

# **Cabonne Council**

# **IS**

# **FIT FOR THE FUTURE**

*Supplementary report for Improvement Plan submission*

*Prepared in consultation with the Councillors,*

*Staff and Communities of Cabonne Council*

*June 2015*



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### 1.0 INTRODUCTION

This executive summary provides the key outcomes from our analysis. However, the full report needs to be read to provide the context to the analysis and assumptions that underpin the modelling.

The Independent Local Government Review Panel (ILGRP) recommended that Cabonne Council merge with Orange City Council. Therefore, Cabonne Council has undergone rigorous self-assessment and community consultation to present options and analyse its future sustainability as a stand-alone council, while maintaining and servicing its community. This has included, but is not limited to:

- workshops with councillors and staff;
- establishment of an internal project team;
- community consultation;
- analysis of the strengths, weaknesses, opportunities and threats;
- development of an Improvement Plan for future sustainability;
- a merger business case with Orange City Council.

Council demonstrates a commitment to being innovative and strategic in meeting the needs of its community and has a strong track record for financial management. It is in a good position to support the current and future needs of its community.

Since 2012, Council has had a program of internal reform and revitalisation in place, when the new General Manager and the newly elected Council agreed to five future directions aimed at ensuring the long term sustainability of the Council. Concurrently, Council has been responding as required to the ILGRP process and now the 'Fit for the Future' (FFTF) program.

This report demonstrates Council will meet the NSW Government FFTF scale and capacity criteria and will meet all of the seven financial performance ratio benchmarks of sustainability, infrastructure and service management and efficiency by 2016.

When lodging its improvement proposal, Council has had to balance the external views of the ILGRP and the importance of local government presence and local representation, especially to smaller, geographically dispersed communities, such as Cabonne. Council is also very aware of the residents' and ratepayers' strong desire to retain local democratic representation and service delivery.

## 2.0 BACKGROUND

Cabonne Council has had an internal program of improvement in place since 2012. The strategies and priorities of council are not knee jerk reactions to Destination 2036 or Fit for the Future (FFTF). Indeed the majority of the strategies outlined in the Improvement Plan for Template 2 were already underway well before FFTF.

### 2.1 Cabonne Future Directions

In 2012 the newly elected council took the opportunity to plan for the future of Cabonne Shire and to identify strategies to ensure council would continue to be a strong and efficient local government service provider. They considered this in the context of the State Government call for reform in Local Government and the Destination 2036 new VISION FOR NSW LOCAL GOVERNMENT:

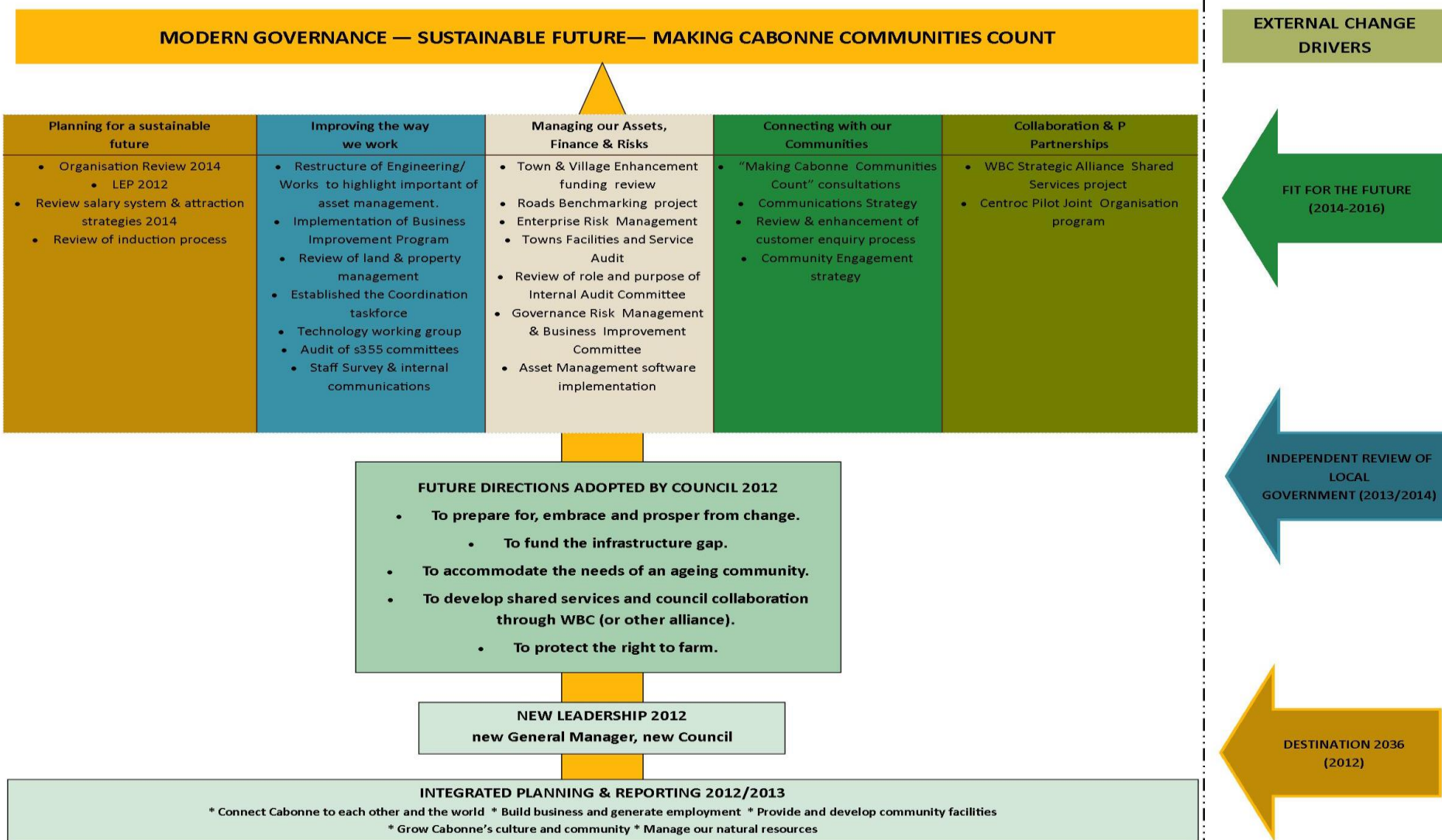


At that time Council set 5 Future Directions:

- To prepare for, embrace and prosper from change.
- To fund the infrastructure gap.
- To accommodate the needs of an ageing community.
- To develop shared services and collaboration through the WBC Alliance (or other Alliance).
- To protect the right to farm.

The following table outlines actions over the last 3 years driving Cabonne to “*Modern Governance – Sustainable Future*” in line with these future directions. During this time council has also been responding to the State Government reform program, confident we are in step with the desired future vision for NSW local government.

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## **2.2 Alternatives to Merger?**

Cabonne, along with their partners in the WBC Alliance, had already been deeply involved in the research and development of a shared service model for delivery of services.

The Alliance commenced this work in 2010 based on the success they had with shared positions and resources (\$5.7m savings in 12 years).

In 2013 the Alliance engaged KPMG to develop a legal entity model that would allow shared services across up to 20 functions. The estimated savings of this model were around \$1.1m.

This was outlined in a report attached. (*KPMG Report – CTW, Blayney and Cabonne Public Report from High Level Analysis Shared Service Delivery*)

The Alliance member councils met with the Office of Local Government on a number of occasions about this work, and was consulted with by the ILGRP about how the model could be an alternative for other groups of councils. The WBC Alliance offered to be a pilot model but the merger model has overtaken any credible discussions about alternative models.

Council is aware “shared services” has become a ‘catch cry’ for some councils trying to avoid amalgamation without having any experience in, or real commitment to, the concept. This is not the case with Cabonne and its Alliance partners.

Cabonne and Blayney are well advanced (and probably the most advanced) in this area in the NSW sector. Unfortunately Orange City Council will not enter into any discussions about this alternative despite the WBC Alliance having evidence based research backed up with financial modelling and legal opinion.

The member councils were considering progressive shared services implementation when FFTF was announced and the decision was to defer these considerations until the outcome of FFTF was known. The Councils remain committed to shared services as a core component of this operational framework.

## **2.3 The decision making process of Cabonne**

When FFTF was announced by the State Government in September 2014 Council quickly engaged in the process. Council welcomed the opportunity to highlight that Cabonne Council is already fit for the future and in comparison to a great number of councils in NSW was a very financially stable and efficient council.

Equally council did not shy away from its responsibilities to at least consider a merger option with Orange City Council or other councils.

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In December 2014 Council held a number of workshops with elected members and staff to consider their options. This was in the context of:

- The current and future strength of council operations based on the self-assessment identified council as already meeting 5 of the 7 financial indicators and meeting all 7 by 2016.
- The work council had been involved in since 2012 in the detailed development of a shared service model within the WBC Alliance.
- The strong sentiment of the community to remain independent (based on survey results from 2013) -

Council conducted an extensive community survey and face-to-face consultations in eight towns and villages in the shire. The key question for the community was about the governance structure they wanted going forward. Council received more than 1,650 responses to its survey, which represented approximately one-third of all Cabonne households. Of those respondents, 93% opposed Cabonne merging with another council. Polls were conducted at each of the village consultation meetings where fewer than 1% favoured a merger of any kind.

