



2015

# Community Engagement Report – Fit for Future

Tell us what you think ....  
11<sup>th</sup> May – 31<sup>st</sup> May 2015



## Contents

|   |    |
|---|----|
| Introduction .....  | 3  |
| Summary Consultation Program.....   | 3  |
| Key Messages.....   | 4  |
| Summary of Engagement.....  | 4  |
| Survey Results .....  | 5  |
| Survey Comments .....   | 6  |
| Option 1 – Should Berrigan Shire LGA merge with Jerilderie Shire LGA?.....                  | 6  |
| Option 2 Should the Berrigan Shire Local Government Area and its Council stand alone? ..... | 7  |
| Improvement Plan Comment .....  | 9  |
| Conclusion.....   | 9  |
| Appendices.....   | 10 |

## Introduction

The *Fit for the Future Stakeholder Engagement Strategy-Berrigan Shire Council (Appendix I)* was developed to identify the relevant stakeholders and stakeholder groups that needed to be engaged as part of the Berrigan Shire Council's response to the NSW Government's Fit for the Future Program of Local Government Reform.

The Strategy and action plan was developed and implemented 1 May – 31<sup>st</sup> May 2015 with reference to the following:

- Berrigan Shire Council's Social Justice Framework (2011)
- Berrigan Shire Council's Community Engagement Framework (2011)
- NSW Fit for the Future Reform package

## Summary Consultation Program

| <b>Date</b>          | <b>Presentation / Type of Engagement Activity</b>               | <b>Marketing Collateral – Information Distributed</b>            |
|----------------------|---|--|
| 7 May 2015           | Presentation – BSC Staff  | Appendix II  |
| 11 May 2015          | Presentation – BSC Staff  | Appendix II  |
| 11 May 2015          | Unaddressed Mail Letter Box Drop –All households Berrigan Shire | Appendix III   |
| 11 May – 31 May 2015 | Online Survey – Poll  | Appendix IV – hardcopies distributed Libraries and Street Stalls |
| 13 May 2015          | Public Meetings in Berrigan and Barooga                         | Appendix V   |
| 18 May 2015          | Public Meetings in Finley and Tocumwal                          | Appendix V   |
| 19 May 2015          | Street Stall – Finley and Tocumwal                              | Appendix VI  |
| 20 May 2015          | Street Stall – Berrigan   | Appendix VI  |
| 21 May 2015          | Street Stall – Barooga  | Appendix VI  |

## Key Messages

The purpose of this program was to:

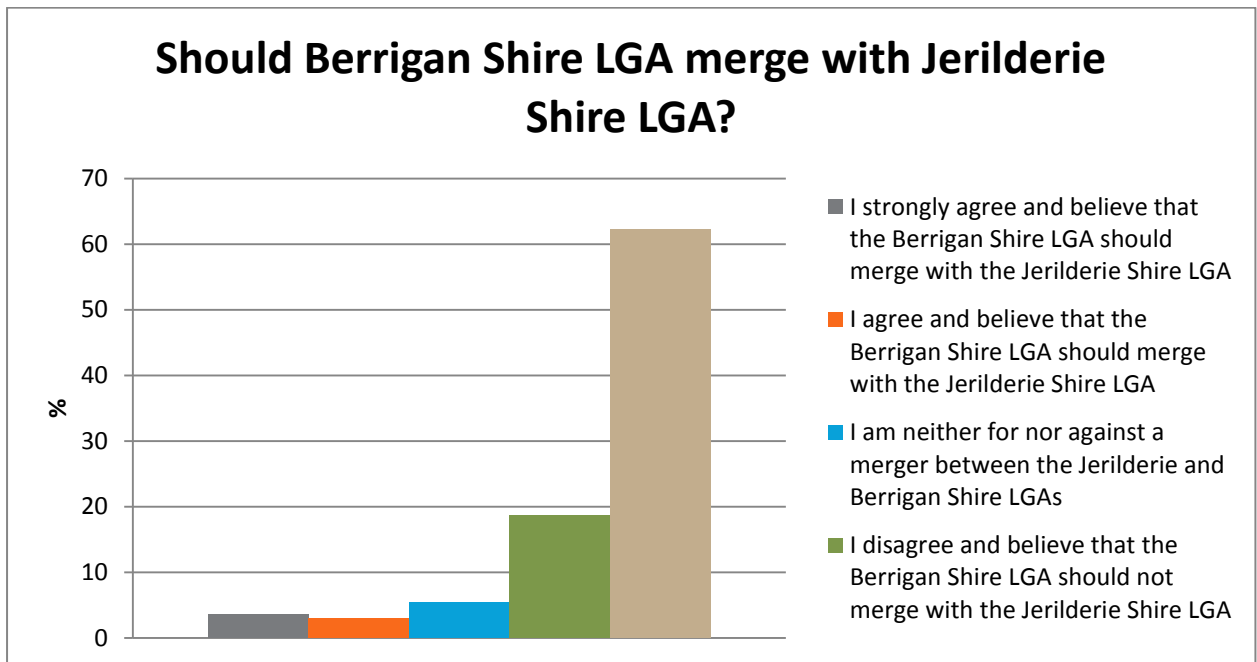
1. Inform the community about the NSW Government's Fit for the Future Program
2. Inform the community about the steps the Council had taken to assess the benefits for Berrigan Shire rate payers and residents of a merger
3. Invite comment from the community on the Council's position, which is based on independent consultants report and analysis by Council Officers, that 'a merger with the Jerilderie Shire Council will not strengthen our local communities' and that standalone Berrigan Shire Council meets and should for the foreseeable future meet Office of Local Government Fit for the Future Benchmarks.
4. Consult with and involve our community in the development of the Council's Fit for the Future Submission.

## Summary of Engagement

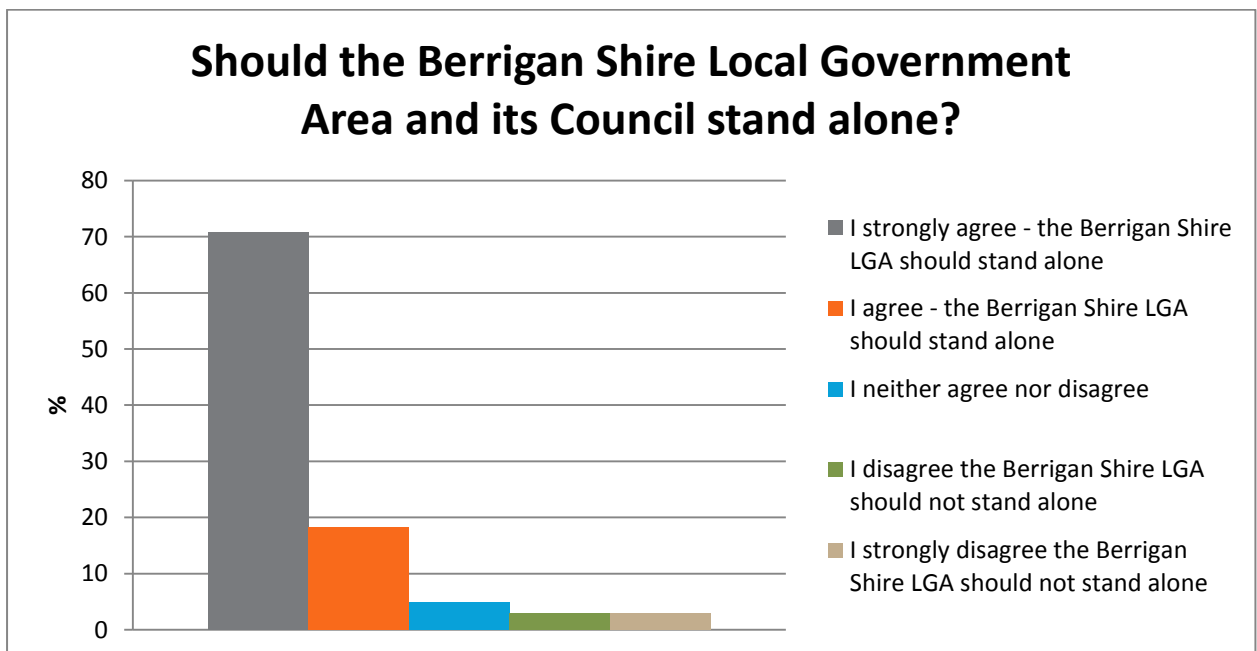
Over a four week period 7<sup>th</sup> May – 31st May 2015

- 77 staff attended briefing
  - 4 public meetings were held one in each town attracting upwards of 50 people
  - 4 street stalls were held at which hardcopies of survey were distribute
  - 3,500 Fit for Future Programs were distributed to all households via unaddressed mail
  - 166 surveys, 38 of these containing additional comments were received and completed
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## Survey Results



Number of Respondents: 166



Number of Respondents: 166

## Survey Comments

### Option 1 – Should Berrigan Shire LGA merge with Jerilderie Shire LGA?

- 1) No gain for Berrigan Shire, in fact counter productive. Would expect compensation if merger went ahead
- 2) No benefit to Berrigan Shire ratepayers merging with Jerilderie Shire
- 3) There is no gain positively or financially for the residents of our communities
- 4) Berrigan Shire is managing well financially and has its sustainable developing strategy which means to 'stand alone can ensure we can fit for the future. I cannot see any credits can be added to our Berrigan Shire by merging with Jerilderie which does not meet our criteria 'fit for the future' On the contrary there is risk to down the hill if we merge with Jerilderie
- 5) Why do governments always think bigger is better??? This does not always turn out to be true as has happened many times in the past with some government decisions. What will it cost council for the cost of doing a business case for a merger of yes or no with Jerilderie Shire LGA? What economies are gained by keeping all staff in both Councils that are merged? Why will the farm rates of the efficient Council be forced up by 19% to make up lack of rates for the lesser Council, who have not kept up with required rate increases in past years. This is unfair to these farmers. Berrigan Shire has proved in past year that it can run itself efficiently and comply with all the rules the Government lays down for a Council to comply with both morally and financially
- 6) We [REDACTED] strongly believe that the B SC LGA should stand alone. The investigation by SGS Consultants clearly supports this option
- 7) Jerilderie Shire's small rate base would have a detrimental effect on Berrigan Shire's finances
- 8) We are a larger area now with 4 towns and a lot of costs with travel and do not need a longer distance to look after with extra costs. The Shire is doing ok now. No expansion needed
- 9) It appears from the information provided by the consultant that Berrigan shire would go backwards if a merger were to proceed. I could see that it could be possible that a merged entity would be forced to merge again, due to the financial burden Jerilderie shire would place on Berrigan shire.
- 10) With given information, as farmers we cannot afford further rate increases and especially an increase of 19%.
- 11) These are two very diverse councils with a huge area to service. One shire is predominantly irrigation, the other broad acre dryland which will make rating complex. Berrigan shire already has 4 towns and related infrastructure, adding another is not going to streamline operations.
- 12) Because it looks like our shire can survive by ourselves. We have very good leadership.
- 13) We need to merge with a more profited shire.
- 14) Given the limitations imposed as I currently understand them. with regard to retention and duplication of staff, buildings and other infrastructure, should a merger go ahead then obviously there are no savings for either body. Mergers in my experience rarely, if ever, work. Hostile takeovers on the other hand are different and in the main work well when no limitations are imposed.
- 15) What benefit will Berrigan Shire ratepayers and residents receive from a merger. How can merging two rural shires with lots of roads lead to a stronger community and Council. Merging Councils might work in the city but not in the bush. Look at Moira, Gannawarra and Loddon Mallee in Victoria no one is suggesting that amalgamating Councils has led to stronger communities
- 16) Don't want to take on a liability.

