351,786	357,467	363,076	368,022
Revaluation reserves	176,272	176,272	176,272	176,272	176,272	176,272	176,272	176,272	176,272	176,272
Council equity interest	-	-	-	-	-	-	-	-	-	-
Total Equity	497,613	498,794	501,795	509,896	515,969	522,165	528,058	533,739	539,348	544,294
	1	1	1	1	1	1	1	1	1	1

Balance Sheet
Assets

Current Assets

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash and cash equivalents	85,616	92,959	99,873	106,288	112,278	118,946	125,292	132,947	140,383	148,176
Investments	-	-	-	-	-	-	-	-	-	-
Receivables	5,026	5,026	5,026	5,026	5,026	5,026	5,026	5,026	5,026	5,026
Inventories	378	378	378	378	378	378	378	378	378	378
Other	264	264	264	264	264	264	264	264	264	264
Total Current Assets	91,284	98,627	105,541	111,956	117,946	124,614	130,960	138,615	146,051	153,844

Non-Current Assets

Investments	-	-	-	-	-	-	-	-	-	-
Receivables	-	-	-	-	-	-	-	-	-	-
Infrastructure, property, plant and equipment	477,574	473,790	470,416	467,536	464,887	461,454	458,223	453,497	448,583	443,231
Total Non-Current Assets	477,574	473,790	470,416	467,536	464,887	461,454	458,223	453,497	448,583	443,231

Total Assets

568,858	572,417	575,957	579,492	582,834	586,068	589,183	592,112	594,634	597,075
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Liabilities

Current Liabilities

Payables	2,074	2,074	2,074	2,074	2,074	2,074	2,074	2,074	2,074	2,074
Borrowings	1,050	1,020	972	1,018	1,066	1,117	831	670	707	22
Provisions	4,320	4,320	4,320	4,320	4,320	4,320	4,320	4,320	4,320	4,320
Total Current Liabilities	7,444	7,414	7,366	7,412	7,460	7,511	7,225	7,064	7,101	6,416

Non-Current Liabilities

Borrowings	8,373	7,353	6,381	5,364	4,297	3,180	2,348	1,678	971	949
Provisions	3,783	3,783	3,783	3,783	3,783	3,783	3,783	3,783	3,783	3,783
Total Non-Current Liabilities	12,156	11,136	10,164	9,147	8,080	6,963	6,131	5,461	4,754	4,732

Total Liabilities

19,601	18,550	17,530	16,558	15,541	14,474	13,357	12,525	11,855	11,148
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Net Assets

549,257	553,867	558,427	562,934	567,293	571,593	575,826	579,587	582,779	585,926
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Equity

Retained earnings	372,986	377,596	382,156	386,663	391,022	395,322	399,555	403,316	406,508	409,655
Revaluation reserves	176,272	176,272	176,272	176,272	176,272	176,272	176,272	176,272	176,272	176,272
Council equity interest	-	-	-	-	-	-	-	-	-	-

Total Equity

549,258	553,868	558,428	562,935	567,294	571,594	575,827	579,588	582,780	585,927
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1	1	1	1	1	1	1	1	1	1	1
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Statement of Changes in Equity

Retained Earnings

Balance at end of previous period	318,267	321,341	322,522	325,523	333,624	339,697	345,893	351,786	357,467	363,076
Net Result for the year	3,074	1,181	3,001	8,101	6,073	6,195	5,893	5,681	5,609	4,946
Transfer to and (from) retained earnings	-	-	-	-	-	-	-	-	-	-
Balance at end of period	321,341	322,522	325,523	333,624	339,697	345,893	351,786	357,467	363,076	368,022

Revaluation Reserves

[illegible]

Council Equity Interest

Balance at end of previous period	-	-	-	-	-	-	-	-	-
Net Result for the year	-	-	-	-	-	-	-	-	-
Transfer to and (from) retained earnings	-	-	-	-	-	-	-	-	-
Balance at end of period	-	-	-	-	-	-	-	-	-

Total Equity at end of reporting period

All Funds									
2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
318,267	321,341	322,522	325,523	333,624	339,697	345,893	351,786	357,467	363,076
3,074	1,181	3,001	8,101	6,073	6,195	5,893	5,681	5,609	4,946
-	-	-	-	-	-	-	-	-	-
321,341	322,522	325,523	333,624	339,697	345,893	351,786	357,467	363,076	368,022
176,272	176,272	176,272	176,272	176,272	176,272	176,272	176,272	176,272	176,272
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
176,272	176,272	176,272	176,272	176,272	176,272	176,272	176,272	176,272	176,272
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
497,613	498,794	501,795	509,896	515,969	522,165	528,058	533,739	539,348	544,294

Statement of Changes in Equity

Retained Earnings

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at end of previous period	368,022	372,986	377,596	382,156	386,663	391,022	395,322	399,555	403,316	406,508
Net Result for the year	4,964	4,610	4,560	4,507	4,359	4,300	4,233	3,761	3,192	3,147
Transfer to and (from) retained earnings	-	-	-	-	-	-	-	-	-	-
Balance at end of period	372,986	377,596	382,156	386,663	391,022	395,322	399,555	403,316	406,508	409,655

Revaluation Reserves

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at end of previous period	176,272	176,272	176,272	176,272	176,272	176,272	176,272	176,272	176,272	176,272
Other Comprehensive Income	-	-	-	-	-	-	-	-	-	-
Transfer to and (from) retained earnings	-	-	-	-	-	-	-	-	-	-
Balance at end of period	176,272	176,272	176,272	176,272	176,272	176,272	176,272	176,272	176,272	176,272

Council Equity Interest

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at end of previous period	-	-	-	-	-	-	-	-	-	-
Net Result for the year	-	-	-	-	-	-	-	-	-	-
Transfer to and (from) retained earnings	-	-	-	-	-	-	-	-	-	-
Balance at end of period	-	-	-	-	-	-	-	-	-	-

Total Equity at end of reporting period

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	549,258	553,868	558,428	562,935	567,294	571,594	575,827	579,588	582,780	585,927

All Funds

Cash-Flow Statement
Cash flows from operating activities

Receipts:

Rates & annual charges	18,213	18,190	18,167	18,144	18,121	18,099	18,076	18,053	18,031	18,009
User charges & fees	11,308	11,350	11,378	11,386	11,393	11,400	11,408	11,415	11,422	11,430
Investment & interest revenue received	1,090	1,085	1,074	1,304	1,476	1,656	1,838	2,009	2,184	2,377
Grants & contributions	19,062	17,763	18,228	21,192	18,157	18,123	18,088	18,053	18,018	17,484
Other receipts	2,785	2,768	2,768	2,768	2,753	2,693	2,693	2,693	2,693	2,693

Payments:

Employee benefits & on-costs	(16,815)	(16,543)	(15,434)	(14,136)	(13,328)	(13,224)	(13,372)	(13,536)	(13,702)	(13,869)
Borrowing costs	(1,407)	(1,231)	(1,100)	(990)	(910)	(831)	(751)	(689)	(627)	(625)
Materials and contracts	(15,207)	(15,411)	(15,268)	(14,760)	(14,813)	(14,866)	(14,920)	(14,974)	(15,028)	(15,082)
Other payments	(4,364)	(4,364)	(4,364)	(4,364)	(4,364)	(4,364)	(4,364)	(4,364)	(4,364)	(4,364)

Net cash provided (or used in) operating activities

	14,665	13,605	15,449	20,544	18,485	18,685	18,695	18,661	18,629	18,052
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Cash flows from investing activities

Receipts:

Sale of investments

Sale of infrastructure, property, plant and equipment	1,073	951	826	991	1,383	1,224	840	732	874	1,264
Deferred debtors receipts	-	-	-	-	-	-	-	-	-	-

Payments:

Purchase of investments	-	-	-	-	-	-	-	-	-	-
Purchase of property, plant and equipment - renewal	(6,933)	(9,498)	(9,388)	(10,263)	(10,112)	(10,303)	(9,555)	(9,534)	(9,871)	(9,404)
Purchase of property, plant and equipment - new	(5,825)	(3,288)	(5,208)	(2,208)	(2,565)	(2,129)	(2,608)	(2,963)	(2,504)	(2,248)
Impairment reversal	-	-	-	-	-	-	-	-	-	-

Net cash provided (or used in) investing activities

	(11,686)	(11,835)	(13,770)	(11,481)	(11,294)	(11,208)	(11,323)	(11,765)	(11,501)	(10,389)
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Cash flows from financing activities

Receipts:

New loans

	1,200	-	-	-	-	-	-	-	-	-
Repayment of borrowings and advances	(1,884)	(1,944)	(2,026)	(1,418)	(1,476)	(1,482)	(1,320)	(1,222)	(1,283)	(1,281)

Net cash provided (or used in) investing activities

	(684)	(1,944)	(2,026)	(1,418)	(1,476)	(1,482)	(1,320)	(1,222)	(1,283)	(1,281)
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Net increase / (decrease) in cash

	2,295	(174)	(347)	7,645	5,714	5,994	6,052	5,673	5,846	6,382
Cash at the beginning of the year	34,032	36,327	36,153	35,806	43,452	49,166	55,160	61,212	66,886	72,732
Cash at the end of the year	36,327	36,153	35,806	43,452	49,166	55,160	61,212	66,886	72,732	79,114

Cash-Flow Statement
Cash flows from operating activities

Receipts:

Rates & annual charges	17,986	17,964	17,942	17,920	17,898	17,876	17,854	17,832	17,810	17,789
User charges & fees	11,437	11,445	11,452	11,460	11,467	11,475	11,482	11,490	11,497	11,505
Investment & interest revenue received	2,573	2,794	3,003	3,197	3,378	3,580	3,773	4,005	4,231	4,468
Grants & contributions	17,449	17,415	17,381	17,347	17,312	17,278	17,244	17,211	17,177	17,143
Other receipts	2,693	2,693	2,693	2,693	2,693	2,693	2,693	2,693	2,693	2,693

Payments:

Employee benefits & on-costs	(14,038)	(14,209)	(14,381)	(14,556)	(14,732)	(14,909)	(15,089)	(15,270)	(15,453)	(15,638)
Borrowing costs	(509)	(460)	(408)	(363)	(318)	(271)	(222)	(174)	(140)	(105)
Materials and contracts	(15,136)	(15,191)	(15,246)	(15,301)	(15,357)	(15,413)	(15,469)	(15,526)	(15,582)	(15,639)
Other payments	(4,364)	(4,364)	(4,364)	(4,364)	(4,364)	(4,364)	(4,364)	(4,364)	(4,364)	(4,364)

Net cash provided (or used in) operating activities

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Net cash provided (or used in) operating activities	18,092	18,087	18,071	18,032	17,978	17,945	17,902	17,897	17,870	17,852

Cash flows from investing activities

Receipts:

Sale of investments

Sale of infrastructure, property, plant and equipment	1,080	789	757	1,465	1,438	1,172	1,172	640	640	634
Deferred debtors receipts	-	-	-	-	-	-	-	-	-	-

Payments:

Purchase of investments	-	-	-	-	-	-	-	-	-	-
Purchase of property, plant and equipment - renewal	(9,144)	(8,285)	(8,440)	(9,876)	(9,919)	(9,149)	(9,129)	(7,816)	(7,901)	(7,752)
Purchase of property, plant and equipment - new	(2,448)	(2,197)	(2,454)	(2,234)	(2,489)	(2,234)	(2,482)	(2,234)	(2,503)	(2,234)
Impairment reversal	-	-	-	-	-	-	-	-	-	-

Net cash provided (or used in) investing activities

Net cash provided (or used in) investing activities	(10,512)	(9,693)	(10,137)	(10,645)	(10,970)	(10,211)	(10,439)	(9,410)	(9,764)	(9,352)
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Cash flows from financing activities

Receipts:

New loans

	-	-	-	-	-	-	-	-	-	-
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Payments:

Repayment of borrowings and advances	(1,078)	(1,050)	(1,020)	(972)	(1,018)	(1,066)	(1,117)	(831)	(670)	(707)
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Net cash provided (or used in) investing activities

Net cash provided (or used in) investing activities	(1,078)	(1,050)	(1,020)	(972)	(1,018)	(1,066)	(1,117)	(831)	(670)	(707)
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Net increase / (decrease) in cash

Cash at the beginning of the year	79,114	85,616	92,959	99,873	106,288	112,278	118,946	125,292	132,947	140,383
Cash at the end of the year	85,616	92,959	99,873	106,288	112,278	118,946	125,292	132,947	140,383	148,176

		All Funds									
		2015 \$'000	2016 \$'000	2017 \$'000	2018 \$'000	2019 \$'000	2020 \$'000	2021 \$'000	2022 \$'000	2023 \$'000	2024 \$'000
Key Performance Indicators											
Debt Servicing Ratio - %		-46%	-46%	-46%	-44%	-44%	-44%	-44%	-44%	-44%	-44%
Debt Service cost											
Revenue from continuing operations excluding capital items and specific purpose grants / contributions											
Rate Coverage Ratio - %		38%	38%	38%	38%	38%	38%	38%	37%	37%	37%
Rates and Annual Charges											
Revenue from continuing operations											
Building and Infrastructure Renewals Ratio - %		-60%	-76%	-75%	-82%	-80%	-82%	-74%	-73%	-75%	-71%
Asset renewals (buildings and infrastructure)											
Depreciation, amortisation and impairment (building and infrastructure)											
Operating Surplus Ratio - %		-4%	-5%	-2%	2%	4%	4%	4%	3%	3%	3%
Net operating result before grants and contributions provided for capital purposes											
Total Income											
Own Source Income Ratio - %		64%	65%	65%	61%	65%	65%	65%	65%	66%	66%
Total operating income less grant income											
Total operating income											
MAV Sustainability Framework											
Underlying Result %		-3.3%	-4.6%	-2.0%	1.9%	3.9%	4.1%	3.5%	3.1%	3.0%	2.7%
Adjusted Net Surplus											
Underlying Revenue											
Liquidity Ratio		5.0	5.0	5.3	6.2	7.0	7.9	8.8	9.5	10.2	11.3
Current Assets											
Current Liabilities											
Indebtedness (%)		77.2%	71.2%	66.9%	62.1%	57.5%	53.4%	49.5%	45.6%	41.6%	38.3%
Non-current liabilities											
Own source revenue											
Self-financing (%)		28.0%	26.6%	29.9%	37.5%	35.6%	36.0%	35.9%	35.7%	35.6%	34.7%
Net operating cash flows											
Underlying revenue											
Capital replacement		60%	76%	75%	82%	80%	82%	74%	73%	75%	71%
Capital expenditure											
Depreciation											
Renewal Gap		60%	76%	75%	82%	80%	82%	74%	73%	75%	71%
Renewal expenditure											
Depreciation											
Financial Sustainability Risk Assessment		Medium Risk	Medium Risk	Medium Risk	Medium Risk	Medium Risk	Medium Risk	Medium Risk	Medium Risk	Medium Risk	Medium Risk

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Key Performance Indicators										
Debt Servicing Ratio - %	-44%	-44%	-43%	-43%	-43%	-43%	-43%	-43%	-43%	-43%
Debt Service cost										
Revenue from continuing operations excluding capital items and specific purpose grants / contributions										
Rate Coverage Ratio - %	37%	37%	37%	37%	36%	36%	36%	36%	36%	36%
Rates and Annual Charges										
Revenue from continuing operations										
Building and Infrastructure Renewals Ratio - %	-69%	-61%	-62%	-72%	-72%	-67%	-66%	-55%	-53%	-52%
Asset renewals (buildings and infrastructure)										
Depreciation, amortisation and impairment (building and infrastructure)										
Operating Surplus Ratio - %	3%	2%	2%	2%	2%	2%	1%	0%	-1%	-1%
Net operating result before grants and contributions provided for capital purposes										
Total Income										
Own Source Income Ratio - %	67%	67%	67%	67%	67%	67%	67%	68%	68%	68%
Total operating income less grant income										
Total operating income										
MAV Sustainability Framework										
Underlying Result %	2.7%	2.0%	1.9%	1.8%	1.5%	1.4%	1.3%	0.4%	-0.7%	-0.8%
Adjusted Net Surplus										
Underlying Revenue										
Liquidity Ratio	12.3	13.3	14.3	15.1	15.8	16.6	18.1	19.6	20.6	24.0
Current Assets										
Current Liabilities										
Indebtedness (%)	35.0%	31.9%	29.0%	25.9%	22.8%	19.5%	17.1%	15.2%	13.1%	13.0%
Non-current liabilities										
Own source revenue										
Self-financing (%)	34.7%	34.6%	34.4%	34.3%	34.1%	33.9%	33.7%	33.6%	33.5%	33.3%
Net operating cash flows										
Underlying revenue										
Capital replacement	69%	61%	62%	72%	72%	67%	66%	55%	53%	52%
Capital expenditure										
Depreciation										
Renewal Gap	69%	61%	62%	72%	72%	67%	66%	55%	53%	52%
Renewal expenditure										
Depreciation										
Financial Sustainability Risk Assessment	Medium Risk	Medium Risk	Medium Risk	Medium Risk	Medium Risk	Medium Risk	Medium Risk	Medium Risk	Medium Risk	Medium Risk

	All Funds									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Fit for the Future Criteria										
Sustainability										
Operating Performance Ratio	-3.7%	-5.0%	-2.2%	2.2%	4.2%	4.5%	3.8%	3.4%	3.2%	2.9%
	✗	✗	✗	✗	✓	✓	✓	✓	✓	✓
Own Source Revenue Ratio	64%	65%	65%	61%	65%	65%	65%	65%	66%	66%
	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Building and Infrastructure Asset Renewal Ratio	60%	76%	75%	82%	80%	82%	74%	73%	75%	71%
100%	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗
Effective Infrastructure & Service Management										
Infrastructure Backlog Ratio	5%	6%	7%	7%	7%	8%	9%	9%	10%	11%
2%	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗
Asset Maintenance Ratio										
100%										
Debt Service Ratio	6.9%	6.7%	6.6%	5.0%	5.0%	4.8%	4.3%	4.0%	4.0%	3.9%
20%	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Efficiency										
Real Operating Expenditure per capita	\$ 2.57	\$ 2.60	\$ 2.53	\$ 2.43	\$ 2.38	\$ 2.38	\$ 2.40	\$ 2.42	\$ 2.43	\$ 2.45
0		✗	✓	✓	✓	✓	✗	✗	✗	✗

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Fit for the Future Criteria										
Sustainability										
Operating Performance Ratio	2.9%	2.2%	2.0%	1.9%	1.6%	1.5%	1.4%	0.4%	-0.7%	-0.8%
	✓	✓	✓	✓	✓	✓	✓	✓	✓	✗
Own Source Revenue Ratio	67%	67%	67%	67%	67%	67%	67%	68%	68%	68%
	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Building and Infrastructure Asset Renewal Ratio	69%	61%	62%	72%	72%	67%	66%	55%	53%	52%
100%	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗
Effective Infrastructure & Service Management										
Infrastructure Backlog Ratio	12%	13%	14%	15%	16%	17%	18%	20%	22%	24%
2%	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗
Asset Maintenance Ratio										
100%										
Debt Service Ratio	3.3%	3.1%	2.9%	2.7%	2.7%	2.7%	2.7%	2.0%	1.6%	1.6%
20%	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Efficiency										
Real Operating Expenditure per capita	\$ 2.45	\$ 2.48	\$ 2.49	\$ 2.50	\$ 2.52	\$ 2.53	\$ 2.54	\$ 2.57	\$ 2.61	\$ 2.62
0	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗

CONSULTANCY BRIEFING

The NSW Local Government Minister has recently released the Local Government Independent Review Panel's final report titled "Revitalising Local Government".

Prior to the release of the paper, the Councils of Boorowa and Young had been working collaboratively to secure funding to undertake a study of the Hilltops region to identify the most suitable future Governance and Service delivery arrangements for the region.

The Councils are now in the position where they are seeking submissions from suitably capable organisations to undertake the above mentioned study which is anticipated to provide a roadmap for the future of governance and service delivery across the Hilltops region.

Consultants are invited to provide a submission to be received by 24 March 2014

Submissions are to be emailed to:

anthony.mcmahon@boorowa.nsw.gov.au and peter.vlatko@young.nsw.gov.au

Hard copies are also to be posted to:

*General Manager Boorowa Council
PO Box 96
Boorowa NSW 2586*

and

*General Manager Young Shire Council
Locked Bag 5
Young NSW 2594*

Submissions are expected to provide sufficient information to clearly understand how the consultancy service is to be delivered including resources allocated, deliverables and timeframes; and capacity to deliver.

The submission shall include a financial proposal that details all inclusions and any exclusions that may apply.

Consultants are asked to refer to the attached Hilltops Regional Governance Paper and Terms of Reference for Hilltops Region Review Steering Committee for guidance and details on consultancy services required.

Hilltops Regional Governance Options

Councils within the Hilltops Region of southern NSW have a vision to raise the profile of their region and improve the wellbeing and prosperity of local communities. The strategic vision builds on the successful Hilltops branding, originally developed for marketing and promotion of the region incorporating Boorowa, Harden and Young. It respects and capitalises on the identity of the region's main settlements while recognising the value of adopting a regional approach to ensure the long-term sustainability and growth of the area.

As part of this vision, the councils wish to explore new structural arrangements for local government within the Hilltops Region, to improve strategic capacity, operational efficiencies and service delivery.

The drivers and anticipated community outcomes of this project are depicted below.

Drivers

Preserve local identity

Each community is unique. We want to preserve our local identity and local involvement in decision making, but also recognise that we have a shared future in the Hilltops. We want to create a regional local government structure that works for our situation.

Provide more opportunities

The region needs more jobs and educational opportunities for our young people. We need a stronger voice to lobby for funding and get things done. Joining forces would help us to achieve this

Improve access to services

Our communities would really benefit from a wider range of services and better service delivery. As individual councils we find it difficult to meet these needs. Joining forces could improve the wellbeing of our communities.

Outcomes

Shared prosperity

Our people love living in their own communities, but get the benefit of being part of a wider region. Each community is better off since we started working together.

Sustainable communities

There are more jobs in our region, tourism increases and people want to invest in, and move to, the Hilltops to be part of our special community. We can see a positive future for our region.

A great place to live

People enjoy living in the Hilltops. It's a welcoming and "go ahead" place. The facilities that people need for their lifestyle are here and the local services are well managed and affordable.



The project

The councils of Boorowa and Young are seeking expressions of interest from suitably qualified consultants to develop a report on future governance options for the Hilltops Region.

The report will draw on draft inputs from the councils, as agreed, with the consultants being responsible for compiling and presenting the final analysis.

The report will explore two key themes, as outlined below:

Defining the region

This section will identify the current and future communities of interest, demographic profile and economic relationships of the Hilltops Region

Exploring the opportunities, considering structural options

This section will explore four structural scenarios for councils within the region, having regard to opportunities to improve strategic capacity and operational efficiency

- Scenario One: Maintaining the status quo of the three Hilltops councils
- Scenario Two: The Independent Local Government Review Panel's recommendation for the region - a merger of Boorowa, Harden and Young Shire Councils.
- Scenario Three An option for an alternative Hilltops Regional council structure, incorporating other communities of interest or local government areas as appropriate.
- Scenario Four: Maintain the existing Councils with a different administrative/management structure.

These themes are explained in detail on the following pages.

