

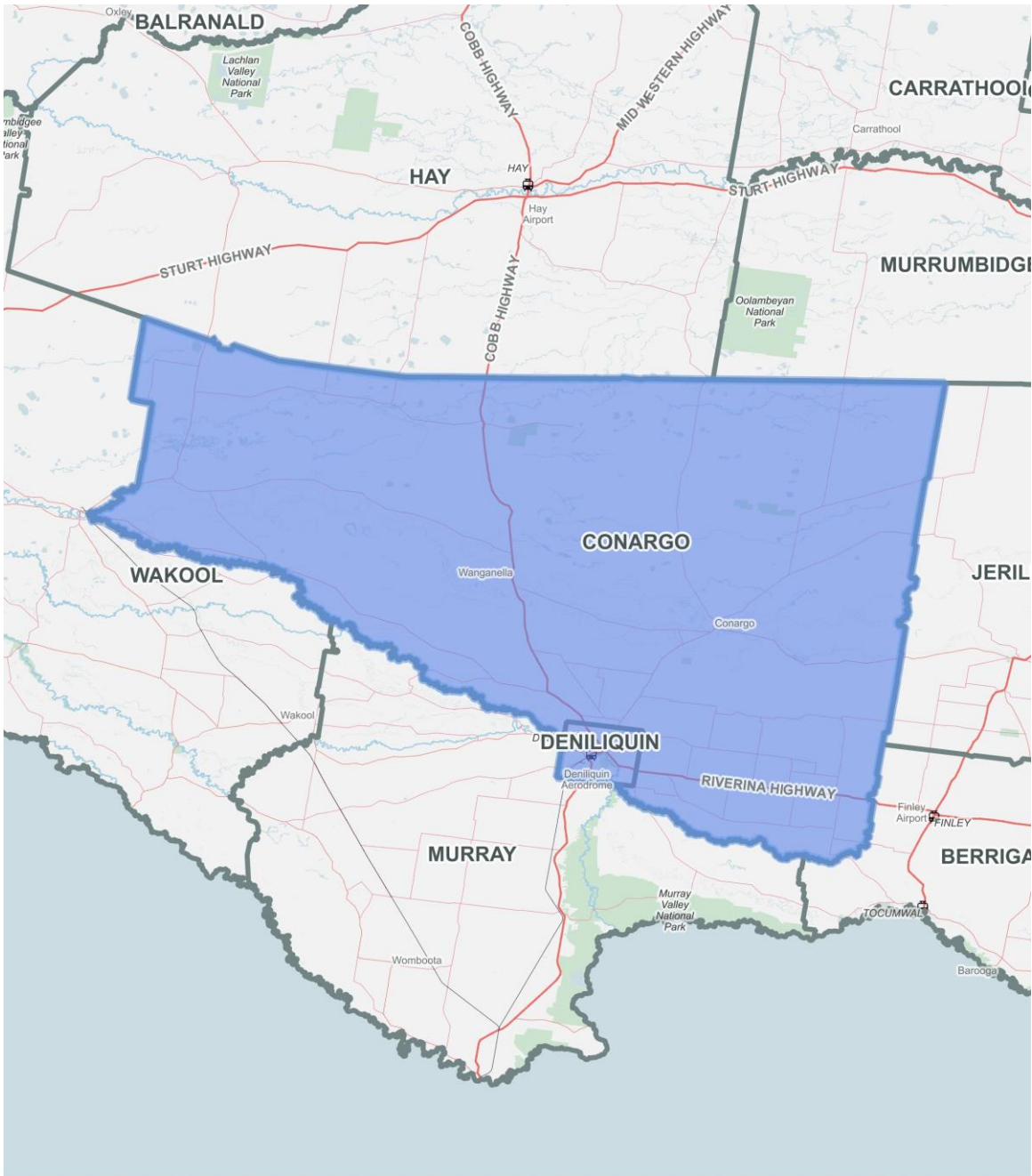
Merger Proposal:

Conargo Shire Council Deniliquin Council

JANUARY 2016



Figure 1: Proposed new local government area



Proposed merger: Conargo and Deniliquin

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 Conargo and Deniliquin.