- 17) It appears from leaflet mailed etc that Berrigan rural residents would be worse off if a merge went ahead
- 18) A very bad proposal for Berrigan Shire which would lead to unacceptable rate increases or significant reduction in services.
- 19) It will not benefit the towns within the shire to do so. It will put more pressure and funds on services and maintenance of building in the Jerilderie shire
- 20) Berrigan Shire is the best managed shire in this part of NSW and any amalgamation with any other shire would be detrimental to the future employment opportunities here and also reduce the opportunity for future infrastructure development in Berrigan Shire and amalgamation will not be conducive to proper maintenance of existing assets. Any amalgamation will certainly be of financial disadvantage to the shire as a whole and to increase financial costs to every rate payer; business and resident. I suspect that the offer of amalgamation with another shire is not an option as far as the NSW government is concerned but believe it should be strenuously resisted at every level. Thank you for the opportunity to express my humble but honest opinion.
- 21) Berrigan Shire services four towns in this area. Why would one want to join with Jerilderie which always seems a life time away from this area????!!!
- 22) It makes absolutely no financial sense for the ratepayers

## **Option 2 Should the Berrigan Shire Local Government Area and its Council stand alone?**

- 1) A large enough shire to stand alone
- 2) This is the only option Berrigan Shire has given facts presented from independent survey
- 3) A strong Council benefits all aspects of the community
- 4) There are four towns in Berrigan Shire and each of them got its own character. The the charming part of Berrigan Shire. We know there is a big potential to further develop our shire and even boost the population and our economy. We know our Shire is under the right management in the Council. This can be proved based on our Shire's Annual Report. Also we have clear strategies up forward instead of backwards. By visiting Jerilderie and I can tell 'they are in trouble' If they cannot manage or struggle financially Is it Berrigan Shire's responsibility to rescue them? Are we capable of doing that? If we are not capable of rescue Jerilderie, we'd better not being dragged down the hill by them. Its up to state government to consider if they are doing the right thing. 'To merge 2 shires and keep all staff headcounts except the General Manager' That's not the right strategy to rescue these Shires in financial trouble, the state government should find out the 'root cause' of these Shires in trouble and figure out a better resolution to the problem. To merge Jerilderie, its not what our local people want. Its a forced marriage by the state government. 'Forced marriage' can never be happy, also can hardly work out right in the end! Personal opinions for Council to reference! Regards Catherine Scott
- 5) Is the government still thinking of taking over Berrigan Shire LGA Water and Sewerage Operations in the future. Why can't this income be counted in its revenue. Is it true that if this happend then Council's workforce will be depleted and casue a drop in the service efficiency in the future. Why is the government making decisions to force efficient Councils to merge with less efficient Councils and then take away the revenues that help to make them operate efficiently. I strongly believe that the Berrigan Shire Council LGA has proved that it is efficiently run, as past performances will prove for the records. The have a very competent Executive Staff both in the office and the workforce. You only have to look at how things have been achieved throughout the Shire for the betterment of ratepayers in the last 10-15 years. I cannot see any sensible gains to be had by amalgamating with the Jerilderie Shire Council LGA regardless of how much money government pours into this ridiculous venture. I very strongly object to merging Berrigan Shire Council LGA with Jerilderie Shire Council LGA and think that it would be a backward step as there are no benefits to be gained by any of the Berrigan Shire ratepayers. I think it unfair for Berrigan Shire ratepayers are to suffer loss of amenities because Jerilderie Shire

Council has neglected to keep their finances in line with what was evidently about keeping rates low and dropping below what was required for good efficient running of Council. You only have to look at the things that have been dropped because these amenities could be afforded in their recent budgets

- 6) Just read what SGS Consultants have clearly said
  - 7) Do not rock the boat stay as is
  - 8) We need to look after what we have! Expanding the area to cover will stretch the standard we have in the area. Cost of rates are high enough for the age people living in this area
  - 9) This would seem like the best option given the information supplied by the consultant. Although, it is outside the parameters of the governments proposals, it would seem the best option for mergers, would be to break up some councils and merger parts of them with their neighbouring councils.
  - 10) We believe that if more industry/business can be attracted to our Shire, then this would generate more revenue for the Shire - how can this be achieved? Are our Council regulations too severe to attract other industry? We are at the junction of two major highways - how can this be capitalised on? We believe as farmers that the decisions made by Government regarding our water allocations along with the drought have created problems that cannot be overcome in the short term, Confidence has to be restored to our area and this is going to take time, as long as the seasons are near to normal. So much has been lost in our shire because of the drought/water allocation/buyback, people and business wise.
  - 11) It appears that many of the decisions and rules regarding local councils are city centric and do not recognise that rural and remote councils work under very different conditions and constraints.
  - 12) Because it looks like our shire can survive on its own and we have very good leadership.
  - 13) If you stand alone you will need to implement improvements to some towns to add more funds to the community
  - 14) Economies of scale, I believe, would only be achieved should a wider 'merger' (takeover) be considered to include Corowa, Urana, Jerilderie and Berrigan LGAs and not have management/administrative limitations imposed with a proactive and strategic plan to eliminate over a very short period all duplications across all four councils/shires.
  - 15) I have not seen anything published by the government that suggests that Berrigan is not meeting its obligations to ratepayers and residents. I also do not understand how government reports can say Berrigan is doing ok when compared to other Councils. So if it is not broken why do we need to fix it.
  - 16) Stand alone as we've done for over 100 years. Great Shire and Community.
  - 17) The Shire persists in allowing Aerobatics clubs using the airport, make them pay for the privilege and generate more money which would move us closer to the 60% funding requirement
  - 18) Probably good that water & sewerage revenue can not be included - this could provide an easy future option to achieve the target by increasing water & sewerage charges. Berrigan Shire rates are already quite high (by comparison with elsewhere, including places which provide more services such as annual kerbside bulk collections and green waste collections)
  - 19) Residents of the Berrigan shire will lose in this deal if it goes ahead.
  - 20) If we have the right to stand alone then we should but I suspect that common sense will be over ruled by distant politicians with their vested interests as a priority and with no respect for our rights. We will be like the U.K. ruled from Luxemburg or Brussels or maybe even Albury or Corowa if we do not resist.
  - 21) Berrigan Shire is a progressive region that is trying to provide benefits to its rate payers. Sydney based decisions are ill informed when you are eight hours from the shire. Leave our Berrigan Shire and RTA Office as is please.
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22) It is the best option

## Improvement Plan Comment

At public meetings and at street stalls Council Officers and Councillors sought comment on the improvement strategies described Attachment V. At two public meetings Berrigan and Barooga a motion from the floor supporting the decision by Council to submit an improvement proposal and implement the strategies described was unanimously carried at Barooga and at Berrigan carried by 90% of those in attendance.

## Conclusion

The results of Council's program of community engagement support the view formed by the Council that there is significant community support for the Council's decision to submit an improvement plan. The comments from engaged residents i.e.: those who attended public meetings, completed a survey or spoke to Councillors and staff at street stall meetings support the earlier and statistically valid research conducted by NEXUS Pty Ltd<sup>1</sup> February 2015 – that residents are opposed to amalgamation. Earlier this year and before Council had sought independent analysis of its options the response of residents surveyed to the question

***How do you feel about the prospect of Berrigan Shire Council amalgamating with one or more of its neighbouring Councils?***

*Was that*

- *53% of residents opposed the amalgamation (20% strongly),*
  - *15% neither supported nor opposed it and*
  - *26% supported the amalgamation (4% strongly).*
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# Appendices



# Appendix 1 - FFF Engagement Strategy



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# Community Engagement Strategy

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Fit for the Future 2015

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# Contents

Introduction ..... 0

Assessing the Extent and Type of Community Engagement..... 1

Draft Key Messages..... 1

Extent of Community Engagement ..... 3

Primary Stakeholders: Fit For Future Proposal ..... 4



## Introduction

The ***Fit for the Future Stakeholder Engagement Strategy-Berrigan Shire Council*** has been developed to identify the relevant stakeholders and stakeholder groups that will be engaged as part of the Berrigan Shire Council's response to the NSW Government's Fit for the Future Program of Local Government Reform.