Deliverables

The project includes the following deliverables:

- A draft options report on Hilltops regional governance, presented for review by participating councils and the Division of Local Government
- A final options report on Hilltops regional governance, following consideration of feedback from the draft review
- Presentation of the report's key findings to a workshop of project stakeholders
- Ongoing advice and review, as required

Key themes of the report

Defining the region

The Hilltops Regional brand was originally developed with a tourism/economic development focus, to promote local wine production activities, agricultural produce and events. The region has traditionally been defined as the three local government areas of Boorowa, Harden and Young. The branding is now gaining a wider application, with plans to develop a regional approach to local governance.

This section of the report will largely be undertaken through desktop analysis and consider the following:

- The demographic and economic profile of the existing “Hilltops region”
- Future demographic trends and economic opportunities
- The region’s existing alignment with state planning, administrative and service delivery boundaries
- Communities outside of the traditional “Hilltops” grouping (Boorowa, Harden & Young) which may have current or future common interests with the region. This assessment will consider access to services, cross-border movements and social/economic links.

Suggested References: <http://www.hilltops.com.au/>, Council websites, CENTROC website, ACT Government website, Department of Planning and Infrastructure website.

It is expected that consultants will undertake a comprehensive review of all reference information available, not limited to the above suggested references.

Exploring the opportunities, considering structural options

This section will draw on information provided by participating councils, as well as publicly available information on council performance within the region. This component of the project will require on-site attendance as well as desktop analysis.

The main focus of this section will be on exploring the different scenarios with an emphasis on determining the most suitable long term outcome for the region.

This section will:

- Explore the “base case” of the three councils (Scenario One), including:
 - Review of existing integrated planning and reporting for the subject LGAs
 - Current financial sustainability ratings
 - Existing service profiles, including, as far as possible, service or skills gaps within the subject councils.
 - Current asset management, including infrastructure backlogs
 - Current and historical trend information from annual reports regarding operating costs and revenues

- Review of historical missed opportunities and learning's
- Identification of barriers to providing higher quality services under current arrangements

The base case will also consider existing regional service arrangements, for example water supply arrangements and shared service contracts relating to the subject councils.

- Conduct an analysis of the potential impacts of the participating councils maintaining the status quo over the longer term (minimum 10 years), including financial sustainability, strategic capacity, asset management and service delivery.
- Conduct a strategic analysis of the potential costs and benefits associated with a merger of the three subject councils (Scenario Two) in terms of increased strategic capacity. This analysis to include:
 - Financial sustainability
 - Strategic planning capacity
 - Opportunities to address skills or service gaps
 - Opportunities for more effective application of existing resources
 - Opportunities for increased or improved service delivery, particularly on a regional basis, including capacity to undertake larger scale or more complex projects. This analysis to specifically focus on opportunities for water management, waste management and land use planning
 - Governance and community engagement, including opportunities to support local democracy and local determination
 - Opportunities for improved state-local co-ordination at the sub-regional level.
- Conduct an analysis of the potential costs and benefits associated with Scenario Two in terms of improved operational efficiencies. This analysis to include:
 - Potential efficiencies in administration, governance, service provision and infrastructure/asset renewal
- Consider the costs associated with amalgamation and establishment of a new entity under Scenario Two, based on available case study information and/or estimates prepared by participating councils
- Consider the revenue implications of structural reform under Scenario Two, including existing liabilities, changes to grant income, property rating/tax levels, variations in fees and charges and development contributions across the three subject councils.

- Complete a financial analysis over a minimum 10 year period of Scenario Two. This analysis will consider the ability to establish a sustainable financial basis, the ability to fund asset renewal gaps and the impact on revenue and levels of property rates.
- Suggest a possible corporate structure and local representation model for the proposed Scenario Two regional entity.
- Identify a potential configuration for Scenario 3 and provide a broad analysis of potential strategic capacity and operational efficiencies that may be achieved through this wider regional governance configuration
- Provide comment on potential governance configurations for Scenario Three that would support local identity concepts, while realising the identified benefits of a regional entity.
- Provide a comparative analysis between Scenario Two and Scenario Four to determine if Scenario Four is a workable model that will achieve desired outcomes.

Indicative References:

- Council annual reports
- TCorp analysis
- Infrastructure audit

Timeframes and milestones

Consultants are required to provide a suggested timeframe and program with their submission, with reference to the project steering group at the following milestones:

- Completion of analysis for the “Defining the Region” section
- Completion of analysis for Scenarios One and Two
- Completion of draft final report for review
- Completion of final report.

Contact details

Mr Peter Vlatko – General Manager Young Shire Council –
peter.vlatko@young.nsw.gov.au – (02) 63801231

Mr Anthony McMahon – General Manager Boorowa Council –
anthony.mcmahon@boorowa.nsw.gov.au – (02) 6380 2000

TERMS OF REFERENCE FOR HILLTOPS REGION REVIEW STEERING COMMITTEE

Background

As a result of sector wide consultation commenced in Dubbo NSW in August 2011, the NSW Government has been undertaking what is considered a comprehensive review of the local government sector within NSW.

The initial consultation was the basis of “Destination 2036” and was attended by representatives from all 152 Councils that currently exist across NSW.

According to the Division of Local Government (DLG) “Destination 2036 is the start of a new way of planning which moves local government in NSW from talking about and reacting to change, to managing change to create a preferred future. In effect, it will begin the strategic plan and delivery program for NSW local government, mirroring key elements of the integrated planning and reporting frameworks which individual councils are implementing.”

As a follow on from the early work of Destination 2036, the NSW government commissioned an Independent Local Government Review Panel to thoroughly investigate all options available for the future of local government.

In April 2013 the Independent Panel released “Future Directions for NSW Local Government – 20 Essential Steps” which provided the first major insight into the thinking of the panel and the potential range of final recommendations to be delivered to the local government Minister.

With the initial report recommending major changes for the Councils of Boorowa, Young and Harden, it became obvious that the Councils could either be proactive in creating their own future or run the risk of being dictated to by the State Government.

This initially entailed the three Councils of Boorowa, Young and Harden working collaboratively to determine what the future of the region known as the Hilltops should be and how this new future would be achieved. Consultation with the NSW Local Government Minister as well as the Chief Executive of the Division of Local Government determined that the Division would be highly supportive of the three Councils in working together to develop a suitable future model for the Hilltops Region. This culminated in the Minister pledging funding on a 50/50 basis for the engagement of a consultant to specifically review the Hilltops Region and potential options for the future.

Subsequent to the offer being made by the Minister for funding support, Harden Council independently made the decision to wait to take any further action until the final report of the Independent Review Panel was made public (released 8 January 2014) and the State Government responded to the recommendations in the report.

Introduction

With Boorowa and Young Councils preparing to engage a Consultant to undertake a review of the Hilltops Region with a view to the future, it is important to clearly define how the process will occur and what the intended outcomes are. As the process involves multiple Councils and communities it is particularly important that an agreed framework is established early on.

This document is intended to be a guidance document and may be subject to review and change at any stage throughout the process as parameters change.

Project Parameters

Objectives

The overarching objective of Councils working collaboratively in shaping the future of the Hilltops Region is to ensure that the community receives the best quality of life possible.

There are a number of sub-objectives of the project which are as follows:

- Strengthen individual communities within a regional context
- Enhanced economic activity across the region
- Increased political strength and recognition with other levels of Government
- Maintain fair, open and accountable local democracy
- Maintain and strengthen local employment
- Securing the best value for money services for the community whilst acknowledging social and environmental implications.
- Strong place management where distinct communities have the ability to influence the identity of their place.
- Maintain the individuality and uniqueness of the communities that make up the Hilltops Region.

Outcomes

Specific outcomes of the project are as follows:

- Clear understanding of the definition and constituents of the Hilltops Region
- Identify areas of commonality across the region to identify obvious areas for cost saving
- Identify and consider strengths and weaknesses of current representation models, governance arrangements and service delivery mechanisms
- Identify and assess alternative representation models, governance arrangements and service delivery mechanisms
- Identify the most desirable future representation models, governance arrangements and service delivery mechanisms and develop a road map for how this best possible future can be achieved
- A clear and shared understanding of the desired future of the region with majority support from the community

Scope

The project is going to require a broad range of resources and a diverse range of stakeholders made up from a variety of communities.

The scope of the project will initially involve the following key aspects:

- Engage with Councils within and surrounding the Hilltops region to allow for early participation
- Development of a stakeholder communications plan
- Engaging a consultant to independently and objectively review the region, the Councils that make up the region and the way services are provided to the communities of the region.
- Identifying the most suitable model going forward that will provide the most cost effective, highest quality and democratically fair service to the community.
- Develop a transition plan that clearly identifies the steps associated with moving from where we are now towards the ideal future

Governance Framework

Participants

At commencement of the project participating Councils are Boorowa Council and Young Shire Council. It is acknowledged that participant Councils are likely to change as the process progresses.

The steering committee consists of the Mayor and General Manager of each participating Council.

Invited representatives of the Division of Local Government may attend as observers, to provide information and advice, as required and receive updates on project milestones.

Delegations

The steering committee has not been given any initial delegations and will act as an information and advice conduit between consultants and participating Councils.

Role of the Steering Committee

The role of the committee and its members is to undertake research, consultation and communications in relation to the progress of the project. The committee will meet as needed and provide regular updates to participant Councils. The committee will provide guidance and input into consultant work that will form the basis of draft reports to be presented to each participating Council for consideration.

Overarching Principles Critical for Success

At the outset of the project the following principles are considered as critical to moving towards a successful future:

- The project's main aim is to ensure that all Hilltops communities ultimately benefit from the proposal.

- The community will have opportunities to be engaged in the process and contribute to the final model
- The community will receive clear and consistent information from committee members regarding the process
- Local identity will be respected and enhanced
- Each participating Council agrees to remain focused on the long term benefits for their community and the wider region
- All options are to be considered objectively within the context of what is best for our long term future
- No future model shall be adopted unless endorsed by each participating Council.

Project Management

The project will be managed on a joint basis by the General Managers of the participating Councils. It will be the responsibility of the General Managers to coordinate meetings and ensure that all correspondence relating to the project is distributed to all steering committee members.



LOCAL GOVERNMENT REFORM COMMUNITY BRIEFING

The NSW State Government is currently undertaking major reform of Local Government in NSW. This reform will result in major changes to Councils across the state. The purpose of this summary is to highlight the important aspects of what has happened to date and why, as well as what the future could hold for Boorowa Council.

The “Fit for the Future” Proposal.

- In 2011 the NSW Government and Councils across NSW agreed that there was a need to improve how communities were serviced and represented at the local level.
- In response to this the NSW Government commissioned an audit of the financial position and asset management practices of Councils across NSW, what Councils are responsible for, the maintenance and rebuilding costs for Council owned assets, and the level of services the Council owned and managed asset provided.
- The Independent Panel was commissioned to broadly review the Local Government sector and provide recommendations to the Government on what Local Government should look like into the future.
- The Independent Panel provided their report to the Government and the Government announced the “Fit for the Future Initiative”

What is “Fit for the Future”?

- The report developed by the Government is a series of benchmarks for Councils to be measured against that will determine whether or not they are sustainable in the long term or “Fit for the Future”.
- The benchmarks are mostly financial measures with an additional measure of “scale and capacity”.
- Each Council is required to deliver a submission by 30 June 2015 on how they will become “Fit for the Future”.

What does “Fit for the Future” mean for Boorowa?

- Council does not meet the scale and capacity criteria.
- Council meets only 3 of the 7 financial benchmarks (which is similar to many Councils across the state).
- In light of this, Council has recognised that change will be inevitable and it is important that we design the structure and governance arrangements that ultimately will serve our community rather than the NSW Government make those decisions.
- The Independent Panel Report had identified 2 potential options for Boorowa to become “Fit for the Future” which are to either merge with Harden and Young Shire Councils or to become a Rural Council that has a number of responsibilities and functions transferred to a regional joint organisation.
- In an effort to be proactive and better informed, Boorowa Council, alongside Harden Shire Council and Young Shire Council, engaged a consultant to undertake an objective analysis of all our options. The report is titled: “Hilltops Region Governance and Service Delivery Review”.

What Options were analysed?

Option	Predicted Impacts	Additional Comments
Merger of the 3 Councils	Discussed in more detail below	Boorowa, Harden and Young.
Merger of more than the 3 Councils	Could be as beneficial as or more beneficial than for the merger of the 3 but some of the negatives identified could also become greater.	Not considered likely to occur all neighbouring Councils were invited to participate in the consultant's report project but declined to participate. (NB. May also be issues associated with merging across State Government regional boundaries.)
No change to Current Structure	As identified in consultants report and previously by Council, if we continue as we are our financial position will continue to deteriorate and over time it is likely there will be noticeable reductions in the level of service the community receives. Rates would need to increase significantly to become financially sustainable.	The NSW Government has indicated they would not support this option. The Government has spent significant time and money identifying what they believe needs to change and would not support Council remaining as it is.
Resource Sharing	There could be quite significant benefits associated with resource sharing and the 3 Councils already do resource sharing in a number of areas. The benefits are unlikely to reach the full potential of a merger though and negatives of this arrangement would be that 3 Councils would be jostling to have their priorities put first.	This option may not be supported by the NSW Government, however it is not known for certain.

Option	Predicted Impacts	Additional Comments
Become a Rural Council	It is not fully known what the positives and negatives of becoming a rural Council are to date as the Government has not yet finalised its rural Council model. It is predicted that the model will require the Council to demonstrate how it meets the "Fit for the Future" benchmarks, with the expectation that Rural Councils will be required to divest a number of functions and responsibilities to newly established Regional Joint Organisations.	It is not known whether the Government would support a Council such as Boorowa to become a Rural Council. The original intent of the Rural Council model was to create an option for Councils with very small populations and large distances to neighbouring Councils, for example Hay. Those Councils were identified as having low merger potential whereas the Government identified Boorowa as having high merger potential due to its relative short distance to neighbouring Councils
Merging with Councils other than Harden and Young	This could be an option although unlikely. Very early in the reform process Council considered all neighbouring Councils and their merger potential, and analysed the positives and negatives in relation to the aligning of community of interests. All Councils were also invited to participate in the Consultancy project and none expressed an interest in merging with Boorowa.	Even if any neighbouring Councils did change their minds and decide they wanted to merge there would not be adequate time to put any sort of business case together before Council is expected to make its submission to the Government on "Fit for the Future" in June 2015.

What Did the Consultants Report Find?

- The consultant's report identified that a merger between Boorowa, Harden and Young would result in a new Council that would have adequate scale and capacity and could potentially become financially sustainable and meet the majority of the Governments "Fit for the Future Benchmarks" dependant on the decisions the new Council made.
- \$5.6 million could be saved each year if the Councils merged
- It could cost \$4.9 million to merge.

What Potential Positives are there about a Merger?

- The Government would give the new Council \$11.5 million if **they** choose to merge.
- The new Council would have access to Government grants and incentives (the NSW Government has indicated “Fit for the Future Councils” will get preferential access to grants). With a larger pool of funds it is easier to match funds for larger grant programs.
- With a larger scale there is less financial risk in completing larger projects.
- There would be reduced duplication of effort that currently exists across the 3 separate Councils.
- Cost efficiencies will be able to be achieved by completing larger volumes of work at a particular location (e.g. instead of resealing 1km of road a year over 5 years in each of the Council areas larger sections could be done at a cheaper cost).
- Better utilisation of plant.
- Potential to do new things or implement better ways of doing things through scale (e.g. buying larger more specialised plant such as stabiliser or gravel crushing plant which each of the 3 Councils currently contract in for higher than achievable costs).
- More consistent approach to development and land use planning. More consistent policies.
- Better ability to advocate or and be recognised politically as an important region in the State. The Hilltops Region currently sits on the boundaries of all State Departments and as a result the 3 smaller Councils often do not receive the recognition they deserve.
- Better ability to attract skilled staff and better utilisation of the skills and abilities of existing staff.
- A larger organisation allows better career pathways for staff.

What Potential Negatives are there about a Merger?

- Less local representation as there would likely be a reduction in Councillors per head of population that represent Boorowa. (Currently Boorowa has 9 Councillors).
- Reprioritisation of current initiatives (this could be a positive if a merger means more can be done).
- There is likely to be large scale change over a period of time (again this could be a positive but any change can be difficult to work through).
- There may be disruption to how things operate for a period as a transition occurs.
- The new Council would be responsible for future decisions and there will be more reliance on the community to make sure the right people get elected and that a strong community voice is maintained.
- There would be challenges associated with aligning systems such as rating.
- Merger costs could be \$4.9 million. If Council is forced to merge this could be a cost to the ratepayer.

What Happens Next?

- Council wants the community to have the opportunity to digest the information available on reform, particularly the “Hilltops Region Governance and Service Delivery Review” prepared by LKS Quaero for Boorowa, Harden and Young Councils.
- Council will hold community forums to further discuss the options with the community and seek the communities’ views. It is very important that the community is involved in informing Councils decision for the future.

Location	Date and Time
Boorowa Ex Services Club	7pm – 9pm Monday, 9 February 2015
Frogmore Community Hall	7pm – 9pm Tuesday, 10 February 2015
Boorowa Ex Services Club	7pm – 9pm Wednesday, 11 February 2015
Rye Park Hall	7pm – 9pm Thursday , 12 February 2015

- The public will also be invited to make written submissions to Council on what they think Council should include in its “Fit for the Future” submission.
- Council will consider all of the submissions and feedback as well as the information that has been gathered on the available options.
- Council will prepare its “Fit for the Future” submission.
- Council will make its submission to the Governments submission review panel.
- The panel will make recommendations to the Government.
- The Government will make a decision on the future of Council.

Where Can I Find More Information?

- A section has been established on Councils website titled LG Reform which has links to key relevant documents and information – the site can be found at <http://www.boorowa.nsw.gov.au/component/content/article?id=1165367>
- Copies of “Hilltops Region Governance and Service Delivery Review” are available for viewing at the Boorowa Council Administration Building or the Boorowa Library
- Contact Boorowa Council on 63802000 or email council@boorowa.nsw.gov.au
- SUBMISSIONS can be made via email or posted to:
Boorowa Council
PO Box 96
Boorowa NSW 2586

OFFICE OF THE MAYOR
BOOROWA COUNCIL



Dear Ratepayer/Resident

I am writing to you to ask that you become involved in shaping the future of Local Government for the Boorowa Community.

As you may be aware through media, Councils across NSW are set to undergo major changes as a result of the NSW Governments "Fit for the Future Program" which is the culmination of several years of review of how Councils are performing.

Rather than sit back and let the NSW Government make the decision for us, my fellow Councillors and I believe that it is imperative that we as a community take control of our own destiny and make sure that if any change occurs that it is on our terms.

Council would strongly welcome your assistance to help them make decisions that are right for our future and the first step in doing this is to understand the context of what has been happening with reform.

To assist in better understanding why change is likely to occur and what the options are for our Council, a webpage has been set up on Councils website <http://www.boorowa.nsw.gov.au/component/content/article?id=1165367>. This can be viewed online or at Councils Office, or Library, Market Street Boorowa.

In addition, I would like to invite you to attend one of our four community forums to discuss reform and our future.

The dates and locations for the community forums are:

Location	Date and Time
Boorowa Ex Services Club	7pm – 9pm Monday 9 February 2015
Frogmore Community Hall	7pm – 9pm Tuesday 10 February 2015
Boorowa Ex Services Club	7pm – 9pm Wednesday 11 February 2015
Rye Park Hall	7pm – 9pm Thursday 12 February 2015

It would be appreciated if you could advise us of your attendance to assist us in preparation, however this is not mandatory. The Boorowa Council front office can be contacted on 63802000.

Should you wish to have any information clarified please do not hesitate to contact the General Manager, Mr Anthony McMahon.

I look forward to meeting with you at one of our community forums to help shape our future.

Yours faithfully

Wendy Tuckerman
Mayor
Boorowa Council



BOOROWA COUNCIL AND LOCAL GOVERNMENT REFORM

PURPOSE OF THIS FORUM

- Inform the community of what this reform business is all about
- Discuss what reform has meant to date
- Present why Council is unlikely to remain as it is
- Discuss options for the future and where to from here
- Understand the views of the community
- Start point for real community involvement

REFORM IN BRIEF

- State Government together with the LG sector recognised that major change was required for Councils to continue to be able to meet the needs of their communities
- State Government engaged “experts” to do research and prepare reports
- Recommended a merger between Boorowa, Harden & Young
- 3 Councils decided early to try and shape their own future rather than be dictated to

WHY CHANGE

- Government has made it very clear staying the same is not an option
- Do not meet sustainability benchmarks set by government (discussed later)
- “Carrots” to make change desired by Government – money
- “Sticks” if we try to stay the same – cut off funding support and potentially state road contracts
- We struggle with scale to be as efficient as possible

BENCHMARKS

Fit for the Future

Definition:



Generate sufficient funds over the long term to provide the agreed level and scope of services and infrastructure for communities as identified through the Integrated Planning & Reporting process.



Maximise return on resources and minimise unnecessary burden on the community and business, while working strategically to leverage economies of scale and meet the needs of communities as identified in the Integrated Planning & Reporting process.