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 \$19 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 advocate for the region's interests and better able to deliver on priorities in partnership with the NSW and Australian governments.

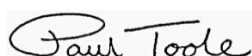
With the merger savings, NSW Government funding of \$15 million– and a stronger voice – the new council will be better able to provide the services and infrastructure that matter to the community, projects like:

- growing the region's tourism;
- improving community, recreation and education facilities; and
- investing in local roads maintenance and improving transport options 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 Conargo and Deniliquin share common characteristics and connections and will benefit by up to \$19 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 Conargo and Deniliquin 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 shared interests that stem from the agricultural base of the regional economy.

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 two councils are 'not fit' to remain as a standalone entity.

IPART determined that Conargo and Deniliquin councils satisfy key financial performance benchmarks. However, IPART assessed that operating individually, each 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 road upgrades and health and other community investment.

Impacts, Benefits and Opportunities

A range of benefits and opportunities have 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. This merger is expected to lead to around \$4 million in net financial savings over 20 years.

The analysis also shows the proposed merger is expected to generate, on average, around \$500,000 in savings every year from 2020 onwards. Savings will primarily be from the redeployment of back office and administrative functions; streamlining of senior management positions; efficiencies from increased purchasing power of materials and contracts; and reduced expenditure on councillor fees.²

The NSW Government has announced a funding package to support merging councils which would

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.

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

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, Deniliquin Council has recently received approval for a Special Rate Variation (SRV) from IPART of 2.1 per cent over a one-year period in 2015–16.

The proposed merger is also expected to result in simplified council regulations for residents and businesses in the Conargo Shire and Deniliquin 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 \$29 million infrastructure backlog across the Conargo, and Deniliquin council areas;
- development of the Conargo Shire Pedestrian and Mobility Plan;

- stimulating business to reduce unemployment, and address declining employment rates across the region;
- improving health care services, including attracting additional medical professionals to the region; and
- supporting economic growth and regional 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



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).

Conargo Shire and Deniliquin councils each submitted *Fit for the Future* proposals to remain as standalone councils. In assessing each council's submission, IPART determined that neither of the two councils were 'fit' to stand alone and that a merger was needed to achieve the required scale and capacity to meet the needs of residents now and in the future.

In the consultation period that followed the release of the IPART report, Deniliquin Council nominated Conargo Shire Council as a potential merger partner.

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 CONARGO AND DENILIQVIN REGION

The proposed new council will be responsible for infrastructure and service delivery to approximately 9,000 residents across the Conargo and Deniliquin area.

The creation of a new council provides the opportunity to bring together the communities from across the local government areas of Conargo and Deniliquin. These communities have similar lifestyles and require similar infrastructure and services based around their shared economic base in irrigated agriculture, particularly rice. Conargo Shire Council's offices are located within the town of Deniliquin.

The new council will be responsible for infrastructure and service delivery to around 9,000 residents. While Conargo Shire's population is expected to increase by 0.6 per cent over the next 20 years, Deniliquin's population is forecast to decline by 1.5 per cent over the same period.³ These varied population outlooks, coupled with other demographic changes, may create additional challenges for these councils as they seek to deliver infrastructure and services.

The proposed merger aligns with the intended planning objectives of the NSW Government's Regional planning initiatives for the Riverina Murray region. The Riverina Murray Regional Plan is being developed to manage the future population's housing, employment and infrastructure needs, and to maintain a healthy environment. The NSW Government has identified a number of regional priorities that are directly relevant to the proposed new council. For example:

- providing health care and community services, including increasing the number of health professionals and facilities at the Deniliquin Hospital;
- maintaining and enhancing the economic wellbeing of the region, including improving access to services, improved education facilities, employment opportunities and health care;
- providing opportunities to enhance the development of agribusiness through a coordinated approach to both marketing and development of local infrastructure and planning;
- protecting and securing water resources, the natural environment and local heritage;
- improving regional transport networks and utility infrastructure to support economic activity ; and
- providing housing and services to meet the changing demographic profile.


