

Merger Proposal:

Dubbo City Council Wellington Council

JANUARY 2016

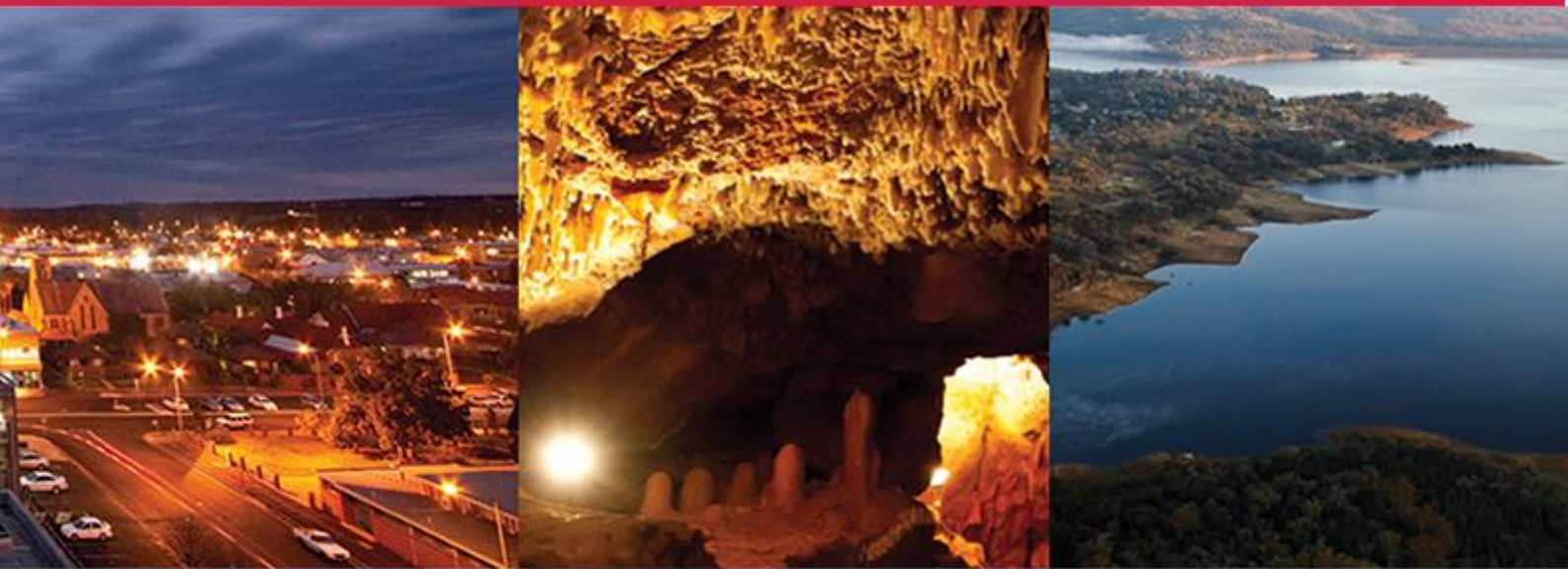
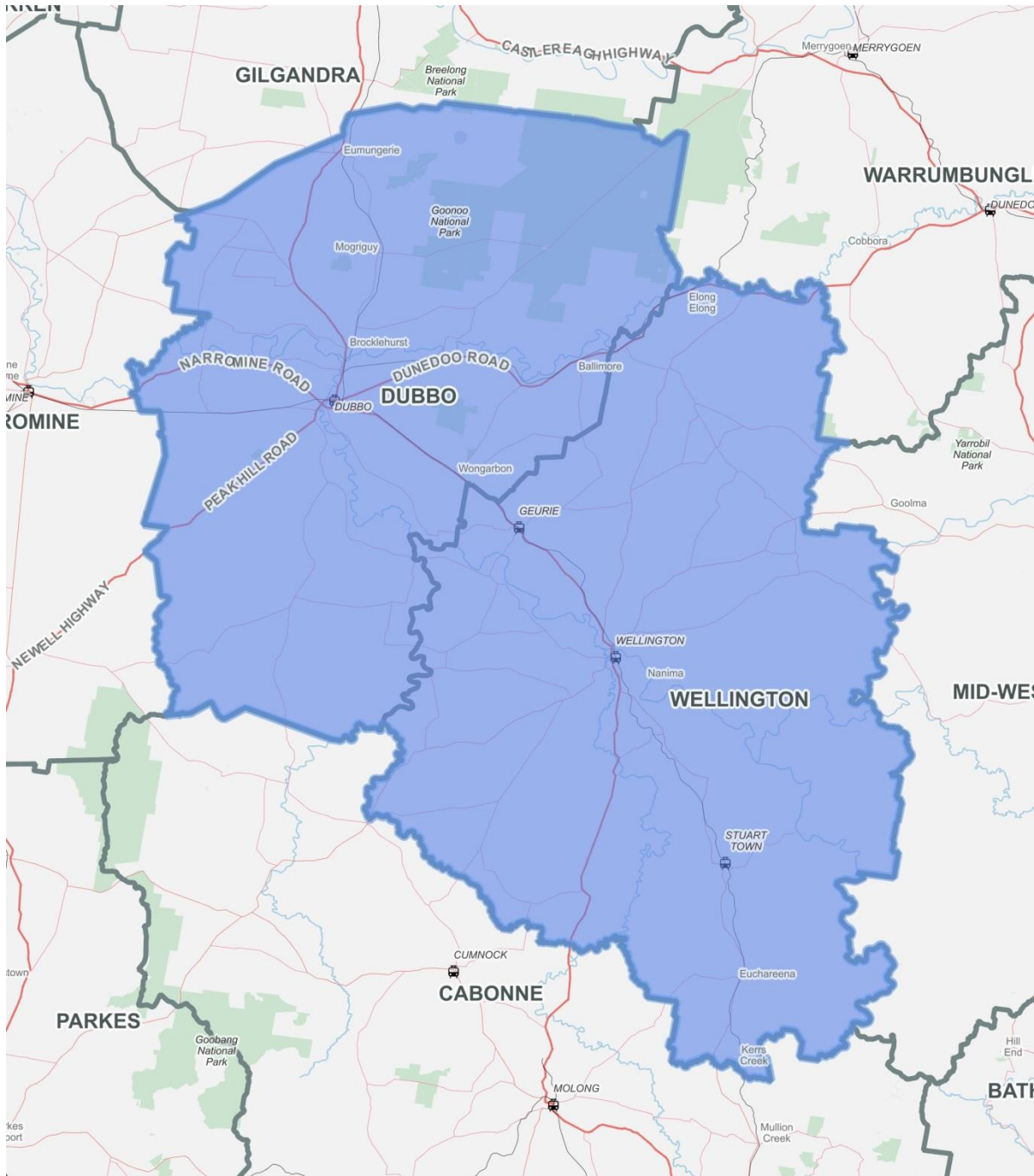