This Strategy and action plan has been developed with reference to the following:

1. Berrigan Shire Council's Social Justice Framework (2011)
2. Berrigan Shire Council's Community Engagement Framework (2011)
3. NSW Fit for the Future Reform package

The *Fit for the Future Stakeholder Engagement Strategy* identifies

- a) The extent of Community Engagement to be undertaken
- b) Key Messages
- c) How each stakeholder group will be engaged; and
- d) Responsibility for engaging stakeholders

## Assessing the Extent and Type of Community Engagement

| Extent of Community Engagement  | Indicative Tools for Engagement  |   | Risk Assessment:<br>Impact Local / Whole of Shire                             |   | Steps for Community Engagement   |
|---|--|---|---|---|--|
| <b>Inform:</b> Sharing the best available information                                     | Briefings, Fact Sheets, Council Website, Media campaigns, Displays in Shop fronts, libraries etc       | ✓ | <b>Level A:</b><br>High Impact: Whole of Shire                                | ✓ | <ol style="list-style-type: none"> <li>1. Identify likely stakeholders</li> <li>2. Plan and gather best available information and resources</li> <li>3. Share information with stakeholders</li> <li>4. Work effectively together</li> <li>5. Feedback the results of engagement</li> <li>6. Monitor and evaluate the process</li> </ol> |
| <b>Consult:</b> Exploring options and preferences   | Web based consultation, Interviews, Surveys, Public meetings, Focus Groups                             | ✓ | <b>Level B</b><br>High impact: Local area or specific community / user group  |   |  |
| <b>Involve:</b> Inclusion of ideas in the decision making                                 | Workshops 'Community Conversations' Interviews with Stakeholders                                       | ✓ | <b>Level C</b><br>Lower Impact: Whole of Shire                                |   |  |
| <b>Collaborate:</b> Sharing responsibility either for decision making or service delivery | Community Advisory Groups Participative Decision-making Forums Inter-agency partnerships / consortiums |   | <b>Level D</b><br>Lower Impact: Local area or specific community / user group |   |  |

## Draft Key Messages

### What is the Fit for the Future Package?

The NSW Government's Fit for the Future Reform Package

1. Is designed to build a stronger system of local government and stronger local communities. (All Stakeholders)
2. The package is based on the recommendations of the Independent Local Government Review Panel and the Local Government Acts Taskforce (All Stakeholders)

### What does it mean for the Berrigan Shire Council?



3. The FFF reform package has recommended that the Berrigan Shire Council merge with the Jerilderie Shire Council
4. The FFF reform package requires that the Berrigan Shire Council reviews the scale of operations and consider the benefits of merging with their neighbours (All Stakeholders)
5. The FFF reform package requires that Berrigan Shire Council submit by 30 June 2015 a proposal showing that it or a merged Council has the appropriate scale and capacity to be considered as being Fit for the Future.
6. A Fit for the Future Council will have access to more benefits, such as cheaper finance to help fund local infrastructure

**What is Council's current position?**

7. Council has conducted an internal review of the scale of its operations and benefits of a merger with the Jerilderie Shire Council – this review found that a merger would increase for Berrigan Shire Council ratepayers the scale and cost of Council operations
8. Council has commissioned an independent review of its scale and capacity assessing the impact on its operating scale and capacity should it
  - a. Merge with the Jerilderie Shire Council
  - b. Become a Rural Council and refer all infrastructure planning and development to a regional organisation
  - c. Stay as it is
9. Council cannot make a final decision on its Fit for the Future Proposal until residents have been informed at about the likely costs and benefits of each option and expressed their preference
10. Council's Fit for the Future Proposal will be informed by the views and comments of local residents and ratepayers.
11. The key messages described in this engagement strategy will form the basis of all marketing collateral, survey questions and public meetings

**How can residents have a say?**

12. Residents will be invited to have their say via online survey, facebook poll, and a poll at each public meeting of the options the discussed

### Extent of Community Engagement

- **All Stakeholders:** (Inform) (Consult) (Involve)
- **Secondary Level Stakeholders e.g: Jerilderie Shire Council (Inform)**

## Primary Stakeholders: Fit For Future Proposal

| Stakeholder       | Action Plan  |  |   |   |
|-------------------|--|--|---|---|
|                   | Key issues, concerns, perspective  | How will we engage them?<br>(Refer to Engagement Framework Strategies for more information)  | When will we engage them?               | Who is responsible                                |
| Shire Councillors | 1. Management of Community Expectations<br>2. Proposal meets FFF requirements<br>3. Reflects views of current residents and ratepayers | <b>Inform Consult Involve</b><br><br>1. Engagement Strategy and Timetable to be approved<br>2. Discuss Consultants' Report and endorse key messages for Engagement Strategy and Marketing Collateral<br>3. Attend Street Stalls / Public Meetings<br>4. Consider Community Feedback /Survey Results for inclusion in FFF Proposal<br>5. Adopt FFF Proposal-Extraordinary Council Meeting | 18 March 2015                           | General Manager<br>Director Corp Services<br>SSPC |
|                   |  |  | 22 April 2015                           | General Manager/Council                           |
|                   |  |  | 14 <sup>th</sup> – 19 <sup>th</sup> May | Councillors                                       |
|                   |  |  | 10 June                                 |   |
|                   |  |  | 24 June                                 |   |
| Council Officers  | 1. Community engagement informs FFF proposal<br>2. Key messages are agreed and promoted by all   | 1. Develop marketing collateral proofs for Council endorsement to include<br>a) FFF Program and Invitation to Public Meeting<br>b) Online / Paper Survey distributed through Council Libraries / VIC<br>2. Commission Printing/ Delivery of marketing collateral<br>3. Conduct Engagement with Community per this plan   | 22 April 2015                           | SSPC<br>Director Corp Services                    |
|                   |  |  | 23 April – 8 <sup>th</sup> May          |   |
|                   |  |  | 11 May – 31 May 2015                    | Director Corp Services<br>SSPC                    |

| Stakeholder                                      | Action Plan   |  |  |   |
|--|---|--|--|---|
|  | Key issues, concerns, perspective   | How will we engage them?<br>(Refer to Engagement Framework Strategies for more information)  | When will we engage them?                                  | Who is responsible  |
|  |   | <p>4. Prepare Report for Council Committee 3 June re: Engagement</p> <p>5. Prepare FFF proposal for Council Adoption at Extraordinary Council Meeting</p> <p>6. Amend FFF proposal as required and lodge with OLG</p>  | <p>3 June 2015</p> <p>24 June 2015</p> <p>26 June 2015</p> | <p>SSPC</p> <p>GM<br/>Director Corp Services</p> <p>GM<br/>Director Corp Services</p> |
| <b>Council Staff</b>                             | <p>What is Council's position &amp; why?</p> <p>Likely impact on role/services of FFF improvement plan</p>  | 7. Toolbox and Staff Meetings  | 1 May 2015 – 11 May 2015                                   | Directors<br>Managers   |
| <b>Residents/<br/>Businesses/<br/>Ratepayers</b> | <p><b>For each option</b></p> <p>1. How much will it cost?</p> <p>2. Will Council services be reduced?</p> <p>3. Will there be new services?</p> <p>4. What services will be relocated?</p> | <p><b>Inform/ Consult and Involve</b></p> <p>1. FFF Program &amp; Invitation to Public Meeting 18/19 th May 2015 and link to online survey to be published concurrently</p> <p>a) SRN &amp; Cobram Courier 13/5 – full page &amp; colour</p> <p>b) Council Website 11/5</p> <p>c) Face Book 11/5</p> | 11 May 2015 – 2 June 2015                                  | SSPC<br>Director Corp Services  |

| Stakeholder | Action Plan                       |  |   |   |
|-------------|-----------------------------------|--|---|---|
|             | Key issues, concerns, perspective | How will we engage them?<br>(Refer to Engagement Framework Strategies for more information)  | When will we engage them?   | Who is responsible  |
|             | 5. How will this affect business? | d) Community Notice Boards 11/5<br>e) School Newsletters 11/5<br>f) Unaddressed Mail to households 11/5<br>g) Community Radio 11/5 – 31/5<br><br>2. Street Stalls in each town Static display of Open Letter / Invitation to Public Meeting and distribute Survey<br><br>3. Public Meetings x4 to discuss Consultant's Report re: Scale and Capacity and seek community comment on options<br><br>Day x2<br>Evening x2 | 14 <sup>th</sup> -15 <sup>th</sup><br>May 2015<br><br><br><br><br><br><br><br><br><br>18 – 19 <sup>th</sup><br>May 2015 | SSPC<br><br><br><br><br><br><br><br><br><br>Councillors<br>GM<br>SSPC |

## **Appendix II – Presentation BSC Staff**



### Timeline of reform in NSW local government

- **2011 Destination 2036**  
All NSW Councils meet to plan how Local Government could meet future challenges
- **2012-13 Independent Local Government Review Panel**  
conduct a 2-year review recommending structural and boundary change
- **April 2013 Interim Report from Review Panel**  
Recommended Berrigan Shire Council merge with Jerilderie, Urana and Corowa Shire
- **31 May 2013**  
Berrigan Shire Council meet with Chair of Local Government Review Panel
- **Oct 2013 Final Report from Review Panel**  
Recommends that the Berrigan Shire Council merge with Jerilderie Shire Council. This Jerilderie Shire Council can also choose to become a rural Council
- **Sept 2014 Fit for the Future Program**  
Announced by NSW Government as its response to the Review Panel's Final Report it recommends that the Berrigan Shire Council merge with Jerilderie Shire Council



### Fit For the Future (FFF) – What is it?

- NSW State Government reform agenda for the local government
- Recommendations include mergers and amalgamations
- Councils need to consider a merger or amalgamation in order to demonstrate that the Council has sufficient scale and capacity to meet benchmarks set by the State Government
- All affected LGAs need to submit their FFF improvement plan by 30 June 2015; and in doing so
- Show community support or otherwise for the Council's position and the initiatives proposed as part of a Council's FFF improvement plan.



### What does this mean for Council staff ...

1. No immediate change
2. On the other hand you may, once Council starts to talk to the community about this issue, be asked questions by family, friends and neighbours about what is being planned and why



### What does this mean for Council staff ... in 6 months time

1. The NSW state government will appoint an independent panel to assess a Council's FFF Improvement Plan
2. A Council's FFF Planning must consider the employee protection provisions of the Act
3. The provisions of the Act are open to interpretation and may be subsequently changed



### What does this mean for Council staff ... in 6 months time cont.

1. The Council has developed its response to a merger giving consideration to its interpretation of the employee protection provisions of the Act. Namely,
  - That all positions (except) the General Manager are protected and cannot, while the Council still continues to deliver the service in a location, be re-located.
2. Based on what we know – a Council's FFF Improvement Plan should be assessed by the end of October 2015




### What is the Council's position on a merger with the Jerilderie Shire?

- It **will not** improve the long-term financial sustainability of the Council or its strategic capacity
- The Council's position is that a merger with the Jerilderie Shire Council **will not** strengthen our local communities.
- Its decision is based on **'what will deliver the best long-term outcome for Berrigan Shire residents, local business and ratepayers'**.



