

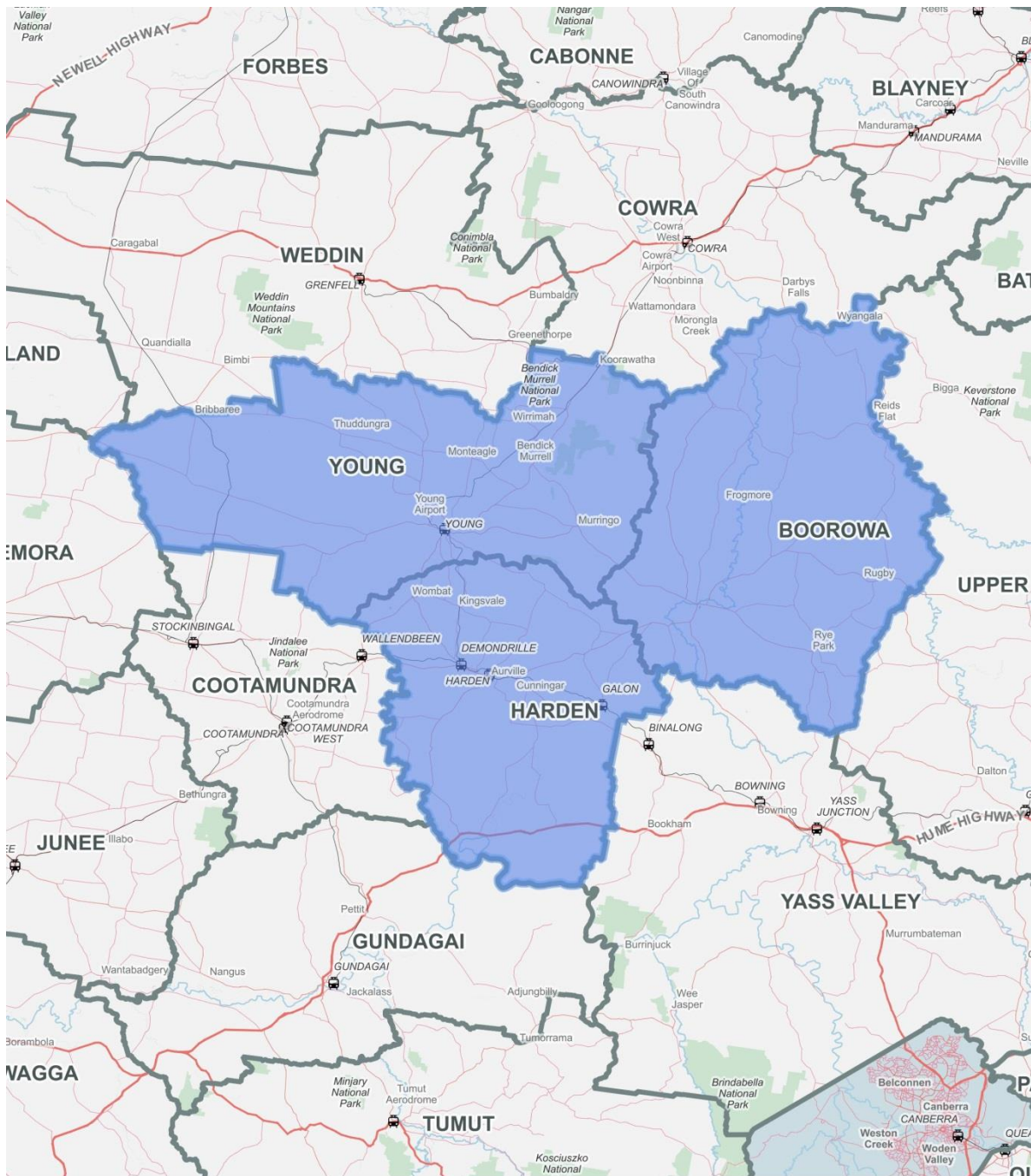
Merger Proposal:

Boorowa Council Harden Shire Council Young Shire Council

JANUARY 2016



Figure 1: Proposed new local government area



Proposed merger: Boorowa, Harden and Young

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

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



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 area, I am putting forward the proposal to merge the local government areas of Boorowa, Harden and Young.

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 \$30 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 three 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 area's interests and better able to deliver on priorities in partnership with the NSW and Australian governments.