Figure 1: Proposed new local government area



Proposed merger: Dubbo and Wellington

Data sources: Land and Property Information
Datum and Projection: GDA94



- Proposal Area
- Current LGA Boundaries
- Suburbs
- Waterbodies
- Open space
- Roads
- Rivers
- Rail

MINISTER'S FOREWORD

Four years of extensive consultation, research and analysis have demonstrated that change is needed in local government to strengthen local communities.

Independent experts have concluded that NSW cannot sustain 152 councils – twice as many as Queensland and Victoria.

After considering the clear need for change, the Independent Local Government Review Panel (ILGRP) research and recommendations, the assessment of councils by the Independent Pricing and Regulatory Tribunal (IPART), council merger preferences, community views and the unique needs and characteristics of each region, I am putting forward the proposal to merge the local government areas of Dubbo City and Wellington.

The proposed merger will create a council better able to meet the needs of the community into the future and will provide significant benefits for the community.

This document details the benefits the merger will provide to communities, including:

- a total financial benefit of \$32 million over a 20-year period that can be reinvested in better services and more infrastructure;
- potentially reducing the reliance on rate increases through Special Rate Variations (SRVs) to fund local infrastructure;
- greater capacity to effectively manage and reduce the infrastructure backlog across the two councils;
- improved strategic planning and economic development to better respond to the changing needs of the community;
- effective representation by a council with the required scale and capacity to meet the future needs of the community; and
- providing a more effective voice for the region's interests and better able to deliver on priorities in partnership with the NSW and Australian governments.

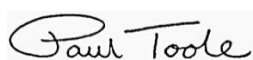
With the merger savings, NSW Government funding of \$15 million – and a stronger voice – the new council will be better able to provide the services and infrastructure that matter to the community, projects like:

- investing in the revitalisation of both the Wellington and Dubbo Central Business Districts (CBDs);
- promoting tourism and the 'liveability' of the area to attract visitors and new residents;
- providing improved infrastructure to the towns and villages;
- renewing ageing road infrastructure in the region; and
- delivering increased investment in recreational spaces.

The savings, combined with the NSW Government's policy to freeze existing rate paths for four years, will ensure that ratepayers get a better deal.

A suitably qualified delegate of the Chief Executive of the Office of Local Government will consider this proposal against criteria set out in the *Local Government Act (1993)*, and undertake public consultation to seek community views.

I look forward to receiving the report on the proposal and the comments from the independent Local Government Boundaries Commission.



Minister Paul Toole

January 2016

EXECUTIVE SUMMARY

The communities of Dubbo and Wellington share common characteristics and connections as part of the Orana Region and will benefit by up to \$32 million from a merged council with a stronger capability to deliver on community priorities and meet the future needs of its residents.



Introduction

This is a proposal by the Minister for Local Government under section 218E(1) of the *Local Government Act (1993)* for the merger of Dubbo City and Wellington local government areas.¹ This merger proposal sets out the impacts, benefits and opportunities of creating a new council.

The creation of this new council will bring together communities with similar expectations in terms of demands for services, infrastructure and facilities. These communities have a common heritage in both agriculture and mining.

The proposal has been informed by four years of extensive council and community consultation and is supported by independent analysis and modelling by KPMG.

The proposal is broadly consistent with the 2013 findings of the Independent Local Government Review Panel (ILGRP), which identified a merger of Dubbo and Wellington as an option to strengthen the councils. The Independent Pricing and Regulatory Tribunal (IPART) assessed that Wellington Council is 'not fit' to remain as a standalone entity.

IPART determined that Dubbo City and Wellington councils each satisfied key financial performance benchmarks. However, IPART assessed that

operating individually, Wellington Council would have limited scale and capacity to effectively deliver on behalf of residents and meet future community needs.

The new council for the new local government area will not only oversee an economy that shares many similar residential, workforce and industry characteristics, but will have enhanced scale and capacity to help it deliver on local infrastructure priorities such as the revitalisation of the Dubbo and Wellington Central Business Districts (CBDs) and investment into ageing road infrastructure.

Impacts, Benefits and Opportunities

A range of benefits and opportunities has been identified from the proposed merger, including a stronger balance sheet to meet local community needs and priorities.

Analysis by KPMG shows the new council has the potential to generate net savings to council operations. The merger is expected to lead to around \$17 million in net financial savings over 20 years.