### How does the Council know that a merger **will not** improve its financial sustainability & strategic capacity?


- Council used SGS Economics & Planning Consultants (Sydney) to investigate and report on two options
  - Merge with Jerilderie Shire Council
  - Stay as we are: the Standalone Option
- SGS Economics & Planning is one of a number of NSW Government appointed Consultants with expertise in the development of FFF Improvement Plans




### How does the Council know that a merger **will not** improve its financial sustainability & strategic capacity?

The Consultants found that

*the longterm position of Council is expected to slowly improve into the future, and satisfy OLG Benchmarks with the exception of own source revenue which needs to be considered in the context of rural council operations*



### Merged Jerilderie and Berrigan Shire Council WHAT ARE THE RISKS & BENEFITS



### Risk Assessment – Merged Jerilderie Berrigan Shire

| Merge with Jerilderie  | Risk identified by SGS  | Risk rating by SGS   | Risk Rating by BSC |
|--|---|----------------------|--------------------|
| <b>Assumes:</b><br>• BSC per capita costs and applies these to JSC<br>• Rationalisation of buildings, staff JSC to achieve efficiencies 'observed at Berrigan'<br>• Merger costs only calculated over three years<br>• Higher service levels BSC | Projected efficiency gains fail to come to fruition   | No risk rating given | Medium to High     |
|  | Salary equalization and differences between Councils  | Medium               | Medium to High     |
|  | Rates equalization and the risk to rate revenue   | Medium               | High               |
|  | BSC farmland rates increase 19%   | High                 | High               |
|  | Equalisation of service levels and skew towards highest levels                                    | Medium to High       | High               |
|  | Legacy issue – new Council diverts resources to 'support' issues from the former Council          | Medium to High       | Medium to High     |
|  | Concern re: local representation may lead to establishment of Wards – eroding savings from merger | No risk rating given | Medium to High     |

### Comparison- FFF Benchmarks

| FFI for the Future (Benchmarks) Compared 2017/18 - 2019/20                               | Current BSC Stand Alone | Merged Council   |
|--|-------------------------|------------------|
|  | RESULT BENCHMARK        | RESULT BENCHMARK |
| Operating Performance Ratio (greater or equal to break-even average over 3 years)        | 0.941 YES               | ✓ 0.980 NO       |
| Own Source Revenue Ratio (greater than 60% average over 3 years)                         | 14.27% NO               | ✗ 14.89% NO      |
| Building and Infrastructure Asset Renewal Ratio (greater than 100% average over 3 years) | 103.03% YES             | ✓ 104.6% NO      |
| Infrastructure Backlog Ratio (less than 2%)  | 0.996% YES              | ✓ 1.67% NO       |
| Asset Maintenance Ratio (greater than 100% average over 3 years)                         | 103.03% YES             | ✓ 111.6% YES     |
| Total Service Ratio (greater than 0 and less than or equal to 20% average over 3 years)  | 1.45% YES               | ✓ 1.79% YES      |
| A decrease in Real Operating Expenditure per capita over time                            | Decreasing YES          | ✓ Increasing NO  |



### Comparison Berrigan / Jerilderie LGAs

The existing Jerilderie Shire has an area of approximately 3,373.1 km<sup>2</sup> with a population of 1,526.

The Berrigan Shire has an area of approximately 2,065.9 km<sup>2</sup> and a population of 8,337.

A merged LGA will have an area of 5,439 km<sup>2</sup> and population of 9,816.

The income of both Shires is derived from the agriculture – the main industry and employer will continue to be agriculture.

### Comparison Berrigan / Jerilderie

| Population                                  | BSC  | Merged | Local Economy  | BSC       | Merged |
|---|------|--------|--|-----------|--------|
| Five year population change (%)             | 1.6  | -2.3   | SALM Rate (%)  | 4.5       | 4.2    |
| Population aged 19 or less (%)              | 23.4 | 24.3   | Average Taxable Income                                     | \$ 30,362 | \$     |
| Population aged between 20 & 59             | 43.1 | 45.7   | Average Household size                                     | 2.8       | 2.9    |
| Population aged above 60 %                  | 33.5 | 30.0   | Largest Industry Employer                                  | Agri      | Agri   |
| ATSI <sup>1</sup>                           | 2.0  | 2.5    | Value of DA determined (\$'000)                            | 15,000    | 16,572 |
| Language spoke other than English (%)       | 2.2  | 2.8    | Active Businesses in LGA                                   | 1,548     | 1,371  |
| Socio-Economic Index Rank (1 low, 152 high) | 48   | 75     | National Regional Competitiveness Index Rank               |           |        |
|   |      |        | 1 = Competitive 563 - Least Competitive                    | 315       | 389*   |
|   |      |        | * Regional Competitiveness Rank of existing Jerilderie LGA |           |        |

**Population & Economy**  
A merger of the two Shire provides no discernible benefits in terms of population or economy.  
The positive population trend in the Berrigan Shire shifts to a negative trend.  
The new LGA will still have 30% of its population aged above 60 years of age.  
The new LGA will be ranked lower (nationally) in terms of its regional competitiveness.

### Comparison Berrigan and Jerilderie Operations

| Expenditure on Services              | BSC  | Merged | Public Facilities          | BSC   | Merged |
|--------------------------------------|------|--------|----------------------------|-------|--------|
| Governance & Admin (%)               | 5 %  | 12 %   | Swimming Pools (No.)       | 3     | 4      |
| Public Order Safety (%)              | 26 % | 21 %   | Public Halls (No.)         | 5     | 8      |
| Environment, Water, Sewer, Waste (%) | 10 % | 7 %    | Public Libraries (No.)     | 4     | 5      |
| Community Services (%)               | 7 %  | 5 %    | Open Public Space (ha)     | 138   | 160    |
| Recreation / Cultural (%)            | 10 % | 9 %    | Total Road Length (km)     | 1,375 | 2,476  |
| Road, Bridges, Paths (%)             | 29 % | 31 %   | Access to Internet at home | 63.6  | 63.9   |
| Other Services (%)                   | 11 % | 15 %   |                            |       |        |

| TCorp 2013 Financial Sustainability Rating & Outlook & OLG 2013 Infrastructure Audit Rating | BSC      | Merged <sup>#</sup>   |
|---|----------|-----------------------|
| Sustainability  | Moderate | Weak <sup>#</sup>     |
| Outlook   | Neutral  | Negative <sup>#</sup> |
| Infrastructure Management   | Strong   | Weak <sup>#</sup>     |

# Assumes that increase in public facilities, road length, socio-economic disadvantage ranking, transfer of strategic roles (contracts) to other organisations, increase in road, bridges and path expenditure, together with decrease in community services, public order and safety and recreation expenditure, together with decrease in regional competitiveness ranking and decrease in population density impacting scalability of operations will add to cost of operations and in doing so impact unfavourably on merged Council's Financial Outlook and Infrastructure Audit Rating


### What does the comparison tell us ...

**Public Facilities**

- A merger will not lead to the de-commissioning of duplicated Shire Offices or reduce rural road service levels – items that contribute to cost of facilities maintained by both Councils. It will not introduce economies a scale. And, may on the grounds of equity, require that the new Council re-develop Jerilderie's facilities to ensure a comparable level of service or reduce existing Berrigan Shire service levels


**Expenditure on Services**

- In common with rural and regional neighbours the rural road network accounts for approximately 30% of Council's expenditure. A merged Council will make no significant savings in this regard.
- The consultants SGS modelled merger savings based on reduced expenditure in public order, community services and recreation services




### Benefits – Merged Jerilderie and Berrigan Shire

| Merge with Jerilderie   | Potential Benefit identified by SGS – Independent Consultants | Estimated Expenditure savings | Comment BSC   |
|---|---|-------------------------------|---|
| Assumptions<br>• all staff retained except 2 <sup>nd</sup> GM | Increased capacity for strategic improvement                  | 1.2% - 3.8% over ten-years    | Does not factor in costs that is the risks associated with the merge option   |
| • NSW government lifts protections in place for Council staff | More Council jobs in Berrigan                                 |                               | Legislation protects in small communities Council jobs and where they are located – merger will necessarily lead to more Council jobs in Berrigan |




### Standalone Berrigan Shire WHAT ARE THE RISKS & BENEFITS




### Risk Assessment – Berrigan Stand Alone Option

| Standalone   | Risk identified by SGS                       | Risk rating by SGS   | Risk Rating by BSC |
|--|--|----------------------|--------------------|
| <b>Assumes</b> <ul style="list-style-type: none"> <li>Limited scope for efficiency gains from current base</li> <li>Limited potential to attract more qualified Council staff</li> <li>The scale is not much smaller than the merged option</li> </ul> | Limited capacity for (strategic) improvement | No risk rating given | Low                |





### Benefits – Standalone Berrigan Shire

| Standalone Assumes  | Potential Benefit identified by SGS   | SGS Comment re: Financials   | Comment by BSC   |
|---|---|--|--|
| <ul style="list-style-type: none"> <li>No change in current operations</li> <li>Increase in rate revenue over time</li> </ul> | <ul style="list-style-type: none"> <li>Long-term Sustainability</li> <li>Growing Rate Base</li> <li>Strong Representation</li> <li>Focus on Murray River Tourism</li> <li>No Merger and Transition Costs</li> <li>No Long-term Legacy issues</li> </ul> | Longterm financial Planning assumptions are reasonable and it is likely that the performance against OLG benchmarks will improve | <ul style="list-style-type: none"> <li>Current operations are sustainable</li> <li>Steady pop. growth</li> <li>Standing alone avoids known risks associated with merger</li> </ul> |



- ### Key Messages .... From Consultants Report
- ✓ Population growth (BSC growing/JSC declining)
  - ✓ BSC diversifying industry while JSC remains reliant on agriculture
  - ✓ Different rate base – BSC enjoy higher property values and more residential assessments
  - ✓ Farmland rates will rise by 19%
- 

- ### Key Messages .... Consultants Report
- Key differences in Community Strategic Plans
- ✓ Berrigan Shire communities intent on growing and expanding
  - ✓ Jerilderie focused on stability and preventing decline
  - ✓ Berrigan Shire Council focused on enabling investment in infrastructure for economic growth
  - ✓ Jerilderie Shire Council interested in strengthening ties with Urana Shire re: services/strategic direction
- 

- ### Key Messages .... Consultants Report
- Long-term Financial Sustainability of Berrigan Shire Council
- ✓ The Council's global assumptions are reasonable
  - ✓ BSC performance against OLG benchmarks will continue to improve into the future
- 

Council's Plan for the Future Improvement Plan

## NEXT STEPS ....



### Fit For the Future (FFF) Planning .... Berrigan Shire as a standalone Council

To be assessed as Fit for the Future

- The Council is committed to building on its existing program and continuous improvement of Council's current range of services and facilities.
- Council needs your comment and feedback on the strategies it has identified for inclusion in its FFF improvement plan.



