



### Consideration of options to deliver scale and capacity

In its final report, the ILGRP saw a need or opportunity to maintain a separate local government unit in certain rural areas to ensure that local government can maintain community life and identity to the maximum possible extent, but noted that in nearly every case the possibility of merger should be considered before being ruled out. In this report, Tumbarumba Shire Council was identified as a Group C 'rural council' with a 'medium' merger potential. The panel recommended that Tumbarumba Shire Council establish a rural council in a Joint Organisation or potentially merge with Tumut and Gundagai Shire Councils.

Tumbarumba Shire Council can certainly see that for some LGAs, particularly where there are short commuting distances between neighbouring administration centres, there may be potential benefits from financial efficiencies and reductions in red tape. However, in Tumbarumba Shire Council's case, we consider that no additional benefits would be gained by merging with Tumut and Gundagai Shires. In fact, quite the opposite is likely to occur, should Tumbarumba be forced to merge with neighbouring councils.

In early submissions to the ILGRP, Tumut Shire Council indicated its support for merging Tumut, Tumbarumba and Gundagai Shire Councils, but despite three formal invitations they refused to meet with Tumbarumba Shire Council and have been unable to identify any advantages to the Tumbarumba Shire communities of a merged entity. After the third invitation, the Tumut Mayor and General Manager both admitted that they had only proposed the merger as a defence against any proposal that Tumut be merged into a Greater Wagga Wagga City Council.

For the reasons set out below, Council resolved to complete the 'Rural Council Template' in preference to proposing a merger with Tumut and Gundagai Shire Councils. Council considers that it could just have equally completed the template to 'Stand Alone' due to the success of its initiatives which increase its capacity to that of a much larger Council.

Council believes a merger would have a detrimental effect on its communities.

### Merging will not improve Tumbarumba Shire's financial sustainability or asset management practices

Tumbarumba Shire Council's financial position and asset management practices have been independently assessed by T-Corp as being much stronger than both Gundagai and Tumut. On the combined OLG Asset Management and T-Corp financial sustainability assessments, Tumbarumba Shire Council was ranked equal 3rd in the State (very strong asset management, sound financial sustainability), Tumut was assessed as weak, moderate and Gundagai was assessed as distressed, weak.

We are an award winning council that provides an extensive range of community services on a cost recovery basis or better. Our recent AR Bluett Award, our T-Corp and OLG asset management assessment, and our General Manager's Women in Local Government Award

attest to this. Our asset management practices have been described as 'among the best we have ever encountered' by our independent asset management review consultant, who goes on to say "This is the first time in 194 such surveys over 20 years that I have made such a comment".

Tumbarumba Shire Council has the lowest cost per employee in the region. Council understands that when amalgamations occur and staff remuneration is aligned across the merged entity, the higher levels apply. If Tumut Shire Council's average employee cost was applied to Tumbarumba Shire Council's workforce, it would add approximately \$1 million to annual employee costs.

Merging with Tumut and Gundagai councils would not improve our service delivery, financial sustainability or our asset management.

#### *Merging will not create economies of scale*

Our isolated location means that a localised workforce and council is best placed to deliver the best possible services and infrastructure to our residents.

There is about an hour and a half's travel from most parts of the Shire to the major regional centres of Albury/Wodonga and Wagga Wagga.

It is not possible to commute from Tumbarumba to another town on a daily basis for an extended period of time due to the challenging topography, climate and wildlife. Some staff have commuted for periods of up to 2 years, with gaps in attendance in winter due to snow and ice. Ultimately staff in these circumstances have moved to the town where they work. It is possible to drive to the furthest (southern) boundary of the Tumbarumba Shire at Dead Horse Gap on the Alpine Way from Tumbarumba in a little over 2 hours. The Alpine Way is a State Road and Council provides maintenance services to the RMS for this road. Other closest regional centres to this furthest boundary are Albury (3 hours) and Wagga Wagga (4 hours). The town of Tumut is 3 hours distant, Gundagai is 3.5 hours and Holbrook is 2.75 hours (all from Google maps). Tumbarumba is ideally situated to provide services to the boundaries of the Shire, as it is possible to reach all boundaries within close to 2 hours.

There could be serious diseconomies of scale in the amalgamation of Tumbarumba with another local government area, given the travelling distances and challenging topography, climate and wildlife on roads, which result in slow travelling speeds in many parts of the shire.

Tumbarumba Shire Council provides a much more extensive range of community services to its residents than Gundagai Shire Council and Tumut Shire Council. There is a risk to Tumbarumba Shire community that a merged entity would not have the capacity or inclination to provide these services on an ongoing basis.

#### *Merging will not help our ability to attract qualified staff*

Our ability to attract, secure and retain appropriately skilled and experience employees is a core strength of our organisation. Merging with our neighbouring shires would not help in this respect.

