

INQUIRY INTO LOCAL GOVERNMENT IN NEW SOUTH WALES

Organisation: Boorowa Council

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The Director
General Purpose Standing Committee No. 6
Parliament House
Macquarie St
Sydney NSW 2000
E: gpsc6@parliament.nsw.gov.au

Dear Sir/Madam,

BOOROWA COUNCIL SUBMISSION TO THE INQUIRY INTO LOCAL GOVERNMENT IN NSW

I am writing on behalf of Boorowa Council to make a submission to the Inquiry into Local Government in NSW being undertaken by General Purpose Standing Committee No. 6.

For reference, Boorowa Council is a relatively small rural Council serving a population of approximately 2600 people and like many rural Councils we are characterised by a large principally agricultural land area and relatively small rate base.

Rather than discussing the full range of issues identified in the committees terms of reference, this submission primarily focuses on the "Fit for the Future" reform agenda.

Within the "Fit for the Future" process it was identified that Boorowa Council should amalgamate with its neighbouring Councils of Young and Harden, with Harden having a slightly larger population than Boorowa and Young having a population of approximately 12,700.

Early in 2012, Boorowa, Harden and Young Councils identified that it was likely an amalgamation of the three Councils would be recommended and although there was a level of uncertainty, the Councils jointly decided that it was important the local communities shaped their destiny rather than being forced into an unfounded and undesired outcome.

To this end, the three Councils proactively commenced the process of exploring a range of options for the future of the Councils to ensure that any decision impacting on the future of the communities was supported by objective and factual evidence.

Although the process and timeframes between the commencement of the Local Government Reform Process and the "Fit for the Future" submission deadline may be considered inadequate by some, Boorowa Council believes they have been fair and achievable.

Council also believes that any further delays to finalising the "Fit for the Future" process will only add to the angst and uncertainty felt by many communities and local government employees.

Although Boorowa, Harden and Young Councils have worked closely to assess a range of options, the three Councils have not been able to reach a consensus on a preferred option with Boorowa and Young both agreeing the three Councils should merge, however late in the process, Harden have decided they would prefer to merge with Cootamundra (without an objective evidence base).

Boorowa Council believes that the process of investigating thoroughly the benefits and impacts of mergers before making any decision is a far better process than has occurred in the past whereby Councils have been forced to merge on little supporting evidence.

Through the work of Boorowa Council and its neighbours, the cost associated with merging has been found to be significant and beyond the capacity of local communities to pay, hence for any merger to be beneficial it is essential the Government at an absolute minimum fund the cost of the merger.

In relation to the remainder of the terms of reference, Council wishes to make the general observation that NSW Local Government certainly does need reform, with much of that need derived from historical actions. Council also believes that rather than viewing reform as positive the sector is disheartened when statements are made about Local Government losing \$1 million a day which is predominantly based on accounting treatments of depreciation.

Councils such as Boorowa are limited in their capacity to raise revenue, with this issue compounded by rate pegging that caps income increases below wage increases and significantly below construction cost index increases. Unless alternate, equitable and reliable revenue streams are developed, the structural arrangement of Councils is irrelevant and the long term sustainability of the sector will continue to decline.

Boorowa Council is extremely supportive of moves to establish joint organisations as a means to support improving the strategic capacity and scale of planning across the local government sector.

Council is an active member of the Canberra Region Joint Organisation and looks forward to continuing to strengthen that organisation and utilising it as a vehicle for advocacy, regional planning and cost efficiency gains. Such organisations will only be effective if the State Government commits to real and effective engagement, not only with the Local Government Sector but across their own departmental areas of responsibility.

Council would willingly provide greater detail on any aspect of the terms of reference of the inquiry should they be required and should more time be made available, particularly given the work that has been involved in finalising our "Fit for the Future" submission.

Yours faithfully

Anthony McMahon
General Manager