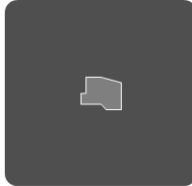

For the plan to be implemented effectively, a coordinated approach will be required to manage the expected population outlooks across the Conargo and, Deniliquin area and the related changes in service and infrastructure needs. A financially sustainable new council with appropriate scale and capacity 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 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 both of the councils satisfy financial performance criteria, it also found that each 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 position to advocate to the NSW and Australian governments for the regional investments that will be needed for the future.

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

Figure 3: Council profiles⁴

	Conargo Shire Council	Deniliquin Council	New Council
			
Population (2014)	1,535	7,437	8,972
Area	8,738 sq km	143 sq km	8,881 sq km
IPART Rating	NOT FIT	NOT FIT	This merger proposal is broadly consistent 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)	\$6.7m	\$11.6m	\$28.1m (projected 2019–20)
Operating Result (2013–14)	-\$0.8m	\$0.1m	+\$0.9m projected improvement to 2019–20 operating results
Asset Base	\$100.9m	\$129.7m	\$230.6m
Infrastructure Backlog	0 per cent	22 per cent	13 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.

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 potential \$19 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 \$4 million to the new council over 20 years. The proposed merger is also expected to generate, on average, around \$500,000 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 (\$4 million);
- redeployment of back office and administrative functions (\$2.5 million); and
- efficiencies generated through increased purchasing power of materials and contracts (\$800,000).⁶

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

Merger savings could be reinvested to:

- improve infrastructure – annual savings could be redeployed towards infrastructure renewal or capital works including projects such as road maintenance and upgrades. Redeployment of savings and could lead to cumulative additional infrastructure expenditure of \$4 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 five staff for frontline services. This could include services such as community health and environmental management: and/or
- reduce rate pressures – annual savings could be used to reduce the existing dependency on SRVs 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

Currently, the councils are forecasting varying levels of operating performance over the next 10 years. The 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:

- a net financial saving of \$4 million to the new council over 20 years;
- achieving efficiencies across council operations through, for example, the redeployment of duplicated roles and administrative functions, and streamlining senior management;
- establishing a larger entity with revenue that is expected to exceed \$32 million per year by 2025;
- an asset base of approximately \$231 million to be managed by the merged council; and

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

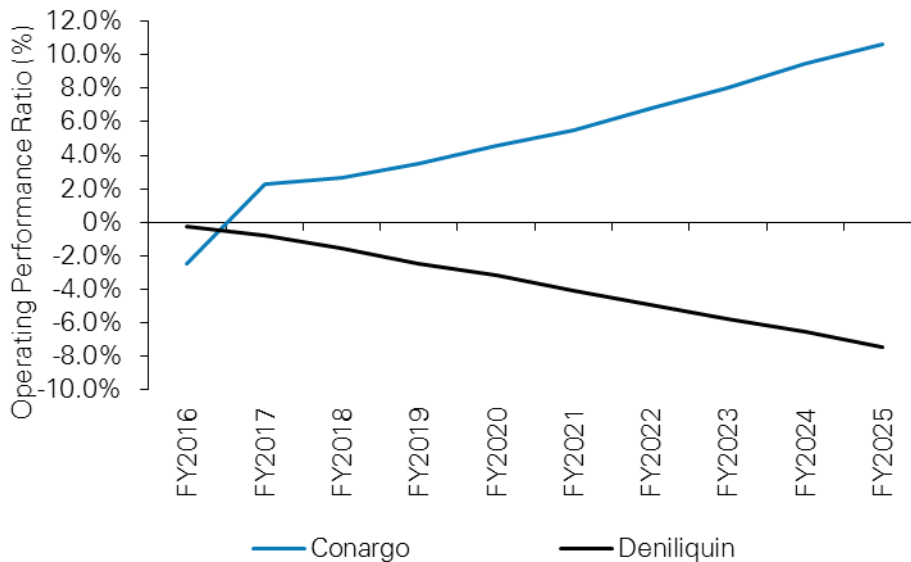
⁶ NSW Government (2015), Local Government Reform: Merger Impacts and Analysis, December.