Efficient service and infrastructure delivery, achieving value for money for current and future ratepayers



Demonstrate strong organisational and regional capacity to mobilise resources to engage effectively across community, industry and government

Criteria/Benchmarks:

Operating Performance Ratio (> or equal to break-even over 3 years)

Own Source Revenue Ratio (>60% over 3 years)

Building and Infrastructure Asset Renewal Ratio (>1 over 3 years)

Infrastructure Backlog Ratio (<2%)

Asset Maintenance Ratio (>1)

Debt Service Ratio (>0 and less than 0.2)

Real Operating Expenditure per capita over time

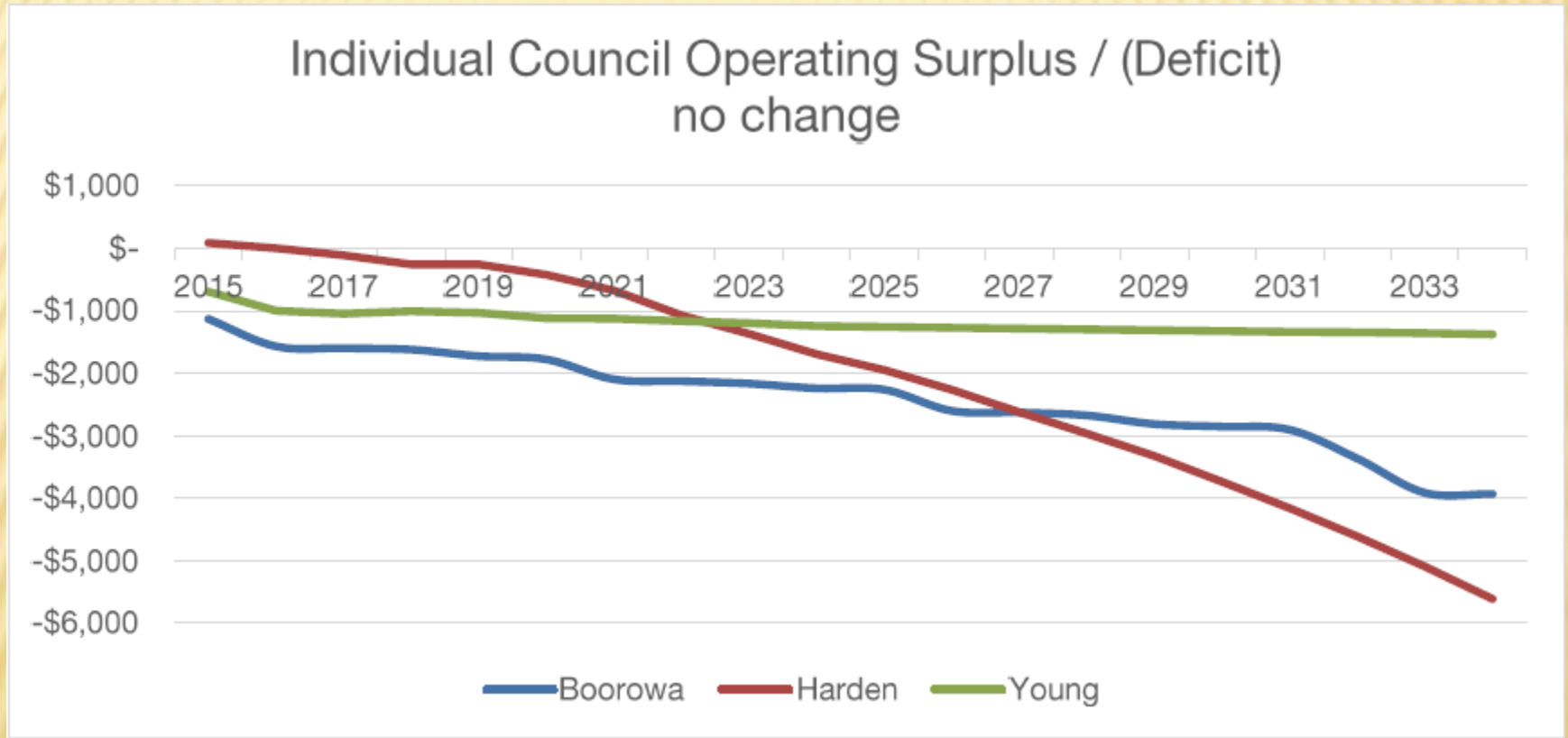
Has the scale and capacity consistent with the recommendations of the Independent Panel

Strategic capacity

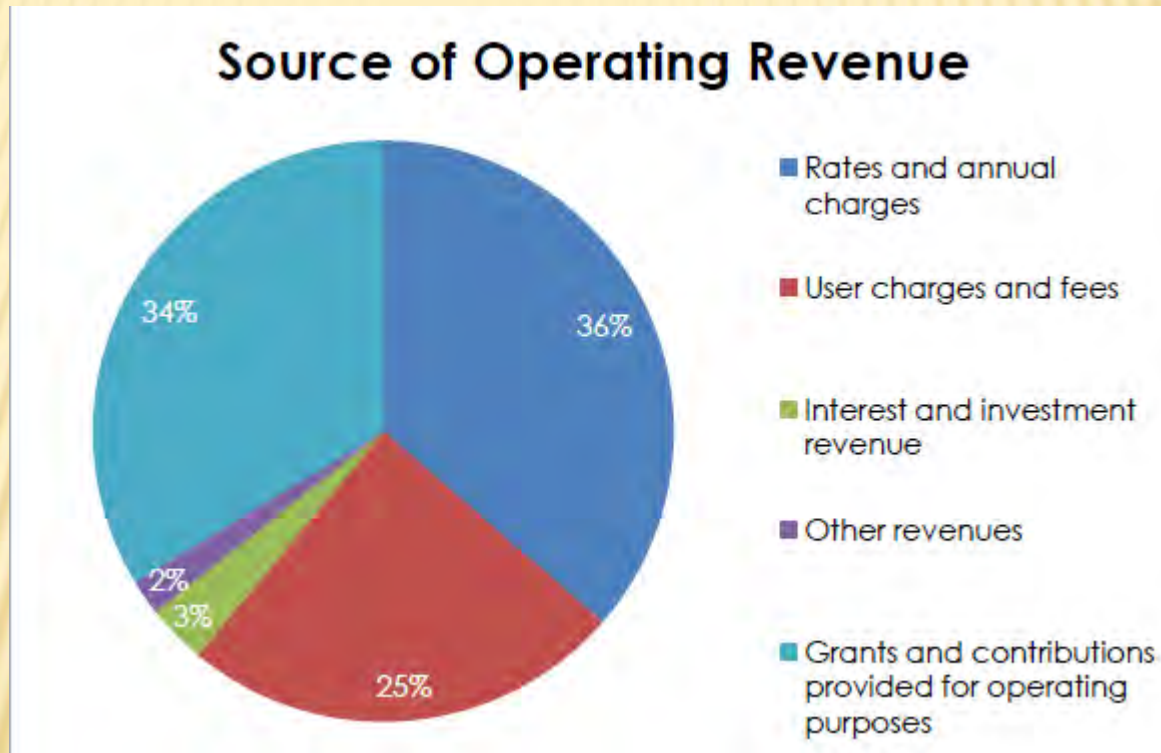
Sustained improvement against each of the criteria to underpin the strategic capacity of Councils over the long term.

This capacity, along with willingness and commitment to collaborate in good faith with government, communities and industry stakeholders will underpin fit for the future councils

SOME FURTHER CONTEXT



SOURCES OF OPERATING REVENUE



Note: This does not include sources of capital income, rates and annual charges as a percentage of total income is an even lower proportion

SCALE AND CAPACITY EXAMPLES

- ✖ If we tried to secure a grant for a major project that required co-funding what we call a big risk is relatively small - \$11.5m budget
- ✖ If we were at a larger scale it would be efficient for us to purchase specialised plant such as road stabilisers or gravel crushing plant
- ✖ If we have one water and sewer team member or multiple finance/customer service staff away we struggle to continue services
- ✖ Significant duplication exists across Councils – GM's, senior staff, WHS, HR, tourism, finance, engineering etc

WHAT HAVE WE DONE

- Spoken with all neighbouring Councils on their intentions
- Had an objective assessment of several options prepared (to be discussed)
- Regular communication with Young and Harden Councils
- Participated in a range of forums and workshops relating to reform

WHAT ARE THE OPTIONS

- Do nothing
- Merge with neighbouring councils
- Consider alternative governance and service delivery arrangements
- Become a “Rural Council”

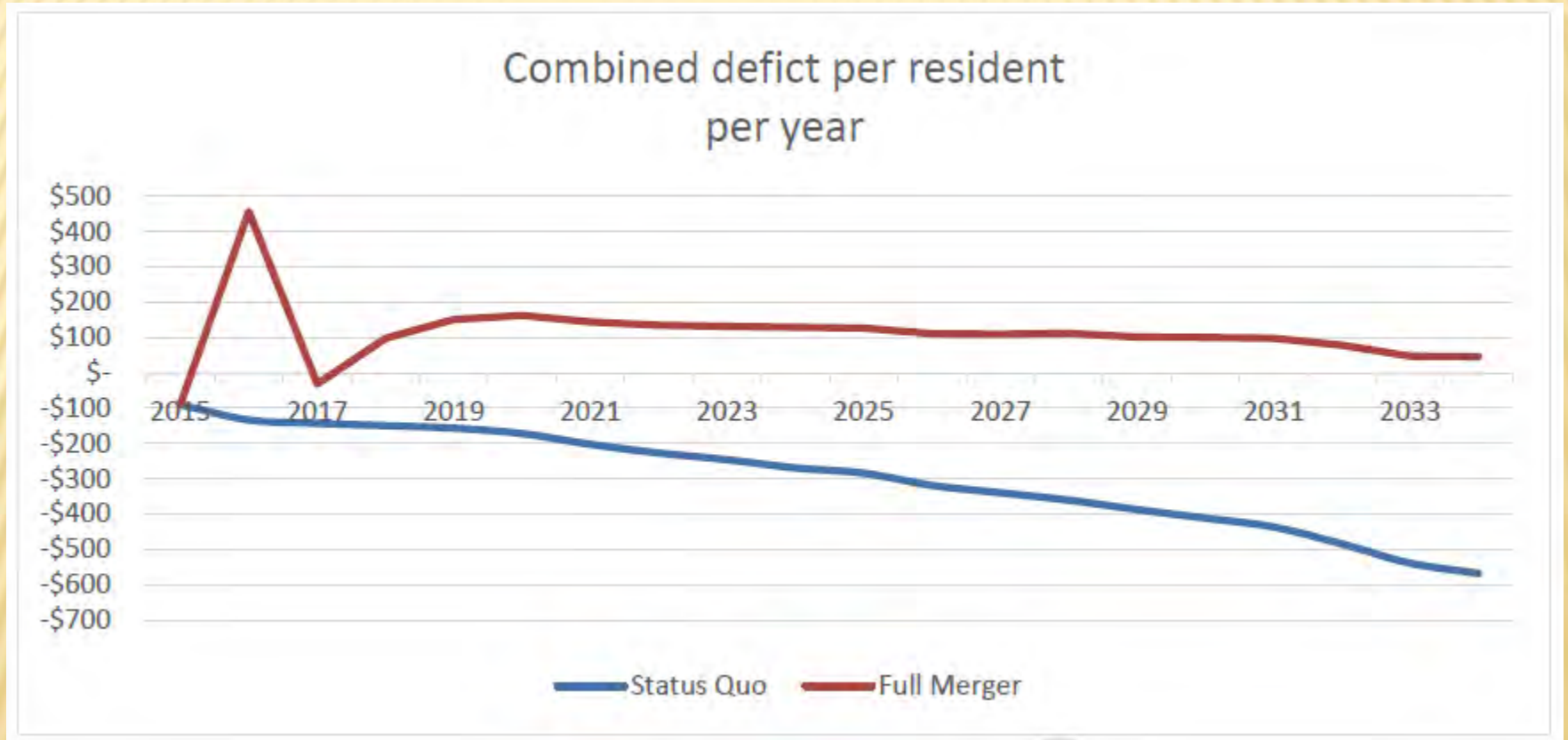
DO NOTHING?

- Won't be acceptable to Government
- Would struggle to continue to meet the needs of the community into the future
- May be an option for “fit for the future” submission but would leave us at the mercy of the State Government (which we are anyway).
- “Sticks” referred to earlier – we would be financially starved

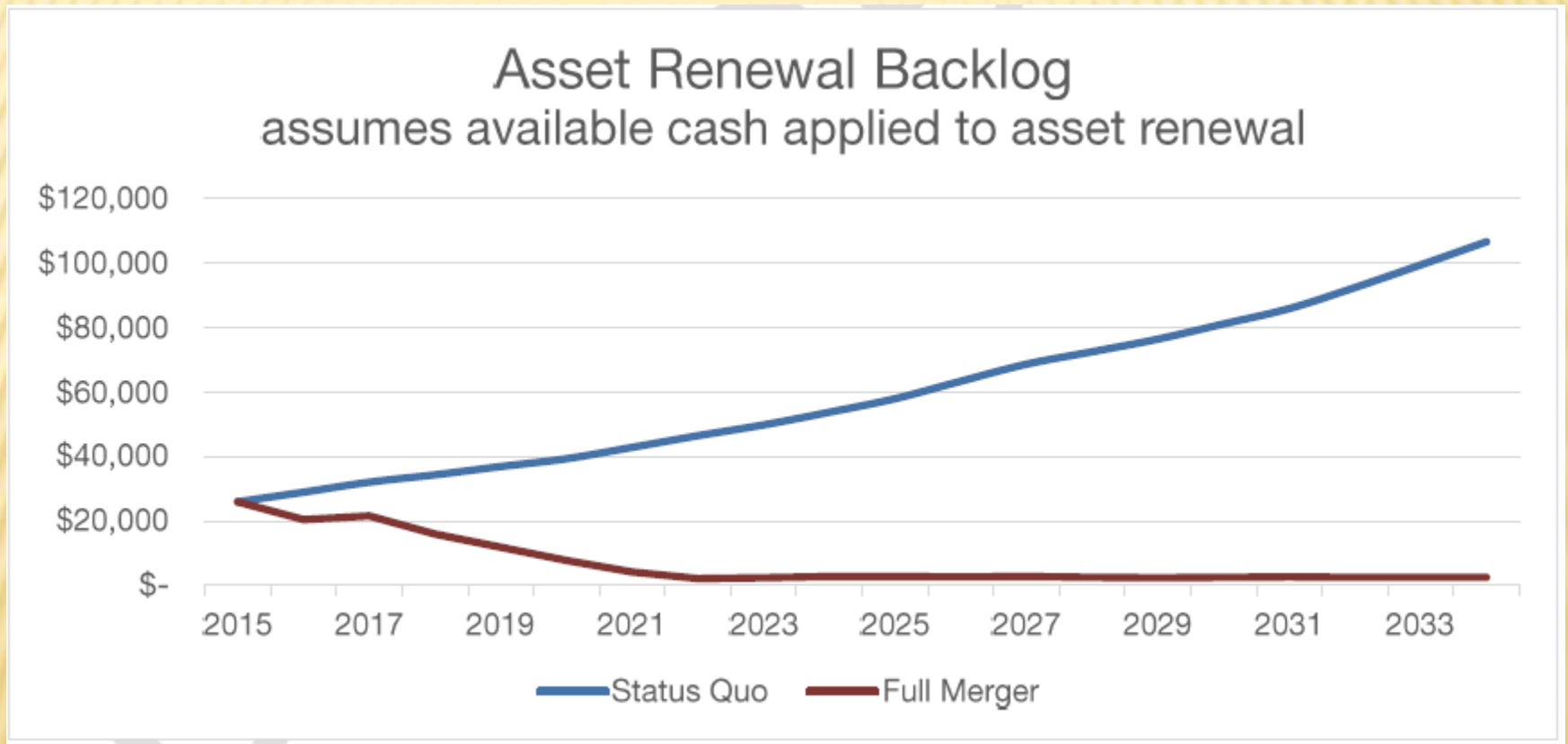
MERGE WITH NEIGHBOURING COUNCILS

- Based on consultants report this option could lead to a sustainable position – where the new Council could afford to provide the services expected by the community well into the future
- Would require significant work to establish and a period of major change
- Aligns with the Governments expectations
- Would enable the new Council to access significant funding
- Would result in greater political recognition, hard for us to be listened to with such small population

WHAT DOES IT MEAN FOR RATEPAYERS



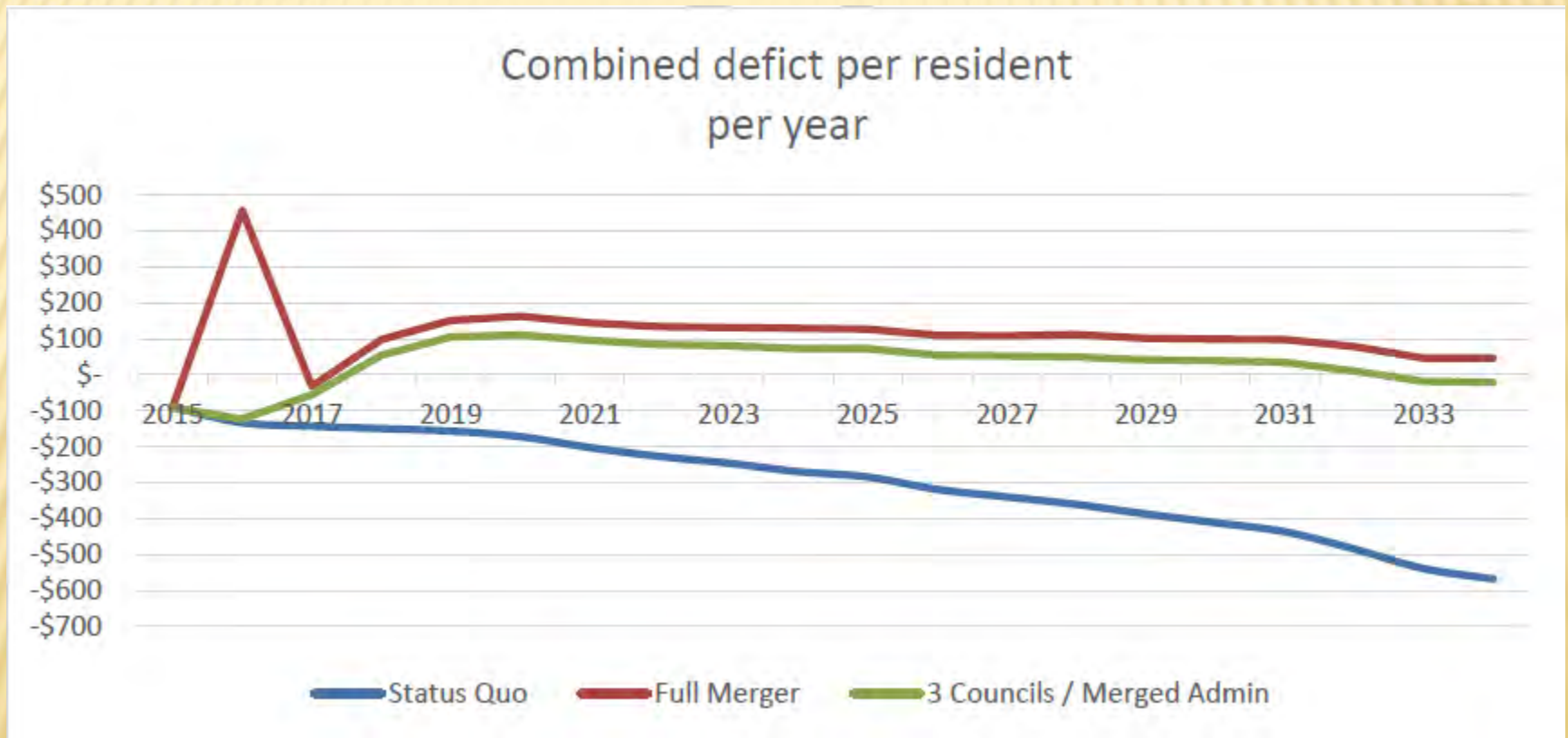
WHAT DOES IT MEAN FOR INFRASTRUCTURE



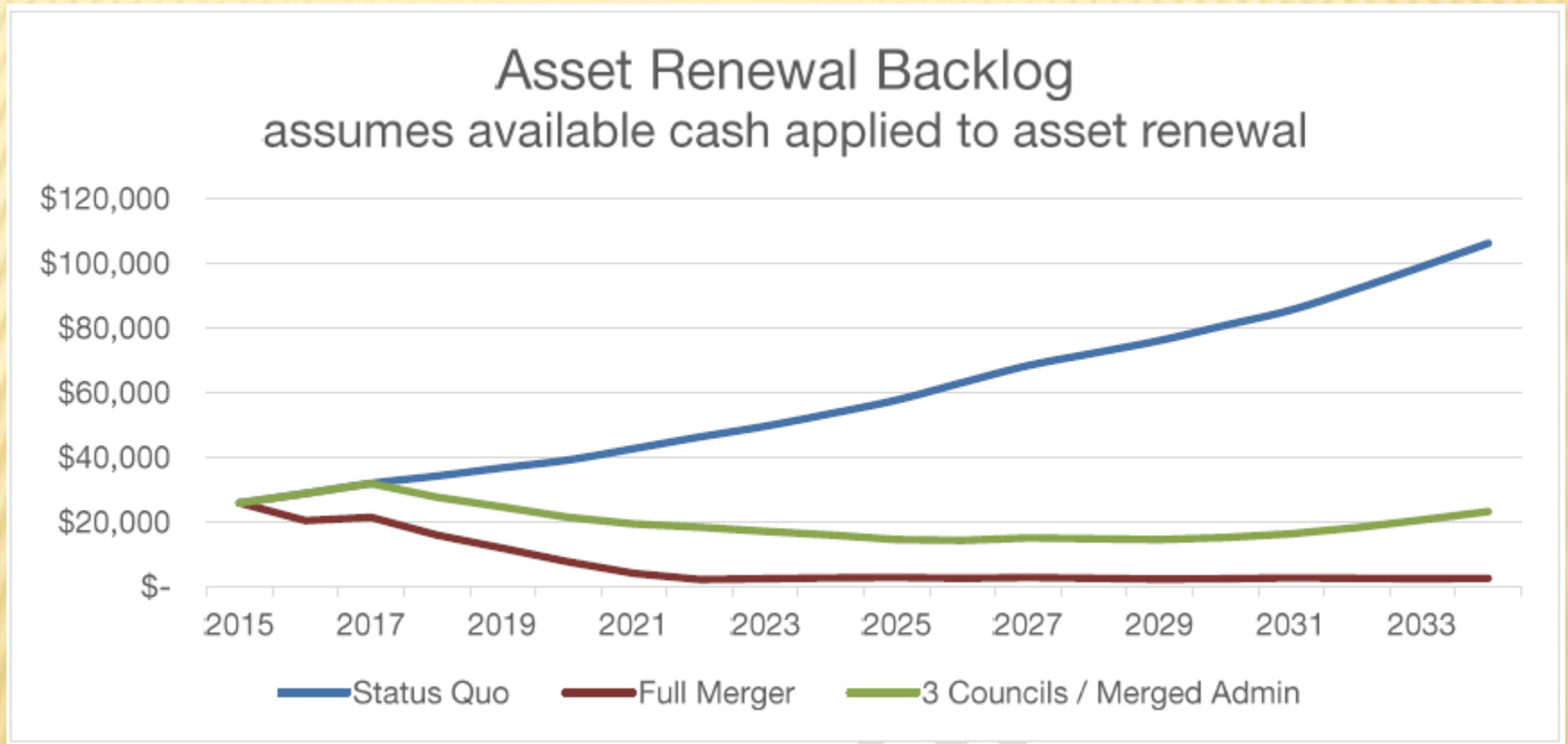
ALTERNATIVE GOVERNANCE AND SERVICE DELIVERY ARRANGEMENTS

- Could assist in providing sustainable services to the community
- Would be very messy from a governance perspective having 3 separate councils competing through one administration to get things done
- Similar to a merger but keeps individual representation
- Unlikely to be supported by government in comparison to merger

WHAT DOES IT LOOK LIKE FOR RATEPAYERS



WHAT DOES IT LOOK LIKE FOR INFRASTRUCTURE



RURAL COUNCIL

- Only recently released templates defining rural councils
- Provides an alternative to merger
- Would result in remaining as an individual Council but would still require major changes to current Governance and Service Delivery
- May result in missed opportunities (financial as described earlier)
- Unlikely benchmarks could be achieved

WHAT NEXT ?

- State election 28 March
- Each Council required to make a “fit for the future” submission based on one of 3 templates by 30 June
- Council needs to make a decision on which template to lodge
- Seeking views, ideas and justification for options from the community
- Our submission may be dependent on the that of neighbouring Councils

CONCERNS ?

- If we merge will we lose jobs
- If we merge will we lose representation
- If we merge will the villages be worse off
- Can we survive if we don't merge

WRAP UP

- ✖ We are currently “punching above our weight” and doing well
- ✖ WE should control our own future whilst we can
- ✖ What is best for the region long term
- ✖ We will not be able to stay as we currently are long term

OVER TO THE AUDIENCE

OVER TO THE AUDIENCE

➤ Questions



MEDIA RELEASE

Approved for release by: Wendy Tuckerman and Stuart Freudenstein

Date for release: 14 January 2014

BOOROWA & YOUNG TO CONTINUE TO INVESTIGATE OPTIONS FOR THE HILLTOPS REGION

Mayor of Boorowa, Wendy Tuckerman and Mayor of Young, Stuart Freudenstein, met Friday 10 January 2014, to further discuss local government reform.

The focus of the meeting was the Governments recently released: "Final Report of the NSW Independent Local Government Review Panel".

Both Councils have continued working together to shape the future of the Hilltops Region and it is now important to consider the recently released report within the context of progress to date.

Mayor Wendy Tuckerman said "The report does not change our focus on ensuring that the future of our communities is being driven by our Councils and the content of the report certainly reinforces our previous decision to move early on our own terms."