Council's resolution at its December 2014 meeting was:

*THAT Council:*

1. *Retain Council independence.*
2. *Support, as an alternative to merging with OCC and Blayney Shire, the creation of a joint service delivery entity to be jointly owned/controlled by two or more councils and which provides a range of services to those councils.*
3. *Identify where minor boundary adjustments could improve Council sustainability.*
4. *Acknowledge the outcomes of the community survey carried out in 2013.*
5. *Identify and place on public record the non-negotiable terms should a merger with OCC and/or Blayney Shire occur.*
6. *Authorise the Mayor, Deputy Mayor & General Manager to meet with OCC and other councils to discuss the Fit for the Future proposal.*
7. *Authorise the funding from an additional vote and undertaking of a cost benefit analysis for:*
  - a) *establishment of a joint service delivery entity;*
  - b) *merger with OCC and/or Blayney Shire.*
8. *Approach OCC and/or Blayney Shire to share the costs of a & b.*

Subsequently Cabonne Council formally approached Orange City Council in January 2015 to discuss opportunities shared services could offer as an alternative to full merger. Orange City declined to be involved and at its February meeting resolved to:

1. *To lodge a merger business case with Cabonne Council and Blayney Shire Council subject to:*
  - a *Confirmation of the resolved position of Cabonne Council and Blayney Shire Council to specifically agree to lodge a merger proposal to the NSW Government in June 2015; and*
  - b *Confirmation of the resolved position of Cabonne Council and Blayney Shire Council specifically agreeing to sharing of costs to prepare a proposal to merge that has 50% of costs paid by Orange City Council, and remaining costs paid in equal share by Cabonne Council and Blayney Shire Council.*
  - c *If Cabonne Council and Blayney Shire Council agree to the cost distribution, prepare a request to the NSW Government for funding for the use of a panel member from the appointed list established by the NSW Government, to prepare a merger business case.*
- 2 *If only one of either Cabonne Council or Blayney Shire Council provides their resolutions to submit a merger proposal to the NSW Government along with agreed contribution level, that Council resolves to submit the merger proposal with that Council with a funding split of 60% paid by Orange City Council and 40% by the partnering Council, and seek the available funding from the NSW Government to prepare the business case.*
- 3 *If neither Cabonne Council nor Blayney provides a resolution to agree to a merger proposal, that Orange City Council prepares a submission using the template for standing alone and consider as a further option selective boundary adjustments.*
- 4 *That Council **not support any shared services or similar model** (emphasis added).*

Cabonne Council then engaged Morrison Low consultancy to undertake a merger analysis between Orange City and Cabonne Councils using publicly available information. This work commenced in late March.

In mid April Orange City Council and Cabonne agreed to formally partner in this work. The scope of the project was reviewed to align with the requirements of the business case analysis outlined in the FFTF guidelines. Councils were granted funding support from OLG as part of the FFTF program.

The results of this merger case are explored in Section 2 – Merger Analysis.

#### **2.4 IPART Assessment Methodology**

In May 2015 Government announced IPART would be the body assessing Councils submissions. Assessment methodology was released which now included “additional” criteria not originally flagged in the Fit for the Future documents. Now councils in situations such as Orange and Cabonne had to also address the issue of:



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*“where possible, create a regional centre with the necessary scale and capacity to anchor a joint organisation”*

In the case of Orange and Cabonne, both councils can demonstrate they meet the Fit for the Future criteria as stand alone councils. There may be an assumption that the Central West JO has to “anchor” in Orange, thus adding to the argument that Cabonne and Orange should merge. However this decision has not been made by the members of the Central West JO Pilot committee and there would be a strong argument that the JO could just as easily or should in fact “anchor” in Bathurst Regional Council.

Cabonne Council should not be penalised through merger and loss of autonomy merely by virtue of its geographic location.

There are many councils in NSW which are not as financially strong as Cabonne or that do not meet the fitness tests yet are not being pushed towards amalgamation. Two of these, Greater Hume & Upper Hunter, are rural shires at the periphery of regional centres! Cabonne Council has made a surplus both after and prior to capital grants for nine consecutive years.

To demonstrate Cabonne’s strong position and sustainability we submit the following comparative table with two other rural, like sized council which are NOT recommended for merger as their first option.

	<b>Cabonne</b>	<b>Greater Hume</b>	<b>Upper Hunter</b>
<b>Area</b>	6 108 km2	5 748km2	8 101 km2
<b>Population</b>	13 481	10 137	14 509
<b>Councillors</b>	12	9	9
<b>FTE</b>	173	129	192
<b>Revenue</b>	\$ 37,644.00	\$ 33,606.00	\$ 45,872.00
<b>Expenditure</b>	\$ 32,303,000	\$ 32,836,000	\$ 36,023,000
<b># of Swimming Pools</b>	7	5	3
<b>TCorp Ranking</b>	Sound Negative Moderate Merge with Orange	Moderate Negative Weak standalone	Sound Negative Moderate No recommendation
<b># of Halls</b>	8	15	10

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<b># of Public Libraries</b>	3	1	5
<b>Total Road Length</b>	2,052 km	2,073 km	1,768 km
<b>Assessment Results</b>	5 from 7	1 from 7	5 from 7
<b>IRP recommendation</b>	Merger with Orange City	Council in JO or part merger Albury	No recommendation

*(Based on 2013 OLG comparative analysis data)*

The notion of mergers to increase strategic capacity of Orange is theoretically based and without substance, it is therefore a high risk proposition.

Additionally council has undertaken research on the current financial position of three councils that resulted from the mergers of 2003 – Palerang, Glenn Innes, and Greater Hume, as follows:

<b>Indicator</b>	<b>Cabonne</b>	<b>Palerang</b>	<b>Greater Hume</b>	<b>Glenn Innes</b>
<b>Operating Performance</b>	Yes	No	No	No
<b>Own Source Revenue</b>	Yes	Yes	No	No
<b>Debt Service Cover</b>	Yes	No	No	No
<b>Asset Maintenance</b>	Yes	No	No	No
<b>Asset Renewal</b>	Yes	No	No	No
<b>Infrastructure Backlog</b>	Yes from 2026	Yes	Yes	Yes
<b>Real Operating Expenditure</b>	Yes	No	Yes	Yes

This comparison clearly highlights the very strong financial position of Cabonne Council and the risks of merging – 12 years after these councils merged they are all still struggling to meet the financial benchmarks.

### **3.0 MERGER BUSINESS CASE – CABONNE AND ORANGE**

Cabonne initially engaged consulting firm Morrison Low in March this year to complete a merger business case based on publicly available data. In April Orange City Council agreed to participate and the scope of this work was broadened to allow more detailed analysis of internal financial and assets data.

The full report is attached.

The key points identified from this analysis include:

- The risks of a merger identified are very real and could easily erode the potential savings to be achieved.
- Estimated savings of \$5.4M (which includes the \$5M merger grant) for two merging councils is absorbed in transition costs and is deemed not sufficient. (By way of comparison, the WBC Alliance average savings realise \$500k per year.)
- The degree of change on the scale and capacity criteria for the new merged council is either limited or non-existent.
- The individual councils will meet the financial indicators as standalone councils.
- The merged council would meet the financial indicators.
- The report finds it would be unlikely for Orange to improve its scale and capacity through a merger with Cabonne.
- The current rating structures are very different and there would likely be an adverse correction to harmonise rates to a number of Cabonne ratepayers.
- Service provision and levels differ significantly in both councils and are a potential risk to a merged council's capacity.
- Per capita representation would decrease.
- The community of Cabonne are strongly opposed to merger with Orange.
- The community and social context of the two council areas and residents is vastly different – one being a large city/urban council and one focussing on rural services to small villages and communities.

Modelling by Morrison Low indicated a merger with Orange would provide a financial benefit of about \$5.4 million over 10 years. However this amount includes a \$5 million payment the NSW Government is offering as an incentive for two councils to merge. Without the incentive payment, the benefit is likely to be about \$40,000 a year over the next decade.

By comparison, Cabonne's strategic alliance with Wellington, Blayney and Central Tablelands Water Councils has saved almost \$6 million in the past 12 years, including \$520,000 in the past 12 months, through collaborative arrangements and resource sharing.

### **3.1 Risks identified in merger business case**

- Transitional costs may be more significant than set out in the business case
- The efficiencies projected in the business case may not be delivered.
- The implementation costs may be higher and the anticipated savings may not be achieved.
- Decisions subsequent to the merger about the rationalisation of facilities and services may not reduce the cost base of the merged organisation as originally planned.
- The cultural integration of the two council organisations may not go well resulting in low morale, increased staff turnover rate etc, reducing business performance and prolonging the time it takes for the predicted efficiencies to be achieved.
- Where two unequal sized councils merge there is a danger it may be perceived not as a merger but as a takeover, in this case by Orange, being the urban-based council.
- Service levels rise across the merged council, standardising on the highest level of those services that are being integrated.
- Differences in rate structure will need to be resolved, and the rating burden may shift between different classes of ratepayers.
- Approaches to water management are different, and if water schemes are required to be upgraded to potable supplies, this may impose additional costs on communities.
- Asset utilisation varies between communities and any economic rationalisation may be sensitive within communities effected.
- Implementation of merger strategy across different geographic locations may present practical and cultural changes.
- New services are introduced that are not currently delivered in one or more of the former council areas.
- Challenges of integration at the corporate, cultural and community level, including issues related to staffing. Additional staff office/depot accommodation is required to house the merged council.
- The financial performance of the merged council is less than that modelled, resulting in the need to either reduce services, find further efficiency gains and/or increase rates to address the operating deficit (may result in SRV).

### **3.2 Council consideration of the merger analysis findings**

Both Cabonne and Orange Council have formally considered the findings of the merger business case at their May council meetings. Both have consulted with community and both are of similar position - that the findings do not demonstrate enough projected savings, efficiency improvements or improved service provision.



Cabonne Council, after considering the merger analysis report, the self assessment data, the evidence that council can meet the scale and capacity criteria, and being very cognisant of the overwhelming community sentiment opposing a merger resolved at its meeting on 23/6/2015 as follows:

*THAT Council submit Template 2 (Council Improvement) proposal to IPART on or before June 30 2015.*



## **4.0 SCALE AND CAPACITY**

The Government has made it clear that the starting point for every council is scale and capacity. The IPART methodology reiterates the ILGRP<sup>1</sup> position on scale and capacity and outlines the requirements to be satisfied.