## Communities of Interest

While from afar it may look like Tumbarumba Shire shares a common identity with Tumut and Gundagai; in reality, Tumbarumba Shire has a significant alignment with the Upper Murray region of Victoria.

The shire has a 'split personality' with part relating to Wagga Wagga and Sydney and part relating to Albury/Wodonga and Melbourne. Local services are delivered from the towns of Tumbarumba and Corryong in Victoria. Relatively few residents of Tumbarumba Shire access services in Tumut, because when regional services are needed, service availability in Wagga Wagga and Albury is much more extensive, and makes a day trip worthwhile, as residents combine shopping with medical and other services. This is reflected in the recent survey results with only 3% of respondents seeing Tumut as a regional centre. Tumbarumba Shire's communities of interest can be seen in the map below.



The town of Khancoban is an isolated town with a small population, many of whom are employees of Snowy Hydro Limited. It has enormous attractions and tourism potential due to its proximity to the Kosciuszko National Park, major trout streams, the Snowy Mountains ski resorts, and Snowy Hydro assets. The Khancoban Pondage is an assured body of water in drought, attracting fisherman and water skiers throughout even the driest summers.

Because of its isolation and its small population, it is essential that the town be an attractive place to live, in order to retain skilled staff for Snowy Hydro Limited's significant operations in the area. To help ensure a viable future for the township and its residents, Council has recently purchased the Khancoban Caravan Park (as discussed on p38 of Attachment A: Our Story), and is also negotiating to ensure the ongoing viability of the Khancoban Pre-School. Council is a planning partner with the Victorian Government and Towong Shire in Victoria to deliver the \$210,000 UM2030 Vision Plan for the Upper Murray cross border region including Khancoban and other southern Tumbarumba Shire communities.

Residents of Khancoban are fearful that a more distant Shire centre with no understanding of cross border issues will result in a significant loss of services. This has already happened in neighbouring Corryong, and the ongoing lack of support shown to the outlying towns of Batlow and Adelong by Tumut Shire shows what is likely to happen to Khancoban, should a merger take place.

### *Merging will result in a disenfranchised community for no good reason*

To remove the security and connectivity provided by our local council would have a devastating effect on our community. The effect of Victorian amalgamation in rural areas has strengthened those centres where the administration is centred whilst other otherwise viable towns have been disenfranchised. This is clearly visible in our neighbouring Victorian town of Corryong. Take away local governance and there is a danger that decline will accelerate, leaving local industry and agriculture with no effective local service centre, compounding to further decline. What tourist is attracted to a town full of empty shopfronts? Who will come to a town without services?

Tumbarumba Shire's isolation is at present a strength and would be a threat if there is any decline in local economic activity and employment opportunities. It is critical that population is maintained so that a full range of services continues to be offered locally, or people won't want to live in the Shire. The Hyne mill which is 'State-significant' industry, and the Tumbarumba Health Services have told Council that job opportunities for partners, access to good education, health services and community and recreation services are all critical to attracting staff.

Councillors are constantly told by residents of Batlow that they are ignored by Tumut Shire and the town gets little beyond the basic 'roads, rates and rubbish', yet Batlow is only 27 minutes from Tumut and a relatively easy drive. Regular Council meetings are not scheduled to be held in Batlow, or any town outside Tumut. The same residents say they would be delighted if Batlow could be excised from Tumut Shire and included with Tumbarumba Shire Council, as they see that the town of Tumbarumba, of a similar size, is better looked after and has much better services and facilities. Batlow residents have recently written to the Minister for Local Government asking that they be excised from the Tumut Shire and 'become part of the very progressive and supportive Tumbarumba Shire Council'.

Tumbarumba Shire does not wish to be one of those disenfranchised communities for no good reason. Given Council's strong financial performance and service delivery there would seem no compelling reason for amalgamation when efficiencies can be gained by other means.

### *Our community does not want to merge*

This position has been strongly reinforced by the residents of Tumbarumba Shire, who have made it clear to Council that they do not want to merge with Tumut and Gundagai Shire Councils. The results of the recent survey show that 93% of respondents are opposed to amalgamation, with only 4% in favour and 3% uncommitted.

The main arguments against amalgamation identified by Tumbarumba Shire residents include:

- Resources will go to the major centre (78.3% of respondents)
- Local issues won't be understood/loss of identity (77.8% of respondents)
- Loss of representation/loss of voice (75.0% of respondents).

### *Summary*

Our Story (**Attachment A**) describes Tumbarumba Shire Council and what we are already doing to increase our scale and capacity.

We trust that this submission shows that in conjunction with the Riverina JO and all our other partners we have the scale and capacity to continue to govern our local area in an efficient and effective manner. Implementing our Rural Council Action Plan will further strengthen our ability to be 'Fit for the Future' without the need for a costly merger which will only have a detrimental effect on our small rural communities.