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.

- greater capacity to effectively manage and reduce the \$29 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)



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 \$29 million infrastructure backlog across the two councils. Examples of local infrastructure and service priorities that could be funded by merger-generated savings include projects like:

- growing the region's tourism industry through marketing, by building upon popular events (such as the Deniliquin Ute Muster), exploring opportunities for new events and improving infrastructure for environment-related tourism;
- investing in waste management facilities and services, focussed particularly on increasing opportunities for recycling;
- improving community, recreation and education facilities to promote the health and welfare of residents and the priority needs of children, youth, the elderly and people with a disability in the region; and
- investing in local roads maintenance and improving transport options 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 Conargo and Deniliquin residents and businesses. Conargo Shire and Deniliquin councils are each responsible for

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

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 across the Conargo and Deniliquin area 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, which can add to the cost and complexity of home renovations and building approvals, as well as agricultural applications for land use.

Impact on Rates

Deniliquin Council has recently received approval for SRV from IPART of 2.1 per cent over a one-year period in 2015-16.

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 larger 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)

Council	Business rating assessments		Residential rating assessments		Farmland rating assessments	
Conargo Shire Council	61	5%	283	24%	815	70%
Deniliquin Council	453	12%	3,345	86%	110	3%
Merged council	514	10%	3,628	72%	925	18%

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

Local Representation

The ratio of residents to elected councillors is markedly different. This reflects the variation in resident populations across the region, as Conargo Shire is primarily low-density rural agricultural land, and Deniliquin is a higher density township. While the proposed merger will increase the ratio of residents to elected councillors, the ratio is likely to be similar to those currently experienced in other regional NSW councils, such as the more populous Bellingen Shire Council (Table 2).

Table 2: Changes to local representation in Conargo and Deniliquin

Council	Number of councillors	Number of residents (2014)	Residents per councillor
Conargo Shire Council	8	1,535	192
Deniliquin Council	7	7,437	1,062
Merged council	8*	8,972	1,122
<i>Bellingen Shire Council</i>	<i>7</i>	<i>12,854</i>	<i>1,836</i>

* The Conargo and Deniliquin 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).

For the purpose of analysis of merger benefits, this proposal has assumed that the new Council will have the same number of councillors as Conargo Shire, 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 more effectively advocate for the needs of the Conargo and Deniliquin 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 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 Conargo and Deniliquin 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 Conargo and Deniliquin councils are located within the Riverina region of southern NSW, an area with a relatively low population density and a high reliance on irrigated agriculture, particularly rice. The region's agricultural industries have been significantly affected by recent environmental changes, including a decade long drought over 2001 to 2011.

The area includes a number of significant national parks and waterways. The township of Deniliquin is situated along the Edward River. The Edward River system is located in the north-east and the Wakool River in the north-west.

Local Economy

The local economy is characterised by:

- average household income below the regional NSW average of \$65,835 (Conargo \$62,624, Deniliquin \$57,918);
- unemployment rates consistent with the NSW regional average of 7.3 percent (Conargo 7.3 per cent), except for Deniliquin which has a rate of 11.6 percent;
- shrinking employment opportunities over the period 2008 to 2013 (Conargo: 2.2 per cent decline, Deniliquin: 1.5 per cent decline), compared with the NSW regional average of 0.6 per cent growth;
- average attainment of post-school qualifications is higher in Conargo Shire at 53 percent – the same as the regional NSW average – compared to 49 per cent in Deniliquin; and
- the agricultural, forestry and fishing sector is the largest industry sector of the Conargo council area, while health care and social assistance are the main contributors to the Deniliquin economy. Many Deniliquin residents also work in agriculture.

Table 3 below provides a snapshot of the local business profile of each council. More than 800 local businesses across the region support more than 3,800 jobs to the local economy. The largest sector in the combined Conargo and Deniliquin is agriculture, forestry and fishing, particularly irrigated agriculture through rice cultivation. Mixed grain and livestock farming are also key industries within the region, particularly within Conargo. The high proportion of Health Care and Social Assistance businesses reflects Deniliquin's importance as a regional centre.