### Suggested FFF Improvement Plan Strategies

As part of its standalone FFF Improvement Plan the Berrigan Shire Council will...

- ✓ **Prioritise the renewal of existing assets over the construction of new assets.**
  - ✓ Set user charges at the full cost of delivery where possible.
- ✓ **Consider seeking a Special Rate Variation where there is after consultation with our communities a clearly identified demand for new services or significantly improved service levels.**
- ✓ Continue to closely monitor and review programs funded by other levels of government – particularly programs that expose the Council ratepayers to excessive financial risk
- ✓ **Retain control of urban water supply and sewer services.**
  - ✓ Resist pressure to fund services that the responsibility of other levels of government

### Suggested FFF Improvement Plan Strategies cont.

As part of its standalone FFF Improvement Plan the Berrigan Shire Council will...

- ✓ **Investigate use of solar power and install where appropriate**
- ✓ Continue to monitor and review its organisational structure and offer redundancies when and where this may be appropriate
- ✓ **In consultation with the community assess service levels and in doing so set rates and charges that balancing Office of Local Government requirements with community expectations and capacity to pay**
- ✓ Continue the development of the Tocumwal Aerodrome aimed at increasing use
- ✓ **Investigate increasing Tocumwal Aerodrome user charges to reduce the net cost of this service.**


### Involving our staff & communities ...

Council needs your comment and feedback

1. On its decision to stand alone
2. On its strategies to meet Fit for the Future Benchmarks



### Questions



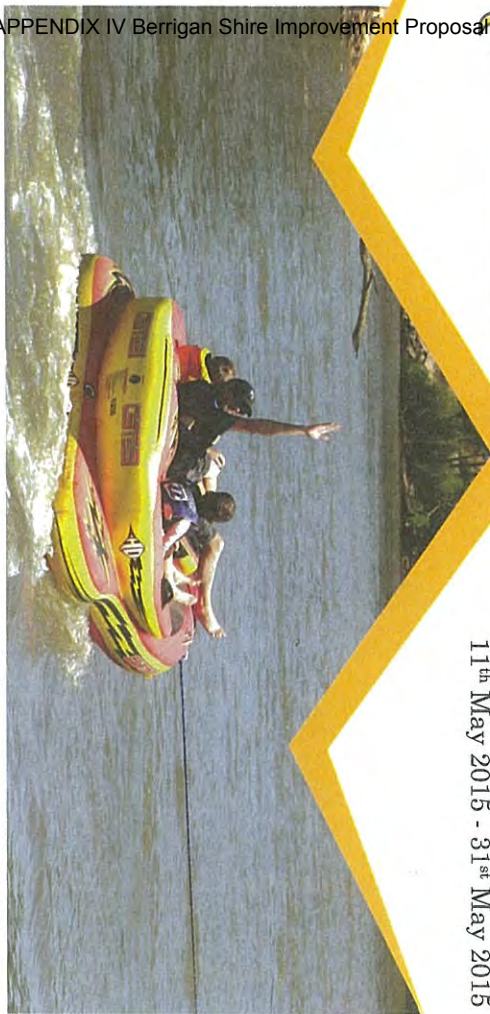
## Appendix III



# FIT FOR THE FUTURE

Tell us what you think.....

11<sup>th</sup> May 2015 - 31<sup>st</sup> May 2015



## What is the Fit for the Future program?

Fit for the Future is the NSW Government's local government reform program and it is designed to build, in New South Wales, a stronger system of local government and stronger local communities.

The reforms are based on the recommendations of the Independent Local Government Review Panel and the Local Government Acts Taskforce.

To be assessed as Fit for the Future the Berrigan Shire Council must submit by 30 June 2015 a proposal showing that it or a merged Berrigan Shire and Jerilderie Shire Council meets or can meet Fit for the Future benchmarks.

For more information visit the Fit for the Future website  
<http://www.fitforthefuture.nsw.gov.au/>

| Fit for the Future Benchmarks Compared 2017/18 - 2019/20                                 | Current BSC Stand-alone                        | Merged Council                                 |
|--|--|--|
| Operating Performance Ratio (greater or equal to break-even average over 3 years)        | RESULT<br>0.047<br>MEETS FITF BENCHMARK<br>YES | RESULT<br>-0.080<br>MEETS FITF BENCHMARK<br>NO |
| Own Source Revenue Ratio (greater than 60% average over 3 years)                         | 52.72%<br>NO                                   | 47.89%<br>NO                                   |
| Building and Infrastructure Asset Renewal Ratio (greater than 100% average over 3 years) | 103.39%<br>YES                                 | 74.64%<br>NO                                   |
| Infrastructure Backlog Ratio (less than 2%)  | 0.98%<br>YES                                   | 2.67%<br>NO                                    |
| Asset Maintenance Ratio (greater than 100% average over 3 years)                         | 102.05%<br>YES                                 | 111.17%<br>YES                                 |
| Debt Service Ratio (greater than 0 and less than or equal to 20% average over 3 years)   | 1.45%<br>YES                                   | 1.70%<br>YES                                   |
| A decrease in Real Operating Expenditure per capita over time                            | Decreasing<br>YES                              | Increasing<br>NO                               |



## What has Council done?

In the past 6-months Council has commissioned independent research to:

1. Assess the scale of the Jerilderie and Berrigan Shire Councils' operations and the benefits to Berrigan Shire ratepayers and residents of a merger.
2. Assess whether the Berrigan Shire Council based on its current operations and suggested improvements can stand alone – and be assessed as a Council that is Fit for the Future.
3. Consider how the national and regional competitiveness of our businesses and the broader community will be affected by a merger.

## What did this tell us about ...?

### *Merging the Jerilderie and Berrigan Shire Councils*

The independent consulting firm, *SGS Economics & Planning*, supported the view of Council that a merger between the Jerilderie Shire Council and the Berrigan Shire Council would generate weak economies of scale.

This means that adding Jerilderie's 1,519 residents (increase in scale) would not offset the costs incurred by doubling the length of Council roads.

According to SGS a merger would lead to modest gains in financial efficiency through:

- A 19% increase in the rates paid by ex Berrigan Shire rural landholders.

Other savings in a merged Council could come from:

- Setting levels of service at the lowest level currently employed by the two Councils. For example: Pools without lifeguards, libraries with reduced hours.
- Not replacing existing staff in positions such as Economic Development, Social Planning and Animal Control when they become vacant – to line up with Jerilderie Shires current staff structure.

Over time the independent consultants found that the savings per year are less than the savings realised from replacing the General Managers at Jerilderie and Berrigan Shire Councils with one General Manager of a merged Council. i.e. The other costs borne by the new Council will actually go up.

The merged Council is required to keep all existing staff positions at their current locations indefinitely, except for the two General Managers.

Council's preferred option...

What are the risks....?

**The Stand-alone Option**

This is an option for local government areas with 10,000 people. It is also an option if a Council's improvement plan is accepted by the NSW state government.

The independent consultant's assessment is that Berrigan Shire Council (pop. 8,413) meets or can meet all but one of the Fit for the Future Benchmarks set by the Office of Local Government.

Its report stated that

*'the longterm position of Council is expected to slowly improve into the future, and satisfy OLG Benchmarks with the exception of own source revenue which needs to be considered in the context of rural council operations'*

The benchmark that the Council **cannot meet** is the requirement that a Council generates at least 60% of its revenue from rates / fees and charges. Without raising rates and or changing its current level of service to its communities the Council now generates 52% of its own source revenue - a merger will make this benchmark harder to meet.

If the Council includes the revenue from its water and sewer functions, it would easily meet this benchmark. However the State Government is not allowing any Council to include this in calculating its own source revenue.

| MERGE WITH JERILDERIE   | Risk Identified by SGS  | Risk Rating by SGS  | Risk Rating by BSC  |
|---|---|---|---|
| <p><b>Assumes</b></p> <ul style="list-style-type: none"> <li>BSC per capita costs and applies these to JSC</li> <li>Rationalisation of building, staff JSC to achieve efficiencies 'observed at Berrigan'</li> <li>Merger costs calculated over three years not ten</li> <li>Higher service levels BSC</li> </ul> | <p>Projected efficiency gains fail to come to fruition</p> <p>Salary equalization and differences between Councils</p> <p>Rates equalization and the risk to rate revenue</p> <p>BSC Farmland rates increase by 19%</p> <p>Equalisation of service levels and skew towards highest level</p> <p>Legacy issue - new Council diverts resources to 'support issues' from the former</p> <p>Concern re: local representation may lead to establishment of Wards - eroding savings from merger</p> | <p>No risk rating given</p> <p>Medium</p> <p>Medium</p> <p>High</p> <p>Medium to High</p> <p>Medium to High</p> <p>Medium to High</p> <p>No risk rating given</p> | <p>Medium to High</p> <p>Medium</p> <p>High</p> <p>High</p> <p>High</p> <p>Medium to High</p> <p>Medium to High</p> <p>Medium to High</p> |
| <p><b>Assumes</b></p> <ul style="list-style-type: none"> <li>All staff retained except GM</li> <li>All buildings/offices retained</li> </ul>  | <p>Increased capacity for strategic improvement</p>   | <p>1.2% - 3.8% over ten years</p>   | <p>Does not factor merger costs</p>   |
| <p><b>Assumes</b></p> <ul style="list-style-type: none"> <li>Limited scope for efficiency gains</li> <li>Limited potential to attract more qualified Council Staff</li> <li>The scale is not much smaller than the merged option</li> </ul>   | <p>Risk identified by SGS</p> <p>Limited capacity for (strategic) improvements</p>  | <p>Risk Rating by SGS</p> <p>No risk rating given</p>   | <p>Risk Rating by BSC</p> <p>Low</p>  |
| <p><b>Assumes</b></p> <ul style="list-style-type: none"> <li>No changes in current operations</li> <li>Increase over time</li> </ul>  | <p>Potential Benefit identified by SGS</p> <p>Long-term financial sustainability</p> <p>Growing Rate Base</p> <p>Strong Local Representation</p> <p>Focus on Murray River Tourism</p> <p>No Merger Risks or Transition Costs</p> <p>No Long-term Legacy Issues</p>  | <p>Estimated Savings</p> <p>Confirmed by SGS</p>  | <p>Comment BSC</p> <p>Current operations are sustainable</p> <p>Steady pop. growth</p> <p>Avoid risks associated with merger</p>          |

