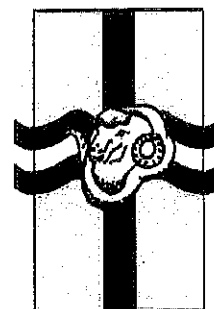


14 August 2015

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DENILIQUIN COUNCIL
Achievement through Action

The Hon. Paul Toole, MP
Minister for Local Government
GPO Box 5341
SYDNEY NSW 2001

Dear Minister

Re: Fit for the Future

The Deniliquin Council wishes to acknowledge the significant opportunities which were made available for New South Wales Councils to become sustainable through the Fit for the Future initiative.

Unfortunately it is very disappointing that most Councils have not taken the opportunity to acknowledge their current poor economic position and have ignored the predicted future economic environment for all government and not-for-profit industries. It is impossible to understand that the potential lack of funding growth either through fixed or contestable means has not been seen by itself as a catalyst for change.

If there had been better acceptance and understanding I am sure this would have led to acknowledgement of the need for change and grateful acceptance of the significant incentive funding offered for the necessary changes including possible mergers to achieve desired scale and capacity.

Deniliquin Council has recognised for many years that for this region to be economically and politically robust there is a need to merge with the surrounding councils. It is our belief that this opportunity should have been undertaken in 2001 when Conargo was merged with Windouran or at least in 2004 when other mergers were undertaken.

Deniliquin acknowledges and supports the business case details that identified that an amalgamation would result in significant savings with the resulting merged council operating with a small surplus each year.

All correspondence to be directed to the General Manager

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The LKS Quaero consulting business case study showed this surplus for the amalgamation of Deniliquin, Murray and Wakool Councils to be estimated at \$5.1m per annum by 2020 with zero infrastructure funding gap remaining. It should be noted that Conargo was not included in this analysis initially as they had resolved to stand-alone as a rural council. However, the consultants did consider the impact of including Conargo and suggested that they could be accommodated without the need for any additional administrative staff. This would then generate even further surpluses.

Deniliquin is very supportive of a merger of the four councils because to leave one as a stand-alone would ultimately only be a short-term decision. It is easily conceivable that any remaining council will surely be unable to continue to operate in a sustainable manner within a short period as they would not be able to attract employees, funding or suitable economic growth when often competing with a nearby much larger council.

Deniliquin Council has been confused and frustrated by some of the elected members from councils against amalgamations when they make statements along the lines that the Minister should have forced amalgamations rather than go through the lengthy and costly consultation and submission process. This attitude is seen as an inability by them to recognise the environment within which we operate and an abdication of their responsibility to make decisions about the future of their own communities, councils and region.

Perhaps it is best reflected in the quote from Albert Einstein which states as follows: *"We cannot solve problems by using the same kind of thinking we used when we created them."* Perhaps this is a reflection that the majority of people find it too hard to make a decision objectively when it impacts on their personal status as employees or elected members.

While the LKS Quaero business case did not specifically address the issue of impact on rates and possible rates equalisation as a result of mergers a quick review indicates that while there are some variations in rating levels across councils which has been as a result of each individual council using a specific sector of their communities as a "cash cow" for rating purposes. Deniliquin by necessity has loaded the residential and business rates to generate the required revenues while Murray, Wakool and Conargo have used their farmland properties to generate their required revenues. When councils are merged it will require careful planning by the incoming administration to ensure that no particular sector or location is disadvantaged.

A comment being made by many councils and LGNSW is that rates will rise if there are amalgamations, however, they are also seeking removal of the rate capping which will definitely result in rising rates. When direct comparisons of rating levels for similar regions are made between the states it is surprising how closely they are rated. It is also worthy of noting that the total of NSW rates is significantly impacted by the very low level of rates imposed in multiple dwellings in the inner Sydney metropolitan areas as shown by the rates per capita but are often higher in NSW as rates per capita in rural areas.

When considering the impact on communities it is felt that this will be minimised to a major degree in our regions as we currently trade in many industries and engage in social activities especially playing sport across boundaries. This even extends into areas of Victoria in some instances. Examples of this are health and community services as well as agricultural based businesses.

The impact on services will be positive as the larger council organisations will have the ability to engage more professional and highly skilled staff as specialists within the various fields that cannot be catered for within the small council organisations that we currently have. As an example it is not possible to be able to engage specialist water, civil construction, environmental or waste engineers so we rely on engagement of consultants when undertaking this form of work. This increases the cost of projects substantially as consulting fees are much higher than wages of permanent staff.

There has been discussion on the loss of identity for communities if there are amalgamations, however, a very important point to note is that communities identifying with the township in which they live rather than the local government area where they live or work. Example is that people say they come from Mathoura which is 40km from Echuca rather than Mathoura in the Murray Shire. Perhaps the loss of identity is only for the individuals making the comments.