The report still recommends that the Councils of Boorowa, Harden and Young merge and although the Local Government Minister had previously stated there would be no forced amalgamations, terminology has changed to state there will be no forced amalgamations in the current term.

This leaves the door open for the government to force change if it is not satisfied with voluntary progress.

Mayor Tuckerman said "The report contains a lot of strong, logical recommendations; however there are also many unanswered questions which we intend to address through our own study and by making a submission on the report"

“For example, the concept of Rural Councils may initially seem appealing as an option for a Council such as Boorowa, however there is no way of identifying if the Boorowa community could be better off under that model than if it were to merge” she says.

Both Mayors believe that they have put their Councils in a strong position to shape and determine what the future will entail and what Regions their communities will be connected with.

Mayor Stuart Freudenstein said “Our joint project, funded dollar for dollar by the State Government, will recognise the growth and potential of the Hilltops Region and by working together we can ensure that efficient service delivery and representation of our communities are of highest priority and most importantly together we are in control of our destiny”.

The working group which was agreed to by Boorowa and Young Councils late last year is the perfect opportunity for the Councils to design the future and influence the Government in their reform process.

ENDS

Media Contacts:

Boorowa Council Mayor - Wendy Tuckerman 0428 853 351

Young Shire Council Mayor – Stuart Freudenstein 0427 113 372



MEDIA RELEASE

Approved for release by: Mayor Wendy Tuckerman
Date for release: 27 January 2014
Media Contact: Wendy Tuckerman, Mayor – 0428853351
Anthony McMahon, General Manager - 63802000

Boorowa Community Forums

Boorowa Council is asking the community to attend one of four Community Forums to be held in February to discuss Local Government Reform.

The Mayor, Cr Wendy Tuckerman has written to all ratepayers to advise them of the dates and the importance of providing feedback to assist Council in preparing a submission for the State Government's "Fit for the Future" initiative by the end of June.

Mayor Tuckerman said, "Council would strongly welcome your assistance to help them make decisions that are right for our future and the first step in doing this is to understand the context of what has been happening with reform".

To assist in better understanding why change is likely to occur and what the options are for our Council, a community briefing paper was also provided. All the information will be available on the Boorowa Councils website, including the consultants Hilltops Region Governance and Service Delivery Report.

Council is also aware that not all residents are ratepayers and a mail drop of an information flyer regarding the forums will also be circulated.

For those who are unable to access the internet, access is available through the Boorowa Library or the Council administration building.

The dates and locations for the community forums are:

<u>Location</u>	<u>Date and Time</u>
Boorowa Ex Services Club	7pm - 9pm Monday, 9 February 2015
Frogmore Community Hall	7pm - 9pm Tuesday, 10 February 2015
Boorowa Ex Services Club	7pm – 9pm Wednesday, 11 February 2015
Rye Park Hall	7pm – 9pm Thursday, 12 February 2015

If you are unable to attend the forums the Council encourages residents to provide written submissions.

Those submissions can be forward to;

Boorowa Council
PO Box 96
BOOROWA NSW 2586

ENDS



MEDIA RELEASE

Approved for release by: Mayor Wendy Tuckerman

Date for release: 3 March 2014

Media Contact: Anthony McMahon

Local Government Minister seeking input

The final report of the NSW Independent Local Government Review Panel was recently released by the Minister for Local Government; and the Division of Local Government is now calling for submissions on the content of the report.

According to Boorowa Council Mayor Wendy Tuckerman, the contents of the report reinforces Boorowa Council's decision to proactively investigate its options for the future in more detail to influence any decision by the Minister that may impact upon the region.

"The report contains a total of 65 recommendations, many of which are considered logical and needed, however there are several recommendations which we find very concerning" Mayor Tuckerman says.

Perhaps the most concerning of these recommendations is that Boorowa either merge with Harden and Young or become a "Rural Council" under the umbrella of a regionally focused "Joint Organisation". It is proposed that a boundaries commission be formed in 2014, with the three Councils being sent to the boundaries commission upon establishment.

"Rather than have a boundaries commission come in and dictate what the future holds for our region, our Council believes that we as a community should be making the decisions on our future" Mayor Tuckerman says.

To enable the right decisions to be made, both Boorowa and Young Councils have agreed to engage the services of a consultant to thoroughly explore the options and make recommendations back to each Council.

The Councils have also agreed to ascertain which other Councils within the region may be interested in participating in the process.

“We believe it is important to engage with others Councils in our region on the process we are undertaking and give them an opportunity to consider participating. We will look to make contact with other Councils in the coming week” she says.

Boorowa Council has prepared a draft response to the Independent Panels report which is available on Councils website and at the Councils administration building.

“We have a short window to get the submission in and would like the community to review our submission and make comment” Mayor Tuckerman says.

Submission on Councils draft submission can be addressed to the General Manager and received by 17 March 2014.

ENDS

Anthony McMahon



MEDIA RELEASE

Approved for release by: Mayor Wendy Tuckerman of Boorowa Council,
Mayor Chris Manchester of Harden Shire Council
Mayor Stuart Freudenstein of Young Shire Council.

Date for release: 8 May 2014

Councils Working Together on Future of the Hilltops Region

Boorowa, Harden and Young Councils are continuing to work closely on options for the future of local government in the Hilltops region, with any final decisions not to be made until thorough investigation and community consultation has occurred.

Harden Shire Council's recent recommitment to the study confirms the collective desire to be fully informed of all options regarding Local Government reform.

"All three Councils are a part of the Hilltops Region and it has always been important for us that we are jointly involved in making decisions that affect the future of our region" says Boorowa Mayor Wendy Tuckerman.

The Councils recently called for quotations to undertake a review of options for the future of local government across the region. Thirteen submissions were received with four consultants short listed and recently interviewed.

Boorowa Mayor Wendy Tuckerman says "We were extremely pleased with the quantity and quality of responses and we are confident that the consultants eventually appointed will deliver what is required."

Prior to each of the Councils considering the final appointment of a consultant, the three Councils intend to meet with the new Local Government Minister Paul Toole to confirm the Governments continued support and funding for this consultancy.

"Obviously with the recent State Cabinet reshuffle it is important for us to ensure the new Local Government Minister is up to speed with the process we have been undertaking." Mayor Manchester stated.

There has been recent speculation that the most likely future is an amalgamated Council consisting of Boorowa, Harden and Young Councils, however this is a long way from the truth.

“I find it disappointing that there is a perception around that the three Councils have already made a decision to amalgamate.” says Mayor Tuckerman.

“We are only in the early stages of gathering enough information to be able to go to our respective communities and have an informed discussion with them about what the realistic options are for our future and what the impacts of these options is likely to be.” she says.

“As a group of Councils we have always been committed to making informed decisions and to work closely with our communities which has not changed and when we have enough information to have a meaningful discussion with our communities we will be doing so.” Mayor Fruedenstein stated.

The State Government has called on all Councils to show leadership in this reform process and the three Councils of Boorowa, Harden and Young are meeting that challenge in a meaningful manner. The underlying position adopted by the three Council's is – ‘What is in the best interests of our respective communities’.

Whilst these are challenging times for the long term sustainability and relevance of all rural communities, it is imperative that elected Councils are active participants in this reform process and are clearly focusing on beneficial community outcomes before making any final decisions.

Mayor Wendy Tuckerman
0428853351

Mayor Stuart Fruedenstein
0427113372

Mayor Chris Manchester
0412606385



June 2014 #165270

Media Release

Approved for release by: Mayor Wendy Tuckerman of Boorowa Council,
Mayor Chris Manchester of Harden Shire Council
Mayor Stuart Freudenstein of Young Shire Council.

The Hilltops region review is about to enter its next phase with Boorowa, Harden and Young Councils all agreeing to a Consultant to assist with the review.

The Councils had been working together to select a Consultant that was capable of providing an independent and objective analysis of the options available for the future of the Councils. Just as importantly, the Consultant had to meet the budget limitations the Councils had in place.

"Each of the Councils had agreed to contribute funding to the project which is supported by a \$20,000 contribution from the State Government" says Young Shire Council Mayor Stuart Freudenstein.

"We have been successful in identifying a Consultant that we are confident can deliver what's required and deliver it within our budget" he says.

The successful consulting firm is LKS Quaero who have a strong record in working with local government, made up of a team of former local government senior staff, business analysts and former councillors.

"We were extremely impressed with the broad range of experience and diversity the LKS Quaero team offers" says Boorowa Council Mayor Wendy Tuckerman.

The Mayors and General Managers of the three Councils also met with new Local Government Minister Paul Toole this week to discuss reform and the work the Councils are undertaking.

According to Minister Toole he is impressed with the approach the Councils have been taking. "The three Councils of Boorowa, Harden and Young are showing real leadership by proactively seeking evidence to be used in making decisions on the future of the three Councils" he says.

It is expected to take up to 5 months for the Consultancy to be completed, however the Councils believe that it is important the project isn't rushed.

"We want to make sure that all the relevant information is gathered and thoroughly analysed by the Consultant before delivering their recommendations back to our communities" says Harden Shire Council Mayor Chris Manchester.

Mayor Wendy Tuckerman
0428853351

Mayor Stuart Freudenstein
0427113372

Mayor Chris Manchester
0412606385



MEDIA RELEASE

Approved for release by: Mayor Wendy Tuckerman – Boorowa
Mayor John Walker – Young
Mayor John Horton – Harden

Date for release: 3 October 2014

Future of Councils Expected to Involve Change

The Mayors and General Managers of Boorowa, Harden and Young Councils, along with the former Mayor of Harden, met on 25 September 2014 to discuss the future of their Councils.

The group met with Susan Law of LKS Quaero who has been undertaking a review of options for the future of the 3 Councils to receive a progress update and discuss the way forward for the project.

According to Young Shire Council Mayor John Walker, the Councils can soon expect a draft report to digest. "We are expecting a draft report in early November which will be presented by the consultant to a combined meeting of the 3 Councils" he said.

Following the combined meeting it is anticipated that each of the Councils will consider their response to the report at their November meetings. "Once each Council has reviewed and considered the report, we will need to work out our community consultation plans, however the draft report will be made public at November Council meetings" said Harden Mayor John Horton.

The Councils have positioned themselves well within the context of recent State Government announcements on Local Government reform, a point echoed by Boorowa Mayor Wendy Tuckerman. "By undertaking the process we have, it places us way ahead of the rest of the state and will allow us time to engage and consult with our communities before submitting our positions to the Government" she says.

The Government has offered a range of incentives to encourage voluntary mergers as well as disincentives to remain the same; however the Councils are not yet buying into a decision based on short term incentives.

“Any decision on a merger will not be based solely on incentives, we are very focused on what is best for the future of our communities from a range of issues” says Mayor Walker.

The Councils have not closed the door on working with other neighbouring Councils through the reform process and it is considered possible that other neighbouring Councils may now take a greater interest in the work being undertaken by the three Councils.

“Early on we offered neighbours of all 3 Councils to receive a presentation on the work we intended to do which was not widely taken up. Many wanted to wait to hear the Governments position before taking any action which has now occurred so we will wait and see what action other Councils now take” said Mayor Tuckerman.

Mayor Wendy Tuckerman
0428853351

Mayor John Walker
0437925953

Mayor John Horton
0419204364



MEDIA RELEASE

Approved for release by: Mayor Wendy Tuckerman of Boorowa Council
Mayor John Horton of Harden Shire Council
Mayor John Walker of Young Shire Council

Local Government Reform to Enter Next Phase for Boorowa, Harden and Young Councils

On Monday 24 November 2014, Councillors from Boorowa, Harden and Young Councils, received a presentation from consultants LKS Quaero, in relation to Local Government Reform. The consultants have been investigating options for the 3 Councils on how they can become "fit for the future", in light of the process currently being taken by the State Government to reform Local Government in NSW.

Following the presentation, the consultants provided the 3 Councils with a report which explored several options and the implications of each, with these options including staying the same as well as a potential merger of the 3 Councils.

It is anticipated that each of the 3 Councils will now consider the report with a view to commence community consultation in the New Year.

"We have only just received the report and there is obviously going to be a number of questions that need to be further investigated before any decisions on the future can be made. The first step for each of the Councils is to now digest the contents of the report and determine when and how we consult with our communities" said Harden Shire Mayor John Horton.

"We are certainly conscious of the fact that the Christmas and New Year period makes it difficult to comprehensively engage with the community and as a result we will not be rushing the consultation process" said Boorowa Mayor Wendy Tuckerman.

"It also makes it difficult to fully inform the community of what options are available and what they mean until the State Government releases their proposed "Rural Councils" model which we are not expecting until sometime in late December" she said.

The State Government has maintained a strict timeline for Councils to make a decision on how they believe they can become "fit for the future", with every Council in the State required to make a submission to the Government on how they meet a predetermined set of criteria by 30 June 2015.

“Obviously our communities have some big decisions to make over the next 6 months and all 3 Councils believe that it is extremely important that the community is involved in that decision making process when the opportunity is available” said Young Shire Mayor John Walker.

“There is obviously a lot of information to consider and when we are in a position to properly explain and inform the community of what options are available we will look to consult with as many people as possible and provide an opportunity for everyone to have a say” said Mayor Tuckerman.

November 2014



MEDIA RELEASE

Approved for release by: Mayor Wendy Tuckerman – Boorowa
Mayor John Walker – Young
Mayor John Horton – Harden

Date for release: 12 December 2014

Councils Not yet Happy with Contents of Reform Options Report

Boorowa, Harden and Young Councils recently received a draft report from a consultant who has been reviewing options for the Councils in relation to the NSW Local Government Reform process.

Each of the Councils have expressed disappointment with the draft report and given the consultant a mandate to go and fix the report so that it more accurately and comprehensively explains the options that have been investigated.

"We are extremely committed to keeping our communities informed and at this stage we don't believe there is any value in the community reading a DRAFT report that is incomplete and being improved" said Harden Mayor John Horton.

On 11 December the Mayors and General Managers of Boorowa and Young Councils met with the Local Government Minister Paul Toole (Harden had prior commitments) to keep him informed of what the Councils had received to date and how investigations were progressing.

At the meeting, the Mayor's present expressed their disappointment to the Minister that they do not yet have a report ready to release to the public.

"The Minister was very understanding of our position and he did not want to see the report until necessary changes had been made and the Councils were provided with a FINAL report which was ready to be publicly released" said Young Shire Mayor John Walker.

It is now considered unlikely that the report will be made public prior to Christmas with the Councils believing it is important that the consultants get the report right and

completed before the public review it and the Councils begin their consultation processes.

“We had hoped to have something for the community to review prior to Christmas, however we don’t see the value in making something public that we believe would only serve to create more questions for the community than it answers” said Boorowa Mayor Wendy Tuckerman.

Mayor Wendy Tuckerman
0428853351

Mayor John Walker
0437925953

Mayor John Horton
0419204364



MEDIA RELEASE

Approved for release by: Anthony McMahon

Date for release: 3 March 2015

Media Contact: Anthony McMahon

Council Satisfied with Local Government Reform Forums

Boorowa Council has recently completed a round of community forums aimed at informing the community of the local government reform process, discussing the options available and seeking the views of the community.

During the week of forums (two in Boorowa and one each at Rye Park and Frogmore) a large contingent of the community was in attendance to find out what the future may hold for Boorowa Council and what each of the respective options may mean for the community.

According to Boorowa Mayor Wendy Tuckerman the forums were considered a success.

“Although a lot of uncertainty still remains, I think the community is appreciative that Council is interested in including the community on the journey we are going through by presenting available information and listening to the views of our community” she said.

The uncertainty referred to relates to the pending State elections, the ongoing threat of future forced amalgamations and the protracted decision making processes of neighboring Councils.

“Our neighboring Councils in Young and Harden are at different stages in the decision making process and considering alternate options, obviously wanting to ensure they shape the best future for their respective communities. Any decision we make cannot be independent of our neighbors given the nature of the framework we have to work with and any decision we make will consider the decisions of our neighbors” said Mayor Tuckerman.

Young Shire Council is set to consult with its community during March whilst Harden Shire are exploring options with Cootamundra Shire prior to engaging with their community.

The next key date in the local government reform process is the fast approaching State election on 28 March and it is hoped that post election there may be greater clarity around the Governments expectations of Local Government.

“I am certain that post election we will be reassessing our options, hopefully with greater clarity around the Governments intentions for handling Councils they deem no to be ‘Fit for the Future’. In the meantime we will continue to gather as much information as possible to make sure that we make the best possible decisions moving forwards” said Mayor Tuckerman.

All Councils in NSW are currently required to make a submission to an independent panel to be appointed by the Government on how they will become “Fit for the Future” by the 30 June 2015 deadline which is fast approaching.

ENDS

Anthony McMahon (02) 6380 2000.



MEDIA RELEASE

Approved for release by: Anthony McMahon

Date for release: 20 April 2015

Media Contact: Wendy Tuckerman

Boorowa Council Responds to Decision of Neighbours on Amalgamation

For Boorowa Council, the recent decision of neighboring Harden Shire Council to amalgamate with nearby Cootamundra Shire came as somewhat of a surprise.

“We knew they were considering it as an option but had expected they would discuss their options with the community before, rather than after coming to a decision” said Boorowa Mayor Wendy Tuckerman.

“We had also expected that Harden would discuss their thinking with our Council prior to making any decisions” she said.

According to Mayor Tuckerman, Harden Councillors had requested a meeting with Boorowa Councillors to discuss Local Government Reform and the options available; however this meeting didn’t go as expected.

“Harden Council had very low attendance at the meeting and it was more a case of them explain to us the decision they made rather than discussing available options with us” said Mayor Tuckerman.

Boorowa Council will be considering its options at its meeting on 27 April, with the focus still on determining the best outcome for the Boorowa community.

“Our thinking has always been to try and get the best outcomes for the Boorowa Community whilst considering the best outcomes for the region” said Mayor Tuckerman.

“I believe the Harden/Cootamundra proposal has a number of shortcomings, including the fact that it does not provide the same scale and capacity as a potentially larger merger or merger of Boorowa, Harden and Young whilst it also requires merging over State identified regional boundaries” said Mayor Tuckerman.

The NSW Government requires all Councils across NSW to make a “Fit for the Future” submission by 30 June 2015, with the submission to demonstrate how Councils will meet a range of criteria.

One of these criteria is to have “scale and capacity” consistent with the recommendations of the Independent Panel report that was commissioned by the NSW Government.

“Harden and Cootamundra combined certainly doesn’t provide the same scale in terms of either land mass or population as Boorowa, Harden and Young combined” said Mayor Tuckerman.

“I expect our Council to make a decision on what we believe is best at our upcoming meeting and from there we will build our case to the Government and its “Fit for the Future” assessment panel” said Mayor Tuckerman.

ENDS

Wendy Tuckerman (02) 6380 2000



MEDIA RELEASE

Approved for release by: Anthony McMahon

Date for release: 28 April 2015

Media Contact: Wendy Tuckerman

Boorowa Council makes its decision on preferred future.

Boorowa Council made its decision at its Ordinary Council Meeting last night on its preferred future which involves a proposal to merge Boorowa, Harden and Young Councils which aligns with the recommendations of the NSW Government.

'Taking a range of factors into consideration, Council unanimously agreed that the best future for our community involved a merger of the 3 Councils which was the recommendation of the NSW Government' said Boorowa Mayor Wendy Tuckerman.

This decision draws on the findings of an independent investigation commissioned by the 3 Councils that was released to the public in December 2014.

'Although some of the assumptions in the investigation may have been overly optimistic, we do believe the proposed merger will strengthen the region, each of the communities involved and allow the community to receive the services it requires into the future' said Mayor Tuckerman.

'The merger would allow us to reallocate resources more efficiently over a period of time, attract greater political recognition (and funding) and maintain employment within the region' she said.

Council will now prepare a draft submission to be considered at a Council meeting in May, prior to being released for public comment before a final submission being made to a government appointed assessment panel by 30 June 2015.

'The Government has just announced that the Independent Pricing And Remuneration Tribunal (IPART), as well as industry expert John Comrie will form the assessment panel who will provide final recommendations to the NSW Government. In the guidance provided, any Council proposing an alternative to the government's original recommendations will require a strong factual evidence base to justify consideration' said Mayor Tuckerman.

Boorowa Council also resolved that should the proposed merger not be supported by the government its next preference would be to remain as a rural Council sharing a range of services with neighbouring Councils.

'Should we not merge we will need to have some difficult discussions with the community on what services we can afford, how they are to be funded and what opportunities are available to have services delivered in more efficient ways utilising greater shared resources across the region' said Mayor Tuckerman.

Boorowa Council will now wait for Young Shire Council to make a decision on its preferred option with the potential a similar option may be considered which would strengthen Boorowa's case in the eyes of the government.

'At the end of the day what we are supporting is what the government has indicated as its preference, it works nicely within their identified regional boundaries and will strengthen the 'Hilltops' region, but most importantly is what we consider the best for our community.' said Mayor Tuckerman.

ENDS

Wendy Tuckerman (02) 6380 2000

Boorowa Council News

MESSAGE FROM THE MAYOR

Update on Progress of Local Government Reform

For successive newsletters now I have been providing updates on the progress of reform within local government in NSW. Reform is certainly a strong focus for Council at the moment with some form of change considered as inevitable.

As previously reported, an Independent Panel had been commissioned by the NSW Government to do an across the board review of Local Government in NSW. The final report of this panel has now been made public with some significant recommendations made in relation to Boorowa. Perhaps the most significant of these recommendations is that Boorowa either amalgamate with Young and Harden Shire Council or become a Rural Council which effectively represents a community board that has little control over decision making or provision of services.

Boorowa Council along with our neighbours; in Young and Harden Shire Councils (Harden, who once again have recently voted to be a part of the project); will be engaging a consultant in May to review the options for our future and provide recommendations on what will



really deliver the best outcomes for our communities into the future.

I, along with the Mayor of Young Shire Council, recently wrote to other neighbouring Councils inviting them to receive a presentation from us in relation to the work we have been doing and intend to continue doing to

shape our own future. Rather unfortunately, some media outlets in several of these Council areas inaccurately reported that we had approached other Councils to amalgamate with us. Such reports couldn't be further from the truth.

I would like to make it clear that Boorowa Council will not be making any decisions on its future without firstly consulting broadly with our community. To do that we need to gather information from the three Councils to be able to determine what really is best for our future. With this in mind we will await the outcomes of our consultancy work.

This was never going to be an easy task and it is disappointing that some media outlets report the matter in such a way.

Both the Mayor of Young and myself recently made a presentation to Cowra Council on the project to give them a better understanding of what the project entails and why we have chosen to be better informed going forward in this whole reform discussion. This presentation was

well received and gave Cowra Councillor's the opportunity to ask questions.

I recently attended a meeting of Country Mayor's in Sydney and the Minister for Local Government was guest speaker. He informed the meeting that he will be taking recommendations to Cabinet regarding reform within the next month or two. However since beginning to write this article just prior to Easter we have seen the Premier of NSW resign, we have seen a new Premier in Mike Baird MP appointed. I have also been advised that Member for Bathurst, Paul Toole is our new Local Government Minister. Mr Toole prior to being elected to Parliament was the Mayor of Bathurst. I have had the pleasure of working with the Minister in his capacity as Mayor and look forward to working with him in his new role as Minister for Local Government.

Long Daycare Service

As you may by now be aware, we have a very passionate and dedicated Pre-school committee led by President Sarah Rose with the committee working hard to secure a long daycare service for the Boorowa community. With the enthusiasm demonstrated by the committee, Council has committed to providing support to ensure that this important service becomes a reality.

