

## **INQUIRY INTO LOCAL GOVERNMENT IN NEW SOUTH WALES**

**Organisation:** Gloucester Shire Council

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The Director  
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**Submission -  
General Purpose Standing Committee  
Inquiry into Local Government in NSW**

Gloucester Shire Council is pleased to comment on the Inquiry into local government in NSW.

Financial sustainability is the key element in the government's Fit for The Future review. However with their large infrastructure base and relatively small populations, it is considered unlikely that regional and rural councils can be Fit for the Future. It is recommended that the current process needs to address funding changes to ensure regional and rural people have adequate road access so that agricultural and service businesses can move produce effectively.

It is considered that a reallocation of FAGs on an infrastructure basis is an appropriate mechanism to assist this situation.

Roads and bridges (access) are an essential service to all property owners in Australia, It is considered that Commonwealth and State governments should underwrite that access and not leave the entire burden to Local Government (which currently has care and control of 80% of roads and bridges in Australia).

It is obvious that councils utilise varying definitions and means of measuring infrastructure. These will then generate varying ratios. In order to accurately determine the true comparatives between councils, OLG should determine key definitions and processes for valuation and accounting for asset depreciation, condition and assessment.

In support of these points above, councils in MiDROC contain a disproportionate portion of the timber bridges in the state and a massive number of creek and river crossings. Further the region is subjected to regular and damaging flooding with much infrastructure on floodplains.

Given the extremes between LGAs in NSW as to their revenue sources and opportunities, their roads and bridge situation, it is considered that the benchmarks set by

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the process are unrealistic for regional and rural councils given their infrastructure burden.

Gloucester Council has been addressing its financial sustainability and future direction for the past 2 years and the Review has been a step in this process. However it was heartened by the government's position at commencement of "no forced mergers". As the date for submissions looms it is concerning to hear this statement being diluted.

This council genuinely undertook a merger business case. The results showed a negative NPV with costs far exceeding benefits in the near and long term. In considering any amalgamation, it is felt that the wider impacts of the social and economic impacts on a community must be a key factor.

It is also obvious that the support package for a merger is inadequate. In our case the cost to transition the IT systems alone would require nearly all this support.

Council thanks the Commission for the opportunity to make a submission into this Inquiry.

Yours faithfully

Danny Green  
**GENERAL MANAGER**