## Council's position ...

**A merger with Jerilderie will not strengthen our local communities.**

This position is based on the findings of an independent report prepared by SGS Economics & Planning Consultants, extensive research and analysis by Council Officers, and consultation by Council with neighbouring Shires. The Council's position is guided first and foremost by:

**What will deliver the best long-term outcome for Berrigan Shire residents, local business and ratepayers.**

**This is however, too important a decision for the Council to make by itself.**

All residents, businesses and ratepayers are encouraged to learn more and have their say by the 31st May 2015. To do this you can:

1. Complete our *Have your say* survey via Council's website or Facebook.
2. Talk to Councillors and staff at street stalls in each town.
3. Attend a public meeting to learn more.
4. Cannot get to a street stall or meeting call into your library to view the presentation and complete the survey.

| Public Meeting                            | Date    | Time | Street Stall | Date    | Time  |
|---|---------|------|--------------|---------|-------|
| Berrigan CWA Hall                         | 13/5/15 | 2 pm | Berrigan     | 20/5/15 | 2 pm  |
| Barooga Community Centre                  | 13/5/15 | 7 pm | Barooga      | 21/5/15 | 11 am |
| Finley School of Arts Hall                | 18/5/15 | 2 pm | Finley       | 19/5/15 | 2 pm  |
| Tocumwal Community Health - Activity Room | 18/5/15 | 7 pm | Tocumwal     | 19/5/15 | 11 am |

For more information call Council 03 5888 5100 or  
visit our website: [www.berriganshire.nsw.gov.au](http://www.berriganshire.nsw.gov.au)



[www.facebook.com/berriganshire](http://www.facebook.com/berriganshire)

## Are there other options ...?

### *The Rural Council Option*

This is an option for the Jerilderie Shire Council if it does not merge with Berrigan Shire Council.

As part of the Fit for the Future program rural Councils will transfer strategic, land use planning and development, library services, road, water, and sewer planning functions to a regional centre – the Office of Local Government is proposing that in this region this will be Deniliquin or Albury.

Under the rural Council model decisions will then be made in either Deniliquin or Albury.

The services likely to be affected by this option include:

- Local assessment and processing of building and development applications.
- Decision-making about library opening hours, the types of activities held in our libraries and collections held by Council's libraries.
- Road design, the prioritization and scheduling of road maintenance and upgrades.

***This option has not been considered by Council or SGS Economics & Planning***



**Appendix IV**



***Fit for the the Future: Q&A and Survey  
'stay as we are or merge with Jerilderie Shire Survey'***

**Q1. What is Fit for the Future?**

- It is the NSW Government's reform program for NSW local government.
- The program is designed to build a stronger system of local government and stronger local communities
- The program is based on the recommendations of an independent review panel and Local Government Acts Taskforce
- The Berrigan Shire Council must submit a proposal by 30 June, 2015 how a merged Berrigan and Jerilderie Shire Council or standalone Berrigan Shire Council can become Fit for the Future.

**Q2. What does this mean for the Berrigan Shire Local Government Area?**

The Fit for the Future reform program is recommending that the Berrigan Shire Local Government Area (LGA) merge with the Jerilderie Shire Local Government Area (LGA)

**Q 3. Is this recommendation the only option?**

A merger with the Jerilderie Shire Council is not the only option and we would like your opinion on these options.

**You can have your say on the available options by:**

- Completing the following survey
- Talking to Councillors and staff at a street stall to be held in each town
- Attending a public meeting to be held in each town
- Writing or emailing Council by the 31<sup>st</sup> May 2015

For more information about what the NSW Government is proposing visit the [Fit for the Future Website](#)

## Option 1 - Merge with the Jerilderie Shire Council

Council appointed SGS Consultants to investigate the social, economic and financial benefits of a merger. Its assessment together with the assessment of Council Officers suggests that a merger between the Jerilderie Shire Council and the Berrigan Shire Council will lead to:

- No net financial benefit to Berrigan Shire Council residents and rate payers
- Berrigan Shire residents living in rural areas of the Shire will experience an increase in rates
- No savings due to the rationalisation of jobs or the closure of duplicated Council facilities or offices
- A decline in the regional and national competitiveness ranking of the new LGA

---

### Thinking about this option

#### Should the Berrigan Shire LGA merge with the Jerilderie Shire LGA?

- I strongly agree and believe that the Berrigan Shire LGA should merge with the Jerilderie Shire LGA
- I agree and believe that the Berrigan Shire LGA should merge with the Jerilderie Shire LGA
- I am neither for nor against a merger between the Jerilderie and Berrigan Shire LGAs
- I disagree and believe that the Berrigan Shire LGA should not merge with the Jerilderie Shire LGA
- I strongly disagree and believe that the Berrigan Shire LGA should not merge with the Jerilderie Shire LGA

#### Your comments on this option

## Option 2 – Berrigan Shire Local Government Area stands alone

This is an option for LGAs with a population above 10,000 people. It is Council's preferred option and is an option that can be considered if a Council's Fit for the Future improvement plan is accepted by the NSW state government. Based on SGS Consultants Report to Council (an independent assessment) the Berrigan Shire Council (population approx. 8,300) meets or can meet all but one of the Fit for the Future Benchmarks set by the Office of Local Government. The benchmark that this Council and a merged Jerilderie and Berrigan LGA **cannot and will not meet** in the foreseeable future is the requirement that a Council generates at least 60% of its revenue from rates / fees and charges. The Berrigan Shire Council, if it stands alone, can meet and exceed this benchmark if it counts the revenue it generates from its water and sewer businesses. In common with all NSW councils that operate water and sewer businesses this income cannot be counted.

The benefit of the standalone option is that:

- a) Local knowledge will inform library services, strategic planning, economic development and capital works programs roads paths, and bridges
- b) Current Berrigan Shire residents and rate payers will not be asked to subsidise the operations of the current range of facilities and services provided by the Jerilderie Shire Council
- c) Professional staff with qualifications will continue to be employed by Council, they will retain local knowledge and not be subject to competing demands from the host and or neighbouring Councils.

---

### Thinking about this option

#### Should the Berrigan Shire Local Government Area and its Council stand alone?

- I strongly agree - the Berrigan Shire LGA should stand alone
- I agree - the Berrigan Shire LGA should stand alone
- I neither agree nor disagree
- I disagree the Berrigan Shire LGA should not stand alone
- I strongly disagree the Berrigan Shire LGA should not stand alone

#### Your comments on this option

## **Appendix V – Public Meetings Presentation**



### Timeline of reform in NSW local government

- **2011 Destination 2036**  
All NSW Councils meet to plan how Local Government could meet future challenges
- **2012-13 Independent Local Government Review Panel**  
conduct a 2-year review recommending structural and boundary change
- **April 2013 Interim Report from Review Panel**  
Recommended Berrigan Shire Council merge with Jerilderie, Urana and Corowa Shire
- **31 May 2013**  
Berrigan Shire Council meet with Chair of Local Government Review Panel
- **Oct 2013 Final Report from Review Panel**  
Recommends that the Berrigan Shire Council merge with Jerilderie Shire Council. This Jerilderie Shire Council can also choose to become a rural Council
- **Sept 2014 Fit for the Future Program**  
Announced by NSW Government as its response to the Review Panel's Final Report it recommends that the Berrigan Shire Council merge with Jerilderie Shire Council



### Fit For the Future (FFF) – What is it?

- NSW State Government reform agenda for the local government
- Recommendations include mergers and amalgamations
- Councils need to consider a merger or amalgamation in order to demonstrate that the Council has sufficient scale and capacity to meet benchmarks set by the State Government
- All affected LGAs need to submit their FFF improvement plan by 30 June 2015; and in doing so
- Show community support for the Council's position and the initiatives proposed as part of a Council's FFF improvement plan.



### What is the Council's position on a merger with the Jerilderie Shire?

- It **will not** improve the long-term financial sustainability of the Council or its strategic capacity
- The Council's position is that a merger with the Jerilderie Shire Council **will not** strengthen our local communities.
- Its decision is based on '*what will deliver the best long-term outcome for Berrigan Shire residents, local business and ratepayers*'.