While any council could make an argument that it can meet the scale and capacity tests, councils need to do so recognising the stated Government position that runs contrary to that. In the case of Cabonne Council, it can demonstrate that it has many of the elements of scale and capacity, especially given the size of the council and the population it serves. It also has the resources to address the Government's tests around scale and capacity on its own without special considerations.

Council delivers a high level of service that meets its community needs, provides a strong voice for the community and is passionately supported by the community. These factors are a measure of scale and capacity.

### **4.1 Scale**

The Government has asked each council to begin with the recommendation proposed by the ILGRP as that is considered to be the appropriate scale and capacity for the council. On the basis that the ILGRP's panel recommendation which proposed that Cabonne Council could potentially merge with Orange City Council or stand alone in a Joint Organisation, it can be assumed that a merged council could achieve scale by either a merger with Orange or as could a standalone council in a Joint Organisation.

### **4.2 Capacity**

The panel report articulated the Key Elements of Strategic Capacity as follows:

**Figure 1 Scale and capacity**



As a standalone Council, Cabonne will achieve a greater degree of strategic capacity through the specific strategies in this documented improvement plan.

Strategic capacity is largely influenced by councils’ financial sustainability position although there is a need to take and establish a holistic approach in understanding and determining elements that influence scale and capacity of councils. As Cabonne Council is financially sound, it has the capacity to address most potential weaknesses in the strategic capacity tests.

There is also a need to develop broader quantitative and qualitative measures that better define or illustrate the concepts of scale and strategic capacity. This report tackles this concept from two levels - a scale and capacity and strategic capacity – with a range of performance measures.

Firstly, councils need to meet, or be trending to meet over time, the fundamental scale and capacity hurdle:

- Trending towards or meeting all the FFTF benchmarks
- Show an increase in population forecast
- Delivery of services that meet community needs

<sup>1</sup> ILGRP *Revitalising Local Government – Final Report of the NSW Independent Local Government Review Panel*, October 2013, p.32

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- Demonstrate improved service efficiency and focus on outcomes based on the integrated Planning and Reporting framework
- Work in a regional environment, promoting, leading and providing a strong voice for the community.

This will ultimately play out with a strong sense of community and community satisfaction. Creating a sustainable system of local government in NSW is essential and councils will need to contribute to the broader community, economy and system of government. Key to this is regional land use and infrastructure planning that builds regional and local community capacity. Councils will need the ability to respond to a range of emerging and changing community needs with the complexity of delivering integrated local and regional outcomes.

High capacity and capable councils should play a major role in driving the future regional and local affairs in their own right and will need to demonstrate significant compliance with the elements of strategic capacity to do so.

The following table highlights a selection of elements where Council meets scale and strategic capacity.

Elements of Strategic Capacity	
<b>More robust revenue base and increased discretionary spending</b>	<b>Council is showing a 24% increase in population to 2031. Council will meet all of seven FTFF benchmarks.</b>
<b>Scope to undertake new functions and major projects</b>	<b>Council’s current LTFP proposes a healthy surplus while still maintaining infrastructure and all benchmarks from 2016. Council has very little debt and, together with its surplus and no infrastructure gap, this places Cabonne in a sound position to undertake new projects or functions in response to any identified community need.</b>
<b>Ability to employ wider range of skilled staff</b>	<b>Council has been able to attract suitably qualified and professional staff in recent years, due to the attractiveness and desirable lifestyle of the area. As part of Council improvement plan it has set aside funding to continue to strengthen its workforce. It has also set aside additional funding support leadership, training and staff development.</b>
<b>Knowledge, creativity and innovation</b>	<b>Council has introduced innovative use of plant for efficient unsealed road rehabilitation. As a smaller Council, Cabonne recognises it cannot always be a leader in innovation, however, through regional collaboration and the use of external advisors it has demonstrated it can access different sources of new knowledge, creativity and innovation when required.</b>



Elements of Strategic Capacity	
<p><b>Advanced skills in strategic planning and policy development</b></p>	<p>Council has implemented a number of initiatives, especially through its involvement in the WBC (Wellington / Blayney / Cabonne) Alliance over recent years, demonstrating the capacity to deliver a number of strategic initiatives.</p> <p>Council has Integrated Planning and Reporting documents in place and updates them regularly and measures its performance against KPIs.</p> <p>As part of its improvement plan it has set aside funding to invest in a planning study to develop a local growth management strategy.</p>
<p><b>Effective regional collaboration</b></p>	<p>Council has a shared library service agreement with Orange City Council.</p> <p>Council was a founding member of the WBC Alliance.</p> <p>Council is an active member of the Central NSW Council Regional Organisation of Councils or CENTROC group.</p> <p>Waste is managed regionally through NetWaste.</p>
<p><b>Credibility for more effective advocacy</b></p>	<p>Community surveys and engagement activities demonstrate a strong sense of local identity and satisfaction with Council.</p>
<p><b>Capable partner for the state and federal agencies</b></p>	<p>Roads and Maritime Services have formally acknowledged Council's quality services.</p> <p>Council delivers a range of community services in partnership with other agencies.</p>
<p><b>Resources to cope with complex and unexpected change</b></p>	<p>Council has sufficient internal resources to cope with most change requirements and has the capacity to engage additional support when faced with more specialized or complex change as evident with the Fit for the Future process.</p>
<p><b>High quality political and managerial leadership</b></p>	<p>Council enjoys strong strategic partnerships and connection with the local community as evident in recent community surveys.</p>

### **4.3 Further Commentary About The Elements**

#### **4.3.1 More robust revenue base and increased discretionary spending**

Councils self-assessment process for FFTF identified that as at 2013/14 Council already met 5 of the 7 financial benchmarks and that the future predictions indicate Council will achieve all the benchmarks by 2015/16.

Council has no debt and has significant cash reserves.

The council recognises future opportunities to undertake more capital and maintenance infrastructure work through borrowings without needing to resort to increasing rates through



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a special rate variation. Council is currently reviewing its future financial strategies and management processes and has include this in the Improvement Plan.

Council has a sound track record of accessing grant funding to supplement major works and provision of infrastructure.

The improvement opportunities have highlighted some significant savings that can be achieved across Cabonne Council. Some of these can be implemented immediately, such as reduction in the asset backlog, while others will take time and significant work and effort to be realised, such as the organisational restructures and investment in strategic capacity.

Modelling these cost savings and efficiencies has a significant improvement on the FFTF indicators.

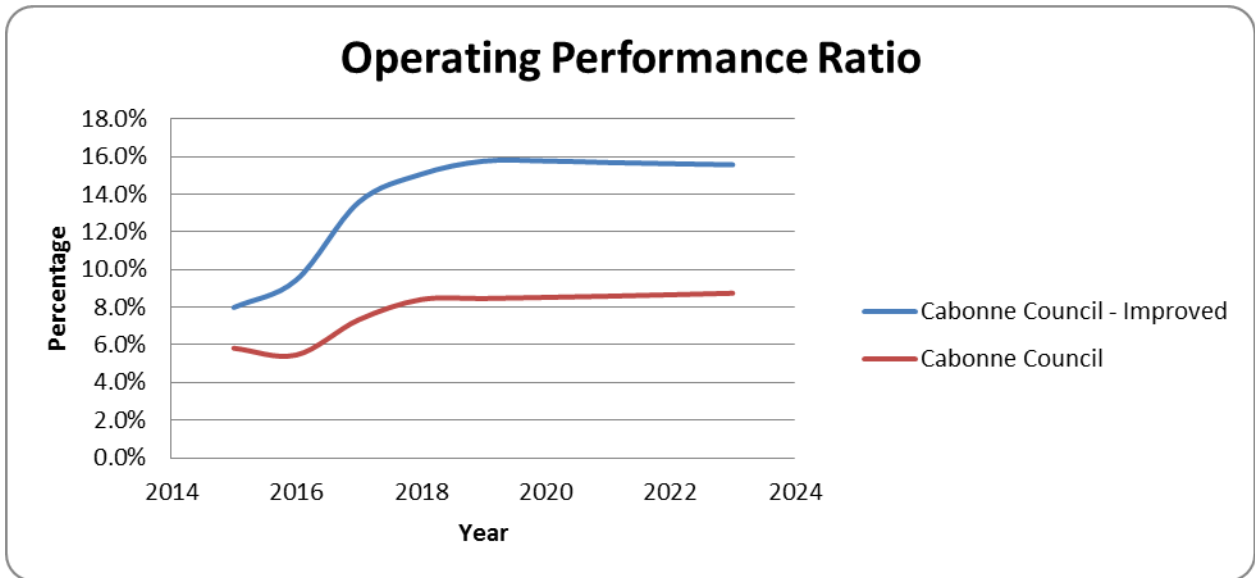
The application of funding to infrastructure management has also been remodelled. If an asset gap has been identified in any stage of the model, any operating surplus or improvement savings are firstly applied to improve renewals and address the infrastructure backlog as quickly as possible. Once the backlog is addressed, renewals are reduced and maintenance is increased until the maintenance ratio reaches 100% (if required). Thereafter, investment in maintenance is calculated at a level to maintain a ratio of 100%.

To forecast how these savings would affect Council's FFTF indicators and performance over time against the benchmarks, the improvement savings have been assumed to address the operating performance ratio if there is no asset funding shortfall.

The following graphs have been plotted against the Council's modelled Long Term Financial Plan expected result to show the effect of the improvement opportunities identified above.