The analysis also shows the proposed merger is expected to generate, on average, around \$1.5 million in savings every year from 2020 onwards. Savings will primarily be from the redeployment of back office and administrative functions; streamlining of senior management roles; efficiencies from increased purchasing

¹ The end result if the proposal is implemented is that a new local government area will be created. For simplicity throughout this document, we have referred to a new council rather than a new local government area.

power of materials and contracts; and reduced expenditure on councillor fees.²

The NSW Government has announced a funding package to support merging councils that would result in \$15 million being made available should the proposed merger proceed.

These savings may enable the new council to reduce its reliance on rate increases to fund new and improved community infrastructure. For example, Dubbo City Council intends to apply for a cumulative Special Rate Variation (SRV) from IPART of 4.1 per cent over a four-year period from 2017-18.

The proposed merger is also expected to result in simplified council regulations for residents and businesses in the Dubbo City and Wellington council areas, given each council is currently responsible for separate and potentially inconsistent regulatory environments. Regulatory benefits include consistency in approaches to development approvals, health and safety, building maintenance, traffic management and waste management.

The proposed merger will provide significant opportunities to strengthen the role and strategic capacity of the new council to partner with the NSW and Australian governments on major infrastructure projects, addressing regional socio-economic challenges, delivery of services and focus on regional priorities.

This could assist in:

- reducing the existing \$25 million infrastructure backlog across the Dubbo City and Wellington region;

- improving the profile of the region as a tourist destination;
- providing opportunities to enhance the development of agribusiness through a coordinated approach to both marketing and development of local infrastructure and planning; and
- supporting economic growth and development, and promoting the strategic value of Dubbo as a major urban and service centre for surrounding areas.

While a merged council will increase the current ratio of residents to elected councillors, the new ratio is likely to be comparable with levels currently experienced by other communities across regional NSW.

Next Steps

This merger proposal will be referred for examination and report under the *Local Government Act (1993)*.

Local communities have an important role to play in helping ensure the new council meets their current and future needs for services and infrastructure and will have an opportunity to provide input on how the new council should be structured.

Local communities will have an opportunity to attend the public inquiry that will be held for this merger proposal and an opportunity to provide written submissions. For details please visit www.councilboundaryreview.nsw.gov.au

Figure 2: Map showing boundaries for the proposed new council with Wagga Wagga City Council highlighted for comparison



² NSW Government (2015), Local Government Reform: Merger Impacts and Analysis, December.

INTRODUCTION

This merger proposal has been informed by an extensive four-year consultation and review process.

The NSW Government has been working with local councils and communities since 2011 to strengthen council performance and ensure local government is well placed to meet future community needs.

A first key step in that process was the ILGRP's comprehensive review of local government and subsequent recommendations for wide-ranging structural reform and improvements to the system. In response, the NSW Government initiated the *Fit for the Future* reforms that required each local council to self-assess against key performance indicators and submit proposals demonstrating how they would meet future community needs.

The NSW Government appointed IPART in 2015 to assess each council's submission. IPART has now completed its assessment of 139 proposals (received from 144 councils) and concluded 60 per cent of councils are 'not fit' for the future. Many of these councils did not meet the elements of the 'scale and capacity' criterion (refer Box 1 below).

Dubbo City and Wellington councils each submitted *Fit for the Future* proposals to remain as standalone councils. In assessing each council's submission, IPART determined that Dubbo City Council met both the financial and scale and capacity criteria and was 'fit' to stand alone. However, IPART assessed that Wellington Council was 'not fit' and that a merger was needed to achieve the required scale and capacity to meet the needs of residents now and in the future. This proposal is based on the recommendation of the Independent Local Government Review Panel for a merger between these councils.

Box 1: Overview of scale and capacity

Key elements of 'scale and capacity'

Scale and capacity is a minimum requirement as it is the best indicator of a council's ability to govern effectively and provide a strong voice for its community. At a practical level, this includes being able to:

- undertake regional planning and strategic delivery of projects;
- address challenges and opportunities, particularly infrastructure backlogs and improving financial sustainability;
- be an effective partner for NSW and Australian governments on delivering infrastructure projects and other cross-government initiatives; and
- function as a modern organisation with:
 - staffing capacity and expertise at a level that is currently not practical or economically possible for small councils;
 - innovative and creative approaches to service delivery; and
 - the resources to deliver better training and attract professionals into leadership and specialist roles.

A NEW COUNCIL FOR THE DUBBO AND WELLINGTON REGION

The proposed new council will be responsible for infrastructure and service delivery to more than 50,000 residents across the Dubbo and Wellington region.

The creation of a new council provides the opportunity to bring together the communities from across the local government areas of Dubbo City and Wellington. These communities, traditionally inhabited by Wiradjuri people, are both part of the broader Orana region in central northern New South Wales – an area becoming a regional business centre that links the broader region through commerce, transport and community. The region faces challenges with the changing form of agriculture, the rise of local mining, and issues associated with unemployment and ageing populations.

The new council will be responsible for infrastructure and service delivery to almost 55,000 residents by 2031. This reflects the expected population growth across the region of 0.4 per cent per annum.³

The proposed merger aligns with the intended planning objectives of the NSW Government's Regional planning initiatives for the Central West and Orana. The NSW Government has identified a number of regional priorities that are directly relevant to the proposed new council. For example:

- supporting economic growth within the region – with focus on reducing the high unemployment rates in some areas of the region. This will include: fostering agriculture, tourism and mining; promoting the attractiveness of the area to live and work; building skills of the local workforce; and balancing growth with sustainable environmental practices;
- providing education and training opportunities for young people to improve their long-term futures and employability. This includes identifying the needs of the emerging industries and relevant skill sets required to develop targeted training and education to improve employment opportunities;
- improving regional infrastructure – in particular key rail, roads and water services. This includes delivering improvements to regional roads and bridges and connections to remote communities; and
- providing integrated and coordinated health and human services and improved community safety – in particular in highly disadvantaged communities, including investing in critical infrastructure such as hospitals.

