

Update on the demerger of Cootamundra-Gundagai Regional Council

October 2023

In 2021, Cootamundra-Gundagai Regional Council (CGRC) submitted a business case to the previous Government. The business case was referred as required under 218CC of the *Local Government Act 1993* (the Act) to the Local Government Boundaries Commission (Boundaries Commission).

Following the recommendation of the Boundaries Commission to reinstate the shires of Cootamundra and Gundagai as separate local government areas, the former Government released a roadmap to demerger.

This roadmap was flawed, as the Act does not provide a legal pathway to demerge under 218CC.

Since coming to office, Local Government Minister Ron Hoenig has been working to determine a pathway that can achieve the demerger of CGRC under the Act.

The New Pathway Forward

The NSW Government will support CGRC to demerge providing two councils can be established that are sustainable and financially viable.

On 3 October 2023, Minister Hoenig met with CGRC and announced a pathway that will empower the Councils to take ownership of the demerger process.

The pathway will require CGRC to develop a detailed implementation plan which creates two sustainable councils. The implementation plan will be reviewed by the Boundaries Commission, with a further public inquiry to be held in the first half of 2024.

Should CGRC satisfy the Boundaries Commission that the Council's approach is sound, the Minister will proceed to dissolve CGRC and proclaim the creation of two new areas. This is possible under sections 204 and 212 of the Act.

Upon proclamation of the two new Council areas by the Governor of NSW, a date will be set for the election of the two new councils by their communities.

What does Council need to do now?

In preparing its implementation plan, CGRC will need to demonstrate that a demerger will create two sustainable councils. This includes plans for:

- where the boundaries should be;
- electoral matters such as wards, number of councillors and the method of electing Mayor;
- division and sharing of assets and liabilities;
- allocation of staff, as well as management and organisational structures;
- rate levels and charges; and
- service standards and shared service arrangements.

CGRC is being encouraged to start work on its plan as soon as possible. To complete the demerger and elect the new councils before the end of 2024, the implementation plan needs to be completed expeditiously.

How will the community have their say?

Provided the implementation plan to demerge is completed by CGRC in early 2024, the Boundaries Commission will conduct a public inquiry in the first half of 2024. The community will be invited to comment on the proposal at this time.

What was the problem with the roadmap released by the previous government?

Demerging CGRC using the roadmap announced by the previous government was never possible under section 218CC of the Act.

The section of the act explains how demerger proposals must be handled but it does not give the Minister the legislative power to prepare and recommend to the Governor a proclamation that would legally create the two new Councils.

CGRC develops a detailed implementation plan to demonstrate how two sustainable councils can be established

- Council must determine rates, service levels, and boundaries

The Boundaries Commission undertakes a public inquiry into the Council's plan

- The community will be invited to have their say in the first half of 2024

The Minister considers the report and makes a decision

- The Government must be satisfied the demerger proposal will achieve two sustainable councils

CGRC is dissolved and two new areas are proclaimed - Cootamundra and Gundagai

- Elections will be held for the two new council areas