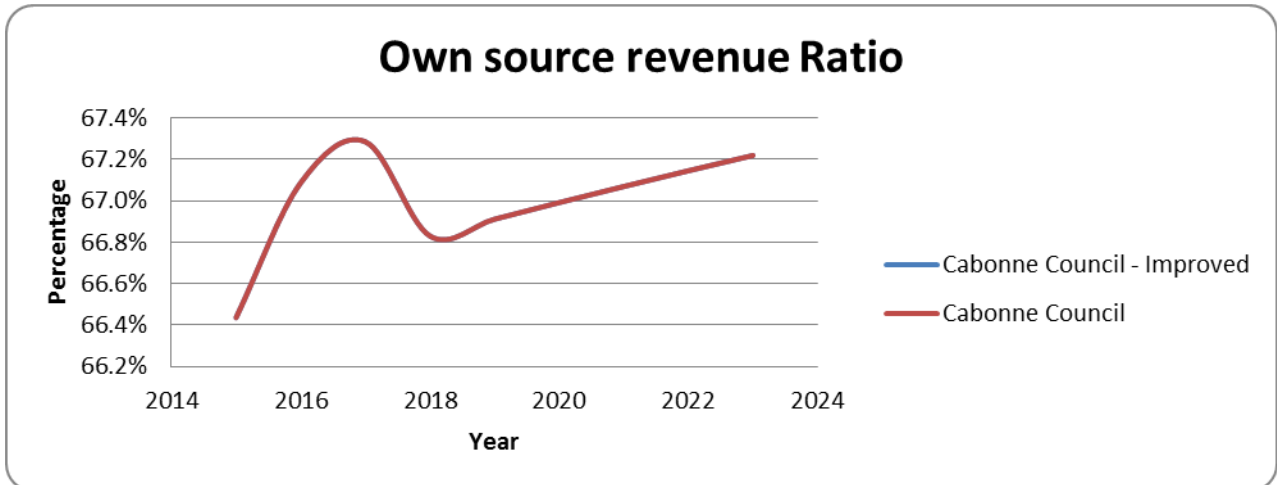
**Operating performance ratio**



*Operating Performance Ratio – Benchmark Greater Than Breakeven, Meet By 2019/20.*

The surplus is considerably higher under the improved model as any proposed investment in renewals or maintenance above 100% is transferred to improve the operational performance and all improvement initiatives contribute to increasing the operational performance ratio.

**Own source revenue**

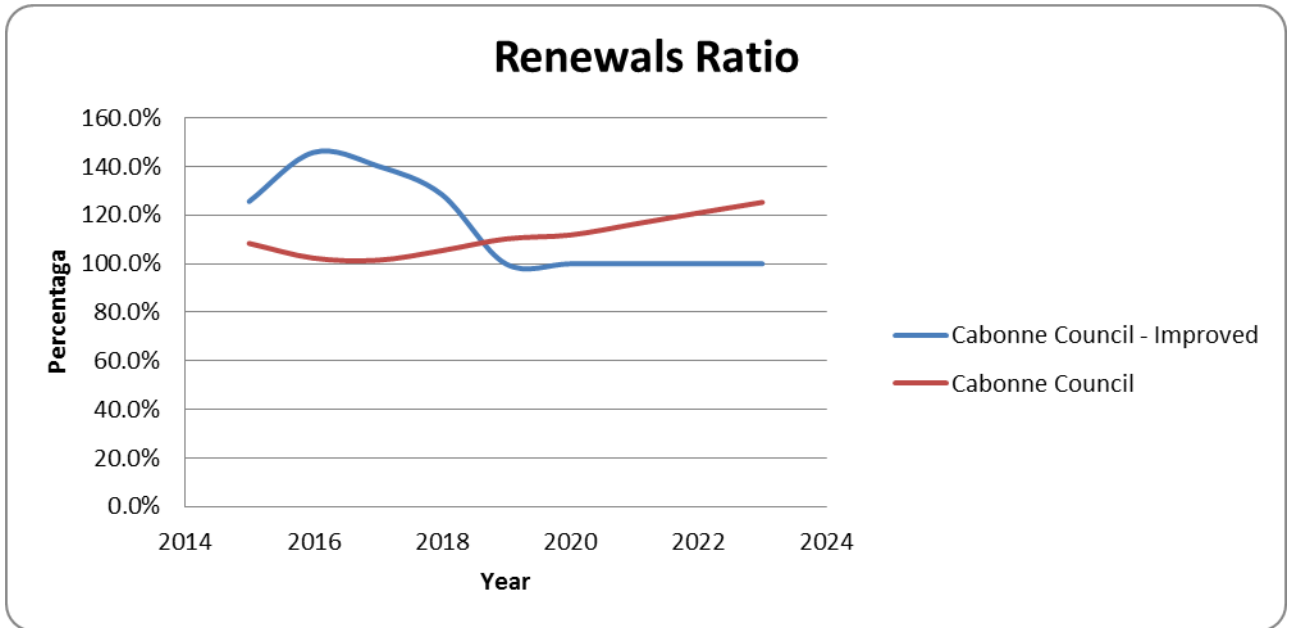


*Own Source Revenue Ratio – Benchmark Greater Than 60%, Meet By 2019/20*

The improvements make no change to own sourced revenue.

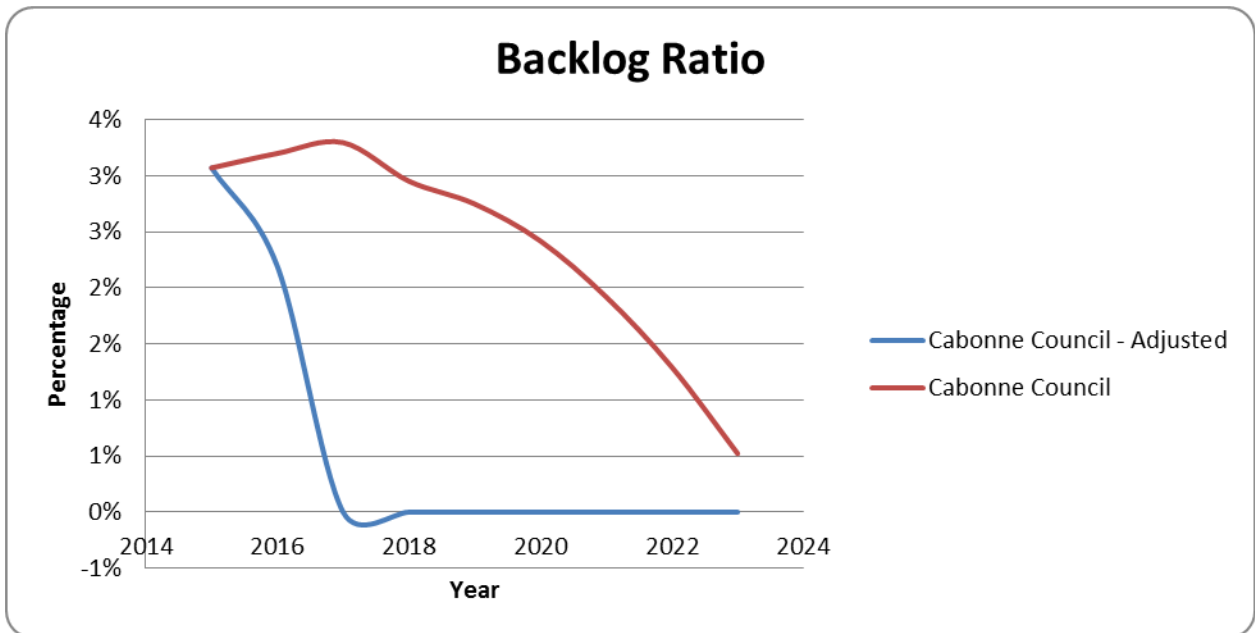


**Asset renewal ratio**



*Buildings and Infrastructure Asset Renewal Ratio – Benchmark 100%, Meet or Improve in By 2019/20*

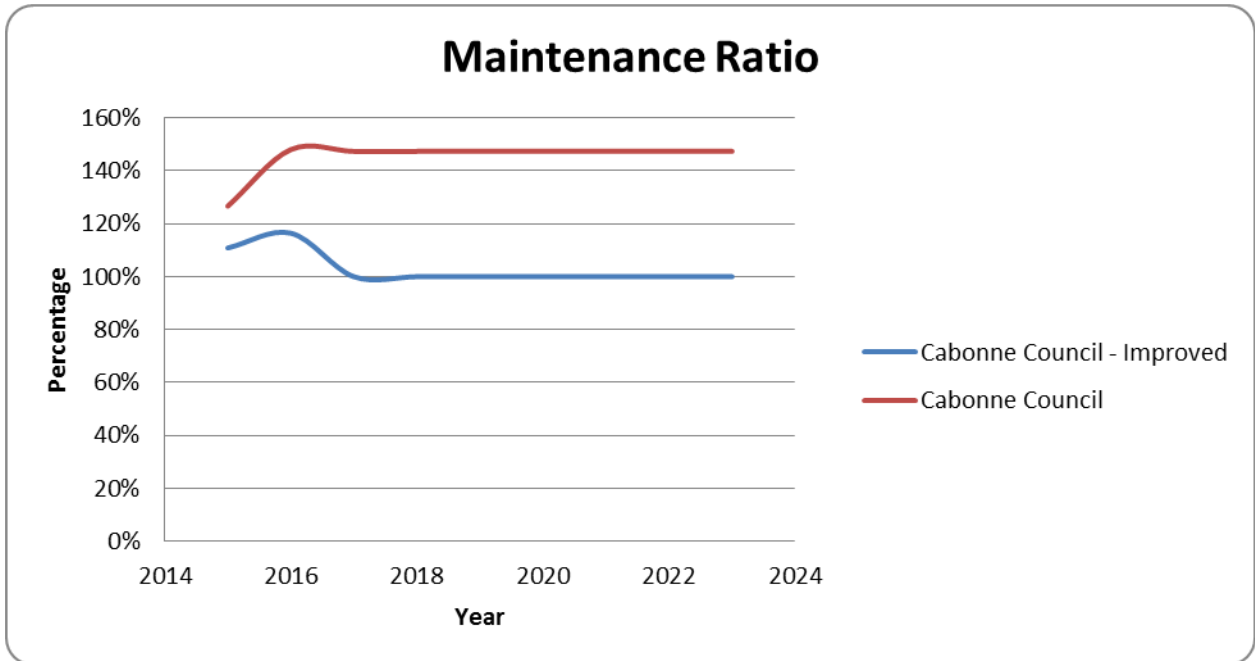
**Infrastructure backlog ratio**



*Infrastructure Backlog Ratio – Benchmark Less Than 2%, Meet or Improve in by 2019/20*