A new Regional Plan is being developed to plan for the future population's needs for housing, jobs, infrastructure and a healthy environment. For the plan to be implemented effectively, a coordinated approach will assist to manage the expected population growth across the Dubbo and Wellington areas and the related changes in service and infrastructure needs. A new council with appropriate scale and capacity will be better able to partner with the NSW Government on the implementation of these regional priorities.




The establishment of a new council will also provide an opportunity to generate savings and efficiencies and reduce the current duplication of back office functions, senior executive positions and potentially the many layers of current regulations. Any savings generated by a merger of these two councils could be redirected to improving local community infrastructure, lowering residential rates and/or enhancing service delivery. An overview of the current performance of the two existing councils and the projected performance of the new proposed entity is provided in Figure 3.

In addition, while IPART found each of the two councils satisfied financial performance criteria, it also found that Wellington Council's ability to effectively advocate for community priorities is affected by a lack of scale and capacity. A merged council will improve this, with an enhanced scale and capacity to better plan and coordinate investment in critical infrastructure and services. This should also put the new council in a better

³ NSW Department of Planning & Environment (2014), NSW Projections (Population, Household and Dwellings).

position to advocate to the NSW and Australian governments for the regional investments that will be needed for the future.

Figure 3: Council profiles⁴

	Dubbo City Council	Wellington Council	New Council
			
Population (2014)	41,573	9,054	50,627
Area	3,426 sq km	4,110 sq km	7,536 sq km
IPART Rating	FIT	NOT FIT	The new council will likely have enhanced scale and capacity to better meet the future service and infrastructure needs of the community .
Operating Revenue (2013–14)	\$73.3m	\$17.9m	\$97.9m (projected 2019–2020)
Operating Result (2013–14)	\$6.3m	-\$1.8m	+\$2.8m projected improvement to 2019–20 operating results
Asset Base	\$1.1bn	\$182.6m	\$1.3bn
Infrastructure Backlog	1 per cent	8 per cent	2 per cent

Sources: Australian Bureau of Statistics, Department of Planning and Environment, Office of Local Government, Council Long Term Financial Plans, Fit for the Future submissions to IPART and IPART Assessment of Council Fit for the Future Proposals.

Note: Totals may not sum due to rounding. Estimates of the new council's operating performance and financial position are based on an aggregation of each existing council's projected position as stated in respective Long Term Financial Plans (2013-14). In addition, it is assumed efficiency savings are generated from a merger, and this is reflected in the projected 2019–20 operating result for the new council. Further details are available in NSW Government (2015), Local Government Reform: Merger Impacts and Analysis, December.

⁴ The population figure for Wellington Council and the 2013-14 operating revenue figures for both councils were corrected on 20 January 2016.

BENEFITS, OPPORTUNITIES AND IMPACTS

The proposed merger has the potential to provide a \$32 million benefit to communities over 20 years which could support investment in critical local infrastructure and services and/or be utilised to address rate pressures.

Financial Benefits of the Proposed Merger

Analysis by KPMG in 2015 shows the proposed merger has the potential to generate net financial savings of \$17 million to the new council over 20 years. The proposed merger is also expected to generate, on average, around \$1.5 million in savings every year from 2020 onwards.⁵ Consequently, the merged council will have a balance sheet that is stronger and in a better position to meet local community needs and priorities.

Gross savings over 20 years are modelled to be due to:

- streamlining senior management roles (\$5 million);
- the redeployment of back office and administrative functions (\$13 million);
- efficiencies generated through increased purchasing power of materials and contracts (\$3 million); and
- a reduction in the overall number of elected officials that will in turn reduce expenditure on councillor fees (estimated to be \$500,000).⁶

In addition, the NSW Government has announced a funding package to support merging councils that would result in \$15 million being made available should the proposed merger proceed.

The implementation costs associated with the proposed merger (for example, information and communication technology, office relocation, workforce training, signage and legal costs) are expected to be surpassed by the accumulated net savings generated by the merger within a four-year pay-back period.

Merger benefits could be reinvested to:

- improve infrastructure – annual savings could be redirected towards infrastructure renewal or capital works including projects such as investment in local roads. Redeployment of savings could lead to cumulative additional infrastructure expenditure of \$17 million over 20 years;
- enhance service delivery – redeployment of duplicate back office and administration functions and streamlining of senior management roles could provide the basis for employing an additional 28 staff for frontline services. This could include services such as libraries and waste management; and/or
- reduce rate pressures – annual savings could be used to reduce the likelihood SRVs will be used to fund community infrastructure and/or avoid future rate increases.

The expected operating performance ratio of each council over the next 10 years is illustrated in Figure 4.⁷

The two councils are projecting divergent operating performance over the next 10 years. Dubbo City Council forecasts that its negative operating ratio will improve as it brings in more revenue than it spends, while Wellington Council projects that its expenses will grow faster than income over the same period. This merger proposal will provide the new council with the opportunity to provide a more consistent level of financial performance. Overall, the proposed merger is expected to enhance the financial sustainability of the new council through:

- net financial savings of \$17 million to the new council over 20 years;
- achieving efficiencies across council operations through, for example, the redeployment of duplicated back office roles and administrative functions, and streamlining senior management;

⁵ NSW Government (2015), Local Government Reform: Merger Impacts and Analysis, December.