The committee will soon be preparing plans to extend the existing Boorowa Pre-school Centre to co-locate the day care service. Obviously funding for the works needed will be a major hurdle to overcome, however the committee is hopeful of securing a federal grant to ensure the project progresses.

Telecommunications

Access to high quality telecommunications services is obviously an area where our community is currently not well catered for. In particular, access to mobile phone coverage in our rural areas and access to high speed internet services throughout the Local Government Area of particular concern.

In relation to mobile coverage, Council has been in discussions with service providers and it is hoped that services may improve in the near future. The Federal Government has developed a \$100m Mobile Coverage Program to be rolled out across the Country and Council has advocated strongly through multiple channels to see that our area is improved.

In relation to high speed internet access, Council is partnering with researchers from the University of Canberra on two interlinked projects that will help support a business case for delivery of high speed internet access to our community.

In mid May the General Manager and I will be attending and presenting at a workshop in Canberra on "Connecting Rural Communities" and as follow up our community will be a case study in a large research project on the same theme.

A one-day workshop is being held in Boorowa on 15 May 2014 to find out the community's views on local internet access and to discuss what types of opportunities advanced connectivity may bring to the area. The focus of the workshop will be how high speed internet access could help to improve your work, education, social activities, or financial tasks.

For the workshop to be a success and for us to be able to develop the best business case possible it is important that we get as

much community participation as possible. Further details on the workshop and how to register an interest are included towards the end of this newsletter and if you would like any further information I would strongly encourage you to contact Councils General Manager.

Medical Services

As has recently been reported the Boorowa Medical Centre has been successful in securing a successor to continue delivering GP services to Boorowa. I would like to congratulate Dr Scott on the work he has done in attracting Dr Emad Jasem to our community.

I recently had the pleasure of meeting with Dr Jasem to discuss plans for the future and it was very pleasing to hear his positive outlook and plans for Boorowa.

Securing ongoing high quality medical services for our community was a strong theme during community forums in developing our Community Strategic Plan and this is something Council continues to focus on.

Council has recently commenced the process of investigating the possibility of developing a new medical centre to house any potential future expansions of health services that may be required.

Community Forum on Assets, Services and Costs

Council has for some time committed to engaging with the community on the assets we own; such as roads, footpaths, bridges, buildings, parks etc; the service provided from these assets; and what it costs to provide services from these assets.

Council has engaged a consultant to facilitate a workshop with the community that is to be held in either late May or early June which will be held in Boorowa.

Should there be significant demand from the community; Council may consider holding additional workshops similar to those that occurred during the development of the Community Strategic Plan.

It is important that the community understands the challenges Council faces with limited funding available to maintain a large number of assets and provide a wide range of services.

I strongly encourage you to attend the workshop to better understand where Council is currently positioned and future service implications if current trends continue.

Boorowa Saleyards

Council staff have recently completed works at the Boorowa saleyards to improve safety and environmental compliance. The works followed community consultation where a number of users assisted Council in developing a positive outcome that ensured the saleyards could remain operational.

Modifications have been made to the cattle yards to convert them to a multi use facility which can cater for limited sheep holding.

Later in the year the sheep yards will be dismantled and made available for sale through public tender which will be advertised.

Warm Regards,

Mayor Wendy Tuckerman

Boorowa Welcomes new Citizens

At a Citizenship ceremony conducted on 28 April 2014, the Boorowa community welcomed 4 new Australian Citizens.



Mayor Wendy Tuckerman pictured with new Australian Citizens Mr Kirankumar Vaghjibhai Patel, Mrs Sandeep Kaur and her son Master Armaan Preet Singh and Ms Helen Louise Thorley.

Community Workshop on High Speed Internet Access

Would you benefit from high speed internet access?



Researchers from the University of Canberra have partnered with Boorowa Council to investigate the potential benefits of high speed internet access for the community.

A one-day workshop is being held in Boorowa on 15 May 2014 to find out the community's views on local internet access and to discuss what types of opportunities advanced connectivity may bring to the area. Could it help to improve

your work, education, social activities, or financial tasks?

The workshop will be facilitated by Dr Yiannis Laouris of the Future Worlds Centre in Cyprus, who will be seeking to hear individuals' opinions on how high speed internet access may be of benefit to your everyday lives. The workshop's outcomes are intended to help shape future developments.

Morning tea, lunch and afternoon tea will be provided.

If you would like more information or wish to be involved in the discussions, please contact Dr Julie Freeman at the University of Canberra on 02 6201 2346 or at Julie.Freeman@canberra.edu.au, alternatively contact Boorowa Councils General Manager, Anthony McMahon.

Council Website



At Council, we are working hard on providing information through our website as a means of communicating with you!!

www.boorowa.nsw.gov.au

Recent Council Works



Marsden Street

Councils Parks and Gardens crews have continued to do an excellent job of maintaining and keeping beautiful our main street parks and fields.



Frogmore Road Reconstruction

Council work crews are nearing completion of the Frogmore Road realignment to the north of Frogmore Village as well as improvements to sections of the road south of Frogmore.



Tarengo Bridge Earthworks

Preparations of approaches to the new Tarengo Bridge have been progressing steadily with Council crews nearing completion prior to handover to the contractor that will be constructing the bridge.

With recent wet weather, Council has been interrupted in undertaking planned works and at the same time damage to roads has been increased due to weather. Council work crews have been focused on repairing damage and particularly patching potholes across the network.

Works on flood damage are nearing completion which has recently included patching of sections of damaged sealed roads as well as repairing bridge abutments include Hovells Creek Bridge on Reids Flat Road and Breakfast Creek Bridge on the Lachlan Valley Way.

Wyangala Waste Transfer Station

The Wyangala Waste Transfer Station located on Frogmore Road north of Jerringomar Bridge is expected to be operational on 12 May 2014. Residents within the catchment area of the transfer station will soon be receiving a letter in relation to arrangements for the transfer station.

Access to Water Meters

Council staff read water meters 3 times per year (30/10, 28/2, 30/6). It is asked that all meters be accessible, cleared of any shrubbery and if gates are locked or dogs are loose in yards that contact is made with council so permanent arrangements can be put into place.

COMMUNITY BASED HERITAGE STUDY

Council has gained grant funding from the NSW Office of the Environment and Heritage to appoint a heritage consultant to carry out a community based heritage study.

The heritage study will investigate and record the history of the local area and identify and assesses items and places of heritage significance that demonstrate that history. The heritage study will focus on our built environment, looking at the buildings, structures and places that reflect our history and the things the community values about our history.

Community involvement will be a key part of this study. Council will soon be calling for nominations from the community to participate in a Community Heritage Working Group that will work alongside the heritage consultant and assist with key activities such as undertaking research, nominating items for heritage listing, and considering recommendations for managing and promoting their local heritage items in the future. All members of the community are encouraged to get involved in the heritage study – either through the Working Group or through providing information and nominations and staying in touch with the study as it progresses.

A heritage consultant is expected to start work on the study by the end of May 2014 and the study has to be finished by May 2015. Look in the Council section of the Boorowa News over the next few months to see how you can be involved in this great new project.

Boorowa Council

www.boorowa.nsw.gov.au

council@boorowa.nsw.gov.au

Office: (02) 63 802 000

Depot: (02) 63 802 032

After Hours Emergencies:

0428 851 083

Boorowa Council News

MESSAGE FROM THE MAYOR

Update on Progress of Local Government Reform

Since Councils last newsletter, there has been further progress on the local government reform front.



Our Council, along with our neighbouring Councils of Harden and Young, have engaged a consultant who are exploring options for the future of local government within our region.

The consultants are taking a strong evidence based approach and are currently gathering a wide range of information from within the three Councils. This information includes financials, asset data, organisation structures, service delivery methods and IT systems just to name a few.

It is expected that the consultants will provide their final recommendations back to the Councils in late October. Our Council will then consider those recommendations after engaging directly with the community on their views before making any decisions on how the Councils will be structured and how services will be provided into the future.

Since the previous newsletter I have also had the opportunity to meet with the new Local Government Minister, Paul Toole, on several occasions.

These meetings have occurred as part of my role on the Executive of the South Eastern Regional Organisation of Councils (SERO), on the Board of the Central West Organisation of Councils (CENTROC) and as a delegation along with the Mayors of Harden and Young to discuss our project and our desire to shape our own future.

I am pleased to report that Minister Toole has indicated he is focused on ensuring communities are well serviced by their Councils, that Councils work together collaboratively to gain efficiencies for their communities and that change is not made simply for the sake of change.

As I have continued to report all along, our Council does not yet have any predetermined outcome on what the future may hold and we are committed to obtaining and understanding the facts before engaging with the community on how the options stack up.

Health Services

As many in the community are aware, we have recently had significant changes to some of the health services provided within our community, particularly services provided for the aged and frail; and disabled.

I, along with many in the community, experienced dismay at the inadequacy of

consultation undertaken both with Council and the community on the changes that have occurred. In my role as Mayor I strongly believe it is important that our community is adequately made aware of major changes to service provision affecting our community which is why as soon as I became aware of the Health changes I called a public meeting.

I am very grateful that we had the appropriate representatives from Murrumbidgee Health along with the new service providers in attendance as well as our local State Government representative, Katrina Hodgkinson.

Although the answers received in the public forum may not have been entirely adequate I think a very strong message was sent back that our community should be consulted in decisions affecting our community, a message I am hopeful Minister Hodgkinson will take back to her colleagues.

I have also raised the matter with our local Federal Government Representative, Angus Taylor who has advised he will seek an explanation on the matter from the Federal Bureaucrats responsible for the funding of the services.

I also recently had a meeting with our new GP Dr Win and I am delighted to report that Dr Win is focused on delivering more services to our community and expanding her business to meet the growing need. I understand there has been some concerns within the community about locating to a new premises but for Dr Win the existing building was not suitable to expand the practice as desired.

I have previously noted in a newsletter that Council is in the process of investigating the possibility of developing a new multipurpose medical centre and that investigation will continue in consultation

with Dr Win. Obviously that process will take some time and to her credit Dr Win was eager to establish the services needed for our community immediately.

These changes leave the Murrumbidgee health service with some empty buildings. The Acting CEO Jill Ludford has stated those buildings will receive a facelift and she has promised consultation with LHAC and the Community regarding the future possibilities in utilizing these buildings.

A list of the new service providers who will be delivering the home and community care services and some additional information is included at the end of this newsletter.

Meeting with Angus Taylor

On Tuesday 22 July, I had the opportunity to meet with our local Federal Representative Angus Taylor on the back end of his village tours throughout our local government area.

During our meeting Angus highlighted some of the discussion he had earlier in the day with constituents with several common themes coming through.

The issue causing the most discussion was not surprisingly mobile phone coverage. I am pleased to say that Angus is working very hard for our area to secure federal funding to improve mobile coverage, particularly to the north of our local government area.

As many would be aware, the Federal Government currently has \$100m to improve mobile coverage in rural areas and would be an excellent outcome if some of that funding could be secured for our area.

As mentioned above, I also raised concerns with Angus during our meeting about the Federal Governments role in the

handling of the changes to the home and community care services in our community. He acknowledged my concerns and agreed to follow up with the department concerned.

Soon after the release of the Federal Budget, I along with the Mayors of the other Councils in the South East of NSW, met with Angus and his counterparts in the ACT and Eden Monaro (Zed Seselja and Peter Hendy) to discuss concerns over the budget. Following the meeting I immediately wrote to Angus voicing my dissatisfaction in the response to our concerns and highlighted the direct impact such proposals will have on our council.

This is something I again discussed with Angus at our recent meeting and again raised that I have major concerns over the direct impacts of the budget on the finances of our council. The major concerns are freezing of the indexation on Federal Assistance Grants (FAGS) as well as changes to the fuel excise and pensioner rebates.

Angus has indicated he would support a change to the distribution model for FAGs however it will be extremely difficult to get any changes to the model, particularly within the timeframe the changes will have their biggest impact.

During our meeting Angus also provided me with an update on how the grant application is progressing that was submitted by the Boorowa Pre-school committee for the Boorowa Long Daycare Centre.

Angus indicated that there is a major hurdle to overcome relating to eligibility as a result of boundary locations. Effectively places like Murringo or Frogmore would fit the criteria, however Boorowa does not. Angus advised he is working with Assistant Minister for Education Susan

Ley to enable change to the eligibility and he stated that he is confident some common sense will prevail to ensure Boorowa is eligible. This service is vital to our community and I will continue to lobby and assist in getting this project over the line.

Warm Regards,

Mayor Wendy Tuckerman

Tarengo Bridge

Commencement on the new bridge construction at Tarengo has been delayed due to finalization of a new design. The process has involved the contractor's consultants preparing draft designs for review by RMS bridge experts, with several iterations required before agreeing to a final design.

The selected contractors had proposed an alternate design which could be delivered much cheaper than the design that was put out to tender with Council accepting the alternate tender.

Designs have now been finalized, with the contractors now able to commence manufacturing components such as the bridge planks off site. It is now expected that the contractors will physically be on the site within the next 5-6 weeks with the project expected to be completed in late April 2015.

As a result of recent rain, the sidetrack detour downstream of the bridge was temporarily closed to allow for repairs to damaged road pavement. The works are now completed with the sidetrack reopen to all traffic. There is potential that the sidetrack may again become inundated and need to be closed and should this

occur Council will again notify of the changes.

Water and Sewer Program

At Council's June ordinary meeting, Council adopted the 2014/15 Operational Plan and budget as well as fees and charges, following a period of public exhibition to allow comment. Council received 3 submissions on the documents which were considered in making the final decision on the budget.

One of the major changes to this year's fees and charges was an increase of 10% for water and sewerage typical residential bills. In coming to the decision, Council has undertaken a comprehensive analysis of all the works requirements for the next 30 years for both water and sewer to develop Water and Sewerage Strategic Business Plans (required by the NSW Office of Water).

The Strategic Business Plans are currently on public exhibition with submissions able to be made up until Wednesday 20 August 2014. The purpose of the plans is to ensure that Council is able to provide a sustainable water and sewerage supply which balances cost requirements with revenue.

In the current financial year some of the projects to be undertaken include: water main replacements of old and failing mains, reconfiguration of reservoir connections to allow for better control of chlorine levels in water, water valve replacements.

In the current year some of the sewerage projects to be undertaken include: upgrades to the Campbell Street sewerage pump station, relining of 1.6km of sewer pipes, manhole replacements.

In addition to the above a grant funded audit of water and sewer pumps will be undertaken to assess if long term cost savings can be achieved by investing in more energy efficient pumps and solar systems, particularly with recent major increases in electricity costs.

Council is also analyzing the options for long term water security and water quality improvements, with the State Government recently announcing grant programs which Council may be able to access.

Within the next couple of years, Council will begin developing plans to upgrade the sewerage treatment plant which is nearing the end of its useful life. It is anticipated that the upgrade will be required within the next 10 years however the EPA are putting pressure on Councils with trickling filter plants such as Boorowa's to upgrade them due to their inferior capacity to treat effluent. This may result in the plant needing to be upgraded sooner than currently anticipated.

Memorial Tree Grove Project

Council has been working with the Boorowa Remembers Committee along with other community representatives to undertake a project that commemorates the Centenary of ANZAC.

The project involves paving an area around the existing lone pine in Dr Kelf Park with surrounding planting and a tree grove that provides a visual link back to the Boorowa War Memorial, down to the river and across to the existing public toilets. The project also involves connecting footpaths and formalisation of a kerbed carpark.

Council has allocated \$100,000 to the project, however completing the full

project is reliant on grant submissions which are currently being assessed.

Should the grant submissions be unsuccessful, the committee steering the project will need to explore alternative funding options with the community.

Proposed Bus

Australia wide coaches have announced that they will commence a new luxury coach service from Orange to Canberra via Boorowa

The service will leave Orange early in the morning and call at Cargo, Canowindra, Cowra, Koorawatha and Young before arriving in Boorowa.

It will then head south to Yass Junction, Yass town, Murrumbateman, Canberra Civic and Canberra Airport.

The return coach will operate to Boorowa in the afternoon arriving back into Boorowa at approximately 6:00pm.

The service is expected to commence in August or early September. The evening will also continue on to Young, Koorawatha, Cowra, Canowindra, Cargo and Orange.

The service is expected to operate 4 times per week.

Rugby Waste Transfer Station

Council is currently planning to decommission the Rugby tip which has reached capacity and establish a new waste transfer station to service Rugby.

Council has been working with the Rugby community (including a village workshop) to determine the most suitable site for the new transfer station.

Several sites are currently being assessed with the most likely site to be either at the old tip site, adjacent to the cemetery or at a site in Good Street on the edge of the village.

Each of the sites has constraints, either environmental or with lands ownership, and until the constraints are fully assessed a final decision cannot be made.

It is likely that a decision will be made within the next two months with works on the transfer station expected to occur soon after that decision.

Household Chemical Waste Collection

Have you ever wondered what to do with those unwanted, out-of-date or leftover household chemicals found in your kitchen, bathroom, laundry, garage or garden shed?

The correct way to dispose of potentially hazardous chemicals is through the Household Chemical Collection program. Household Chemical Collection is a FREE service for the safe disposal of a range of common household chemicals which could cause harm to human health and the environment if not disposed correctly.

The Boorowa Household Chemical Collection will be held from 8am to 11am on 3rd October 2014. The venue will be the carpark adjacent to the Boorowa Swimming Pool.

You can drop off (up to a maximum 20 litres or 20 kilograms of a singular item);

From your home

- Solvents and household cleaners
- Floor care products

- Ammonia-based cleaners
- Fluorescent globes and tubes

From your garage

- Paint and paint-related products
- Pesticides and herbicides
- Poisons
- Gas bottles
- Fire extinguishers
- Pool chemicals
- Hobby chemicals
- Acids and alkalis

From your car

- Car batteries
- Motor oils, fuels and fluids

Business-related and commercial quantities are not accepted at Clean Out events. Telephone the EPA Environment Line on 131 555 to find out the correct disposal methods for businesses.

Reading of Water Meters

Council would like to remind ratepayers that should you feel your water meter has been incorrectly read there is the opportunity to have the meter re-checked.

Should an incorrect reading be found the notice will be adjusted accordingly, however if upon re-read the original reading is found to be correct a fee of \$75 is payable.

Health Service Providers

New health service providers are as follows:

- Young/Boorowa Community Transport

Currently seeking information on the transport needs of the community so that they can plan to best meet those needs within the limited resources they have.

Office Hours - Those needing to book transport or discuss transport needs can ring the Young Office on 63921518 9am to 4.30 pm Monday to Friday or call in at the Temporary Office situated at the Boorowa Community Hub 22 Marsden St on Fridays between 10am and 1pm.

Volunteers are being sought and Community Transport would love to hear from anyone interested.

- Valmar Services

Valmar Support Services are providing Centre Based Day Care and Centre Based and In Home Respite Services for the Boorowa community.

To make an enquiry Corynne can be contacted on 0437864855 between the hrs of 9:00 am and 4:30 pm Monday to Thursday.

- Catholic Community Services

If you require Case Management, Social Support, Mental Health Respite: Carer Support or Meals on Wheels please phone Catholic Community Services on 02 5303 0650.

Council Website



At Council, we are working hard on providing information through our website as a means of communicating with you!!

www.boorowa.nsw.gov.au

Boorowa Council News

MESSAGE FROM THE MAYOR

October a Busy Month

This past month has certainly been one of the busier months for our community during my time as Mayor.

Not only did we have our regular Woolfest and Touch Football/Netball Carnival but we also had two new events thrown into the October program.

With the inclusion of our very own Rodeo and most recently hosting the NSW State Show jumping Championships our community has certainly been bustling.

I would like to take the opportunity to congratulate everyone in the community who has been involved in the success of the past month, particularly Councils new Tourism and Economic Development Officer Melanie Ford who has taken the added workload in her stride.

I believe that the successes of the past month are a reflection of what our community has to offer, not only in terms of the beauty of our area, but also in terms of the welcoming community spirit we share.

I only hope that we can continue to build on our reputation and continue to move from strength to strength.



Update on Progress of Local Government Reform

For several newsletters now I have been providing updates on how the local government reform process has been progressing.

Up until this point, progress had been slower than anticipated on the State Governments behalf, making it difficult to give clear answers on what the future holds.

I can now advise that the Government has made its stance on local government reform much clearer by giving timeframes for Councils to make a submission on how they intend to become what is deemed "fit for the future". In addition they have put in place a range of incentives for Councils to make change as well as disincentives to remain the same.

Council now has until the 30 June 2015 to make a "fit for the future" submission which will be assessed against a set of criteria by an independent panel. To be clear and honest, Council will not be able to meet the benchmarks set by staying exactly as we are now.

Further to the June 2015 date, the Government is expecting to have major

changes in place by the September 2016 Council elections.

On the local front, Council is expecting to have a report in hand by the end of November from consultants who have been investigating the options available for Boorowa within the context of reform.

One of these options includes working more closely with the neighboring Councils of Young and Harden.

It is Council's intention that once we have the consultant's report at hand we should be in a better position to commence discussions with the community on what our reform options are and how we will shape our "fit for the future" response.

RE-ELECTION

Every September the Council re-elects their Mayor for the year and I am pleased to report that I was again elected unopposed as was Deputy Mayor Chris Corcoran. I thank the Councillors for their commitment and support, and acknowledge that the re-election of the leadership team by Council was a clear endorsement of the work and commitment given to the roles especially as we face some of the toughest decisions going forward around local government reform.

Councillor Committee Representation

Throughout the year Councillors represent Council and the community on a range of different committees with these committees fitting into 3 broad categories being Section 355 Committees, Council Committees and External Committees with representation for the current year listed below:

Section 355 Committees

Australia Day Committee - Mayor Wendy Tuckerman, Cr Angus Clements and Cr Peter Sykes

Woolfest Committee - Cr Angus Clements, Cr Tim McGrath, Cr Jack Ryan

M & D Committee - Cr Rob Gledhill

Carols by Candlelight Committee - Mayor Wendy Tuckerman, Cr Rob Gledhill, Cr David Evans, Cr Peter Sykes

Internal Audit Committee - Mayor Wendy Tuckerman, Deputy Mayor Chris Corcoran

Red Hill Reserve Committee – Mayor Wendy Tuckerman, Cr Rob Gledhill, Cr Andrew Southwell

Heritage Committee - Cr David Evans; Cr Jack Ryan; Cr Peter Sykes

Showground Committee – Mayor Wendy Tuckerman, Cr Jack Ryan, Cr Rob Gledhill, Cr Peter Sykes, Cr Tim McGrath

Council Committees

General Managers Performance Review Committee - Mayor Wendy Tuckerman, Deputy Mayor Chris Corcoran, Cr David Evans

Health Committee - Mayor Wendy Tuckerman; Deputy Mayor Chris Corcoran; Cr David Evans; Cr Peter Sykes

Policy Development and Review Committee - Mayor Wendy Tuckerman; Cr Rob Gledhill; Cr Andrew Southwell; Cr David Evans

External Committees

Local Emergency Management Committee - Mayor Wendy Tuckerman; Cr Tim McGrath

South West Regional Library Committee - Cr David Evans; Cr Andrew Southwell

Consultative Committee for RMS REPAIR Program – Deputy Mayor Chris Corcoran; Cr Andrew Southwell – alternate

Southern Slopes Transport Working Group - Cr David Evans; Cr Jack Ryan

Boorowa Council Traffic Committee - Cr Rob Gledhill (endorsed as Chair and voting representative); Cr Angus Clements; Cr Tim McGrath

South West Regional Waste Management Group – Deputy Mayor Chris Corcoran; Cr Tim McGrath - alternate

Young Regional Community Advisory Committee - Cr David Evans

Regional Landcare Committee - Cr Andrew Southwell; Cr Tim McGrath – alternate

Boorowa River Recovery (Greening Aust) Committee - Cr Andrew Southwell; Cr Tim McGrath

Murrumbidgee Medicare Local - Cr David Evans

Rugby Wind Farm Consultative Committee - Mayor Tuckerman

Rye Park Wind Farm Consultative Committee - Mayor Tuckerman

Bango Wind Farm Consultative Committee – Mayor Tuckerman

Centroc Health Workforce Committee - Cr Evans

In addition to the listed committees, Councillors are also active in a number of community groups. It should also be recognised that section 355 committees also contain non-councillor members from the community.