Table 3: Local business and employment profile

Council	Number of businesses	Local jobs	Largest sector
Conargo Shire Council	195	835	Agriculture, Forestry & Fishing
Deniliquin Council	665	3,023	Health Care & Social Assistance
Merged council	860	3,858	Agriculture, Forestry & Fishing

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

While residents typically work within their local area, the region is relatively well connected. Deniliquin is an important regional centre for both communities and provides a range of employment, services, retail and hospitality outlets for residents and businesses across the region. Deniliquin Hospital provides health services to residents across the region.

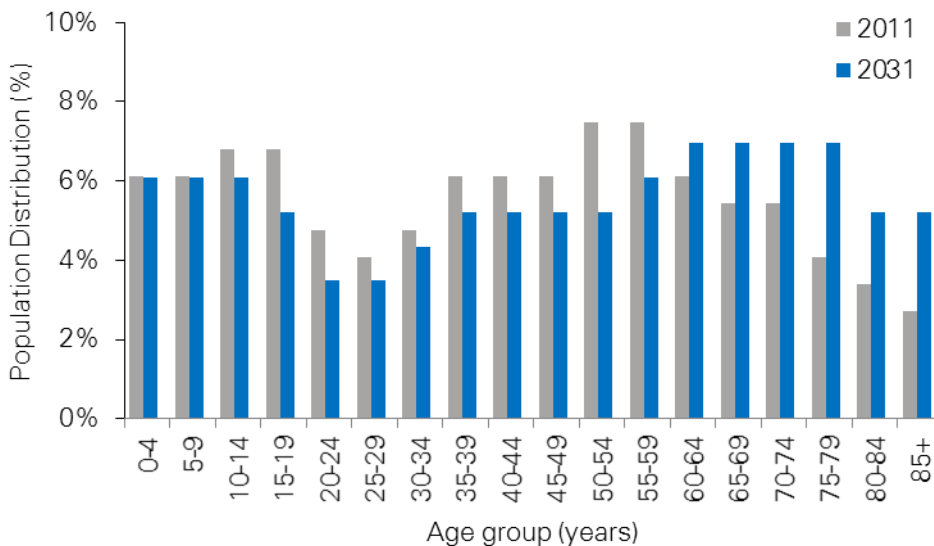
The broadly similar business profile across the region, and the corresponding workforce, will require relatively similar services and infrastructure. A merged council will be better placed to deliver these services and infrastructure in a coordinated manner.

Population and Housing

The new council will be responsible for infrastructure and service delivery to around 7,400 residents by 2031. The population growth outlook for each council is varied – the population in the Deniliquin council area is forecast to decline by 1.5 per cent overall by 2031, while Conargo council expects an increase 0.6 per cent over the same period.

Like many regions across NSW, the Conargo and Deniliquin region will also 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)