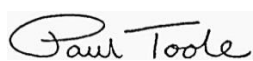
With the merger savings, the NSW Government funding of \$20 million – and a stronger voice – the new council will be better able to provide the services and infrastructure that matter to the community, projects like:

- upgrades to the local road network and sewerage services in the region;
- improving and upgrading local amenities and community facilities; and
- promotion of local tourism opportunities in the Hilltops region, focussing on the wine, fruit and other foods and goods produced in the region.

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 Boorowa, Harden Shire and Young Shire share common characteristics and connections and will benefit by up to \$30 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 Boorowa, Harden Shire and Young Shire 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.

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) as well as the Independent Pricing and Regulatory Tribunal's (IPART) 2015 assessment that each of these three councils is 'fit' as part of a merger. IPART assessed that both Boorowa and Young Shire councils are 'fit' as part of merger with each other. Harden Shire Council submitted a joint merger proposal with Cootamundra Shire Council and was assessed as 'fit' as part of this merger.

IPART determined that Boorowa and Young Shire councils, if merged, and Harden Shire if merged with Cootamundra Shire, will satisfy key financial performance benchmarks and achieve the

required scale and capacity to meet future community needs. IPART also noted that if Boorowa and Young Shire did not merge, both councils would become unsustainable as standalone entities.

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 and service priorities as such as upgrading the local road network and promoting tourism to the region.

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 \$10 million in net financial savings over 20 years.

The analysis also shows the proposed merger is expected to generate, on average, around \$1 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 power of materials and contracts; and reduced

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.

expenditure on councillor fees.²

The NSW Government has announced a funding package to support merging councils which would result in \$20 million being made available should the proposed merger proceed.

These savings could enable the new council to reduce the need for rate increases to fund new and improved community infrastructure. For example, Harden Shire and Cootamundra Shire councils indicated in their joint merger proposal to IPART that they would seek a cumulative SRV of 11.2 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 Boorowa, Harden Shire and Young Shire 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 \$19 million infrastructure backlog across the Boorowa, Harden Shire and Young Shire region;

- investing in key road infrastructure, transport connectivity and water security;
- supporting small businesses and boosting regional tourism; and
- supporting economic growth and development while enhancing the standard of living and lifestyle that local residents value

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).

Boorowa and Young Shire councils proposed a merger in their joint *Fit for the Future* submission. Harden Shire Council withdrew from merger discussions with Boorowa and Young and pursued a merger with Cootamundra Shire Council instead. In assessing the Boorowa and Young Shire councils' submission, IPART determined that the two councils were 'fit' if they merged. Harden Shire Council was also judged 'fit' in the context of a merger with Cootamundra Shire Council.

The proposed merger of Boorowa, Young Shire and Harden Shire councils will achieve the required scale and capacity to meet the needs of residents now and in the future and will enable key financial performance benchmarks to be met.

In the consultation period that followed the release of the IPART report, Boorowa Council and Young Shire Council both nominated each other and Harden Shire Council as potential merger partners.

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 BOOROWA, HARDEN AND YOUNG REGION

The proposed new council will be responsible for infrastructure and service delivery to around 19,000 residents across the Boorowa, Harden Shire and Young Shire region.

The creation of a new council provides the opportunity to bring together the communities from across the local government areas of Boorowa, Harden Shire and Young Shire. These communities have been consulted widely throughout the *Fit for the Future* process to investigate various merger options to improve their council's scale and capacity to deliver services to the region. Boorowa, Harden Shire and Young Shire councils share a common interest in supporting the local agricultural economy.

The new council will be responsible for infrastructure and service delivery to around 18,500 residents by 2031. This reflects the relatively stable population base and very slight population decline of 0.1 per cent expected in the region.³

The proposed merger recognises the NSW Government's regional priorities for South East NSW by strengthening community services and economic opportunities around regional centres. Regional planning initiatives for the area are being developed to plan for the future population's needs for housing, jobs, infrastructure and a healthy environment. The NSW Government has identified a number of regional priorities that are directly relevant to the proposed new council. For example:

- diversifying the economy and providing sustainable employment options, for example supporting small business and regional tourism, and upgrading local water infrastructure through projects such as construction of the Young sewerage project;
- providing accessible, efficient and integrated transport services by delivering road infrastructure upgrades and implementing road safety programs;
- delivering quality health and community services by providing more support for the region's ageing population, and disadvantaged and vulnerable communities present in Young, Harden and Boorowa;
- improving strategic planning and service delivery to coordinate and manage growth and development in the region;
- improving access and options for education and employment to keep young people in education, and provide opportunities for them to remain in the region after leaving school; and
- managing the region's natural resources, protecting the environment and responding to the risks posed by climate change.


