

**GENERAL MANAGER'S REPORTS TO COUNCIL MEETING
TO BE HELD TUESDAY 19 JANUARY 2016**

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ITEMS FOR DECISION

ITEM NO. 1 - FIT FOR THE FUTURE MERGER PROPOSAL
FILE: 03.13.06
FROM: GENERAL MANAGER

The Minister for Local Government, Paul Toole MP, announced on Friday 18 December his proposal to merge the northern half of Jerilderie Shire Council with Murrumbidgee Council and the remainder south of the Yanco Creek to be merged with Berrigan Shire Council. These two proposals are each supported by up to \$5m to carry out the merger, and a further \$10m from the "Strengthening Communities Fund" for the new Councils so formed to apply to capital projects.

These proposal are considered to have the potential of a major economic down turn in Jerilderie. The proposals will see the Shire effectively split in two, but the assets, apart from roads, are concentrated in the southern half. A more concerning issue is the human resources of Council are also retained in the southern half and protected by Legislation. This, of itself, is good for Jerilderie, however when you add the 43 staff members to the Berrigan staff numbers (80 to 95 depending on the time of year), it is clear that a significant reduction in staff numbers for the new Council in the south will be required. I estimate there would be a reduction in staff working for Local Government in Jerilderie of 25 at worst case to 15 at best, within a short period after amalgamation, thought to be June 30 this year.

This will have a very detrimental effect on Jerilderie, including the flow on effects to schools, hospital, and businesses. The reduction in the annual spend of \$815,000 by Council with the businesses in Jerilderie will be significant, I estimate in excess of 75%.

At the community meeting held in Jerilderie on Tuesday night, very strong support was given to merging to the north the whole of Jerilderie Shire with Murrumbidgee Shire. There was no support for a merger with Berrigan Shire. The community meeting also reinforced its support for Council's original proposal for a merger with Corowa, Urana, Berrigan and Jerilderie.

The Mayor and I attended a Local Government NSW training session - "Responding to Merger Proposals: Councils and Communities" - in Wagga Wagga on Friday 15 January, 2016. Here it was learned that a merger proposal by a Council would need to be with the Minister as early as possible to have any chance of being dealt with concurrently with the Minister's proposals. Hence the need for an urgent Special Meeting of Council.

The Mayor and I have discussed a full merger proposal with both the Mayor and General Manager of Berrigan and Murrumbidgee Shire Councils. In both cases they have indicated their expectation that their Councils will support our proposal. The Mayor of Murrumbidgee Shire Council, Austin Evans, has discussed the proposal with the Member for Murray, Adrian Piccoli, who gives his support. The

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member for Albury, Greg Aplin, indicated to me by phone this morning that he will support this proposal if Council resolves to proceed.

This proposal is defined by a business case which was provided to the State Government as part of our submission to the Fit For the Future process. This business case will need revisiting to update and correct certain elements, Councillors will remember at the time it was received there was no support from Murrumbidgee Shire Council for this merger and the business case was completed on the deadline for submissions, removing the chance to fully address corrections with the authors and obtain agreement with Murrumbidgee Shire Council.

This proposal has several major attractions:

- The combination of the two Councils' human resources will require little disruption, given that Susan Appleyard provides services in planning and building to Murrumbidgee, their senior engineer position is vacant, they have an acting General Manager, and all positions are unable to be permanently filled until merger has occurred.
- Jerilderie has always identified extensive synergies with Murrumbidgee Shire Council, being of the opinion that a close relationship would always improve the performance of both Councils. In our case the ability to grow contracting activity on State owned assets will have benefit for our community and the State Government
- The resulting representation for Jerilderie is vastly improved. There would be 3 population groups all with close to equivalent numbers, giving equal support in the Chambers of the new Council. Unlike the merger with Berrigan Shire Council where the most likely outcome would be one Councillor in eight representing Jerilderie.

RECOMMENDATION

That:

- a proposal be prepared to merge the Shire Councils of Jerilderie and Murrumbidgee.
- the support of Murrumbidgee and Berrigan Shire Councils be formally requested.
- the support of the State Member for Albury, Greg Aplin and the State Member for Murray, Adrian Piccoli, be formally requested.
- the merger proposal be presented to the Minister for Local Government under Section 218(E) of the Local Government Act 1993 requesting that it be dealt with concurrently with the Minister's proposals for Jerilderie Shire Council.

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