We have staff that currently live in Echuca Victoria and commute to Deniliquin to work on a daily basis a distance of 80 km. There are staff and many school children that commute from Deniliquin to Moama and Echuca on a daily basis. As many a seventy high school students undertake this daily trip as they use this opportunity to gain access into the Victorian education system and develop an extended range of social contacts before progressing to University in Bendigo or Melbourne.

Deniliquin Council emphasises its support for the structural reform necessary to gain long-term sustainability for Councils in regional NSW and agrees to assist where possible to achieve this objective.

Yours sincerely

Des Bilske
General Manager



Our reference: GCL:ATR:M/03/01

10 August 2015

The Hon Paul Toole
Minister for Local Government
52 Martin Place
GPO Box 5341
SYDNEY NSW 2001

Dear Minister Toole

Temora Shire Council would like to congratulate the State Government on the manner in which the Fit for the Future process has developed and been implemented. Change is not a comfortable process however the local government sector required reform to achieve long term sustainability.

We were particularly impressed by the rejection of a "one size fits all" approach to the process. It has been the long held belief of our council that size and population is not the major factor to be considered, rather the culture, processes, capacity and social importance of the individual local government body.

It is important that we give credit to the government for the breadth of the reforms. Much has been said about potential mergers and structural reform however the actions of the government in relation to other industry reforms deserve comment. Activities such as:

- Local government Act rewrite
- Reduction of red tape and simplification of reporting
- Revision of the rating system to provide flexibility
- Homogeneity of reporting providing a way to compare councils on an even basis
- Access to state borrowing rates for Fit for the Future councils
- Standardisation of audit functions

We would also like to thank you for including Mr John Comrie on the review panel. Mr Comrie has an excellent reputation in Local Government and will provide valuable local government insight in the process.

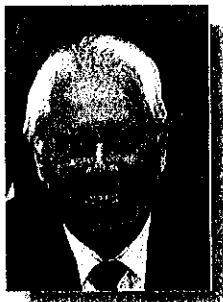
We would strongly encourage the government to ensure that this process continues with the same goodwill and focus. In particular we would request that the following issues be considered:

- Joint Organisations will provide a valuable mechanism for information flow between local government and State government and will be an excellent vehicle for regional planning. It is important however that the JO does not become a 4th tier of government. To this end we would strongly suggest that the model proposed by the Riverina JO will meet these objectives.
- There needs to be a simple oversight mechanism of the assumptions made in the FFTF submissions. It is easy to make grand assumptions but this is only effective if the assumptions are realistic and achievable. It is important that this mechanism is not too onerous and the logical manner would be through the IP&R process.
- Continuation of the merit based assessment. The concept of reviewing the sustainability of a council on metrics such as population, growth and the like is flawed. The only true assessment is performance and realistic sustainability.

Thank you for taking the time to meet with our delegation on Thursday. As a Minister, we have found you to be approachable, accessible and genuine in our dealings. Temora Shire Council looks forward to working with the government in the future to strengthen the wonderful sector that is Local Government

Yours faithfully

GC Lavelle
GENERAL MANAGER



Office of the Mayor

John Horton JP



7 August 2015

The Honourable
Paul Toole
Minister for Local Government
Parliament New South Wales
SYDNEY NSW 2001

By Email: office@toole.minister.nsw.gov.au

Dear Minister.

I want to congratulate you on your initiative, your vision and for driving the amalgamation issue agenda with gusto. It is the right way to proceed!

Prior to retirement I was employed for many years with Multi-National Companies namely, Pharmaceutical Company Beecham Research Laboratories and later on American Express International Inc. My role was State Manager NSW / ACT and State Manager ACT / WA / NSW respectively. I mention this simply to add credence to my belief that your merger proposals are not only correct, they should have been actioned many years ago by your predecessors.

I joined Local Government almost three years ago, undertook a steep and speedy learning curve and was simply amazed at the logistics presented to NSW State Government in administering to 152 Councils. Absolutely ridiculous!

I know that if Councils were owned by Companies or private individuals, the smart operators would have merged many years ago and in so doing Local Government would become manageable, viable, much more professional and the result would be a much healthier bottom line for shareholders (Ratepayers). If NSW was owned by a Company, I can assure all concerned that they would not have 152 mostly unprofitable branches. It isn't rocket science!

Harden.

It is very clear that you have a mighty task ahead in dealing with many parochial, self-centred and narrow minded individuals, who put their personal interests ahead of the interests of their Communities. Most appear unable to project ahead and understand merging is not for now, it is for the future, hence FFTF.

I know both you and the NSW Government are doing what is best for Councils, for our State and I for one give you my FULL support.

" WITHOUT CHANGE THERE CAN BE NO GROWTH "

Minister Toole please carry on the excellent work and I wish you great success.

Yours faithfully,

.....
JOHN HORTON JP
MAYOR
Harden Shire Council
HARDEN NSW 2587
Ph - 02 6386 5771