



# Andrew Gee MP

MEMBER FOR THE ORANGE ELECTORATE

## Fit For the Future Submission

### Orange and Cabonne Councils

#### Introduction

As the local member for the Orange and Cabonne Local Government Areas I wish to make the submissions to IPART outlined below.

I am opposed to a forced merger between Orange and Cabonne Councils.

I should state that I do not have a blanket opposition to all forced council amalgamations.

The NSW Government took a “no forced amalgamations” policy to the 2011 NSW election, but this was not the case for the 2015 election. Indeed as of March 2015, all councils were working through their respective positions on *Fit for the Future*.

There may be very good reasons why councils should merge - particularly in heavily populated cities where there is a significant duplication of services in a relatively small geographical area.

However, what may be true for the city should not necessarily be true for the country. One size does not fit all and each potential merger needs to be assessed on its merits.

In the case of both Orange and Cabonne Councils, these merits were assessed in the report of Morrison Low dated May 2015 (“the Morrison Low report”).

#### Benchmarks

Both Orange and Cabonne are clearly financially sound enough to stand alone.

I note that the Morrison Low report states (p.5) unequivocally that:

*“Both Councils can meet the Fit for the Future Benchmarks throughout the period from now until 2023, as there is no funding gap. In addition, each Council is showing an operating performance funding surplus for the modelling period, providing increased discretionary funding if required.”*

Indeed the Morrison Low report (p.7) goes on to state that:

*“Both Councils carry low levels of debt, with Cabonne having almost none at all...”*



The Morrison Low report also states (p.7):

“...both Councils meet Fit for the Future benchmarks Debt Servicing Ratios...”

The Morrison Low report also points out (p.12) that Cabonne will meet all of the benchmarks over the period until 2023 with Orange Council projected to meet all of the benchmarks over most of the modelling period.

Furthermore, the Morrison Low report states that (p.18):

“...neither Council has a funding gap between what is spent currently and what we estimate to be needed.”

### **Costs and Savings of a Merger**

The costs and savings of a merger are set out in the Morrison Low report (p.9). They are modest.

This reflects the fact that country LGAs often possess very different characteristics to their city cousins.

### **Scale and Capacity**

The Morrison Low report states that the combination of Orange and Cabonne has limited impact on improving scale and capacity overall (p.51).

### **Population Growth and Forecasts**

A key factor in whether a council is Fit for the Future is whether an LGA has a declining population (and therefore rate base).

Both councils are forecast to experience significant growth until 2031, with Cabonne's growth forecast at 24.5% and Orange's at 17.4% (the Morrison Low report p.24).

### **Further Factors**

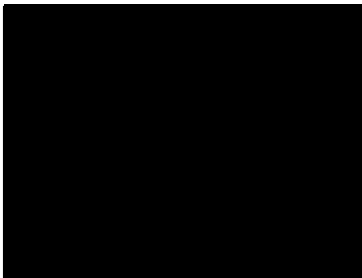
Many residents of Cabonne have expressed concerns and about a potential merger leading to a loss of the sense of belonging to village communities and a loss community generally, the loss of services and infrastructure such as swimming pools, and also their representation.

In this regard, Cabonne residents currently have 12 councillors focusing on their needs and fear that their ability to influence key decisions will be greatly diminished and diluted under any merger.

These are real and genuine concerns that Cabonne communities feel very strongly about.

**Conclusion**

The Morrison Low report does not make a sufficiently strong case for a merger and the Councils should stand alone. Each meets the key benchmarks.



Andrew Gee MP  
**Member for Orange**

25 May 2015