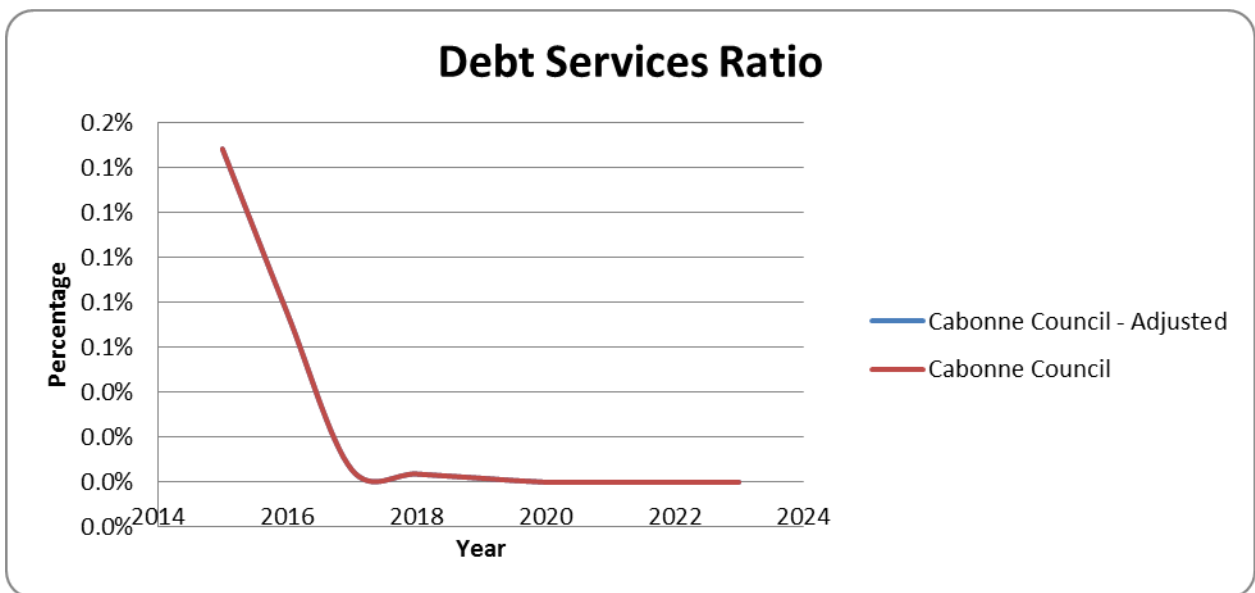


**Asset maintenance ratio**



*Asset Maintenance Ratio – Benchmark 100%, Meet or Improve in by 2019/20*

**Debt service ratio**

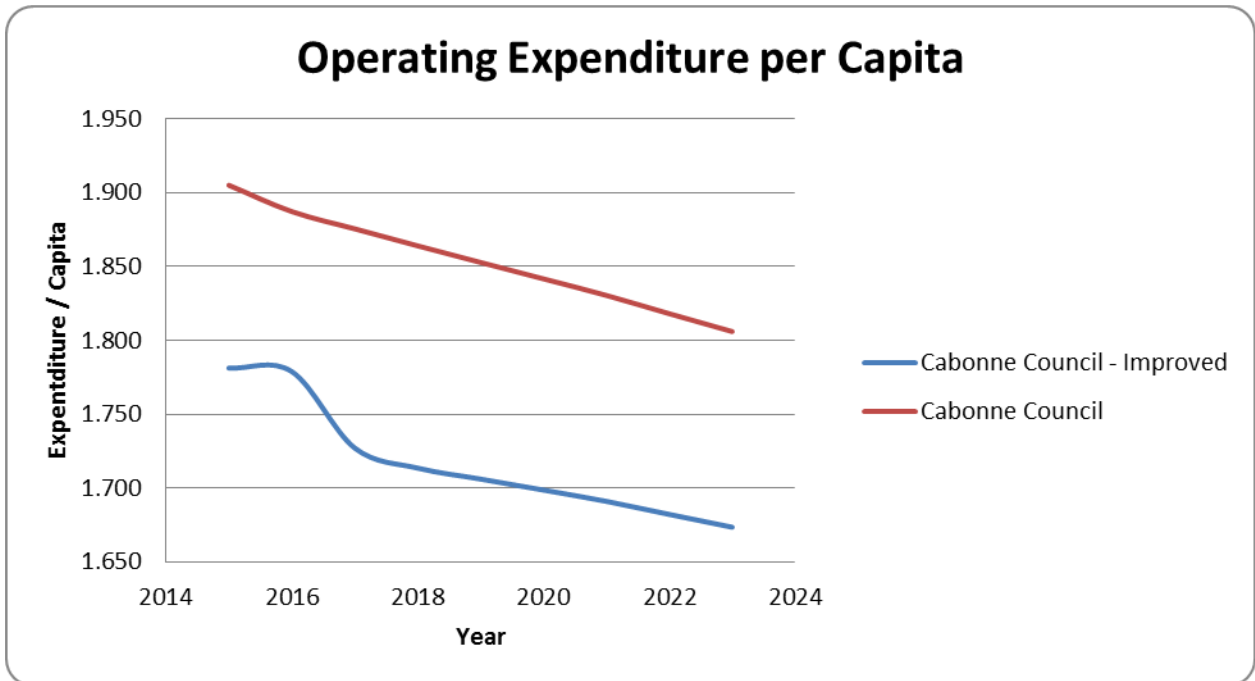


*Debt Service – Benchmark Greater Than 0% and Less Than 20%, Meet by 2019/20*

The improvements make no change to the debt ratio.



Real operating expenditure



Real Operating Expenditure Per Capita – Benchmark declining trend by 2019/20

### ***4.3.2 Scope to undertake new functions and major projects and resources to cope with complex and unexpected change***

Cabonne has a long and successful track record of managing large and complex infrastructure projects and has been the recipient of awards in recognition of this.

#### **EXAMPLE - WALUWIN COMMUNITY HEALTH CENTRE**

The Waluwin Centre at Molong is the result of a unique partnership between community groups, residents, private enterprise and Local, State and Federal Governments.

Regarded as a model for the future delivery of health services in rural Australia, it delivers traditional medical services, preventative health care, palliative care and healthy lifestyle services for everyone ranging from toddlers to seniors.

In 2011, Cabonne Council received the National Local Government Award for Innovation for the project which was described by NSW Parliamentary Secretary for Health Andrew McDonald as “the pinnacle of best practice and the jewel in the crown for the delivery of rural health services” when he officially opened the \$3.6 million centre in 2010.

Council co-ordinated an extensive consultation process which resulted in a unique partnership between all three tiers of Government, health service providers, local residents and community organisations diverse as the Country Women’s Association and the Anglican Church.

In a true Government and community funding partnership, NSW Health provided \$1.6m, Cabonne Council \$1.1m, the Federal Government \$500,000, Greater Western Area Health Service \$360,000 and the CWA \$20,000. There was also a significant in-kind contribution from the Anglican Church which sold the land to the Council.

The centre houses five general practitioners, community health workers, speech therapist, optometrist, occupational therapist, physiotherapist, podiatrist, psychologist, pathology services, palliative care specialist fitness leader and child and family nurses.

It employs 24 people, with 20 positions created by facility’s development and has attracted five new doctors to Molong, who also service five smaller nearby villages.

The Waluwin Centre is also the headquarters for Cabonne Council’s Family Day Care and Family Links services and the venue for community playgroups, mothers’ groups, community meetings and training sessions.

It is now in the process of becoming a pilot project out roll out the system throughout NSW.



#### **4.3.3 Ability to employ a wider range of skilled staff**

In 2014 Council completed a major organisational review to examine the effectiveness and efficiency of its current structure, resources and service delivery model. Council is now in the process of implementing the recommendations including building skills capacity in the areas of project management, (engineering projects) assets management and technical services. There are also opportunities to improve the way business performance management, risk and continuous improvement is managed within the organisation.

A recent example of improvement strategies is the implementation of “Scout”, an online program for recruitment. It will improve the turnaround time for recruitment, eliminates the administration burden on council in relation to acknowledgment letters and status letters.

Cabonne employs full compliment of staff (including all professional staff requirements) for its service delivery consistent with CSP. It supplements this workforce as necessary with specialists skills from private sector or labour skills as required.

#### **4.3.4 Knowledge, creativity and innovation**

The way Cabonne manages staff and delivers services over 6,108 square kilometres and to 11 towns and villages requires innovative and creative solutions. Staff are multi-skilled and able to adopt to new challenges and opportunities.

Some examples:

- Roads maintenance and construction – use of laser and new satellite operated graders.
- Use of remote access technology.
- Resource sharing through WBC Alliance.
- Common DA kit, project management, internal audit, engineering guidelines, DCP, joint tenders with WBC partners.
- Joint implementation of corporate IT system with WBC partners – first time in NSW local government project realised \$470,000 in savings.



#### **4.3.5 Advanced skills in strategic planning and policy development**

When Council implemented IPR in 2011/12 the community were actively engaged in the development of the first Community Strategic Plan.

Since then the internal management of IPR has matured and council now has a sophisticated system of monitoring and reporting on the Delivery and Operational Plans and Resourcing Plans.

Council has made good progress in the integration between the assets plans and LTFP with a number of strategies underway to significantly improve this such as:

- Implementation of new Asset Management software (currently underway).
- Currently completing road revaluation process with very good outcomes.
- Currently recruiting 4 new positions to technical services including a newly created role of Manager Technical Services, 2 Assets Officers and a new Project Engineer position.

#### **EXAMPLE - FUTURE DIRECTIONS FOR MODERN GOVERNANCE**

Following the 2012 Local Government elections Cabonne council held a two-day Future Directions Forum involving councillors, senior management and an independent facilitator.

Discussion was honest and robust over the two days. Sessions included a realistic analysis of what we do well and not so well, identification of strategic challenges for the future and expected social and economic trends over the next 4 years.