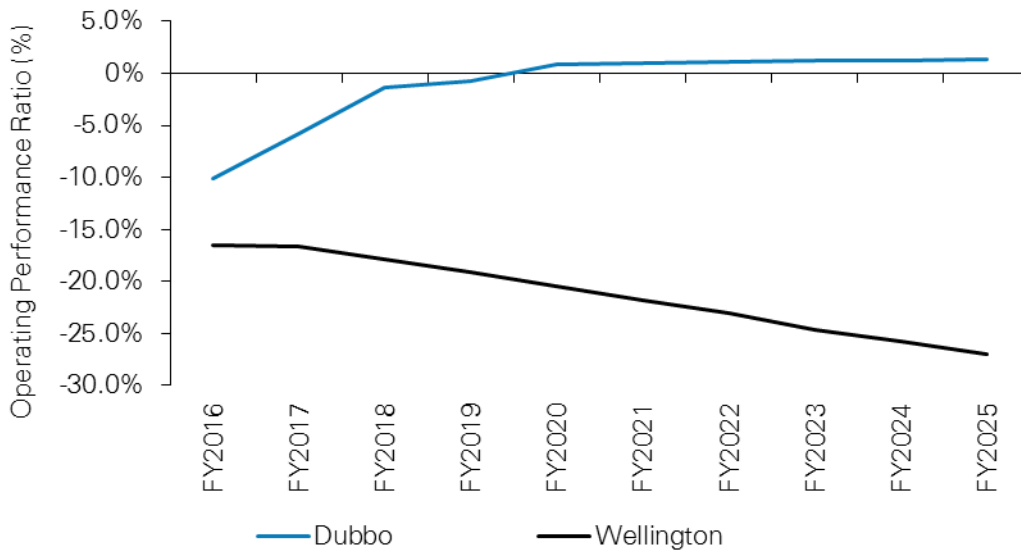
⁶ NSW Government (2015), Local Government Reform: Merger Impacts and Analysis, December.

⁷ Calculation of a council's operating performance ratio excludes any grants received from the council's reported operating revenue. This enables comparison of council operating performance based on own-source revenue.

- establishing a larger entity with revenue that is expected to exceed \$111 million per year by 2025;
- an asset base of approximately \$1.3 billion to be managed by the merged council; and
- greater capacity to effectively manage and reduce the \$25 million infrastructure backlog across the region by maintaining and upgrading community assets.

The Local Government Act contains protections for three years for all council employees below senior staff level. In rural centres with populations below 5000, staff numbers must be retained as far as is reasonably practicable.

Figure 4: Projected operating performance ratio by council (2016–2025)



Source: Council Long Term Financial Plans (2013-14).

Note: Operating performance ratio measures a council's ability to contain operating expenditure within operating income.

Opportunities for Improved Services and Infrastructure

The efficiencies and savings generated by the merger will allow the new council to invest in improved service levels and/or a greater range of services and address the current \$25 million infrastructure backlog across the two councils. Examples of local infrastructure and service priorities that could be funded by merger-generated savings include projects such as:

- upgrades to local infrastructure to accommodate population growth, similar to the almost completed Dubbo sewerage treatment plant upgrade (Dubbo City Council's largest capital expenditure to date);
- revitalising centres of the community – such as the Dubbo CBD improvement precinct plan 'Ignite Our Centre' which seeks to improve the local streetscape, ambience, leisure activities and retail and food services and Wellington's CBD renewal plan;
- promoting tourism and the 'liveability' of the area – for example, through investing in the Wellington Caves tourist precinct; and
- renewing ageing road infrastructure – such as the Darling Street Redevelopment to ease traffic.

Regulatory Benefits

There are currently 152 separate regulatory and compliance regimes applied across local council boundaries in NSW. These many layers of regulations are making it hard for people to do business, build homes and

access services they need. NSW businesses rated local councils as second to only the Australian Tax Office as the most frequently used regulatory body, and highest for complexity in dealings.⁸

It can be expected that the proposed merger will result in simplified council regulations for many Dubbo and Wellington area residents and businesses. Dubbo City Council and Wellington Council are each responsible for separate and potentially inconsistent regulatory environments. A merged council provides an opportunity to streamline and harmonise regulations.

Adopting best practice regulatory activities will generate efficiencies for a merged council and benefit local residents and businesses. For example:

- a tradesperson who operates a business across the Dubbo and Wellington area will have just a single local council regulatory framework to understand and comply with; and
- residents can have greater confidence that development applications will be subject to a more uniform process than the existing variations in regulations, which can add to the cost and complexity of home renovations and building approvals.

Impact on Rates

Dubbo City Council has indicated it intends to apply for a cumulative SRV from IPART of 4.1 per cent over a four-year period from 2017–18.

The savings generated by a merger may enable the new council to reduce reliance on rate increases to fund community infrastructure.

In addition, the proposed merger will bring together a range of residential, farmland and business premises across the region, providing the new council with a large rate base on which to set ratings policies and improve the sustainability of council revenue. Table 1 outlines the mix of business and residential rating assessments that underpin current rate revenue across the region.

Table 1: Comparison of rateable businesses, residential and farmland properties (total and percentage share)

Council	Business rating assessments		Residential rating assessments		Farmland rating assessments	
Dubbo City Council	1,401	8%	14,933	88%	663	4%
Wellington Council	287	6%	3,137	69%	1,090	24%
Merged council	1,688	8%	18,070	84%	1,753	8%

Source: NSW Office of Local Government, Council Annual Data Returns (2013-14).