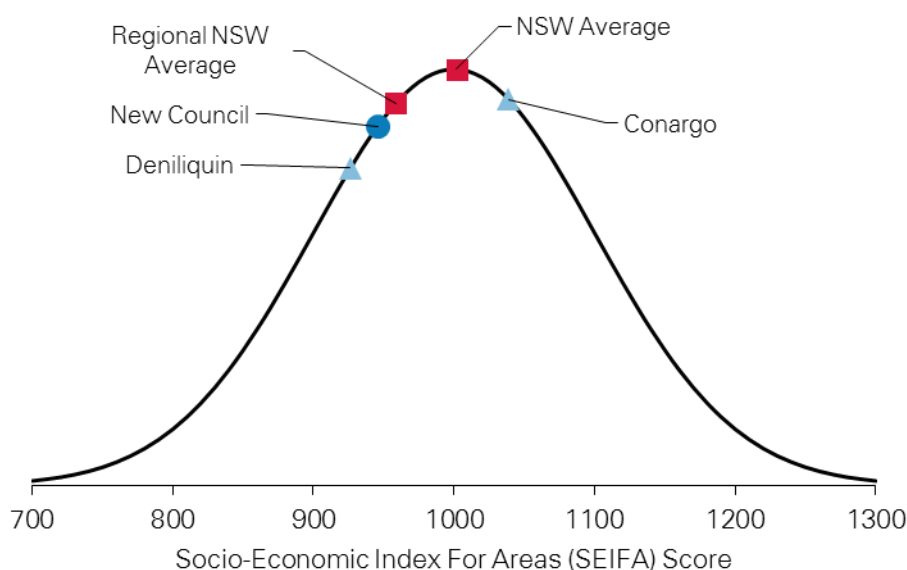


Source: NSW Department of Planning & Environment, 2014 NSW Projections (Population, Household and Dwellings).

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.

In comparison with the rest of regional NSW, the Conargo and Deniliquin communities have varied levels of advantage and disadvantage 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. The SEIFA rating for Deniliquin is below the regional NSW average, while Conargo has a higher level of relative socio-economic advantage. This reflects the characteristics across the Conargo and Deniliquin communities in relation to, 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. Expected population growth in Conargo Shire will require additional housing. Given the forecast population decline in Deniliquin, a change in the composition of the population distribution across the region is likely. Like most rural areas across NSW, separate houses are the dominant form of housing in both council areas. Given the different population outlooks across the current council areas, a merged council provides an opportunity to apply a more regional and strategic focus to planning for the required households and associated amenities that are predicted 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 Conargo and Deniliquin region (total number and per cent)

Dwelling type	Conargo Shire Council		Deniliquin Council	
Separate house	754	99%	3,030	86%
Medium density	0	0%	406	11%
High density	0	0%	0	0%
Other	9	1%	101	3%
Total private dwellings	763		3,537	

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, indicating the strong existing connections between the communities in the council areas.

Shared regional services and facilities

Examples of community services which operate across the region include:

- Central Murray County Council undertakes noxious weed control across the region with a primary focus on roadside weed control, property inspections and the enforcement of relevant regulations;
- Riverina Institute of TAFE provides students across the region with vocational education and training relevant to the regional economy, local industries and employment opportunities;
- Murrumbidgee Local Health District is responsible for the operation of public hospital and health institutions and provides health services to communities across the region (such as through Deniliquin Hospital); and
- shared regional media through the *Deniliquin Pastoral Times*, with distribution across the region.

The Riverina and Murray Regional Organisation of Councils (RAMROC) provides a platform for the integration of regional planning and priorities. For example:

- The Regional Waste Avoidance and Resource Recovery Strategy demonstrates the region's unified and strategic approach to waste management and the collective capability to advocate for funding from the NSW Government; and
- RAMROC is also supporting a region-wide inquiry into the adequacy of water storage, as well as ownership arrangements of urban water supply and sewerage services in country areas.

A further area of collaboration across Conargo and Deniliquin is environmental management. For example, both councils cooperated to support the Strengthening Murray Darling Basin Communities Program, which successfully secured \$800,000 from the Australian Government to develop a collective regional response to the Murray Darling Basin Plan. A single council will further help the region to collectively advocate for sustainable agricultural and tourism industries and engage with the Murray Darling Basin Authority.

A merged council will also be better placed to support cooperation across the region to confront and tackle shared challenges. For example, the region's reliance on agriculture means it is vulnerable to the effects of variable climate. Health care is also a key issue across the region, with mental health and drug abuse issues arising in the region recently. Conargo Shire Council is currently operating six management committees that support local communities as they seek to address social issues including depression, suicide and isolation. The management committees help foster and maintain a sense of local identity, especially in challenging times such as periods of prolonged drought. The region collaborates in coordinating health care services and infrastructure requirements through the Murrumbidgee Local Health District. These examples of cooperation demonstrate some of the service requirements that the people of the region share.

Uniquely, the Conargo Shire Council building is located in the town of Deniliquin, less than 1km from the Deniliquin Council building.

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 \$19 million total financial benefit over a 20 year period that may be used to deliver better community services, enhanced 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 \$500,000 every year from 2020 onward;
- greater capacity to effectively manage and reduce the \$29 million infrastructure backlog across both 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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