Strategic challenges were identified with the following top five being identified as needing to receive particular attention:

- To prepare for, embrace and prosper from change.
- To fund the infrastructure gap.
- To accommodate the needs of an ageing community.
- To develop shared services and council collaboration through WBC Strategic Alliance.
- To protect the right to farm.

Following the Future Directions Forum the council gave their unanimous endorsement of five actions recommended by the General Manager, being:

1. Acknowledge the 'challenges' and 'actions' as determined at the Future Directions forum are the key focus areas for the 2013/2014 year.

2. Embark upon a 'change management' program internally and externally (including WBC or similar) and that specific funding be allocated.
  - a) The change management program will include a mixture of internal and external organisational mapping/audit, efficiency, productivity and customer related matters. It will be, where relevant and possible, synced with any future directive by Council to enter into a more **formal shared service environment** with other entities. (commenced in 2013)
3. Acknowledge the Operational Plans of our IP&R responsibilities require refined cross-referencing with the: Asset Management, Workforce and other plans and; Budget.
4. That Council consider endorsement of the philosophy that greater benefit would be achieved by spending larger amounts less frequently and in a more strategic manner.
5. Acknowledge that a conservative approach to asset creation (and its consequential maintenance requirements) will enable the deployment of funds into key projects including renewal/backlog projects.
6. Expanding existing collaborative arrangement and options for shared service models. (major project completed in 13/14)

#### **4.3.6 Effective regional collaboration**

Cabonne Council was a founding member of the highly successful Wellington Blayney Cabonne (WBC) Strategic Alliance which has demonstrated immense value to the member councils for over 12 years and is well regarded in the industry.

During this time the Alliance has achieved savings and efficiencies of over \$5.7million and completed over 60 joint projects aimed at improving efficiencies and streamlining processes.

In more recent years the Alliance has been a leader on the research and development of a shared services model for the delivery of a range of local government services between councils. This strategy is included in the Improvement Plan.

The Alliance has been recognised with many awards including the National Awards for Local Government Winner *"Improving Service Delivery through Collaborations 2009"* and has demonstrated the great achievements that can be gained through effective regional collaboration and shared services.

## **Cabonne Council is Fit for the Future – Supplementary Report**

Cabonne council has always been an active member of Centroc and now a great supporter of the trial Joint Organisation for the Central West group of Councils.

Cabonne is active in a wide range of collaborative partnerships, arrangements and working groups such as:

- Netwaste – collaboration between 27 councils in regional NSW for provision of waste and resource management services.
- Central West Libraries areas of Orange, Blayney, Cabonne, Cowra and Forbes.
- Blayney Cabonne Family Day Care –coordinating 30 educators across four LGA's including Parkes and Orange.
- Association of Mine related councils.
- IPWEA, LG Professionals and a range of professional bodies.
- Centroc Water Utilities Alliance.
- Arc Blue Regional Procurement.
- Tourism NSW and Central West Tourism
- Regional Development Australia.
- Local Land Services
- LG Procurement

### ***4.3.7 Credibility for more effective advocacy and a capable partner for state and federal agencies***

Cabonne Council has strong relationships with key agencies at both a State and Federal level. These include:

#### **NSW**

- Road and Maritime Services.
- Workcover.
- Department Trade and Investment (Primary Industries Directorate, Office of Water).
- EPA.
- Department of Health.
- Department of Planning and Environment.
- Destination NSW.
- Department of Education and Communities.
- NSW RFS & SES

#### **Federal**

- Department of Environment.
- Department of Infrastructure and Regional Development.

- Department of Health.
- Department of Communications.

Equally important is how we partner with our communities. Council has dedicated internal resources to connect with community and to support community committees and groups achieve their actions.

#### **4.3.8 High quality political and managerial leadership**

Council has 12 Councillors with collectively over 60 years of experience in local government representation.

The demographic of the councillor cohort 3 female/9 male represents a higher than average female representation (at the last round of local government elections, nationally, women accounted for just 32 per cent of all candidates and were elected to 30 per cent of positions).

The work and life experiences of the Councillors is broad and varied bringing a great level of diversity and input to decision making process.

A number of Councillors represent Council on internal, local, regional and state Boards or committees.

In the last 3 years there have been no code of conduct issues.

Being a small community, staff and councillors are likely to know each other outside of the formality of Council roles and operations. This greatly enhances the positive relationship and ability to work together to achieve outcomes.

Council voted to move away from the traditional ward system in 2011 to create greater cohesion within council and improve overall representation of its residents.

Equally council has strong managers and leaders within the staff.

## 5.0 CABONNE'S GROWTH IS NOT 'OVERSPILL'

The ILGRP initially made the comment that Cabonne and Orange should merge because Cabonne is a classic 'donut' council surrounding Orange. Cabonne rejected this assertion and advised the ILGRP that a) Cabonne does not completely surround Orange and b) other than similar geographic context, Cabonne exhibits none of the classic 'donut' characteristics.

Cabonne relies upon Orange for NIL services and houses all of its administrative activities within its own shire. Cabonne and Orange have agreements surrounding the sponsoring and payment for shared services (eg library staff), however, these were not born from a 'dependency' arrangement. Rather they are an example of shared services being embraced within the region. Cabonne provides its own libraries yet pays a proportional share for the library service administered by Central West Libraries which is administered (for convenience) from Orange and which services numerous councils within the region. Cabonne also provides host services for services it shares with other councils, including the WBC councils and the Blayney Cabonne Family Day-care service – which has numerous carers based within Orange and Blayney.

The ILGRP subsequently desisted from reference to Cabonne as a donut and chose to make the claim that Cabonne's growth is 'overspill' from Orange. This is reflective of the ILGRP's attempts to justify their theoretical notion that Cabonne (more than 17 times the land area of Orange and consisting of agricultural communities of interest) should merge with Orange in the hope that such a merger would create a stronger regional centre. The notion that a shire 17 times the size of its neighbouring city should merge with the city on the basis that a portion of the shire's growth occurs because the city's population is 'spilling' into the shire is without merit.

Any closer observation of the causes for growth in these particular parts of Cabonne would reveal the growth was planned for in a joint Orange, Cabonne and Blayney 2008 Sub Regional Rural and Industrial Land use Strategy which, among other things, sought to manage the demand for closer rural settlement (including hobby farm and other small farm operations) within smaller proximity to, but sufficiently separated from, more closely settled urban areas and in doing so, protect areas of high quality agricultural land. The plan below provides an indication of the constraints imposed upon urban expansion by the existence of high quality agricultural land both within OCC and Cabonne LG areas.

The land use strategy was advanced on the basis that Orange was desirous to remain an urban settlement and that Cabonne, which contains the smaller lot agricultural land opportunities sufficiently separated from Orange and the constraint areas of high quality agricultural land, should facilitate the non-urban demand.

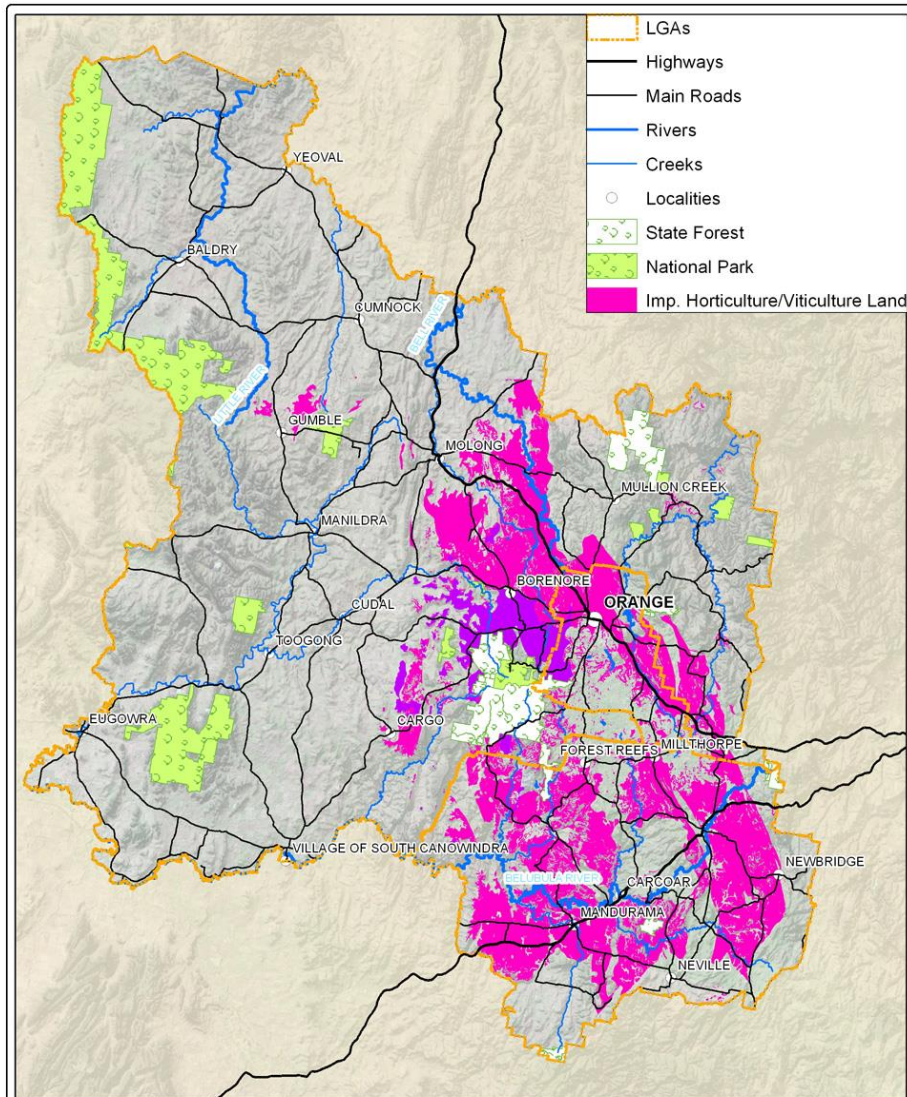


## Cabonne Council is Fit for the Future – Supplementary Report



It is no accident that the highly attractive smaller lot agricultural areas within Cabonne and which neighbour Orange are highly sought after as they constitute some of the best quality agricultural land in Australia and interests who purchase and operate these establishments can avail of the high quality health facilities which have emerged within Orange and Bathurst in recent years and are only a short trip to Sydney. Equally, it is no accident that the demand for these properties is causing population growth in this part of Cabonne (Cabonne experiences growth elsewhere as well, which further erodes the ILGRP's assertions) as this has been a growth management planning strategy which has been enshrined within the Cabonne and Orange strategic planning documents.