Local Representation

The ratio of residents to elected councillors in each of the two councils is markedly different. This reflects the wide variation in resident populations and similar number of councillors. While the proposed merger will increase the ratio of residents to elected councillors, the ratio, based on councillor numbers in the existing councils, is likely to be similar to those currently experienced in other regional NSW councils, such as Clarence Valley Council (Table 2). For the purpose of analysis of merger benefits, this proposal has assumed that the new Council will have the same number of councillors as Dubbo City Council, as this has the largest number of councillors of the councils covered by this proposal. The Government welcomes feedback through the consultation process on the appropriate number of councillors for the new council.

Some councils in NSW have wards where each ward electorate elects an equal number of councillors to make up the whole council. Community views on the desirability of wards for a new council will be sought through the consultation process.

The new council will be in a position to use its larger scale and capacity to advocate more effectively for the needs of the Dubbo and Wellington communities. As the new council will represent a more significant share of the broader region's population, and have a substantial economic base, it will be able to advocate more

⁸ NSW Business Chamber, 2012 Red Tape Survey.

effectively on behalf of its residents. It will also be able to develop improved strategic capacity to partner with the NSW and Australian governments, including on major infrastructure initiatives, community services and regional planning and development.

The many ways communities currently engage with these councils will continue, including through public forums, committees, surveys and strategic planning. Councillors will continue to represent local community interests and will have the opportunity to take a more regional approach to economic development and strategic planning.

Table 2: Changes to local representation in Dubbo City and Wellington

Council	Number of councillors	Number of residents (2014)	Residents per councillor
Dubbo City Council	11	41,573	3,779
Wellington Council	9	9,054	1,006
Merged council	11*	50,627	4,602
Clarence Valley Council	9	51,043	5,671

* Dubbo and Wellington communities will have an opportunity to shape how a new merged council will be structured, including the appropriate number of elected councillors. Fifteen elected councillors is the maximum number currently permitted under the NSW Local Government Act (1993).

Source: Australian Bureau of Statistics, Estimated Resident Population 2013; and NSW Office of Local Government, Council Annual Data Returns (2013-14).

THE LOCAL COMMUNITY

The communities across the Dubbo and Wellington region share common characteristics and connections. The proposed new council will have enhanced scale and capacity and be better placed to shape and deliver the economic development, community services and infrastructure that underpin the lifestyle of these communities.

Geography and Environment

The councils of Dubbo City and Wellington are part of the Central West Orana Region in NSW which is a diverse and growing regional community. This region is strategically well located to serve as a central hub for the region. In particular, Dubbo is considered a major urban and service centre. Outside the town centres of Dubbo and Wellington, the area is mostly agricultural land. There is also a mining presence in the region, with the proposed Dubbo Zirconia Project at Toongi. The area's tourism industry is growing, with the range of attractions in the region including the Macquarie and Bell Rivers, Wellington Caves and Phosphate Mine, the Western Plains Zoo and an expanding wine industry.

Local Economy

The local economy is characterised by:

- Dubbo has an average household income of \$70,519 (above the regional NSW average of \$65,168), while Wellington has an average household income of \$54,446;
- unemployment rates vary significantly between Dubbo and Wellington. Dubbo's unemployment rate of 3.7 per cent is below the regional NSW average of 7.3 per cent, while Wellington's is higher at 7.4 per cent;
- both local government areas are experiencing higher growth rates than the regional NSW average rate of 0.6 per cent employment growth, with 2.6 per cent in Dubbo and 1.9 per cent in Wellington;
- 53 per cent of Dubbo residents and 51 per cent of Wellington residents have post-school qualifications, which is close to the regional NSW average of 53 per cent; and
- the industry composition across the two local government areas includes health care and social assistance, retail trade, and agriculture, forestry and fishing.

Table 3 below provides a snapshot of the local business profile of each council. More than 4,500 local businesses across the region contribute more than 21,000 jobs to the local economy. As a growing major urban and service centre, Dubbo has a large retail presence and – due to its location in central NSW – is connected to major transport networks including key roads, rail and air transport. While Wellington has a smaller business centre, it has a strong agricultural presence including cropping, wool, beef and lamb.

Table 3: Local business and employment profile

Council	Number of businesses	Local jobs	Largest sector
Dubbo City Council	3,674	18,397	Health Care & Social Assistance
Wellington Council	865	3,035	Agriculture, Forestry & Fishing
Merged council	4,539	21,432	Health Care & Social Assistance

Source: Australian Bureau of Statistics, Business Counts and Employment by Industry (2014).

Dubbo City centre is often referred to as the 'hub of the west' – being the central commercial hub for the region. As a result, it is common for people to commute to Dubbo City for work. Wellington's smaller

commercial centre and expansive rural areas means agricultural and related industries dominate the local economy. However, there is also a growing tourism industry leveraging the natural assets of the region.

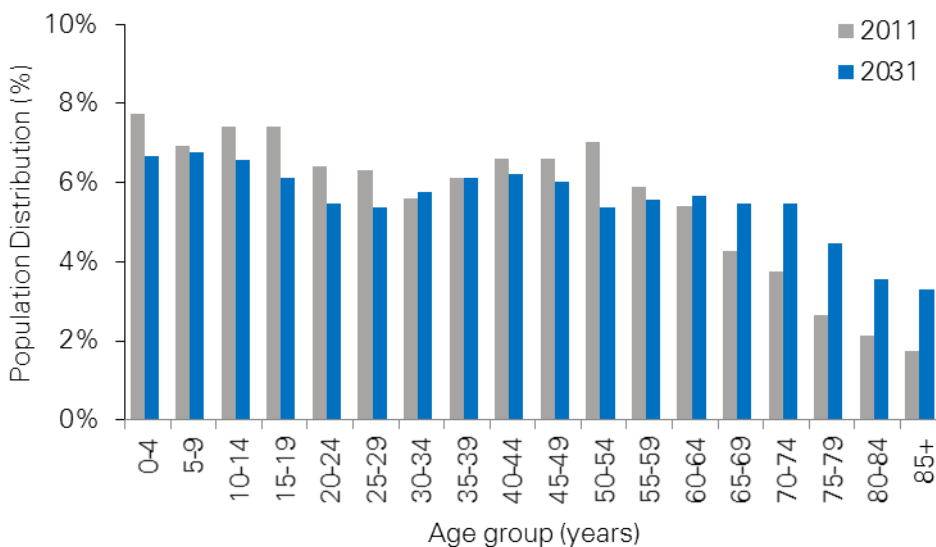
In order to grow the local economy, Wellington Council is focussed on increasing the population by making it an attractive place to live and work, and increasing investment in the region. Dubbo City Council's economic development priorities centre on regenerating the city centre and attracting industry, new businesses and investment to the area.