Memorial Tree Grove Project

In the last newsletter you may recall a section on the memorial tree grove project that has commenced at Dr Kelf Park.

We are very pleased with how this project is progressing which is being overseen by a very committed group of community representatives including the Boorowa Remembers Committee.

As has been publicised in local media we were very lucky to receive a Bendigo Community Bank grant to support the substantial funding that Council has contributed to the project.

The project has reached the very exciting stage of being able to plant trees in the memorial grove adjacent to new sections of footpath.

To recognise the community value of this project the steering committee has decided to hold a community tree planting day on Sunday 16 November commencing at 11am where the whole community is invited to come along and play a part in making the project a success by planting trees.

The trees for the project have already been purchased and on the day the community will have the opportunity to recognise the contribution of the ANZAC's by planting trees in their honour.

It is also anticipated that a BBQ will be available on the day. I welcome the whole community to come along for what should be a great day and encourage you to read the message below from the Boorowa Remembers Team on further ways to get involved in the Centenary of ANZAC.

Warm Regards,

Mayor Wendy Tuckerman

A Message From the Boorowa Remembers Team

You are invited to support the observance of the Centenary of Anzac in this district in any way which you might consider appropriate. The Boorowa Remembers programme (an RSL project) will begin on Sunday, April 19, 2015, with an ecumenical choir service. A civic reception and art show opening will take place on Friday, April 24, and will be followed by the usual Anzac Day commemoration services and a community barbecue on April 25. Other activities are being planned.

There are opportunities through the Centenary of Anzac week for individuals, sporting groups and other organisations to conduct activities connected with this theme. Local business houses are invited to mount window displays and/or conduct special Centenary promotions.

Local individuals and organisations may wish to support an activity during this week. Aspects of the Memorial feature under construction in Dr Kelf Park and associated components, such as additional seating, provide opportunities for community involvement.

We encourage the community members to play an active part in the Centenary of Anzac activities to recognise the service and sacrifice of local servicemen and women on this special occasion.

For additional information; Phone 63853213.

Tarengo Bridge

Contractors are scheduled to be on site at Tarengo Bridge to start the physical bridge construction on 4 November 2014. This start date is further back than had previously been advised but the project is

still on track to be completed by late April 2015.

The contractors have been pre-casting the bridge beams off site which will be trucked in and craned onto piers that will be poured on site.

Potential Public Art Opportunity

At the October ordinary Council meeting Council resolved to seek expressions of interest (EOI's) from artists to commission a public art piece from salvaged timber from Tarengo Bridge.

The first step in the process will be for Council to develop some general guidelines around what those submitting an EOI will be required to provide with EOI's then formally requested.

At this early stage it is not known whether any suitable submissions will be received however Council has identified the opportunity to combine recognising the history of Tarengo Bridge in a way that also creates a piece of art of public value.

For anyone interested in finding out more they are advised to contact Councils General Manager.

Frogmore Road Rehabilitation

Preliminary works have commenced on the next stage of rehabilitation works on Frogmore Road in the vicinity of Elm Park. The works continue on from the northern end of the Double Dips project, completed last year. These works were originally scheduled for February 2015 but have been brought forward as the RMS has not finalised its scope or works for the State Road works. Works on the Lachlan Valley Way were initially scheduled for November, however, Council has now

swapped the State Road Works and the Frogmore Road works on the program.

This year's Frogmore Road works include the removal of three large trees to enable a safer road environment.

It is anticipated that trees will be planted near the old section of road at the double dips location to offset the trees being removed this year.

Preliminary planning has also commenced for next financial years works on Frogmore Road with a section north of Springvale road as well as near Gunnary Creek being considered.

Small Biz Bus Set to Roll In

On the back of the success of its last visit in November last year, the Small Biz Bus will again be rolling into Boorowa on 24 November 2014.

The Bus would be on site and operational from 10:00am to 4:00pm adjacent to the Court House in Boorowa.

The Small Biz Bus is a mobile information and advisory service for small business. It's part of the Small Biz Connect business advisory program, funded by the NSW Government. The Bus travels across NSW, connecting small business owners with advisors and services in their local community at no cost to them.



The Bus will facilitate 45 minute business advisory sessions on-board its meeting area, at no cost to local small businesses. The Advisor on board will be from Southern Region BEC who are delivering the Small Biz Connect program in the Southern Inland and Far South Coast region on behalf of the Office of the Small Business commissioner along with the driver/host.

Those interested in scheduling a meeting can find out more calling 1300 134 359 or visiting www.smallbusiness.nsw.gov.au.

Community Based Heritage Study

The Community Based Heritage Study is well underway, with many thanks to the volunteer Community Heritage Committee.

Earlier this year, Council appointed High Ground Consulting to work with the Community Heritage Committee to identify and document buildings and structures that reflect our local history. The Community Heritage Committee is made up of volunteer community members, Councillors, the heritage consultant and Council staff.

Most recently, the Committee had a field trip to Rugby to look at and document buildings of historical interest including the local hall, the slab-hut, the old police station/teacher's house, the WW1 memorial and the churches. That field trip also took in the weirs, the Boorowa cemetery and the railway line. The next field trip will be to Reids Flat, with the remaining villages following after that.

As a list of properties of real historical interest is finalised, Council will be contacting property owners to arrange inspections and to better understand the history and operations of those properties over time.

Part of the study is the development of a local, thematic history of the LGA. That history, which is being prepared by a professional historian, will identify the key historical themes that underpin the local history and help the Committee identify the buildings and structures that should be included in a list of heritage items. Some themes to emerge so far that have influenced the development of the area include the role of Irish settlers, the activities of church/religious organisations, pastoralism and the 'short-lived' railway line.

The consultant historian is looking to talk to a small number of residents, to capture some oral history that reflects the way Boorowa township developed. If you're interested in contributing to this part of the project, you can leave a message for Council's Town Planner on 6380 2035.

Loose Fill Asbestos

As many would by now be aware, concerns have been raised over the potential that some homes in the Boorowa district may contain loose fill asbestos insulation.

As a result the state government through workcover are offering a free inspection service to those in the community that believe their home may contain loose fill asbestos insulation.

Some detail on the project is available under the environment section of Council's website with the best source of information being Workcover.

Where to go for more information

For more information on asbestos, including loose fill asbestos insulation, contact WorkCovers Information Centre on 131 050 or visit their website via workcover.nsw.gov.au.

Centrelink Access

Council would like to remind the community that there is a Centrelink Online Self Service Access Point located at the Council administration building.

Centrelink clients are also able to fax forms for free with further information on centrelink transactions available at Council's administration building.

How Much Does it Cost To Seal a Road?

Have you ever wondered what it costs Council to seal a road or why all the roads in our Council area aren't sealed?

It costs Council anywhere from \$5-\$6 per square metre (depending on the area to be done) to do a single coat seal on a road. If a road has a 7m wide seal, that equates to \$38,500/km (assuming \$5.5/m²). When a new road is sealed it normally requires a two coat seal first time around to make sure it lasts with the road needing to be resealed after anywhere between 10-20 years depending on environmental conditions. If a seal is left too long before resealing the bitumen oxidises (gets really hard and stiff), becomes brittle and cracks. Once a seal has started to crack water enters the road pavement (gravel) and the road starts to break up.

Council currently has over 400kms of unsealed roads so to give each of those roads a single coat seal would cost a total of \$15.4m (based on \$35,800 x 400km) which we would need to spend approximately every 20 years. That doesn't take into consideration the over 200km of sealed roads we already have.

Keeping Your Address up to Date

Council would like to remind residents that it is important to keep your postal address up to date and make sure both Council and Australia Post are aware of it. This helps to make sure there is no confusion as to where important correspondence needs to be sent.

Library Puggle Storytime

Every Friday morning at 10:30, parents and young kids get together at the Boorowa library to read stories, do craft and have a good time.

All families are welcome to come along and share in the fun and laughter.



Some of the kids from Puggle Storytime riding on a float during Woolfest

Council Website



At Council, we are working hard on providing information through our website as a means of communicating with you!!

Council has a section on its website for community groups to be able to place information and if any community groups

are interested in taking up the opportunity they are encouraged to contact council.

www.boorowa.nsw.gov.au

Fire Season

The community is being reminded to remain highly vigilant during the upcoming fire season with a severe season expected.

Property owners in particular are reminded to take as much precaution as possible to reduce the risk of starting a bush fire.

It is also recommended that property owners review their own bushfire plan as well as ensuring they know how to get in contact with the RFS.

Further information from the RFS is attached to this newsletter.



Boorowa Mayor Wendy Tuckerman presents the Boorowa Cup at the recent NSW showjumping Championships



Painting of the kids pool in preparation for the upcoming swim season



Pathway repairs being done at the Boorowa swimming pool



Works in progress to rebuild a section of Rugby Road



New footpath being poured at Dr Kelf Park



Council work crews preparing for woolfest



BOOROWA SWIMMING POOL HOURS OF OPERATION

The Boorowa Swimming Pool will open Saturday, 8 November 2014.

Opening Hours are as follows:

8 November to 19 December 2014	1pm – 6pm
20 December to 30 January 2015	12 noon to 7pm
31 January to 15 March 2015	1pm to 7pm

Closed Christmas Day

In the event of adverse weather condition, the operator reserves the right to close the swimming pool.

Daily Entry:

Adults \$5.20
Children and spectators \$2.50
Pensioner (aged or disability card required) \$2.50

Season Passes:

Family \$190
Adult \$88
Child \$78

Boorowa Council News

MESSAGE FROM THE MAYOR

Local Government Reform

For what feels like an eternity, Council has been trying to navigate its way through the local government reform process which will soon move into a new phase. During the reform process Council has been assessing a range of options to ensure that our community remains strong, prosperous and receives value for money services from its local Council into the future. In assessing and analysing options we have also been considering the NSW Governments agenda.



I can now advise that at our April meeting, Council made its decision on what we believe is the best way forward for our community. That decision has been to support a merger of Boorowa, Harden and Young Councils.

This decision has been the single most challenging decision our Council has had to make as the potential consequences will have impacts for generations to come.

As most would be aware, Harden Council have decided to seek approval from the Government to proceed with a merger with Cootamundra Council which we believe is a fundamentally different proposal to what the Government had previously recommended for our region.

We will now be preparing a submission to the Government putting forward our case, with the final decision on what happens to Councils within our region up to the Government.

Our Council firmly believes that a merger of the 3 Councils will give us the capacity to continue doing the things the community expects and deserves whilst creating opportunities for efficiencies, greater political recognition and greater financial capacity.

There is still considerable uncertainty as to what will eventuate; and should we remain as an individual Council we will need to go through a major service review process.

It is Councils intention to put our draft Fit for the Future submission on public exhibition to allow for further input from the community prior to submitting it to the Government.

Following the 30 June 2015 submission deadline to present our case to the Government, indications are that we should be clearer by October this year as to what the Government will move forward with.

ANZAC Centenary

This year's ANZAC commemorations have marked the Centenary of ANZAC and has reinforced and demonstrated our wonderful community spirit .

I have been astounded by the amount of time and effort so many in our community have put in to ensure that this year has been special.

We are truly fortunate to have so many passionate and dedicated people in our community and I would particularly like to acknowledge the work of the Boorowa Remembers Committee, the RSL and all those other individuals in the community who have contributed in some way.

From a Council perspective we have tried to contribute as much as possible. For us this has involved completely revamping the Rotary Park (established in memory of Dr Kelf) incorporating a commemorative tree grove and avenue of honour with the stories of those men and women who were decorated and received honours in WW1.

A big thank you to Rotary for assisting Council build the new park sign which helps to promote the park. At the opening of the Park a time capsule was buried to be opened in 50 years and contained a snapshot of what Boorowa looks like today, documents detailing the Boorowa Remembers Program of Events and how we commemorated the ANZAC Centenary, newsletters from the schools in the district etc.



Mayor Tuckerman with Ron Morgan President of the RSL Boorowa Sub Branch and Derrick Mason Chair of the Boorowa Remembers Committee placing the time capsule at Rotary (Dr Kelf) Park

In addition Council provided the establishment funding require

d to ensure that the *Boorowa Remembers 1915–2015; Centenary of Service in WWI* book could be successfully published and available to purchase. This book is a wonderful historical record and will now be available for many future generations.



Mayor Tuckerman with Di Elliott and Anne Wales who undertook the research that resulted in the Boorowa Remembers book

Tarengo Bridge

It is with great pleasure that I can advise that the new Tarengo Bridge is scheduled to be officially opened by The Honorable Duncan Gay MLC Minister for Roads and Ports and I on 20 May 2015 at 10am which the public are invited to attend.

The bridge has been open to traffic for several weeks under traffic restrictions

until guardrail is installed at the bridge approaches. I am certainly proud that we have managed to complete this much anticipated project that considerably improves motorist safety and efficiency of transport.

Prior to the official opening, Council will be holding a public auction of the timber salvaged from the old bridge. This auction will allow the community the opportunity to secure a piece of local history as well as some good quality hardwood timber. The auction is scheduled to take place adjacent to the bridge on 17 May 2015 at 10 am.

I encourage everyone to either contact Councils General Manager Anthony McMahon, Justin Fleming of Boorowa Real Estate or Dermot McGrath of Elders who will be very kindly conducting the auction as a service to the community.

Warm Regards,

Mayor Wendy Tuckerman

Council Works



View along memorial tree grove at Rotary (Dr Kelf) Park

Ryan's Creek Pedestrian Bridge

Works have recently been completed to replace the Ryans Creek Pedestrian Bridge connecting Boorowa Playground and Recreation Park. Bollards and lighting will soon be installed to finalise the project.



Recently installed pedestrian bridge connecting Boorowa Playground and Recreation Park

Ford Street Kerb and Guttering

Works are currently underway to install kerb and gutter, drainage, water main replacement and rebuild the pavement in a northern section of Ford Street. This location has experienced ongoing drainage problems with works expected to be completed in the current financial year.



Trenching underway in Ford Street

Rugby Oval Lighting Upgrades

Council recently undertook lighting upgrades at the Rugby Field located at the Boorowa showground. Not only is the oval used for sporting clubs but it is also the location where the Care flight Helicopter lands in case of emergency medical transport which requires adequate lighting.



Lighting upgrades at the Boorowa Rugby Field

Bennet Springs Bridge Repairs

Council crews recently undertook repair works to Bennet Springs Bridge to repair a damaged pier.

The repairs made use of timber salvaged from Tarengo Bridge meaning that the bridge was very quickly repaired.



Wyangala Dam Safety Upgrades

Council engineers have been working with State Water to finalise handover to Council of the newly constructed bridge downstream of Wyangala Dam. The bridge will be jointly owned by both Boorowa and Cowra Councils



The newly constructed Wyangala Bridge downstream of Wyangala Dam

Lachlan Valley Way State Road Works

Council crews are currently working on a major improvement project on the Lachlan Valley Way towards the northern end of the Boorowa LGA. The works are being done on behalf of RMS and involve drainage improvements as well as reconstructing a section of failed road.



Drainage Improvements in progress on the Lachlan Valley Way.

Road Works

In recent months Council has undertaken quite a significant road works program which has included a combination of resealing existing sealed roads to protect pavements from water damage, reconstructing sections of failed sealed road pavements and grading of unsealed roads to maintain them in a safe condition.

For the remainder of the financial year Councils focus will be on maintenance of its road network with the majority of major works now completed.

	Harden 2013/14	Young 2013/14	Boorowa 2013/14
Local Government Area			
Land area (km2)	1,868.5	2693.3	2578.6
Population	3,712	12699	2558
Operating cost per capita	\$ 4,241	1790.14	\$ 3,977.33
Number of Councillors	7	9	9
Mayor's election	Elected by Council	Elected by Council	Elected by Council
Population per Councillor (No.)	537	1411	284
Residential Pensioner Rebates (%)	36%	25%	25%
Population Density (residents per km²)	2.01	4.7	1.0
	Moderate (negative) outlook	Sound with Negative outlook	Moderate (negative) outlook
TCorp Financial Sustainability Rating	Strong	Weak	Strong
2013 Infrastructure audit assessment	9	11	9
DLG Group	Rural	Large Rural	Rural
Classification	Merge with Young & Boorowa or Rural council	Council in Tablelands JO or merge with Boorowa & Harden	Merge with Harden & Young or Rural council
Independent Review Panel Recommendation			
Community Leadership			
Development Applications determined by Councillors (%)	20%		9%
Audited Financial Reports submitted by due date (Y/N)	Y	Y	Y
Code of Conduct Complaints (No.)	1	0	0
Complaints investigated requiring action (No.)	1	0	0
Cost of dealing with Code of Conduct Complaints (\$)	\$ 5,500	0	0
Population per EFT Staff (No.)	62	114	44
Demographics			
Five year population change (%)	2.8%	3.2%	8.1%
Population aged 19 or less (%)	25%	29.0%	26.0%
Population aged between 20 & 59 (%)	44%	46.0%	46.0%
Population aged above 60 (%)	31%	26.0%	29.0%
Aboriginal & Torres Strait Islanders (%)	4.5%	3.1%	2.0%
Language Spoken Other than English (%)	2.3%	2.8%	1.4%
Socio-Economic Index Rank (1 low, 152 high)	35.00	42.00	74.00
Economy			
SALM Unemployment Rate (%)	5.40%	8.90%	5.20%
Avg Taxable Income (\$)	\$ 35,333	\$ 34,997	\$ 35,527
Avg Household Family Size (No.)	2.9	2.5	2.3
Largest Industry Employer	Agriculture, Forestry & Fishing	Agriculture, Forestry & Fishing	Agriculture, Forestry & Fishing
Value of DAs determined (\$'000)	3376	TBA	3730
Active Businesses in LGA (No.)	504	1442	326
Access to Internet at Home (%)	59.10%	61.90%	62.80%
Environmental Expenditure (including waste) per capita	\$ 280.17	\$ 149.62	\$ 278.73

Water & Sewer Services Expenditure per capita (\$)	\$	556.09	\$	489.41	\$	482.80
Community Services, Education, Housing, Amenities Expenditure per capit	\$	433.28	\$	93.47	\$	101.64
Recreational & Culture Expenditure per capita (\$)	\$	257.84	\$	149.22	\$	192.34
Public Order, Safety & Health Expenditure per capita (\$)	\$	147.00	\$	61.50	\$	110.63
Other Services Expenditure per capita (\$)	\$	867.62	\$	232.77	\$	1,076.62
Roads Bridges Footpaths Expenditure	\$	1,048.38	\$	363.57	\$	1,012.90
Library Services Expenditure per capita (\$)	\$	42.80	\$	25.20	\$	31.27
Library Circulation per capita (Items)		2.7		4.3		2.3
Domestic waste not going to land fill (%)		48%		57%		21%
Companion Animals microchipped (No.)		1744		5546		770
Companion Animals microchipped and registered (%)		39%		43%		36%

Rates

Ordinary Rates

Avg Ordinary Residential Rate (\$)	\$	466.20	\$	536.71	\$	410.00
Avg Ordinary Business Rate (\$)	\$	829.30	\$	2,627.96	\$	507.25
Avg Ordinary Farmland Rate (\$)	\$	2,252.41	\$	1,974.08	\$	2,262.87
Average Mining Rate (\$)			\$	19,000.00	\$	6,000.00
% Total Revenue from Residential		23.97%		43.75%		20.86%
% Total Revenue from Business		7.38%		19.92%		1.62%
% Total Revenue from Farmland		68.65%		36.02%		77.24%
% Total Revenue from Mining				0.31%		0.003%
Typical Residential Water and Sewer Bill (including usage) (\$)	\$	1,198.69				1465

Land Values

Avg Land Value Residential per assessment	\$	35,239				56875
Avg Land Value Business per assessment	\$	45,893				42379
Avg Land Value Farmland per assessment	\$	578,053				454833
Next land valuation		2014/15		2014/15		2014/15
Average rates as a proportion of land value		0.5191%				0.5891

Finances

Revenue	\$	14,479,000	\$	25,276,000	\$	11,504,000
Expenses	\$	15,954,000	\$	22,733,000	\$	10,174,000
Total Cash and Investments	\$	6,142,000	\$	21,357,000	\$	9,149,000
Externally restricted cash & investments	\$	5,494,000	\$	15,155,000	\$	3,529,000
Internally restricted cash & investments	\$	581,000	\$	5,965,000	\$	5,088,000
Unrestricted cash & investments	\$	67,000	\$	237,000	\$	532,000
Unrestricted receivables	\$	1,996,000	\$	1,456,000	\$	1,317,000

Income Sources

Financial Assistance Grant	\$	1,075,000	\$	1,755,000	\$	771,000
Roads to Recovery Grant	\$	453,860	\$	1,440,000	\$	448,000
RMCC Contract including works orders	\$	524,000	\$	1,559,000	\$	2,764,000
Regional Roads Block Grant	\$	630,000	\$	876,000	\$	696,000

Council has applied for a YE 15/16 Special Rate Variation		No		No		
Depreciation expense as a percentage of Operating Expenditure		22%		23.80%		29%
Total Depreciation Expense	\$	3,523,000	\$	5,410,000	\$	2,988,000
Depreciation expense per km of road	\$	1,116			\$	3,853
		Absolute Value			\$	2
				1244		Total Deprec per km Road Dep per km Road Depreciation

FFTF Ratios (FFTF Benchmark in brackets)

Operating Performance Ratio (greater or equal to break-even)	-28.19%	-0.95%	-4.92%
Own Source Revenue Ratio (greater than 60%)	55.64%	69.67%	63.65%
Building and Infrastructure Asset Renewal Ratio (greater than 100%)	56.06%	77.32%	88.81%
Infrastructure backlog ratio (less than 2%)	0.00%	0.08%	0.06%
Asset maintenance ratio (greater than 100%)	100.00%	100%	44%
Debt Service Result (between 0 and 20%)	5.01%	9.83%	3.60%
2013 Real Operating Expenditure per capita (decrease over time)	2.53	1.20	2.67
2014 Real Operating Expenditure per capita (decrease over time)	2.71	1.15	2.97
Overall Result (7)	X	X	X

Performance Indicators

General Fund

Operating Performance Ratio	-39.54	-1.34%	-3.54%
Unrestricted Current Ratio	1.66	2.93	3.87%
Debt Service Cover Ratio (Tcorp Benchmark >2.0)	-1.75	413.80%	6.99
Outstanding Rates & Annual Charges (%)	11.34%	3.57%	10.47%
Cash Expense Cover Ratio (Mths) (Tcorp Benchmark >3mths)	2.50	5.24	15.64