By their own admission, Orange has sufficient land in the supply pipeline to satisfy decades of future urban development.

The popularity of the Cabonne based property offering is about lifestyle choice and Cabonne and Orange (and Blayney) have worked well together to facilitate the responsible strategic allocation of this lifestyle/housing choice.



**Blayney, Cabonne, Orange LGA Pilot Area  
Important Horticulture/Viticulture Land**


**Department of Primary Industries**  
 0 2.5 5 10 15 20 25  
 Kilometers

This map incorporates data which is: © Commonwealth of Australia (Geoscience Australia) 2006, Office of Environment and Heritage, [www.environment.nsw.gov.au](http://www.environment.nsw.gov.au) and NSW Land and Property Management Authority, Bathurst, Australia. Crown Copyright ©. All rights reserved. [www.lands.nsw.gov.au](http://www.lands.nsw.gov.au).

## 6.0 ECONOMIC PROFILE – CABONNE SHIRE & IMPACT OF MERGER

The Western Research Institute are currently preparing updates to the Cabonne Economic Development Strategy. As part of that work we have asked them to prepare a new ‘snap shot’ of the economic profile of the shire, including statistics surrounding population, gross domestic product and the potential economic impact to the shire should a forced merger cause existing council jobs to migrate out of the shire.

The report notes that Cabonne Council is a dedicated rural council located in the Central West region of New South Wales. According to the ABS Estimated Regional Population Growth, Cabonne had an estimated residential population of 13,776 in 2014 which ranks Cabonne as the 89th largest population of the 152 Local Government Areas (LGAs) in New South Wales (ABS Cat No 3218.0). The publication also shows that the population of Cabonne has increased by 0.97% per annum between 2004 and 2014 (ABS Cat No 3218.0), ranking Cabonne 55th highest out of 152 LGAs in New South Wales in 2014. According to population projections, Cabonne has an ageing population with the share of residents in Cabonne aged 65 years and over expected to increase from 17% to 23% between 2011 and 2031 (NSW Government, Department of Planning and Environment, 2014).

As at the 2011 Census, Cabonne Shire has a population approximately one third of the size of Orange LGA with an estimated 38% of Cabonne residents live in the rural State Suburbs of Canowindra and Molong. In comparison, 95% of Orange residents live in Orange State Suburb.

The report investigates the economic impact of extracting certain percentages of the existing council employment base from the shire. It notes that extracting 25% of council jobs (i.e. 42 full time jobs) would have the following impact:

- Reduction in total (initial plus flow-on) household income within the shire by \$4.54M.
- Reduction in employment within the shire of an additional 21 full time jobs (for a total of 63 full time job losses - i.e. 42 council jobs and 21 other jobs).

Should 50% of the existing jobs based in Cabonne be relocated the effect would be double that identified above, i.e. \$9M in lost income and 126 jobs lost.

It also notes that 42 Council jobs (i.e. 25% of all full time Council jobs) represents \$8.83M in economic output. It is acknowledged that the employee doesn’t necessarily need to reside in the shire to contribute to this output, however when flow-ons are added to this the output jumps another \$7.94M – ie the additional 21 jobs, for a combined total of \$16.77M. Similarly the combined ‘value added’ for the 63 jobs (42 council plus the 21 associated jobs) is \$7.98M or \$126,666 per job.



Each council job currently contributes a total impact (sum of initial and flow on) in the order of:

- 1.5 FTE jobs in the LGA.
- \$107,000 to household income to the LGA.
- \$188,000 in value added within the LGA.
- \$396,000 in output to the LGA.

*(Note that the figures calculated at the per job level are based on the modelling of a loss of 25 percent of the council workforce. – WRI Economic Model 2015)*

Each council job currently contributes a flow on impact in the order of:

- 0.5 FTE jobs in the LGA.
- \$28,000 to household income to the LGA.
- \$68,000 in value added within the LGA.
- \$187,000 in output to the LGA.

*(Note that the figures calculated at the per job level are based on the modelling of a loss of 25 percent of the council workforce - WRI Economic Model 2015)*

It could not be said with certainty that all job holders would leave the existing Cabonne LGA area should they become jobless or find a job in another area, however, it should be noted that the economic analysis undertaken was not able to be taken to a level of detail which would provide an estimate of potential economic harm and job loss which might be inflicted upon the already vulnerable small towns within the existing Cabonne LGA.

However, given that the administration headquarters of Cabonne and its most significant works depot are based in Molong – representing approximately 60 staff (excluding field staff), one could reasonably assume the local Molong economy would be extremely vulnerable as a consequence of jobs migrating from the shire. Canowindra is similarly vulnerable with 10 full time staff located in that town.

It isn't simply the impact upon the town within which the job is located which is of concern. It is also that most Cabonne employees live within the smaller towns throughout the shire so the impacts will be felt within those as well.

## **7.0 COMMUNITY CONSULTATION PROCESS**

The Cabonne community is generally quite engaged with Council and keen to be consulted on key changes or initiatives.

In late 2013, in response to the Independent Local Government Review Panel's work, council conducted an extensive community survey and face-to-face consultations in eight towns and villages in the shire. The key question for the community was about the governance structure they wanted into the future. A survey provided 4 options:

- Stand alone
- Strengthen the WBC Alliance
- Merger with Orange
- Other?

Council received more than 1,650 responses to its survey, which represented approximately one-third of all Cabonne households. Of those respondents, 93% opposed Cabonne merging with another council. Polls were conducted at each of the village consultation meetings where fewer than 1% favoured a merger of any kind.

Cabonne Council has kept its residents and ratepayers informed about the State Government's reform process for local councils over the past four years.

Council's information and consultation process has included detailed information on its website and Facebook page, community newsletters, media releases, television and newspaper advertisements, radio interviews and two community meetings in its two major population centres.

The distribution of specific information on the Fit for the Future program began in the December 2014 issue of Council's Cabonne Connection newsletter which is delivered to all Cabonne households.

This outlined the key components of the Government's package, what direction the council's submission to the Government was likely to take and an overview of council's financial situation (by its auditors).

Subsequently Council posted detailed information about the Fit for the Future package on its website and Facebook page, as well as mailing a community newsletter containing the same information to all Cabonne households.

This information package included:

- A description of the program;
- What the Independent Local Government Review Panel recommended for Cabonne;
- An update on council's present position and its Fit for the Future proposal;
- What happens next;
- When and where information sessions would be held;
- Where residents and ratepayers could find formation about the Fit for the Future program;
- How residents and ratepayers could have a say; and
- An invitation to all Cabonne residents to attend community information sessions.

Information on council's website and Facebook page includes links to the Office of Local Government's Fit for the Future website, frequently asked questions and media releases and other information from council, Minister for Local Government, the OLG and IPART.

As part of the current communication strategy council has held two community information sessions on 13 and 14 May in Molong and Canowindra. The purpose of these sessions was to provide impartial and balanced information to the community about:

- The Fit for the Future process
- The options for Cabonne
  - Standalone
  - Merger with Orange City Council
- Outcomes from merger business case

More than 350 community members attended these sessions and were given opportunity to ask questions or make comments. At the end of the session attendees could nominate their preference (via written form) which of the following options they prefer for the future of council:

- To submit a Template 1 Merger with Orange City Council.
- To submit a Template 2 Improvement Plan

187 people responded and of this 186 preferred the stand alone Improvement Plan.

On 21 May 2015, about 400 people attended a community organised anti-amalgamation meeting at Molong where there was overwhelming support for Cabonne to continue as a stand-alone council.

The community have since formed the ANTY – Amalgamation - No Thank You Group.



# Andrew Gee MP

MEMBER FOR THE ORANGE ELECTORATE

## Fit For the Future Submission

### Orange and Cabonne Councils

#### Introduction

As the local member for the Orange and Cabonne Local Government Areas I wish to make the submissions to IPART outlined below.

I am opposed to a forced merger between Orange and Cabonne Councils.

I should state that I do not have a blanket opposition to all forced council amalgamations.

The NSW Government took a “no forced amalgamations” policy to the 2011 NSW election, but this was not the case for the 2015 election. Indeed as of March 2015, all councils were working through their respective positions on *Fit for the Future*.

There may be very good reasons why councils should merge - particularly in heavily populated cities where there is a significant duplication of services in a relatively small geographical area.

However, what may be true for the city should not necessarily be true for the country. One size does not fit all and each potential merger needs to be assessed on its merits.

In the case of both Orange and Cabonne Councils, these merits were assessed in the report of Morrison Low dated May 2015 (“the Morrison Low report”).

#### Benchmarks

Both Orange and Cabonne are clearly financially sound enough to stand alone.

I note that the Morrison Low report states (p.5) unequivocally that:

*“Both Councils can meet the Fit for the Future Benchmarks throughout the period from now until 2023, as there is no funding gap. In addition, each Council is showing an operating performance funding surplus for the modelling period, providing increased discretionary funding if required.”*

Indeed the Morrison Low report (p.7) goes on to state that:

*“Both Councils carry low levels of debt, with Cabonne having almost none at all...”*



The Morrison Low report also states (p.7):

“...both Councils meet Fit for the Future benchmarks Debt Servicing Ratios...”