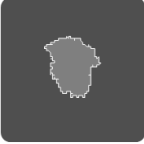


For the plan to be implemented effectively, greater capacity for growth opportunities need to be identified leveraging off connections to the Canberra Region so that the expected population decline across the Boorowa, Harden Shire and Young Shire region can be arrested and service and infrastructure needs respond appropriately. A financially sustainable 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 three 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 three existing councils and the projected performance of the new proposed entity is provided in Figure 3.

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

A merged council will be able to better plan and coordinate investment in critical infrastructure and services, and be in a better position to advocate to the NSW and Australian governments for the regional investments that will be needed for the future.

Figure 3: Council profiles⁴

	Boorowa Council	Harden Council	Young Shire Council	New Council
				
Population (2014)	2,602	3,751	12,641	18,994
Area	2,578 sq km	1,868 sq km	2,693 sq km	7,139 sq km
IPART Rating	NOT INDIVIDUALLY ASSESSED*	NOT INDIVIDUALLY ASSESSED*	NOT INDIVIDUALLY ASSESSED*	This merger proposal is broadly consistent with the ILGRP's findings (2013) and IPART's Fit for the Future assessments (2015). 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)	\$10.4m	\$11.6m	\$18.3m	\$53.7m (projected 2019–20)
Operating Result (2013–14)	\$1.5m	–\$1.8m	\$1.8m	+\$1.8m projected improvement to 2019–20 operating results
Asset Base	\$107.2m	\$119.7m	\$151.4m	\$378.3m
Infrastructure Backlog	6 per cent	0 per cent	8 per cent	5 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 is 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. The councils submitted a joint Merger Proposal, so IPART did not assess the councils individually. IPART found that the Merger Proposals were "Fit" due to the substantial benefits that would be delivered to their local communities compared to the councils standing alone, and that they were the best available options for the relevant councils.

⁴ 2013–14 operating revenue figures were corrected on 20 January 2016.

BENEFITS, OPPORTUNITIES AND IMPACTS

The proposed merger has the potential to provide a \$30 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 a net financial saving of \$10 million to the new council over 20 years. The proposed merger is also expected to generate, on average, around \$1 million in net 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 will primarily be due to:

- streamlining senior management roles (\$8 million);
- the redeployment of back office and administrative functions (\$3.6 million);
- efficiencies generated through increased purchasing power of materials and contracts (\$2 million); and
- a reduction in the overall number of elected officials that will in turn reduce expenditure on councillor fees (estimated at \$900,000).⁶

In addition, the NSW Government has announced a funding package to support merging councils which would result in \$20 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 seven-and-a-half-year payback period.

Merger benefits could be reinvested to:

- improve infrastructure – annual savings could be redeployed towards infrastructure renewal or capital works including projects like upgrades to the local road network and wastewater infrastructure. Redeployment of savings could lead to cumulative additional infrastructure expenditure of \$10 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 eight staff for frontline services. This could include services such as tourism promotion and aged care; and/or
- reduce rate pressures – annual savings could be used to avoid future rate increases.

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

The three councils are forecasting variable operating performance over the next 10 years. This merger proposal will provide the new council with the opportunity to strengthen its balance sheet and 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 \$10 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;
- establishing a larger entity with revenue that is expected to exceed \$61 million per year by 2025;