Water Fund

Operating Performance Ratio	7.07%	-11.89%	-25.88
Unrestricted Current Ratio	101.74	54.59	8.12%
Debt Service Cover Ratio (Tcorp Benchmark >2.0)	56.11	794.87%	0
Outstanding Rates & Annual Charges (%)	13.94%	3.51%	13.33%
Cash Expense Cover Ratio (Mths) (Tcorp Benchmark >3mths)	-	13.98	0

Sewer Fund

Operating Performance Ratio	20.00%	12.43%	-2.26
Unrestricted Current Ratio	No liabilities	9.81	17.63%
Debt Service Cover Ratio (Tcorp Benchmark >2.0)	- \$	149.88	7.22
Outstanding Rates & Annual Charges (%)	22.43%	5.45%	14.36%
Cash Expense Cover Ratio (Mths) (Tcorp Benchmark >3mths)	-	42.01	0

Loans

Total Borrowings as at 30/6/14	\$	922,000	\$	20,218,000	\$	2,641,000	14/15 delivery Plan		Total
G/F	\$	740,000	\$	3,397,000	\$	2,599,000	\$1.2M LIRS	\$2.5 LIRS	\$ 23,918,000
W/F	\$	19,000	\$	99,000					
S/F			\$	16,722,000	\$	42,000			
Other	\$	163,000							

Major contracts / partnerships in place

Auditor	Intentus	Crowe Horwath	
Regional partnerships - internal audit	Young, Boorowa, Cowra, Harden	Young, Boorowa, Cowra, Harden	Young, Boorowa, Cowra, Harden
Regional partnerships - town planning staff	Young, Boorowa Harden	Young, Boorowa Harden	Young, Boorowa Harden
Regional partnerships - Fire	Young, Boorowa, Cootamundra, Harden	Young, Boorowa, Cootamundra, Harden	Young, Boorowa, Cootamundra, Harden
Regional partnerships - Library	Young, Boorowa, Harden	Young, Boorowa, Harden	Young, Boorowa, Harden

Regional Partnership - weeds management Southern Slopes Noxious Plants Authority	Young, Boorowa, Harden, Yass	Young, Boorowa, Harden, Yass	Young, Boorowa, Harden, Yass
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Regional partnerships - Waste	Harden,Young,Yass Boorowa, Cootamundra, Tumbarumba, Tumut, Gundagai	Harden,Young,Yass Boorowa, Cootamundra, Tumbarumba, Tumut, Gundagai	Harden,Young,Yass Boorowa, Cootamundra, Tumbarumba, Tumut, Gundagai
Regional partnerships - JO & ROC	Canberra Region Joint Organisatiom	Canberra Region Joint Organisation, CENTROC	Canberra Region Joint Organisatiom
Regional partnerships - other			
Regional partnerships - other			
Regional partnerships - other			
County Councils - Water	Goldenfields Water	Goldenfields Water	
IT Services	Civica		Civica
Corporate Software System	Authority		Fujitsu
Records Management System	TRIM		Paper Based Files
Employees			
Equivalent Full Time Staff (EFT) (No.)	62	111	58
Average employee cost	\$ 79,935	\$ 68,568	\$ 64,258.62
Provision for leave entitlements	\$ 2,135,000	\$ 2,800,000	\$ 1,320,000
Reserve funds for employee leave entitlements	\$ 436,000	\$ 1,655,000	\$ 862,000
Development			
Development Applicatons (mean gross days)	28		45
Development Applications determined (No.)	50		27
LEP Date	2011		2012
LEP Instrument	Standard		Standard
Minum lot size - farmland	40ha		40ha
Minum lot size - rural residential	2 - 5ha		2ha
Minimum lot size - town (sq m)			700
Transport Infrastructure			
Roads, Bridges and Footpaths expenditure per capita (\$)	1048.38	363.57	1012.9
Road Length per '000 capita (metre)	229.9	92.3	281.9
Quarries			19
Local Roads			
Sealed local roads (km)	359.81		258.35
Unsealed local roads (km)	408.33		404.44
Concrete / steel bridges and major culverts on local roads (No.)	22		17 2 part owned
Timber bridges and major culverts on local roads (No.)	1		1
Regional Roads			
Sealed regional roads (km)	79.40		112.64
Unsealed regional roads (km)	6.00		0
Bridges and major culverts on regional roads (No.)	9		18
Facilities			
Tips			5

Public Swimming Pool Complexes	2	1	1
Public Halls (No.)	6	8	1
Public Libraries (No.)	1	1	1
Open Public Space (ha)	25	152	56



FIT FOR THE FUTURE COMMUNITY BRIEFING PAPER

Background

Every Council in NSW has been mandated by the NSW Government to make a "Fit for the Future Submission" by 30 June 2015 to be assessed by an Independent Panel which consists of the Independent Pricing and Remuneration Panel and Local Government industry expert John Comrie.

The assessment panel will assess each submission against a set of benchmarks and will then provide recommendations to the NSW Government by mid October 2015. The NSW Government will consider the recommendations and then determine what (if any) further steps will be taken.

The Benchmarks

Details of how the benchmarks each Council will be assessed against are available at: <http://www.fitforthefuture.nsw.gov.au/preparing-proposal#review>

The benchmarks developed fall under four key categories as follows:

- Scale and capacity
- Financial sustainability
- Infrastructure management
- Efficiency

The scale and capacity criteria is considered as the threshold benchmark and is the first criteria each Council will be assessed against. Each of the remaining categories has a series of figures or ratios that must be met if a Council is able to demonstrate that it has adequate scale and capacity.

Scale and Capacity

The scale and capacity benchmark is the most loosely defined of all the criteria a Council must meet to be considered as "Fit for the Future". In the case of Boorowa Council, the NSW Local Government Independent Review Panel indicated that merger with Harden and Young Councils would provide adequate scale and capacity.

Essentially to meet the scale and capacity threshold Council must demonstrate that what is proposed in its fit for the future submission is "*broadly consistent*" with the scale and capacity of a merger of Boorowa, Harden and Young Shire Councils.

Boorowa Council
6-8 Market Street
Boorowa NSW 2586

Phone: 02 6380 2000
Fax: 02 6385 3562
E-mail:
Council@boorowa.nsw.gov.au



Where is Boorowa Council at with Fit for the Future?

Council identified some time ago that to meet the fit for the future criteria major change would be required including cutting of services and increases in rates. The reason behind this is largely out of Councils control, given the complexity of the benchmarks set and changes in other factors out of Councils control such as increases in fuel and wage increases, pegging of rates and real reductions in grants. Regardless of the other criteria, Council would still not be able to demonstrate how it achieves the scale and capacity criteria.

Over a considerable period of time, Council worked with its neighbours of Harden and Young to explore and analyse the options available and develop an evidence base to support each of the options. This culminated in the preparation of a report by LKS Quaero for the three Councils which investigated options including remaining the same, merging administrations and a full merger (as well as giving consideration to a merger of more than just the three Councils).

Council then undertook four community forums (two in Boorowa, one each in Rye Park and Frogmore) in February to present the available options and to hear the views of the community.

Taking into consideration all of the information available including feedback received at the community forums, at its April meeting Council made a decision on how it believed it could become "fit for the future". This involved a merger of Boorowa, Harden and Young Councils with Council resolving the following:

1. *Council prepare a draft "Fit for the Future" submission on the basis that the preferred option is a merger of Boorowa, Harden and Young Councils as recommended by the Local Government Independent Review Panel and the NSW Government;*
2. *Council does not support a merger of Boorowa and Young Councils alone due to a lack of clear evidence of benefit;*
3. *Councils alternate position to a Boorowa, Harden and Young merger is to remain as a Rural Council with shared services; and*
4. *A further report be considered at a May Council Meeting to endorse a "Fit for the Future" submission for public exhibition.*

What did Harden and Young Councils decide?

Harden Councils resolved that their preference was to support a merger with Cootamundra Shire Council. Council does not believe this merger would be in the best interests of the region and also believes that it will be difficult for the two councils to justify how their proposal provides scale and capacity consistent with a merger of Boorowa, Harden and Young. Further, the merger of the two would require straddling a regional boundary identified by the NSW Government.



Young Shire Council resolved to support a merger of Boorowa, Harden and Young, whilst also not closing the door on including Cootamundra in the merger.

What Happens Next?

Council expects to place its draft “fit for the future” submission on public exhibition following the May Council meeting. Council will be seeking written submissions from the community to help improve the submission.

A final submission will be considered by Council at a meeting in late June prior to it being sent to the “Fit for the Future” assessment panel.

How Can I Find Out More?

Council has a section on its website containing information relevant to the Local Government Reform Process, including the report prepared by LKS Quaero exploring the options available to Council. Information is also available on the fit for the future website at www.fitforthefuture.nsw.gov.au.

How do the Councils of Boorowa, Harden and Young compare to each other?

There has been some recent commentary in the media around how the 3 Councils compare to each other particularly in relation to their debt levels. The truth is that each of the Councils has relative strengths and weaknesses. As an example, Young has high debt levels compared to Harden, however Young have greater capacity to service (or pay off) their loans than what Harden currently do with their relatively small loans. Likewise although Boorowa and Young have higher debts than Harden, both Boorowa and Young have higher cash reserve balances than Harden.

Financial performance of Councils can fluctuate up and down from year to year based on the decisions a Council makes in any given year so it does not make sense to make long term decisions on today’s financial positions.

Based on available financial information it is safe to say that the 3 Councils would struggle in the long term to continue doing everything they currently do which is why Council believes major change is required.

Although Boorowa Council could not be considered in the poorest financial position of the three Councils it is important to look beyond the here and now and focus on the collective future.

7 11 2015
GM 2-13-10

Mr. Anthony M^cMahon,
General Manager
Boorowa Shire Council.

Dear Sir, Re: Proposed Council
Amalgamations.

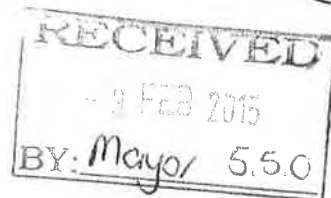
I am really gratified that Council
has seen fit to take the community
into its confidence in the above
matter.

This is in stark contrast to the
way Council treated the community
in respect to the changes in
community transport / day-care /
meals-on-wheels recently privatised.

The mayor must be pleased
she has been kept informed in this
amalgamation matter, as opposed to
the way she was treated previously.

I also note the evening times of the
forums - a bit more sensible than
the Mon. weekday time of the P.R.
meeting on the Health Care issues.

Cr Wendy Tuckerman
Mayor of Boorowa Council
P O Box 96
Boorowa NSW 2586



28 Jan 2015

Dear Cr Tuckerman

Re Amalgamations

Thank you for your letter of 22 inst. The following should be a help in shaping your Council's future. The enclosure "From the House of Commons" was originally prepared by my father for the NSW Farmers' Association to give historical evidence and reasons why the UK Government changed.

There is a better alternative to amalgamations. It operates to the satisfaction of the 500 million population of the United Kingdom and European Community. You have been denied the opportunity of considering this system when the independent panel on local government conducted its inquiry.

A case study of the 7 local government areas of the UK

The seven areas provide for a static population of about 60 million and a further 20 million in the tourist season. Rates are assessed on the size of a dwelling with a further factor of location. There are 8 levels for location to assist with Vertical Fiscal Imbalance (VFI) to provide fairness for the least to the most able to pay. (Leichhardt Council Sydney rate East Balmain higher than Leichhardt itself).

Agricultural land, including forests, are not rated because agriculture cannot reliably recover all input costs due to being obliged to sell at auction, or on fluctuating commodity markets. Agriculture provides other services on a regular base to support and enhance the tourist industry. The farm dwelling is treated on the same basis as town and city.

Note this enables the 7 councils to recover all budgeted costs.

Applying the UK system to NSW

NSW is 3.28 times the size of the UK with a population of 7.439 million as at Jan 2015 (about one tenth the median population of the UK), with 153 councils. Australian local government lost its status for "Local" and self dependence with the retirement of the horse as prime mover, to become inter-dependent with all the other shires.

The present rating system is flawed, and is unfair to rural ratepayers and to rural councils. The biggest misconception is that local government is local. The reality is, each of the 153 areas are dependent on one another with benefits created in some being shared, but not paid for, by all.

Example: cc 1985-6 Red Hill Station was sold to State Forests with a loss of revenue for Gundagai Council of \$30,000.00 which had to be recovered from remaining ratepayers. The extra jobs went to mainly Tumut Shire and some to Wagga Wagga City Council. The product from those centres then goes nationally creating more employment, demonstrating that many people benefit while the ratepayers of Gundagai keep paying the deficit, annually.

Under the UK system Gundagai's deficit would be made up by every dwelling in the State contributing.

The method being: all councils submit their proposed annual expenditure budget to a central office. Rates are collected to make up a central pool and distributed to cover each council's budget. The rate assessment for individual dwellings is determined based on the size and

location of each and addresses vertical fiscal imbalance across the state.

Amalgamations can only lead to more of the same, because the system itself has not been changed.

Extra Information

The Independent Inquiry into the Financial Sustainability of NSW Local Government "Are Councils Sustainable?" May 2006 p 21 :

"The LGI examined the considerable research into whether council mergers would result in greater cost efficiencies. It found that evidence was inconclusive, except perhaps for the smallest councils (I.e. under 8,000 in rural areas)."

The existing system is haemorrhaging funds away from rural areas to the benefit of cities and the large coastal communities; a problem that extends nationally. Therefore it may come as a surprise to you that in fact, families on rural land (using figures from "Are Councils Sustainable?"), if contributing the State average of \$600.00 as their fair share, actually subsidise every other household in the State with approximately \$66.00 annually.

The explanation is, that a rural council providing benefits beyond its jurisdiction cannot recover the cost and all agriculture endeavour is in the same position. Plantation forestry on private land is also in the same predicament of paying rates in competition with Crown forestry who do not pay rates.

"Are Councils Sustainable?" p 26:

"Making NSW Local Government financially sustainable will require a combination of fiscal measures including rate deregulation, increased State and Commonwealth grants, greater application of user pays, increased operating efficiencies and increased borrowings. The most vulnerable councils are rural ones whose small population densities mean that they do not have the financial capacity to maintain let alone renew their road infrastructure. Increased government grants and/or a transfer of their regional roads to state responsibility may be their only chance of survival. Simply amalgamating them will not generate the savings needed for meeting their infrastructure obligations."

Note: "greater application of user pays"

Not only do rural councils require change to the rating system they also need change to recover the imposed costs brought on by the actions and desires of the wider community who have no way of compensating for the harm and expense of mega fires, rail line closures, additional costs arising out of power distribution, unbalanced weed and animal control etc. etc.

The international Organisation for Economic Cooperation and Development (OECD) recommended change, but was misunderstood in Australia because the statement said that houses and flats should be taxed. The essential difference being; in the UK the tax is imposed on the size and location of the dwelling (not its commercial value as here) so that it contributes its equal share of the total cost of running the council. For NSW (ultimately nationally) : the total annual cost of running all the councils in the State is shared by all the dwellings in the state to achieve "greater application of user pays". Each council keeps its individuality, controls its environment within guidelines suited to geographic location and Aboriginal practice, rural land is for rural use only and not rateable.

From "Are Councils Sustainable?" p 196:

In 2003/04, councils received 26 per cent of their rate revenue (\$573 million) from business rates. The average rate per business assessment was \$3,499. Councils received eight per cent of their rate revenue (\$179 million) from farmland rates. The average rate per farmland assessment was \$1,471.

Note the 8% of rates were raised from 40,800 families and some farm corporate businesses making up less than 2% of the population, with huge variation in value and number of

assessments levied on individual farms.

Rural councils need to expand, not contract, to become the conduit to provide the finance for managing weed, vegetation, animal control (to the same requirement as for private land) irrigation infrastructure, power distribution, all being necessary to share the burden of costs unredeemable at this stage, endured by councils and agriculture alike.

This is accepted by the European community as a partnership between agriculture, tourism and environment and is not a subsidy. Conservation groups here are suggesting agriculture get a stewardship payment, but councils need it too, so what is being suggested achieves the same goal.

There are new industries available to rural areas, (crop, forest waste and solar, geothermal power) along with the expansion of existing industries that require new labour and skills, all of which ~~is~~ ^{are} beneficial to rebuilding rural areas and the wealth capacity to fully participate.

The LGSA NSW were made aware of the UK system in 2006 by the Gundagai District Council of the NSW Farmers' Association, but they thought it radical. The Productivity Commission in their study into Assessing Local Government Revenue Raising Capacity did publish this proposition.

As a rate payer of your council, please pursue this matter with the LGA and your local Member of Parliament to get a definitive answer and action that will deliver positive results environmentally and economically for decades to come.

Yours sincerely

From the House of Commons

This research from the House of Commons 1928 applies to us in 2009

Britain's industries in the 1920s were in crisis — mining, transport (rail and canals), ship building, heavy manufacturing and agriculture. Both sides of the House recognised there was a problem, how to fix it, is what was in contention.

Mr Churchill had no proprietary rights over the principle he espoused "*that the instruments of production ought not be taxed but only the profits resulting from their use*" was universally accepted practise up until WWII. The President of the Institute of Chartered Accountants of Australia Sir George Allard KB remarked on hearing the Curtin Government's introduction of payroll tax, "That it was a tax on production and therefore, bad".

Mr Churchill's criterion for assessing depressed or flourishing industry, still holds good.

As it was then for British manufacturing and agriculture, so it is for Australian manufacturing and agriculture now. The fact that Australian manufacturers in recent years have resorted to going off shore is confirmation. Rural and remote local government are strange bedfellows with agriculture, not because their capital is taxed but because, they cannot tax the consumers of their services that are beyond their jurisdiction.

There is no measure for just how depressed an industry or local government body is, with only subjective measurements on the level of possible employment, markets taken by imports, number of farms in debt, extent of debt, and FAGs per capita, as a guide.

When agriculture becomes depressed in Australia, whole districts or regions lose populations, people's health declines etc and even political representation declines. The propensity for natural disasters to be a regular feature, (disregarded when imposing rates, water infrastructure charges etc.) with the only countervailing adjustment being drought aide or declaration of natural disaster, the final user not paying, because there is no system to facilitate payment: shows the goose that lays our golden eggs is dying of starvation.

Comparing the information from the debate with then and now, highlights the differences along with the effects of new institutions such as the concept of free trade, globalisation, RBA interest rate control over inflationary pressures in our modern economy, and a proposed Emissions Trading Scheme, requiring that these concepts too, are not above scrutiny.

This research is based on the second reading of the Finance Bill, House of Commons 5th June 1928 to explain;

Why the UK Government changed their centuries old practice of rating land in 1930 to end up with a much fairer local government system than Australia and New Zealand by the end of the 20th century; at a time when they were

acknowledging Australia and other Dominions had a better system

However in reading this debate there were then other factors influencing the necessity for change in the UK.

There are 30 pages of small print recording this debate. The endeavour here is to avoid the party politics, to give a dispassionate coverage of the facts and arguments that may have contributed to the final change in their rating system and note any other circumstance that may have relevance to our current economic situation. In quotations where irrelevancies occur, are indicate thus ----, or if it is the same speech with no application to our present situation, thus —.

There were a number of enabling Bills necessary to make such a change, one of which was the Rating and Valuation (Apportionment) Bill, read for the second time 6th June 1928. As indicated in the second reading, the whole field of rating reform had received good coverage in the debate on the Finance Bill the day before.

The following quote from the Minister of Health (Mr Chamberlin) who moved the motion gives a partial over view.

“The difficulty in which agriculture and industry find themselves to-day is that there is not sufficient margin between prices and costs. It would not be possible for us to solve that difficulty by increasing prices, even if it were desirable-----It might, perhaps, be possible to reduce costs, either with or without a decrease in wages, by means of reorganisation of industry, but a process of that kind is bound to be long, bound to be slow, and bound to be accompanied by a great deal of suffering and hardship. There are, however, certain ways in which, I think, the Government can give some assistance to agriculture and to industry, in order to enable them to reduce their costs, and those ways are by a reduction in the dead-weight burden of local rates, and a further reduction in the cost of transport, whether by rail or by water. These are ways which have been indicated by industrialists and agriculturists themselves as those which would be most helpful to them, and these are the ways which the Government have adopted in the scheme which is now before the House.”

One aspect of the debate was about the necessity to bring in a Petrol Tax to raise money to pay for abandoning rate taxes on agriculture, rail transport, ship building, coal mines and heavy industry. Ship building had long delays in designing and building but a constant drain on their finances due to the rates.

Part of the discussion was about collecting the petrol tax immediately and saving it for distribution after the commencement of the new scheme. Who should be a beneficiary and to what extent was a large part of the debate. Revealed in the debate was that industry was not only being taxed on land but also any capital fixtures attached to the land, thus compounding the negative effect created by taxing capital and not the profits from capital.

In the UK up until that time there was a wide spread belief that all wealth creation was based on land ownership. However as Mr Churchill pointed out: “It was apparent that there were hundreds of different ways of creating and possessing and gaining wealth which had no relation to the ownership of land or an utterly disproportionate or indirect relation. Where there were 100 cases 20 years ago there are 10,000 cases now, and that is why radical democracy, looking at this proposition of the single tax-----has turned unhesitatingly towards the graduated taxation of the profits of wealth rather than to this discrimination in the sources from which it is derived, and that is what we have done.” A little further on in his speech he said “There is a very great deal to be said for concentrating the whole of the relief upon the basic industries, and we have done so in regard to the railway part of our proposals. We have been guided in the main policy by a fundamental principle .It is

this, that the instruments of production ought not be taxed but only the profits resulting from their use."

"There is no actual definition of a flourishing or of a depressed industry. Any decision on that point must necessarily be arbitrary. Therefore, I select four main tests by which to tell what is a depressed industry or an industry which is not flourishing. Here they are. The first is that unemployment is normal; the second, that the ratio of rates to profits is excessive; the third that the profits are subnormal and the fourth that the profits have been decreasing in recent years. These are, I think, four very fair guides of a depressed or not flourishing industry, but there are three other factors which ought to be taken into consideration. The first is whether the industry provides wages for very large masses of manual labour, the second, is whether it is unsheltered, and the third is whether it is markedly concerned in the export trade. If all these seven qualifications are present, it will be agreed that the industries helped are the ones which we ought to help."

Lord H Cecil talking on the value of land "The right hon. Gentleman the Member for Colne Valley said a very surprising thing when he stated that every increase of population and every increase in transport facilities causes the value of land to go up. What happened to agricultural land 50 years ago as the result of greatly improved transport was to bring cheaper corn to this country from the ends of the earth which competed with our home produce, and enormously reduced its value. As a matter of fact, the owners of agricultural land are very much poorer to-day than their ancestors were 50 years ago."