### How does the Council know that a merger **will not** improve its financial sustainability & strategic capacity?

- Council used SGS Economics & Planning (Sydney) to investigate and report on its options
- SGS Economics & Planning is one of a number of NSW Government appointed Consultants with expertise in the development of FFF Improvement Plans
- This report found that  
*the longterm position of Council is expected to slowly improve into the future, and satisfy OLG Benchmarks with the exception of own source revenue which needs to be considered in the context of rural council operations*




### How does the Council know that a merger **will not strengthen** our local communities?

1. The Council asked SGS Economics to undertake a risk assessment of two options
  - Merged Jerilderie and Berrigan Shire Council
  - Berrigan Shire Council – as a stand alone Council
2. Council staff have developed a comprehensive picture of the relative strengths of the two communities using data from
  - Office of Local Government
  - National Regional Institute



## Merged Jerilderie and Berrigan Shire Council

### WHAT ARE THE RISKS & BENEFITS



### Risk Assessment – Merged Jerilderie Berrigan Shire

| Merge with Jerilderie   | Risk identified by SGS   | Risk rating by SGS   | Risk Rating by BSC |
|---|--|----------------------|--------------------|
| <ul style="list-style-type: none"> <li>BSC per capita costs and applies these to JSC</li> <li>Rationalisation of buildings, staff JSC to achieve efficiencies 'observed at Berrigan'</li> <li>Merger costs only calculated over three years</li> <li>Higher service levels BSC</li> </ul> | Projected efficiency gains fail to come to fruition                                      | No risk rating given | Medium to High     |
|   | Salary equalization and differences between Councils                                     | Medium               | Medium to High     |
|   | Rates equalization and the risk to rate revenue  | Medium               | High               |
|   | BSC farmland rates increase 19%  | High                 | High               |
|   | Equalisation of service levels and skew towards highest levels                           | Medium to High       | High               |
|   | Legacy issue – new Council diverts resources to 'support' issues from the former Council | Medium to High       | Medium to High     |
| Concern re: local representation may lead to establishment of Wards – eroding savings from merger   | No risk rating given   | Medium to High       |                    |

### Comparison Berrigan / Jerilderie Operations

The existing Jerilderie Shire has an area of approximately 3,373.3 km<sup>2</sup> with a population of 3,526. The Berrigan Shire has an area of approximately 2,062.9 km<sup>2</sup> and a population of 6,227. The merged LGA will have an area of 5,436 km<sup>2</sup> and a population of 9,753. As the main income of both Shires is derived from the agriculture - the main industry and employer will continue to be agriculture.

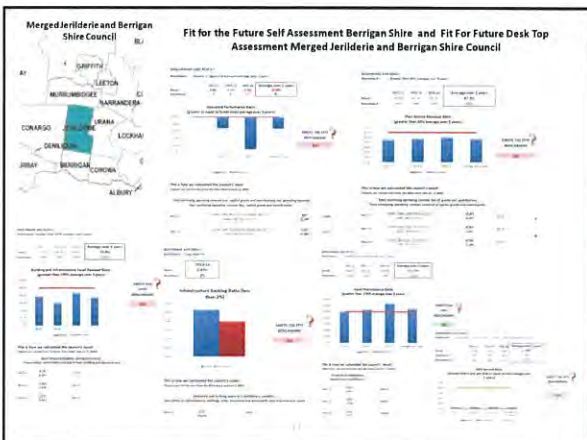
| Indicator                         | BSC       | Jerilderie |
|-----------------------------------|-----------|------------|
| Population                        | 6,227     | 3,526      |
| Population aged 18 to 64%         | 24.6      | 24.1       |
| Population aged 65+               | 15.1      | 19.7       |
| Population aged 0-14%             | 18.9      | 18.6       |
| Population aged 15-64%            | 23.0      | 23.3       |
| Population aged 65+ (Male/Female) | 1.2 / 1.8 | 1.8 / 1.8  |
| Population aged 65+ (Male/Female) | 44        | 76         |

| Indicator                         | BSC       | Jerilderie |
|-----------------------------------|-----------|------------|
| Local Economy                     | 4.1       | 4.2        |
| Local Rate %                      | 2.8       | 2.3        |
| Population aged 18 to 64%         | 24.6      | 24.1       |
| Population aged 65+               | 15.1      | 19.7       |
| Population aged 0-14%             | 18.9      | 18.6       |
| Population aged 15-64%            | 23.0      | 23.3       |
| Population aged 65+ (Male/Female) | 1.2 / 1.8 | 1.8 / 1.8  |
| Population aged 65+ (Male/Female) | 44        | 76         |

**Expenditure on Services**

| Indicator                     | BSC | Jerilderie |
|-------------------------------|-----|------------|
| Administration & Services (%) | 1   | 12         |
| Public Order Services (%)     | 26  | 23         |
| Recreation & Culture (%)      | 1   | 5          |
| Community Services (%)        | 1   | 5          |
| Health & Welfare (%)          | 1   | 5          |
| Public Order Services (%)     | 26  | 23         |
| Recreation & Culture (%)      | 1   | 5          |
| Community Services (%)        | 1   | 5          |
| Health & Welfare (%)          | 1   | 5          |

**Fit for the Future Self Assessment Berrigan Shire and Fit for Future Desk Top Assessment Merged Jerilderie and Berrigan Shire Council**



### What does the comparison tell us ...

**Population & Economy**


- A merger of the two Shire provides no discernible benefits in terms of population and economy with the positive and marginal population growth trend in the Berrigan Shire shifting to a negative trend. The new LGA will still have 30% of its population aged above 60 years of age.
- The biggest regional impact of a merger will be a lower national regional competitiveness rank.

**Public Facilities**

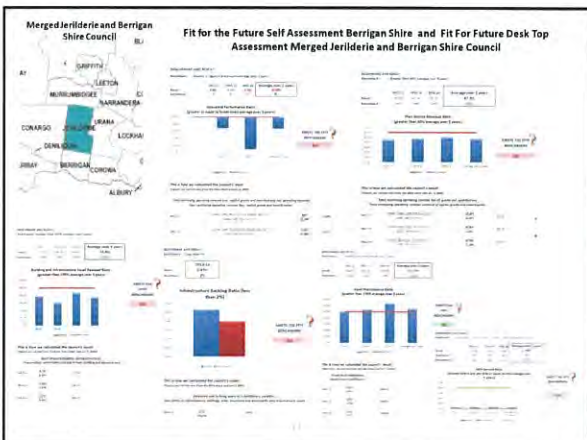
- A merger will not lead to the de-commissioning public facilities or reduce rural road service levels – items that contribute to cost of facilities maintained by both Councils. It will not introduce economies a scale. And, may on the grounds of equity, require that the new Council re-develop Jerilderie's facilities to ensure a comparable level of service or reduce existing Berrigan Shire service levels

**Expenditure on Services**

- In common with rural and regional neighbours the rural road network accounts for approximately 30% of Council's expenditure. A merged Council will make no significant savings in this regard. SGS identified that savings would come from public order, community services and recreation services




### Fit for the Future Self Assessment Berrigan Shire and Fit for Future Desk Top Assessment Merged Jerilderie and Berrigan Shire Council




### Benefits – Merged Jerilderie and Berrigan Shire

| Merge with Jerilderie        | Potential Benefit identified by SGS          | Estimated Expenditure savings | Comment BSC   |
|------------------------------|--|-------------------------------|---|
| Assumptions                  | Increased capacity for strategic improvement | 1.2% - 3.8% over ten-years    | Does not factor in costs that is the risks associated with the merge option |
| all staff retained except GM | More Council jobs in Berrigan                |                               | Not an option Council can consider as part of its FFF improvement plan      |




## Standalone Berrigan Shire

### WHAT ARE THE RISKS & BENEFITS




## Risk Assessment – Berrigan Stand Alone Option

| Standalone   | Risk identified by SGS                       | Risk rating by SGS   | Risk Rating by BSC |
|--|--|----------------------|--------------------|
| <b>Assumes</b> <ul style="list-style-type: none"> <li>Limited scope for efficiency gains from current base</li> <li>Limited potential to attract more qualified Council staff</li> <li>The scale is not much smaller than the merged option</li> </ul> | Limited capacity for (strategic) improvement | No risk rating given | Low                |




## Benefits – Standalone Berrigan Shire

| Standalone Assumes  | Potential Benefit identified by SGS   | SGS Comment re: Financials   | Comment by BSC   |
|---|---|--|--|
| <ul style="list-style-type: none"> <li>No change in current operations</li> <li>Increase in rate revenue over time</li> </ul> | <ul style="list-style-type: none"> <li>Long-term Sustainability</li> <li>Growing Rate Base</li> <li>Strong Local Representation</li> <li>Focus on Murray River Tourism</li> <li>No Merger and Transition Costs</li> <li>No Long-term Legacy issues</li> </ul> | Longterm financial Planning assumptions are reasonable and it is likely that the performance against OLG benchmarks will improve | <ul style="list-style-type: none"> <li>Current operations are sustainable</li> <li>Steady pop. growth</li> <li>Standing alone avoids known risks associated with merger</li> </ul> |



## Key Messages .... SGS Report

1. Strategic Planning
  - ✓ Population growth (BSC growing/JSC declining)
  - ✓ BSC diversifying industry while JSC remains reliant on agriculture
  - ✓ Different rate base – BSC enjoy higher property values and more residential assessments
  - ✓ Farmland rates will rise by 19%




## Key Messages .... SGS Report

2. Community Strategic Plans – Key differences
  - Berrigan Shire appears intent on growing and expanding
  - Jerilderie Shire focused on stability and preventing decline
  - Berrigan Shire focused on enabling investment in infrastructure for economic growth
  - Jerilderie Shire interested in strengthening ties with Urana Shire re: services/strategic direction



## Key Messages .... SGS Report


3. Financial Planning: Standalone Option
  - ✓ Global assumptions are reasonable
  - ✓ BSC performance against OLG benchmarks will improve in future





Council's Fit for the Future Improvement Plan

**NEXT STEPS ....**



**Fit For the Future Planning .... Berrigan Shire as a standalone Council**

**Strategic Capacity**  
Council's current model of service delivery reflects its history, geography, community needs and expectations.

Council delivers a range of traditional local government property services (water, sewer, development and road, rates and rubbish)

The sustainability of which is guided by *Financial Strategy 2012* objectives of:

1. Financial sustainability
2. Cost effective maintenance of infrastructure service levels
3. Financial capacity and freedom (Berrigan Shire Council, 2012, p. 3)

In addition to traditional property services Council's community-building and business development services are also delivered through its strategic and social planning activities, its library services, multi-shire early childhood intervention services, and economic development services.