The synergies of the agricultural region of Wellington and commerce centre of Dubbo will require coordinated, cohesive and similar services and infrastructure. A merged council will be better placed to deliver these services and infrastructure in a coordinated manner.

Population and Housing

The new council will be responsible for infrastructure and service delivery to around 55,000 residents by 2031. Like most regions across NSW, the Dubbo and Wellington region will experience the impacts of an ageing population over the next 20 years (Figure 5).

Figure 5: Change in population distribution, by age cohort (2011 v 2031)

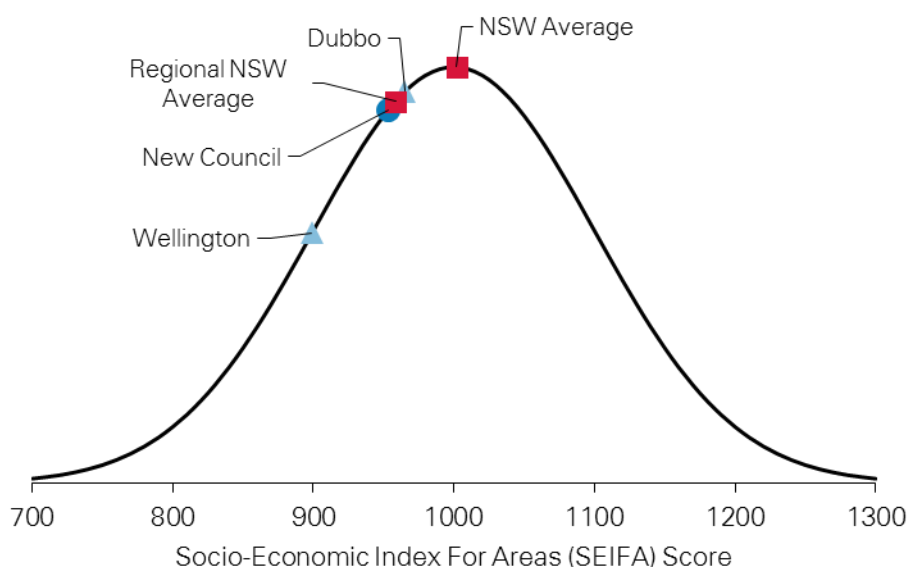


Source: NSW Department of Planning & Environment, 2014 NSW Projections (Population, Household and Dwellings).

A strong council with the appropriate scale and capacity is needed to respond and adapt to the changing service needs of the community. An ageing population is likely to increase demand for community health services, creation and maintenance of accessible parks and leisure areas, and community outreach services.

In comparison with the rest of regional NSW, the Wellington community is relatively disadvantaged, while the Dubbo community is close to the average from a socio-economic standpoint. The Socio-Economic Index for Areas (SEIFA) illustrated in Figure 6, measures a range of factors to rate an individual council's relative socio-economic advantage, for example, household income, education, employment and occupation

Figure 6: Comparison of councils' socio-economic profile



Source: Australian Bureau of Statistics, SEIFA 2011 by Local Government Area.

Table 4 outlines the current mix of housing types across the region. A merged council provides an opportunity to apply a more regional and strategic focus to planning for the additional 2,550 households and associated amenities that are predicted to be required by 2031. This approach can also help to ensure any pressures and challenges associated with population growth and housing development are not unreasonably concentrated in particular neighbourhoods.

Table 4: Dwelling types in the Dubbo and Wellington region (total number and per cent)

Dwelling type	Dubbo City Council		Wellington Council	
Separate house	13,251	83%	3,507	92%
Medium density	2,374	15%	225	6%
High density	43	>1%	4	0%
Other	266	2%	71	2%
Total private dwellings	15,934		3,807	

Source: Australian Bureau of Statistics, Census (2011), Dwelling Structure by Local Government Area.

Shared Community Values and Interests

Dubbo and Wellington communities have much in common, including a shared grounding in agriculture and mining, the character of small community living and the importance of Dubbo as a regional centre for all residents. There are also shared challenges, including job creation, uncertainty around the agriculture sector, and the need to advocate for the region.

Box 2 provides examples of community organisations, services and facilities that have a presence across the region, indicating the connections between the communities in the existing council areas.

Shared regional services and facilities

Examples of community services which operate across the region include:

- a number of community programs run across the region – including the Dubbo Neighbourhood Centre and Communities for Children, which supports children up to the age of 18 to improve their connection with the community and develop a sense of inclusiveness;
- the Mental Health and Drug & Alcohol NSW Government services (which include community and inpatient services) is based in Dubbo and offers outreach services to Wellington;
- library services in Dubbo and Wellington are run by Macquarie Regional Library service; and
- a number of community and health services for Aboriginal communities operate in the region – including the Wellington Aboriginal Corporation Health Centre and the Australian Nurse-Family Partnership Program, which gives support to pregnant women.