The Morrison Low report also points out (p.12) that Cabonne will meet all of the benchmarks over the period until 2023 with Orange Council projected to meet all of the benchmarks over most of the modelling period.

Furthermore, the Morrison Low report states that (p.18):

“...neither Council has a funding gap between what is spent currently and what we estimate to be needed.”

### Costs and Savings of a Merger

The costs and savings of a merger are set out in the Morrison Low report (p.9). They are modest.

This reflects the fact that country LGAs often possess very different characteristics to their city cousins.

### Scale and Capacity

The Morrison Low report states that the combination of Orange and Cabonne has limited impact on improving scale and capacity overall (p.51).

### Population Growth and Forecasts

A key factor in whether a council is Fit for the Future is whether an LGA has a declining population (and therefore rate base).

Both councils are forecast to experience significant growth until 2031, with Cabonne’s growth forecast at 24.5% and Orange’s at 17.4% (the Morrison Low report p.24).

### Further Factors

Many residents of Cabonne have expressed concerns and about a potential merger leading to a loss of the sense of belonging to village communities and a loss community generally, the loss of services and infrastructure such as swimming pools, and also their representation.

In this regard, Cabonne residents currently have 12 councillors focusing on their needs and fear that their ability to influence key decisions will be greatly diminished and diluted under any merger.

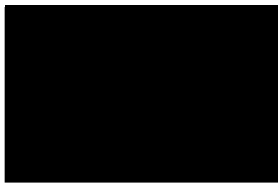


3

These are real and genuine concerns that Cabonne communities feel very strongly about.

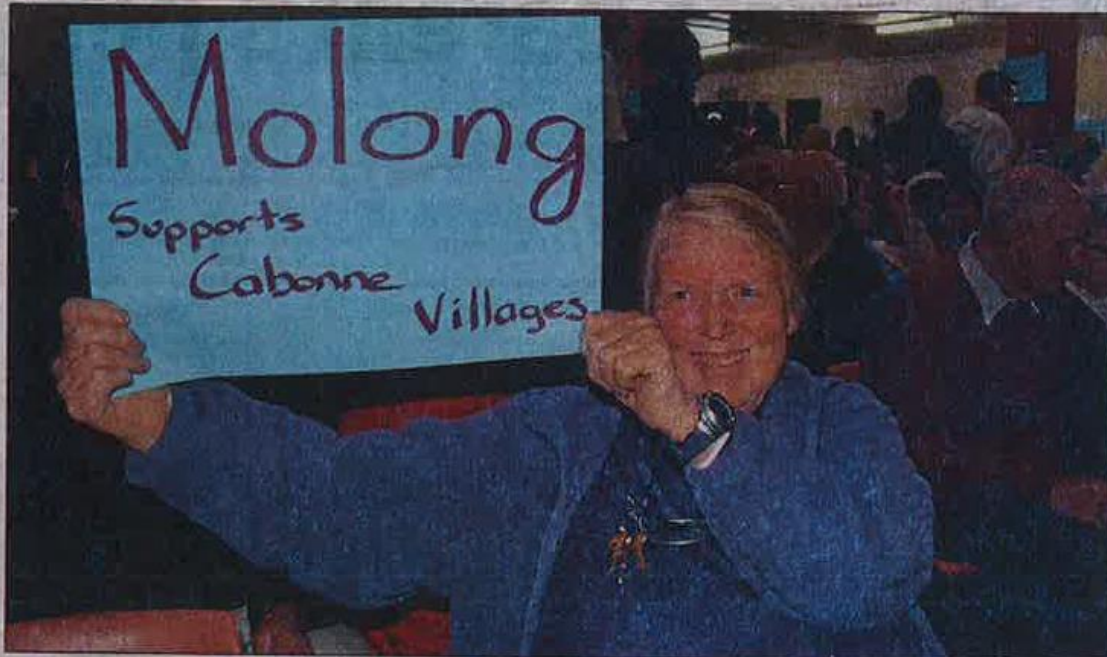
**Conclusion**

The Morrison Low report does not make a sufficiently strong case for a merger and the Councils should stand alone. Each meets the key benchmarks.



Andrew Gee MP  
**Member for Orange**

25 May 2015



**THANKS, BUT NO THANKS:** Ros Chapman of Molong was among more than 300 people that gathered to show opposition to an amalgamation of Orange and Cabonne councils on Thursday. Photo: TANYA MARSCHKE 05211mamalgamation4

# United against merger

By TANYA MARSCHKE

THERE was standing room only when about 350 people from across the Cabonne shire crowded into the Molong hall to form an anti-amalgamation lobby on Thursday night.

Most of the people who crowded into the hall were opposed to the forced amalgamation of Orange City Council with the Cabonne Shire Council.

Although both councils have stated they want to stand alone following the commissioning of an independent report by consultancy firm Morrison Low that showed there would be little financial benefit to either council, the final decision will be made by the state government.

Hoping to bombard Local Government Minister Paul Toole with community opposition David MacSmith, Bob Sullivan and Marj Bollinger led the charge on stage at Thursday night's meeting.

In the crowd some people held signs bearing anti-amalgamation slogans while a rallying song performed by Kerry Nichols, Bronie Dowling and Rhonda Watts to the tune of the Village People's YMCA had many people



**CROWD SUPPORT:** There was widespread support in forming an anti-amalgamation lobby group in Molong on Thursday night. Photo: TANYA MARSCHKE 05211mamalgamation2

singing and clapping along.

However, the main aim was to form the Amalgamation - No Thank You (ANTY) steering committee and Ian Atkinson, Sue Wild, Jock Haines, Gerald Ingham, Derek Johnson and Marj Bollinger answered the call and will co-ordinate further opposition to the amalgamation.

Mrs Bollinger and said she was impressed with the turnout.

"I think we would have topped last week's council meeting [which also discussed the amalgamation]," Mrs Bollinger said.

"We really need everyone behind us, there's a few up front that will do the work but we need people to be behind us to support us."

The meeting was initiated by the Molong Action Group but the movement will represent each of the 16 villages in the Cabonne shire and village co-ordinators were nominated to represent each community to the ANTY group.

Ros Chapman of Molong was among the many concerned residents that gathered at the meeting and questioned what would happen if staff numbers at council were reduced due to amalgamation.

"I reckon they are going to pull all the workers out of Cabonne and Molong will become a ghost town, they won't be going to the bank, going to the doctor, they won't be going to Spa [supermarket] what will be left," she said.

tanya.marschke@fairfaxmedia.com.au

Yet they're not being taken into consideration at this point."

**ROTARY BOWELSCAN**

## Flush with sewer assets to no avail

# The Canowindra Phoenix

Live Local, Love Local, Support Local

Thursday 28 May 2015

ISSUE 344



IMAGE: Local residents at the ANTY meeting at Molong on May 21st. Image courtesy of Molong Online.

## Cabonne Council Votes No

Cabonne Council voted unanimously to remain a standalone Council on Tuesday night, resolving to submit a Council Improvement proposal to the State Government as part of the Fit for the Future reforms.

With modelling by independent consultants Morrison Low indicating the financial benefit of merging would amount to just \$40,000 a year over a decade, Cabonne Council agreed that a standalone Council could make far greater long term improvements. The Council will submit their proposal to the Independent Pricing and Regulatory Tribunal, whose final recommendations will be made to the State Government in October.

The Council's vote reflected the requests voiced by an overwhelming amount of residents in Cabonne to reject the proposal to merge with Orange City Council, a recommendation from the Independent Local Gov-

ernment Review Panel.

After almost 340 people attended information sessions in Molong and Canowindra earlier in May to show their support of the stand-alone proposal, the wider community organised the ANTY (Amalgamation - No Thank You) meeting on May 21st to which nearly 400 people attended in Molong.

As a result of the meeting, the Cabonne ANTY Campaign Steering Committee, supported by representatives from each town, was created to formally oppose the amalgamation proposal. "We will take the voice of the people of Cabonne to the highest level of Government for it to be made known what we will lose once and for all should we become a part of a fragmented City establishment," said ANTY Committee member representative Marj Bollinger.

By Rosi Broom





Wednesday, May 20, 2015

141st year of publication

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# Cabonne says no

**Cabonne Council held a meeting in Canowindra last Thursday night to inform the public about a proposed amalgamation with Orange City and Blayney Shire councils.**

**More than fifty concerned rate payers attended the meeting. Connie Wilkinson was among them and is concerned about the effects on residents in Canowindra and surrounding villages if they are merged with a city council.**

"I think we will get swallowed up, and lose our local representation," she said.

"People in the city just do not understand the issues facing those in rural communities."

She is concerned the needs of those outside of the city limits will not be heard if the three councils combine.

"They (Orange) will out vote us. I think from a democratic view this will be very bad."

Cabonne Councillor, Anthony Durkin, says he although he cannot say where his vote will be he has not yet spoken to anyone in Canowindra who is in favour of the amalgamation.

"In my own mind I know which way I want to go," he said.

"Absolutely no one is for it. The residents are against it."

"I haven't spoken to any ratepayer in Cabonne who wants us to merge with Orange City Council at all," he said.

Orange Council's Mayor, John Davis, says that Orange, like Cabonne wishes to stand alone.

"Cabonne, Orange and Blayney are all coming from the same direction on the matter I think," he said.

"Orange City Council has elected to stand alone first, however our second option is to consider a merger with both Blayney and Cabonne councils."

He is optimistic about a possible merger.

"It could work, if it is done right, but it won't if we just join for the sake of joining," Mr Davis said.

A report outlining costs has shown in the event of an amalgamation the three councils would save \$400,000 over ten years.

"While we have seen that an amalgamation may have little benefits to any of our council areas now we have to look into the future."

"People haven't understood why the State and Federal governments have been advocating amalgamation, it is because there is going to be less money available through grants to council, which is where we see more than half of our income every year."

■ Story continued on Page 2



Andrew Hopkins, Stephen Bunting of Morrison Low consultants, Mayor Michael Hayes and Ken Stonestreet, the independent chairperson. Photo Federation Fotos Canowindra.