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

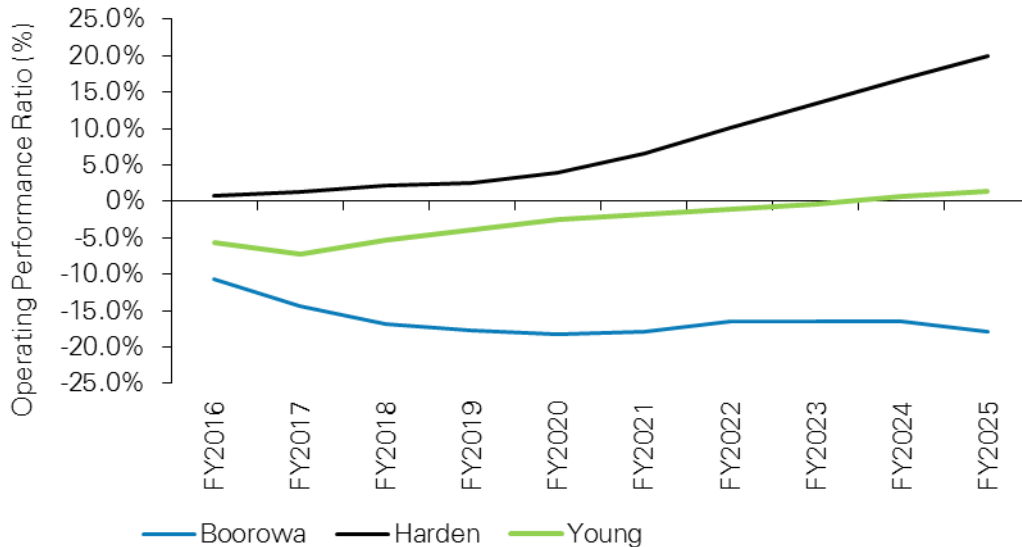
⁶ NSW Government (2015), Local Government Reform: Merger Impacts and Analysis, December.

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.

- an asset base of approximately \$378 million to be managed by the merged council; and
- greater capacity to effectively manage and reduce the infrastructure backlog across the region by maintaining and upgrading community assets and improve services.

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)



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

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

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 \$19 million infrastructure backlog across the three councils. Examples of local infrastructure priorities that could be funded by merger-generated savings include projects like:

- upgrades to the local road network;
- improving water and sewerage services across the urban areas and villages;
- improvements and upgrades to the amenities and facilities such as swimming pools and upgrades to parks and play equipment across the region; and
- promotion of local tourism opportunities in the Hilltops region, focussing on the wine, fruit and other foods and goods produced in the region.

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 Boorowa, Harden Shire and Young Shire residents and businesses. Boorowa, Harden Shire and Young Shire councils

⁸ NSW Business Chamber, (2012) Red Tape Survey.

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 small businesses across the Boorowa, Harden Shire and Young Shire region will have 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 variation in regulations that can add to the cost and complexity of home renovations and building approvals.

Impact on Rates

Harden Shire and Cootamundra Shire councils indicated in their joint merger proposal to IPART that they would seek a cumulative SRV of 11.2 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, farmland 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)⁹

Council	Business rating assessments		Residential rating assessments		Farmland rating assessments	
Boorowa Council	69	4%	1,100	58%	738	39%
Harden Shire Council	239	10%	1,380	57%	818	34%
Young Shire Council	465	7%	4,999	76%	1,119	17%
Merged council	773	7%	7,479	68%	2,675	24%

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 three councils is different. This reflects the wide variation in resident populations. 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, including the more populous Nambucca Shire 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 both Boorowa and Young, as these have 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.

⁹ The merged council figures were corrected on 20 January 2016.

Table 2: Changes to local representation in Boorowa, Harden and Young

Council	Number of councillors	Number of residents (2014)	Residents per councillor
Boorowa Council	9	2,602	289
Harden Shire Council	7	3,751	536
Young Shire Council	9	12,641	1,405
Merged council	9*	18,994	2,110
Nambucca Shire Council	9	19,529	2,170

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

THE LOCAL COMMUNITY

The communities across the Boorowa, Harden Shire and Young Shire region share many common characteristics. 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

Boorowa, Harden Shire and Young Shire councils are located in the South Western Slopes region of NSW, close to Canberra. The three council areas form the 'Hilltops' region – a term that is also a brand used to market the region's wines, food and tourism offerings. The region is closely connected to the Capital region, with Canberra a little over an hour drive from the eastern boundary of the new council.

The three council areas have a strong viticultural and agricultural base. The region has a 'continental' climate of cold clear winters and warm dry summers, which gives it a distinctive environment suitable for wines. Young Shire is also renowned as the 'Cherry Capital of Australia', and hosts an annual National Cherry Festival.

Local Economy

The local economy is characterised by:

- lower average household income (\$55,945 in Boorowa, \$55,240 in Harden and \$56,398 in Young Shire) compared to the NSW regional average of \$65,168;
- low levels of unemployment (2.9 per cent in Boorowa, 3 per cent in Harden and 5.1 per cent in Young) compared to the regional NSW average of 7.3 per cent;
- levels of post-secondary qualifications below the regional NSW average of 53 per cent (46 per cent in Boorowa and Harden, and 48 per cent in Young); and
- a similar industry composition across the three council areas, with agriculture, forestry and fishing the dominant sector in the region.

