

Media Release

Cootamundra-Gundagai Regional Council gets Minister's support to prepare for a demerger

Thursday, 17 July 2025

The Minister for Local Government has today announced that the demerger of Cootamundra-Gundagai Regional Council into two separate councils is to proceed.

On 3 October 2023, the Minister announced his support to split Cootamundra-Gundagai Regional Council provided it could develop a robust implementation plan for two separate councils.

The implementation plan developed by the Council would then be subject to a Public Inquiry and recommendation of the NSW Local Government Boundaries Commission. This was the only legislative option available to achieve a demerger of the Council.

The Minister met with Mayor Abb McAlister and the Member for Cootamundra in Gundagai earlier today to release the Boundaries Commission and Public Inquiry reports.

The path is now clear for the Council to commence the detailed transition work needed to initiate the dissolution of Cootamundra-Gundagai and establish two new councils.

The Council will establish a transition management office to prepare the specifics of the demerger, including allocation of assets, liabilities, funding, shared service arrangements, staffing and governance arrangements.

Completing the detailed planning and transition work is essential to ensure each Council has the best start following proclamation.

This work will also inform the drafting of legal instruments by the NSW Government required to establish the two new councils.

The Office of Local Government will continue to support Cootamundra-Gundagai including monitoring the implementation of Council's demerger proposal, and work with the Council to identify funding sources to support the transition to two new council areas.

Minister for Local Government Ron Hoenig said:

"Cootamundra and Gundagai are two councils that should never have been merged.

"The work by the Boundaries Commission confirms what the Council had been saying since 2016 and what I had been saying since 2012 – the former government's 'Fit for the Future' policy was only a ruse to effect widespread amalgamations.

"Within several years of the merger I spoke with Mayor Abb McAlister and remember being impressed with the work the Council had done calculating the cost of the merger on the new Council. The community's opposition was not just philosophical – it was financial and practical.

"It was for that reason in October 2023 that I decided I would do whatever I could within my power under the Act, to enable this demerger.

“Now, the detailed transition work needs to be led by the Council, and the councillors elected in 2024 who have the mandate to do it. They are best positioned to drive this process forward and should be the ones to shape the future of their respective communities.

“Demerging a council is significantly more complex than amalgamating one. The Council’s own implementation plan highlighted there is still a lot of work that needs to be done to get to a point where two new councils can be proclaimed.

“I am confident Mayor McAlister and the elected councillors can do what is required of them to reach this outcome so we can finally close this disappointing chapter in local government history.

“Let Cootamundra-Gundagai Regional Council serve as a cautionary tale for future governments and academics who believe that merged councils provide better economies of scale and better services.

“May it stand as the folly that it was, so we can finally discard forced amalgamations for amalgamations sake into the waste bin of history.”

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The Boundaries Commission and Public Inquiry reports are available on the Office of Local Government website: <https://www.olg.nsw.gov.au/commissions-and-tribunals/local-government-boundaries-commission/>