Dubbo City and Wellington councils have already been collaborating in a number of ways, for example through:

- membership of the Orana Regional Organisation of Councils (OROC) which spans the Central West, Northwest and Far West areas of NSW. This is a collection of local councils that advocate for change in the region;
- the 'Sharing the Load' initiative run by OROC to promote physical activity projects and healthy eating across the region; and
- the Lower Macquarie Water Alliance, formed in 2008, includes both Dubbo City Council and Wellington Council, as well as other councils in the region) to develop 'best practice' in relation to water management for local communities.

The connections between the councils and communities are evident in these existing partnerships and collaborations. A new council will be better placed to deliver these services and projects into the future, without relying on voluntary collaboration.

CONCLUSION

This proposal to create a merged council has the potential to provide a range of benefits to local communities, including:

- a \$32 million total financial benefit over a 20-year period that may be used to deliver better community services, enhance infrastructure and/or lower rates;
- NSW Government funding of \$15 million to meet merger costs and provide a head start on investing in services and infrastructure that the savings from mergers will ultimately support;
- greater efficiencies through the redeployment of back office and administrative functions, increased purchasing power of materials and contracts, and reduced expenditure on councillor fees, all of which are expected, on average, to generate savings of around \$1.5 million every year from 2020 onwards;
- greater capacity to effectively manage and reduce the \$25 million infrastructure backlog across the Dubbo City and Wellington councils by maintaining and upgrading community assets;
- reducing the reliance on rate increases through SRVs to fund local community infrastructure projects and services;
- better integrating strategic planning and economic development to more efficiently respond to the changing needs of the community;
- building on the shared communities of interest and strong local identity across the region;
- providing effective representation through a council with the required scale and capacity to meet the future needs of the community; and
- being a more effective advocate for the region's interests and better able to deliver on priorities in partnership with the NSW and Australian governments.

NEXT STEPS

Every community will have an opportunity to help shape a new council for their region.

Community Engagement

This merger proposal will be referred to the Chief Executive of the Office of Local Government for examination and report under the *Local Government Act (1993)*. The Chief Executive proposes to delegate this function to a suitably qualified person. The delegate will consider this proposal as required under the Act, including against statutory criteria and hold a public inquiry. The delegate will also undertake public consultation to seek community views. The delegate is also required by the Act to provide the delegate's report to an independent Boundaries Commission for review and comment. The Minister for Local Government under the legislation may decide whether or not to recommend to the Governor that the merger proposal be implemented. For the factors a delegate must consider when examining a merger proposal (under section 263 of the *Local Government Act (1993)*), please refer to the Appendix to this document.

Through the merger assessment process, there will be opportunities for communities and stakeholders to consider merger proposals and have their say. Each merger proposal will be the subject of a public inquiry where the community can hear about and discuss the proposal. Through the consultation process, the delegate will ensure that the opinions of each of the diverse communities of the resulting area or areas will be effectively represented.

Further information about the process is available on the Local Government Reform website at www.councilboundaryreview.nsw.gov.au, including:

- details about the proposed mergers;
- information about the delegate for your area;
- dates for public meetings; and
- a portal to provide a written submission.

Appendix

The following table outlines the factors that a delegate must consider under section 263 of the *Local Government Act (1993)* when examining a proposal. The section references outline where the criteria have been addressed in this merger proposal.

<i>Legislative criteria</i>	<i>Section reference</i>
(a) the financial advantages or disadvantages (including the economies or diseconomies of scale) of any relevant proposal to the residents and ratepayers of the areas concerned	Benefits, Opportunities and Impacts
(b) the community of interest and geographic cohesion in the existing areas and in any proposed new area	The Local Community
(c) the existing historical and traditional values in the existing areas and the impact of change on them	The Local Community
(d) the attitude of the residents and ratepayers of the areas concerned	There is a public consultation process which includes a public inquiry allowing for the views of residents and ratepayers to be considered.
(e) the requirements of the area concerned in relation to elected representation for residents and ratepayers at the local level, the desirable and appropriate relationship between elected representatives and ratepayers and residents and such other matters as it considers relevant in relation to the past and future patterns of elected representation for that area	Local Representation
(e1) the impact of any relevant proposal on the ability of the councils of the areas concerned to provide adequate, equitable and appropriate services and facilities	Benefits, Opportunities and Impacts
(e2) the impact of any relevant proposal on the employment of the staff by the councils of the areas concerned	Financial Benefits of the Proposed Merger
(e3) the impact of any relevant proposal on rural communities in the areas concerned	The Local Community
(e4) in the case of a proposal for the amalgamation of two or more areas, the desirability (or otherwise) of dividing the resulting area or areas into wards	Local Representation
(e5) in the case of a proposal for the amalgamation of two or more areas, the need to ensure that the opinions of each of the diverse communities of the resulting area or areas are effectively represented	Next Steps
(f) such other factors as it considers relevant to the provision of efficient and effective local government in the existing and proposed new areas	Benefits, Opportunities and Impacts



For more information visit:
www.councilboundaryreview.nsw.gov.au

©State of NSW 2015

Disclaimer

While every reasonable effort has been made to ensure that the facts contained within this document are correct at time of printing, the state of NSW, its agents and employees, disclaim any and all liability to any person in respect of anything or the consequences of anything done or omitted to be done in reliance or upon the whole or any part of this document.

Copyright Notice

In keeping with the NSW Government's commitment to encourage the availability of information, you are welcome to reproduce the material that appears in this proposal (excluding the images in this proposal) for personal, in-house or non-commercial use without formal permission or charge. All other rights are reserved.