Table 3 below provides a snapshot of the local business profile of each council. More than 1,700 local businesses across the region contribute more than 6,000 jobs to the local economy.

Table 3: Local business and employment profile

Council	Number of businesses	Local jobs	Largest sector
Boorowa Council	331	1,051	Agriculture, Forestry & Fishing
Harden Shire Council	491	1,440	Agriculture, Forestry & Fishing
Young Shire Council	1,390	5,010	Agriculture, Forestry & Fishing
Merged council	2,212	7,501	Agriculture, Forestry & Fishing

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

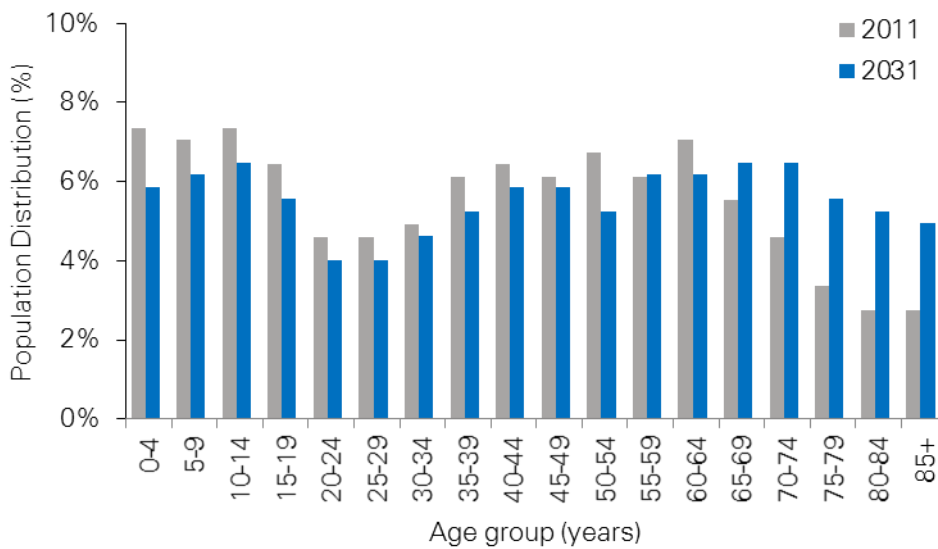
The area is well served by major roads. The Olympic Way provides connections to Wagga Wagga in the south, while the Burley Griffin Way provides connections to the Hume Highway to Sydney and Canberra in the east, and the Riverina in the west. The merged council will be better positioned to work with the NSW Government to coordinate road maintenance on these key regional highways, and provide residents with better connections within and outside of the new council area.

The common agricultural business profile and the corresponding workforce across the region will require relatively 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 more than 18,500 residents by 2031. Like many regions across NSW, the Boorowa, Harden Shire and Young Shire region will experience the impacts of a significantly ageing population over the next 20 years (Figure 5).

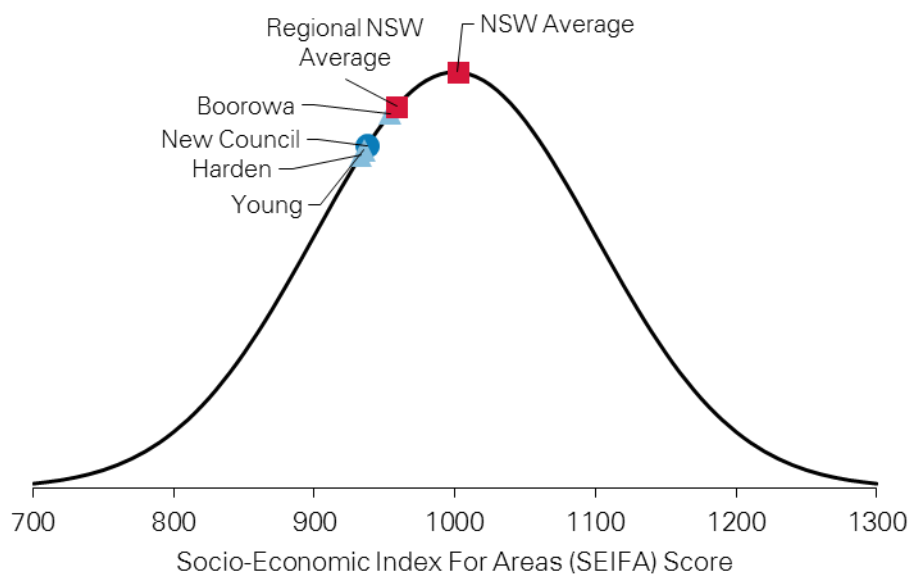
Figure 5: Change in population distribution, by age cohort (2011 v 2031)



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.