**Fit For the Future Planning .... Berrigan Shire as a standalone Council**

Service Review findings


- All Delivery Program Strategic Objectives are being actioned
- 9 out of 12 Strategic Objectives have formal Strategies and Actions Plans
- These 4 year + strategies and action plans are integrated with Berrigan 2023 and included service users and involved consultation with our communities



**Fit For the Future Planning .... Berrigan Shire as a standalone Council**


The Council aims, in addition to maintaining its current range of services, to achieve the following outcomes against the Fit for the Future sustainability benchmarks:

- ✓ An Operating Performance Ratio greater than 5% on average over the four-year period
- ✓ Maintain Own Source Revenue Ratio at 52%
- ✓ Maintain Building and Infrastructure Renewal Ratio at over 100%



Meeting the Office of Local Government's Fit for the Future Benchmarks

**A STANDALONE BERRIGAN SHIRE WILL DO THIS BY ...**



**Operating Performance ratio greater than 5% on average over a 4-year period**

To meet this benchmark a standalone Berrigan Shire Council will...

- ✓ Investigate use of solar power and install where appropriate
- ✓ Assess existing workforce structure for potential cuts and offer redundancies where appropriate
- ✓ Reassess service levels and implement rates and charges policy appropriate to deliver that service level
- ✓ Develop additional tranche of land of Tocumwal Aerodrome to expand use, leading to increased user charges and reduced net cost of service
- ✓ Eliminate programs that expose the Council to excessive financial risk
- ✓ Retain control of urban water supply and sewer services
- ✓ Resist pressure to fund services that the responsibility of other levels of government

**Maintain Building and Infrastructure Renewal Ratio at 100% over four year term**

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To meet this benchmark a standalone Berrigan Shire Council will...

Promise the renewal of existing assets over the construction of new assets

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**Maintain own Source Revenue Ratio at 52%**

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To meet this benchmark a standalone Berrigan Shire Council will...

Set user charges at the full cost of delivery where possible

Consider seeking a Special Rate Variation where there is after consultation with our communities a clearly identified demand for new services or significantly improved service levels.

**Involving our communities ...**


**Online, at Public Meetings & Street Stalls**

Council needs your comment and feedback

1. On its decision to stand alone
2. On its strategies to meet Fit for the Future Benchmarks



**Questions**





## Fit for the Future

Tell us what you think....

11 May 2015 - 31st May 2015

### Council's Position ...

**A merger with the Jerilderie Shire Council will not strengthen our local communities.**

Based on the findings of an independent report prepared by *SGS Economics & Planning Consultants*, extensive research and analysis by Council Officers, and consultation by Council with neighbouring Shires. The Council's position is guided first and foremost by

***what will deliver the best long-term outcome for Berrigan Shire residents, local business and ratepayers.***

### Key Messages

- 1. This is however, too important a decision for the Council to make by itself therefore residents, businesses and rate payers are encouraged to talk to Councillors, visit the website, attend public meeting and complete online survey.***
- 2. Independent assessment has found that***
  - The Berrigan Shire Council can standalone and be financially sustainable meeting all but one Office of Local Government benchmarks – own source revenue***
  - Merging with the Jerilderie Shire Council will not allow the new Council to meet Office of Local Government benchmarks***
  - Merging with the Jerilderie Shire Council i.e: adding 1,100 more people and doubling the length of roads will not lead to savings based on increased scale***
  - To achieve savings a merged Council may need to raise Berrigan farmland rates by 19% and consider reducing service levels. This may be in areas where the Jerilderie Shire does not currently offer a service e.g.: lifeguards at pools, economic development, tourism, and animal management.***

## Our Guide to the Fit for the Future Benchmarks?

|  |  |
|--|--|
| <b><i>Operating performance Ratio (greater or equal to break even over 3 years)</i></b>                | Is the Council making an operating surplus on average over 3 years                                   |
| <b><i>Own Source revenue ratio (greater than 60% average over 3 years)</i></b>                         | Is the Council from its own rates and charges raising at least 60% of its total revenue              |
| <b><i>Building and infrastructure Asset Renewal Ratio (greater than 100% average over 3 years)</i></b> | Is the Council providing adequate funds to meet the annual depreciation costs                        |
| <b><i>Infrastructure backlog ratio (less than 2%)</i></b>  | Does the Council have less than 2% of its total assets in an unserviceable state that it cannot fund |
| <b><i>Asset Maintenance ratio (greater than 100% average over 3 years)</i></b>                         | Does the Council provide the fund equal to its assets management plans to adequately maintain its    |
| <b><i>A decrease in real operating expenditure per capita over time</i></b>                            | Is the Council reducing its operating costs per capita over the long term                            |
| <b><i>Debt Service ratio (greater than 0 and less than or equal to 20% average over 3 years)</i></b>   | Is the Council using a reasonable level of debt in meeting its capital costs                         |

| <b><i>Fit for the Future Benchmarks Compared<br/>2017/18 - 2019/20</i></b>                             | <b>Current BSC Stand Alone</b> |                                 |   | <b>Merged Council</b> |                                 |   |
|--|--------------------------------|---------------------------------|---|-----------------------|---------------------------------|---|
|  | <b>RESULT</b>                  | <b>MEETS FITF<br/>BENCHMARK</b> |   | <b>RESULT</b>         | <b>MEETS FITF<br/>BENCHMARK</b> |   |
| <b><i>Operating Performance Ratio (greater or equal to break-even average over 3 years)</i></b>        | 0.047                          | YES                             | ✓ | -0.080                | NO                              | ✗ |
| <b><i>Own Source Revenue Ratio (greater than 60% average over 3 years)</i></b>                         | 52.72%                         | NO                              | ✗ | 47.89%                | NO                              | ✗ |
| <b><i>Building and Infrastructure Asset Renewal Ratio (greater than 100% average over 3 years)</i></b> | 103.39%                        | YES                             | ✓ | 74.64%                | NO                              | ✗ |
| <b><i>Infrastructure Backlog Ratio (less than 2%)</i></b>  | 0.98%                          | YES                             | ✓ | 2.67%                 | NO                              | ✗ |
| <b><i>Asset Maintenance Ratio (greater than 100% average over 3 years)</i></b>                         | 102.05%                        | YES                             | ✓ | 111.17%               | YES                             | ✓ |
| <b><i>Debt Service Ratio (greater than 0 and less than or equal to 20% average over 3 years)</i></b>   | 1.45%                          | YES                             | ✓ | 1.70%                 | YES                             | ✓ |
| <b><i>A decrease in Real Operating Expenditure per capita over time</i></b>                            | Decreasing                     | YES                             | ✓ | Increasing            | NO                              | ✗ |

### Merged Jerilderie and Berrigan Shire Council



The existing Jerilderie Shire has an area of approximately 3,373.1 km<sup>2</sup> with a population of 1,526. The Berrigan Shire has an area of approximately 2,065.9 km<sup>2</sup> and a population of 8,337. The merged LGA will have an area of 5,439 km<sup>2</sup> and population of 9,816. As the main income of both Shires is derived from the agriculture – the main industry and employer will continue to be agriculture.

| Population                                  | BSC  | Merged |
|---|------|--------|
| Five year population change(5)              | 1.6  | -2.3   |
| Population aged 19 or less %                | 23.4 | 24.3   |
| Population aged between 20 & 59             | 43.1 | 45.7   |
| Population aged above 60%                   | 33.5 | 30.0   |
| ATSI  | 2.0  | 2.5    |
| Language spoke other than English (%)       | 2.2  | 2.8    |
| Socio-Economic Index Rank (1 low, 152 high) | 48   | 75     |

| Public Facilities          | BSC     | Merged |
|----------------------------|---------|--------|
| Swimming Pools (No.)       | 3       | 4      |
| Public Halls (No.)         | 5       | 8      |
| Public Libraries (No.)     | 4       | 5      |
| Open Public Space(ha)      | 138     | 160    |
| Total Road Length (km)     | 1,375.1 | 2,476  |
| Access to Internet at home | 63.6    | 63.9   |

| Expenditure on Services              | BSC | Merged |
|--------------------------------------|-----|--------|
| Governance & Admin (%)               | 5   | 12     |
| Public Order Safety (%)              | 26  | 21     |
| Environment, Water, Sewer, Waste (%) | 10  | 7      |
| Community/Services (%)               | 7   | 5      |
| Recreation / Cultural (%)            | 10  | 9      |
| Road, Bridges, Paths (%)             | 29  | 31     |
| Other Services (%)                   | 11  | 15     |

| Local Economy  | BSC    | Merged |
|--|--------|--------|
| SALM Rate (%)  | 4.5    | 4.2    |
| Average Taxable Income   | 30,362 | 31,080 |
| Average Household size   | 2.8    | 2.9    |
| Largest Industry Employer  | Aeri   | Aeri   |
| Value of DA determined (\$'000)  | 15,000 | 16,572 |
| Active Businesses in LGA   | 1,148  | 1,371  |
| Regional Competitiveness Index Rank<br>1 = Competitive 563 - Least Competitive<br>* Regional Competitiveness Rank of existing Jerilderie LGA | 315    | 389*   |

| Council  | BSC    | Merged |
|--|--------|--------|
| Councillors  | 8      | 8*     |
| Pop per Councillor (No.)                             | 1,042  | 1,232* |
| Equivalent FTE (No)                                  | 87     | 128#   |
| 2012/13 Revenue (\$'000)                             | 18,958 | 28,042 |
| 2012/13 Expenses (\$'000)                            | 18,788 | 28,431 |
| Pensioner Rebates (%)                                | 29     | 29.3   |
| Population Density/ (residents per km <sup>2</sup> ) | 4.04   | 1.81   |

\* Assumes no increase in number of Councillors in a merged LGA  
# Assumes loss of 4 Contract EFT

#### TCorp 2013 Financial Sustainability Rating & Outlook & OIG 2013 Infrastructure Audit Rating

| Sustainability            | BSC      | Merged#   |
|---------------------------|----------|-----------|
| Outlook                   | Moderate | Weak#     |
| Infrastructure Management | Neutral  | Negative# |
|                           | Strong   | Weak#     |

# Assumes that increase in public facilities, road length, socio-economic disadvantage ranking, transfer of strategic roles (contract) to JCs, increase in road, bridges and path expenditure, together with decrease in community services, public order and safety and recreation expenditure, together with decrease in regional competitiveness ranking and decrease in population density impacting scalability of operations will add to cost of operations and in doing so impact unfavourably on merged Council's Financial Outlook and Infrastructure Audit Rating