However what the Member for Colne Valley the Rt Hon Philip Snowden did point out was that in the UK at that time the site values were unknown. "What is the value of the sites of this country? I do not know—no one knows. We have not even an approximate estimate, but at any rate, we can form some idea from those countries where they have accurate estimates of site values. Take New Zealand. In the last 47 years, the site value in New Zealand has increased from £62,000,000 to £339,000,000.—All the local rates raised by the Corporation of Sydney are raised by a tax on site values"

Sir R Horne on rate differences

"It is a bad thing which has grown up in our country of recent times that in many cases businesses are not put in those parts of the country which are most suitable for them, but in parts which are selected because the rates in the district are lower. I am of the view that, so far as businesses are concerned, no consideration of that kind ought to come into the picture at all, but that businesses ought to be planted in places where they can be most effectively worked, and that there should be no temptation to them to shift from one part of the country to another because it happens that in another part of the country the rates are lower than in that in which they thought fit to establish themselves. As the House knows, there is a very embarrassing movement going on at the present time, which is costing this country vast sums of money, and it is taking place for no other reason than the great establishments are moving from places in which they are heavily rated to places where the rates are lower."—"instead of remitting rates in all these various districts to the extent of three-fourths, an attempt should be made to have an equal rate for industries throughout the country."—"Two main arguments have been put in the country against the scheme of the Chancellor of the Exchequer. For example, my right hon. Friend the Member for Carnarvon Boroughs (Mr Lloyd George) is constantly appealing to the cottager on the ground that, next door to him is going to get relief in rates to the extent of three-fourths of the amount it pays, he poor cottager, is going to have no relief at all; and for the purposes of these illustrations we always find on these Saturday afternoons that the establishment next door to the cottager is Courtaulds or some other lucrative firm earning enormous profits. That argument however, does not appeal to me at all for the reason that the industry which is near the cottager is in most cases an industry which is in a condition of depression, and is the industry upon which his employment depends, so the relief given to the industry is a provision for him of his livelihood. It is no attack on these proposals to say to him that the industrial establishment being relieved while he is being left in the lurch, because in fact his position is being sustained and bolstered up in order that he may live a life of peace and contentment."

Mr Montague

"But this relief is not going into the pockets of the depressed industries. There are scores upon scores of firms in the North of England and Scotland, and other parts of the country, whose debentures are largely

owned by big American companies, international financiers, who have the big industries of this country in their pockets. They are the people who have financed these industries in the bad times, and now they are to get the taxpayers of this country to recoup them. An Hon Member opposite has said that money is cheap in America, that you can get money at 3.5 per cent. Yes, to be lent to British industry at about twice that percentage, and now in order to prevent these industries going under, they have come to the House of Commons for legislation in order to tax the nation so that these foreign financiers, who are more and more controlling British industry, may have the advantage.

That is the position we are fighting. Not because we do not realise the difficulties of British industry: we do; not because we do not realise the importance of the question of rating: we do. But we say that we should proceed from a national point of view, that the interests of the nation should be first in our minds, and not the interests of international financiers."

The House divided: Ayes, 322; Noes, 135

Not revealed in the debate was how rates were assessed in the UK but it can be seen that transport costs in Australia did not contain a component of rates because the land on which our rail system was established was Crown land. Other differences were our forested areas and some large parcels of agricultural land were on Crown land with considerable benefits arising out of raw material cost with no rate component in wood products. Royalties on logs covered the admin of running state forestry commissions and departments. They were a service not a profit entity. Rural lands and forestry areas were leased to graziers who followed Aboriginal practice as a matter of good husbandry.

Mr Churchill reminded the House of the principle "that the instruments of production ought not to be taxed but only the profits resulting from their use.", was a widely accepted practice and remained so up until WWII. WWII brought some big changes out of the necessity of funding it. In Australia one of the worst changes that has endured, is pay role tax , but because income tax became the sole preserve of the Commonwealth, States were given this tool to finance their expenditure and the ever increasing demands of a population that has grown by a factor of 7.

Other changes have grown out of this practice due to the supposed benefits of corporatising parts of what was normal government services or creating new entities and authorities that impose charges for their services.

The unpalatable truth about this practise, is that populations here and abroad were mislead into thinking that taxes could be reduced and services would still flow from government.

This practise was introduced by politicians trained at university business schools, proves the theory does not line up with the practise. Economic theory for the Northern Hemisphere has its limitations in Australia.

What has been overlooked , is that those being charged in agriculture have no ability to recoup the charge and is compounded further when no delivery of service is provided, but the charge remains due and payable. The ultimate user; the community does eventually benefit handsomely at the farmers' expense.

Whereas in 1928 site values could be assessed with rural road maintenance to farms and Crown land grazing leases being a legitimate responsibility of the farms benefiting, those same roads now are used by metropolitan based industries to deliver

their produce to rural areas and the expanded National Parks demanded by metropolitan communities, plus the tourist industry. All of whom contribute nothing because there is no mechanism by which they can do so.

The contrast between the UK and Australian system now for agriculture shows that the UK system moved away from the initial petrol tax to a tiered system based on dwellings, their size and location and a partnership with the tourist industry. Agricultural commodity prices are stabilised by taking land out of production and limiting plantings of certain crops.

Their agricultural land is for agricultural use only including forestry and wood lots to keep the English country scene, so important to the tourist industry and maintaining an independent source of food for the populace.

Australia has regressed into taxing the instruments of production, while not taking into consideration our physical (drought, natural disaster), geographical (population disparity, land types) and sociological (wealth disparity) conditions.

In addition our agriculture has imposed on it for the benefit of the population at large, various rules and conditions that cost time and money and reduction on use of capital for which there is no compensation.

When new industries are established in rural areas they benefit the nation as well as the local area and are dependent on good roads but cannot operate at optimum efficiency when those roads become sub standard for the new uses required.

The remarks of Mr Montague, re low interest rates in America and high interest rates in Britain, whether right or wrong, has little to do with rates and taxing capital, but with our own interest rates going up then down due to the financial crisis and now projected to rise again, ushers in a new factor in cost competitiveness for Australian exporting industries, not just agriculture.

The remarks of Lord H Cecil, re agriculture competitiveness is as applicable now for Australia as it was for Britain 80 years ago. It may have been corn (wheat) then, but now in Australia we bring in every edible commodity in competition with our farmers and with no regard for disease or pestilence. Improved transport and better technology in storage has facilitated the change.

The Noble Lord in criticising the Member for Colne Valley may have been right then re, "every increase in population and every increase in transport facilities causes the value of land to go up", but very wrong here in present day Australia, to the point that taxing that capital to such an extent through UCV, the land cannot create the wealth to sustain its original wealth creating capacity. The rural land that was around Sydney is swallowed in urban development requiring billions of dollars now to provide the rail transport services. By European standards the land has been squandered and therefore underutilised.

The taxing of agriculture's capital is bad enough but with that extra competition there is a hidden wages competition too, because Australia compared with South American and Chinese wages, or the subsidies paid by Northern Hemisphere competitors can not compete.

Mr Churchill remarks about "It was apparent that there were hundreds of different ways of creating wealth and possessing wealth and gaining wealth which had either no relation to the ownership of land or an utterly disproportionate or indirect relation." is just as true now as it was then, in fact more so.

Where there is unlimited supply from cheap labour sources merchants do make substantial profits, but those modern day cottagers cannot all make a living from the merchant's coat tail or rely on mining: wealth must be created for society to be sustainable.

The vital question is; At what point does the economic balance have to get to, when our own self generated effort is not equal to our capacity to pay for imports, be that goods and/or money?

To keep going the way we are it wont be only rural reconstruction to be considered. Mr Churchill's seven qualifications of a depressed industry hold good for Australian agriculture and a majority are applicable to manufacturing where employment would crash without government support and some tariff protection.

Adding to farmers and all exporters woes is the floating dollar and its companion, interest rates. Perhaps there is a hint from Mr Montague in that other nations are making money at our expense if we have to borrow.

From a layman's point of view; increasing RBA interest rates to curb inflation has a lot of counter productive side effects, such as making it harder to compete on export markets, increasing farm costs on any borrowings. When the duration of drought is longer than normal, interest rates only hasten the decline of farm businesses.

The action does not always address the causes of inflation such as high oil prices ratcheted up by hedge funds and speculators, a chronic shortage of houses and rising food prices, due to a Trade Practices Act in need of review.

On the positive side from a consumers view, is that a higher dollar helps keep the price of imports lower but if more is earned and produced by exports the need for imports declines.

The mentality of the average consumer is that the cheapest price is the best, regardless of the fact his livelihood may become stressed. Also not known or recognised is that cheaper prices aid turnover, so the merchant has a greater incentive to depress buying prices too.

An examination of competition left to govern itself through market forces has demonstrated through the global financial crisis that it is in need of regulation. The mantra that "The customer is always right" is a fallacy.

Unbridled competition to give immediate benefit to consumers can be contrary to their long term benefit.

Because of our unique geographical and social condition in this country we cannot always do what the rest of the world does and to improve our systems of governance to fit in with our condition, adaptation and improvisation should at least be looked at.

On that basis, if we adapted the UK system of local government to achieve partnerships with agriculture, tourism and environment, what is to stop the RBA

having an anti-inflationary pro infrastructure control mechanism in partnership with local government? Let it be designed to keep the usefulness of interest rates, but be able to dampen spending excess while using money so raised for productivity orientated infrastructure.

Sir R Horne's observations on rate differences hold good for Australian agriculture, with farm enterprises either closing down, as around Sydney, or relocating dairies from the North Coast and Illawarra to less desirable locations inland where water is less abundant, does not make for the long term viability of food security for the country. The vegetables that used to be grown at Sydney's doorstep are replaced with unknown quantities of imports.

In conclusion; drought summits, exceptional circumstances etc, while necessary are equivalent to closing the stable door after the horse has bolted. Droughts and natural disasters are the normal fare for this country, it is the self imposed financial drought that must be addressed because it grips not only farms and rural communities, but equally industry and local government.

The irony is that EC interest rate support has a component to cover payments already made to state government instrumentalities through the rate structure inappropriately taxing capital.

Jim Beale

5 Oct 2009

Anthony McMahon

From: Anthony McMahon
Sent: Wednesday 11 February 2015 8:53 AM
To:
Subject: RE: Boorowa Council Fit for Future - Apologies
Attachments: Community Consultation final.pptx

Jo

Thank you for your email and the interest you are taking in the local government reform process. I will certainly pass on your apology to Wendy for your inability to attend and it is pleasing to hear that you are keeping an eye on the progress of this difficult process we are working through.

For your reference I have attached a copy of the presentation that is being used at the public forums and should you have any further questions as review the documentation in circulation please don't hesitate to let me know.

Kind Regards

ANTHONY McMAHON

General Manager

Boorowa Council

(02) 6380 2000

Sent: Wednesday, 11 February 2015 7:41 AM

To: Anthony McMahon

Subject: Boorowa Council Fit for Future - Apologies

Dear Anthony

I refer to the recent correspondence from the Mayor with regard to the Boorowa Council Local Govt Reform Response. I hope you don't mind me emailing you, but we are currently "out of towners".

With regard to the current consultation meetings, we would be grateful if you could please tender our apologies for not being able to attend one of the current community consultation meetings that are being held. We do hope they go well.

We are property owners in Boorowa, and my partner and I are intending to reside permanently in Boorowa, once our home is completed (by one of the local builders) and our current work opportunities as well as personal commitments are able to change from here in Newcastle.

I have had many years of connection to Boorowa through one of the local families, and have met Wendy on a few occasions. With my partner having family in Melbourne as well as Newcastle, and my connections being in Sydney, Newcastle and Canberra, the location for our hoped for country home seemed obvious. They say people are either country or ocean, and whilst we do love the coastline of Newcastle, we enjoy the country so much more. And they do also say that Boorowa is on the road to everywhere 😊.

I have reviewed the briefing document and am working my way through the review document. It is of some length 😊 but a change in nature from some of the current reading I have to do.

My understanding from the review document is that the merger proposition is the most supported option and certainly makes sense, from the brief review I have undertaken to date of the available documents.

We will keep an eye out for any new information that goes up on the Council Website in relation to ongoing discussions, in particular the "Fit for the Future" Submission. Fit for Future and financial sustainability are certainly current terms of reference, and we are working on same here at the Uni.

In the meantime, however, I wished to convey our interest in these current matters before Council, and as a newcomers to the town, indicate our support for the Council and community in these discussions.

Have a great week.

27.2.15

Boorowa Shire Council,

Dear Mayor Wendy + Councillors,

While I was unable to attend any of the public meetings concerning the proposed amalgamation of councils, I would like to thank you for the information you sent out, and to wish you all - and all inhabitants of Boorowa Shire! - a happy and fruitful outcome to this proposal.

We have resided or owned land ("Charnwood") in Boorowa Shire for over 34 years; both our children are currently living in or near Boorowa and Linderoth. I look forward to a long association with Boorowa and district.

Once again, our thanks and good wishes.

To: Boorowa Council

For the attention of: Anthony McMahon and Wendy Tuckerman.

Subject: Fit for the Future and the Councils Business Plan for 2015/16 and out years.

I am writing to you, as a new resident of Boorowa. My wife and I moved into our new residence, here in Boorowa, only a matter of six weeks ago. Over the last 10 months or so I have been observing the progress and thoughts concerning the "Fit for the Future" initiatives, not only as they relate directly to Boorowa but also through various media, the progress of other affected regions and councils.

From my observations (and stating the obvious), it seems that a position has been reached by the NSW Government, where council have little choice but to merge or demonstrate significant improvements through governance processes, that sustainability as a sole council can be maintained. Although, it most certainly appears, that benchmarks have been established to 'almost' ensure, that sustainability as a sole council will not be able to be met. It seems now, that the Boorowa Council are left to sell to the community, a merger as the most viable and most sustainable position. A most unconscionable approach, by the NSW Government.

I place this observation due to my experience working as a senior public servant, recently retired, where Governments or statutory authorities decide on a cost saving measure or initiative and then proceed to sell the 'improvement' to the community. This is clearly what is happening with Fit for the Future. In reading the NSW Government papers on this matter, the focus appears to have centred on larger more city based councils which no doubt for the benefit of equitable treatment, was expanded to include regional councils and, with little thought or consideration being afforded to the uniqueness of regional council management.

In my past working position, part of my role was to merge areas within the organisation where I worked. This also included merging Commonwealth Government Agencies in some part. Regardless of the perceived fairness, there is always a losing side or a perception as such. Nevertheless, there are benefits of mergers provided consistency and controls are put into place over a transitional time frame. Providing a merger is the correct approach with objectives being achieved.

I do not wish to outline what has already been considered by your teams and consultants but community input is being sought...so here are my thoughts:

1. Has consideration been given to conjunct management? That is where each of the councils being proposed to merge, form a governance body such as a board of Directors, consisting of the three Mayors and/or General Managers? This would provide for consistent management of resources across all three council areas where it would also:
 - (a) Allow for long term planning across a range of functions such as but not limited to, shared services for IT support, telephony, recruitment and provision of expert services, reduction of costs associated with maintaining and developing infrastructure, cultural change and provide

for scalability across a range of functions which would benefit the community of all three existing councils.

- (b) Reduction in staff numbers associated with existing multitasking, allowing for specific roles to be appointed, resulting in consistency and treatment of community members, providing a basis for expertise, faster turnaround times for development, as well as providing focus on areas which may be currently lacking the focus, the subject matter requires.
- (c) Overall cost reductions associated with 'running the business'. Reaching a negotiated position for external support on a broader scale would achieve saving and provide for greater efficiency.
- (d) The management of debt could be approached on a wider scale but with a conscious understanding that debt repayment should be attributed on affordability from each existing council. That is, if a merger occurs, any debt needs to be cleared from existing holdings rather than burdening others. This would need to be achieved over a period of time before combining debt or expenditure on future initiatives.
- (e) A conjunct team or board of directors would also allow for confidence to be maintained by the community that their interests will still be represented and that favour will not be applied to a particular area and benefits would be equally applied.

I could continue on but do not wish to cover ground on conjunct management that may have already been addressed.

2. How confident is Boorowa Council, that the consultant engaged to perform the analysis on the operational practicalities, has approached the situation with a clear objective? That is, has the consultant measured the performance and governance of each council on an equitable basis, ensuring the positions of each council are not trending to support one council over the other? My experience has shown that some consultants have merely changed the heading on the paper and the names reflected within the paper to show consistency in areas for improvement. In other words created a template and changed the figures to outline an inconsistency to demonstrate a position to favour a particular outcome. Not that I am accusing the engaged consult of such impropriety.
3. Has Boorowa Council really shown the future potential in the growth of the area? I noted in the Business Plan (which I wish to comment on later), that considerable effort is being made to establish growth. No where within the plan does it outline the huge potential of the Canberra creep. If we consider the position of Yass some 10 years ago, it was the new border of Canberra. I would consider that Boorowa is not that far off being the next Yass, as far as development is concerned. Boorowa is well positioned to capitalise on the closeness to Canberra, the affordability of living, the easy access to Canberra. I understand in the business plan there is reference to SECOR but coming from Canberra, I never heard of Boorowa being promoted as a

place to reside or retire such as I have. I am sure that Canberra creep will occur and Boorowa could market back to the NSW Government, this huge and potential revenue influx.

From my perspective, Boorowa is an area which is and will continue to flourish and shows considerable potential, to expand, provide for business and to promote, as your plan outlines a sea change of living standards, although my recent experience dealing with some of the requirements to move here could be more inviting...but that is another story.

As part of gathering my thoughts re Fit for the Future, I looked at the Business Plan for 2015/16 and out years. Having witnessed and prepared business plans over many years, this one left me wondering more so re achievements and deadlines for the achievements. It also was very much typical public service type language which would cover a range of topics within the text but at the same time does not say a great deal. Please do not take this as being overly rude but it is my observation. If I was presented with such a document, I would send it back and ask for dates of achievement.

As an example, the success for acquiring NBN into the region, provides for consultation for such services through to 2019. I would be looking for, by this date discussion with the local minister both federal and state, to establish a potential implementation date.

There is comment on establishing additional rental properties for the community. I know this to be an issue as my wife and I could not acquire a rental property in Boorowa whilst our house was being built and therefore had to go to Young. Could the business plan not outline how Boorowa Council is intending to or is capitalising on the NSW State Government initiatives to encourage city dwellers to relocate to the country regions. The former minister for Country NSW, John Stoner (I could be corrected on his name and title), announced in 2011 financial incentives for people to move to the country and build new homes or purchase existing homes. He also announced in August 2013, financial assistance and an extension of the program to people that rent.

Has Boorowa Council, made efforts to encourage people from city based regions to move to Boorowa and, has any additional financial assistance been provided to potential participants by the council to support this initiative. Financial contributions do not need to be made in cash payments but by reduced costs associated with construction such as council fees which are considerable and not readily outlined upfront. I know this as I was staggered by the costs I encountered which outweigh any incentives offered by the government. Maybe the NSW Government would be encouraged by the efforts made by Boorowa Council, if through assurance processes it could outline the achievements in this regard.

With reference to encouraging people to relocate here, has council made any approach to large business to locate to Boorowa? There are no specific details within the plan. Maybe this is covered under a general heading of "growth" but no real evidence is put forward. I would consider there are many opportunities to provide for subsidised infrastructure to encourage larger business to be placed in Boorowa. Again this does not mean cash payments but rather compensated approaches for a number of years.

Encouraging business investment and growth brings people which has an obvious flow on effect of additional construction for permanent residents and transitional. However this does require investment by council based on what is important, what is nice to have and what is merely a wish.

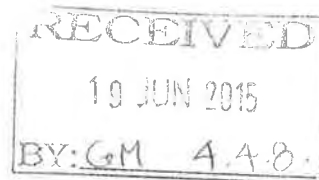
I found that an easy way to promote the business plan is to provide accompanying documentation. I used to outline such papers with a document call Big Step and Small Step improvements. The small step improvements were quick wins achievable over a short time frame such as 6-9 months and obviously the big step improvements were 9 months and beyond but all certainly had a completion date.

This approach provided my governance body at the time, a clear understanding of my deliverables and the objectives to be achieved. It also provided them with an assurance that all was being done that could be done. The flow on effect was staff knew what needed to be achieved and their accountabilities and responsibilities in reaching the desired outcome.

I can visualise that if the Boorowa Community was to receive such a document, then confidence would grow within the community and providing the objectives were met then confidence would grow with respect of the council and their leaders, which would be noted by the NSW Government. Overall the NSW Government is looking for assurance that future investment is not going to be wasted, in an environment that may be considered as declining. I am sure with the correct approach Boorowa can demonstrate that the viability of a standalone council is achievable. It just needs to be marketed, promoted and supported to get there.

I apologise now if I have wasted your time and as previously stated, you most likely have considered or covered some if not all of the above. I believe Boorowa is continuing to improve and will do so and can easily stand as a council in its own right.

25th June 2015.



HILLTOPS



BOOROWA - HARDEN - YOUNG

HARVEST NSW INCORPORATED
P O Box 11
YOUNG NSW 2594

18/6/2015

General Manager, Boorowa Council
Anthony McMahon
P O Box 96
BOOROWA NSW 2586

Dear Mr McMahon,

As the President of Hilltops Harvest NSW Inc I am writing on behalf of members to support the Independent Local Government Review Panel recommendation for the amalgamation of Boorowa, Harden and Young LGAs into one entity within the Canberra Region Joint Organisation.

Hilltops Harvest NSW Inc was formed in 2011 to promote Food and Wine Tourism across the three Councils of Boorowa, Harden and Young. This group is actually a continuation of community and local government collaboration which commenced in February 1998 with the establishment of the Hilltops Geographical Indicator for Cool Climate Wines by Hilltops Inc – a wine growers association. The GIC identified most of the Boorowa, Harden and Young local government areas as Hilltops and this was registered with the Wine and Brandy Corporation.

As an offshoot Hilltops Flavours of the Harvest was then formed to promote food and wine tourism and their first official event was held in February 1999. Stakeholder interest has remained steady throughout the years but nothing formal has been in place until the 2011 establishment of Hilltops Harvest NSW Inc.

Its activities have been guided by the shared will of regional primary producers, value adding businesses and tourism operators who have all recognised the enormous benefits of working together for a common goal under the one banner.

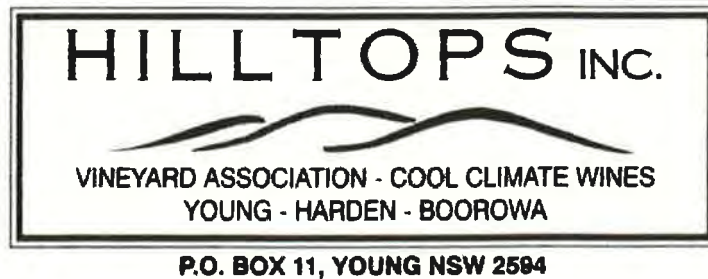
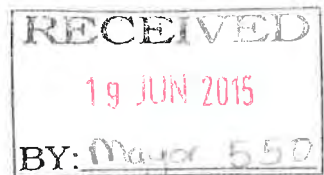
This has been a very natural fit as each of the local government areas is similar. There is an established and accepted flow of commerce and social interaction between the communities.

Hilltops Harvest NSW Inc wants to see the work that has already been undertaken and has so much momentum continue to prosper under a new Council.

Yours truly,



Brian Mullany
President



Councillor Wendy Tuckerman

Mayor of Boorowa

Dear Wendy

June 17th, 2015

This letter is in support of the Independent Local Government Review Panel's recommendation for the amalgamation of the Boorowa, Harden and Young LGAs into a single Local Government area.

Hilltops Inc. is the grape grower and wine producer association for the official Geographic Indications (GI) wine region of 'Hilltops'. The "Hilltops" GI effectively covers all three LGAs of Boorowa, Harden and Young thus already giving recognition to the region as a single unit. The "Hilltops" name, logo and brand has underpinned a cooperative drive to promote food and wine tourism in the Hilltops region with the full involvement and support of all three Shire Councils (Boorowa, Harden and Young).

Accordingly, Hilltops Inc. is keen to see this momentum continue and believe it can best be achieved under a united 'Hilltops Council' which would bring greater cohesion and effectiveness in service delivery, regional promotion and economic development.

Yours faithfully

Peter Creyke

President, Hilltops Inc.

NB. This is a copy of the letter sent to Mr Paul Toole, Minister for Local Government and Ms Katrina Hodgkinson, Local Member.