Figure 6: Comparison of councils' socio-economic profile



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

In comparison with the rest of regional NSW, the Boorowa, Harden Shire and Young Shire communities are relatively disadvantaged 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. Each of the communities in the Boorowa, Harden and Young region has similar socio-economic profiles with SEIFA scores that are slightly below the State and regional NSW averages. This reflects the common characteristics across the Boorowa, Harden and Young Shire communities in relation to, for example, household income, education, employment and occupation.

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 300 households, ageing population and associated amenities that will be required by 2031.

Table 4: Dwelling types in the Boorowa, Harden and Young region (total number and per cent)

Dwelling type	Boorowa Council		Harden Shire Council		Young Shire Council	
Separate house	1,275	95%	1,638	94%	4,953	90%
Medium density	44	3%	67	4%	505	9%
High density	0	0%	0	0%	8	<1%
Other	20	1%	38	2%	49	1%
Total private dwellings	1,399		1,743		5,515	

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

Shared Community Values and Interests

These communities are bound by their sense of place as a rural region. Box 2 provides examples of community organisations, services and facilities that have a presence across the region.

Box 2: Examples of common community services and facilities

Shared regional services and facilities

Examples of community services which operate across the region include:

- Murrumbidgee Local Health District, which provides public hospital facilities and health services to communities across the Boorowa, Harden Shire and Young Shire region;
- Boorowa Multipurpose Service (MPS), which provides acute, emergency and mental health services as well as residential aged care beds. The MPS has close links with the Young Health Service which provides clinical support through a visiting pharmacy service;
- The South West Regional Library Service has over 6,000 registered borrowers from the Boorowa, Harden and Young local government areas;
- Southern Slopes County Council is a local government noxious weeds authority operating across the shires of Boorowa, Harden, Yass Valley and Young; and
- The Young Community Transport Service bus, which provides transport to residents of Boorowa and Young within the region and to Canberra for work and recreation activities.

Boorowa, Harden Shire and Young Shire councils are members of the Canberra Region Joint Organisation (CRJO), a partnership of 12 councils in the region. Examples of how these councils have been working collaboratively in the past, including through the CRJO (formally the South East Regional Organisation of Councils (SEROC)), are outlined below:

- The three councils are involved in the Regional Waste Strategic Plan, which seeks to facilitate a strategic approach to waste management and minimising waste through innovative waste stream management;
- CRJO/SEROC facilitated a joint ePlanning Software project that provides councils with a regional online system of assessing and tracking development applications. The initiative also aims to enable councils to access information regarding development applications through a more efficient online process;
- promoting regional planning and sustainability through promoting the upgrade and sustainability of transport infrastructure and supporting the retention and growth of health services across the region;

-
- developing regional cooperation and resource sharing between councils through promoting communication and cooperation, facilitating information dissemination and exchange and facilitating cost saving through resource sharing;
 - Young Shire shares resources and provides planning services, specialist staff and plant/equipment sharing arrangements to Boorowa Council. In their *Fit for the Future* submission, Young Shire Council noted that, through this type of resource sharing, the councils had the opportunity to improve access to specialist skills required to assist with council services (such as risk management); and
 - Boorowa Council and Young Shire Council have committed to developing a Combined Engineering Services Team to provide services to both councils as part of either a merged council or across both regions and are currently seeking applicants for this team.

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 will provide a range of benefits to local communities, including:

- a \$30 million total financial benefit over a 20 year period that may be used to deliver better community service, enhanced infrastructure and/or lower rates;
- NSW Government funding of \$20 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 removal of back office and administrative functions and increased purchasing power of materials and contracts, both of which are expected, on average, to generate savings of around \$1 million every year from 2020 onward;
- greater capacity to effectively manage and reduce the \$19 million infrastructure backlog across the three 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

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