

**Examination of the Proposal for creation of a  
new New England Regional local government  
area incorporating the areas of:**

**Armidale Dumaresq  
Guyra Shire (part)  
Uralla Shire (part)  
Walcha Shire**

**and involving boundary alterations with:**

**Inverell Shire**

**and assuming the functions of:**

**New England Weeds Authority County  
Council**

**LOCAL GOVERNMENT BOUNDARIES COMMISSION**

**March 2004**

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## CHAPTER 1 INTRODUCTION

The Local Government Boundaries Commission is a statutory authority constituted under section 263 of the *Local Government Act 1993*.

It has the function of examining and reporting on any matter referred to it by the Minister for Local Government regarding the boundaries of local government areas and the areas of operation of county councils.

The Commission is appointed by the Governor, and has four members.

The Chair is nominated by the Minister for Local Government, one Commissioner is nominated by the Director General of the Department of Local Government, and two Commissioners are appointed from a panel of councillors nominated by the Local Government and Shires Associations of NSW representing the Local Government industry across New South Wales.

The Boundaries Commission therefore consists of equal representation from State Government and Local Government and is well constituted to independently fulfil its functions.

On 3 July 2003 the Minister for Local Government, the Hon Tony Kelly MLC, wrote to all NSW councils calling on them to examine their position with regard to assisting them to maximise the effective and efficient delivery of local government services and facilities to their communities.

The Minister suggested that regional reviews might be one approach to examine the options for groups of councils considering structural reform.

As part of the Government's Local Government Reform Program, Mr Chris Vardon OAM was appointed by the Minister as Facilitator to conduct a regional review of the structure of local government in the Peel region.

Following the completion of Mr Vardon's review, the following five proposals for creation of new local government areas were developed and submitted to the Minister:

- Gwydir Shire Council incorporating Barraba Shire Council (part), Bingara Shire Council and Yallaroi Shire Council
- Liverpool Plains Shire Council incorporating Murrurundi Shire Council (part), Parry Shire Council (part) and Quirindi Shire Council and involving boundary alterations with Gunnedah Shire Council and Nundle Shire Council

- New England Regional Council incorporating Armidale Dumaresq Council, Guyra Shire Council (part), Uralla Shire Council (part) and Walcha Council and involving boundary alterations with Inverell Shire Council
- Peel Regional Council incorporating Barraba Shire Council (part), Manilla Shire Council, Nundle Shire Council (part), Parry Shire Council (part) and Tamworth City Council and involving boundary alterations with Gunnedah Shire Council
- Upper Hunter Shire Council incorporating Scone Shire Council and Murrurundi Shire Council (part)

In accordance with the provisions of sections 218E(1) and 218F(1) of the *Local Government Act 1993* ("the Act"), the Minister referred the proposals to the Commission for examination and report, with regard to the factors listed in Section 263(3) of the Act.

As the proposals referred to the Commission are proposals for the amalgamation of two or more local government areas, the Commission has, as required by section 263(2A) of the Act, held an inquiry for the purpose of exercising its functions in respect of the proposals.

To assist the Commission in its examination, the Department of Local Government provided administrative support to the Commission and the services of Ken Boyle and Associates were engaged to provide specialist advice to aid the Commission in reaching its determinations regarding the financial impacts of the proposals.

This Report has been prepared by the Commission and contains conclusions the Commission has reached relating to each factor it has been required to have regard to under Section 263(3) of the Act with respect to a proposed new New England Regional local government area. The Commission's examination of the other four proposals is dealt with in separate reports.

The s263(3) factors are:

- (a) the financial advantages or disadvantages (including the economies or diseconomies of scale) of any relevant proposal to the residents and ratepayers of the areas concerned,
- (b) the community of interest and geographic cohesion in the existing areas and in any proposed new area,
- (c) the existing historical and traditional values in the existing areas and the impact of change on them,

- (d) the attitude of the residents and ratepayers of the areas concerned,
- (e) the requirements of the area concerned in relation to elected representation for residents and ratepayers at the local level, the desirable and appropriate relationship between elected representatives and ratepayers and residents and such other matters as it considers relevant in relation to the past and future patterns of elected representation for that area,
  - (e1) the impact of any relevant proposal on the ability of the councils of the areas concerned to provide adequate, equitable and appropriate services and facilities,
  - (e2) the impact of any relevant proposal on the employment of the staff by the councils of the areas concerned,
  - (e3) the impact of any relevant proposal on rural communities in the areas concerned,
  - (e4) in the case of a proposal for the amalgamation of two or more areas, the desirability (or otherwise) of dividing the resulting area or areas into wards,
  - (e5) in the case of a proposal for the amalgamation of two or more areas, the need to ensure that the opinions of each of the diverse communities of the resulting area or areas are effectively represented,
- (f) such other factors as it considers relevant to the provision of efficient and effective local government in the existing and proposed new areas.

This report also contains recommendations arising out of the Commission's examination of the proposal referred to it.

## **1.1 BACKGROUND**

On 17 December 2003, the Minister referred the proposal for creation of a new New England Regional local government area to the Commission for examination and report.

The Boundaries Commission wrote to all affected councils advising of the proposals on 23 December 2003. This letter advised that, in accordance with section 263(2A) of the Act, the Boundaries Commission resolved to hold an inquiry for the purpose of exercising its functions in relation to each of the proposals.

The proposals, maps, public notices and inquiry information have also been made available to the public in the Boundaries Commission web page on the internet, and the Commission has accepted written submissions lodged via email, fax and/or post.

The Commission placed a public notice in the following newspapers: Armidale Express Extra (7 January 2004), Gunnedah Namoi Independent (6 January 2004), Quirindi Advocate (7 January 2004), Tamworth Northern Daily Leader (5 January 2004), Barraba Gazette (14 January 2004), Bingara Advocate (14 January 2004), Glen Innes Examiner (13 January 2004), Inverell Times (13 January 2004), Scone Valley Advocate (15 January 2004).

The notice invited interested persons to lodge written submissions with the Commission by 27 January 2004 and to indicate whether they wished to make a presentation to the Commission at the public hearings.

The Boundaries Commission wrote to all affected councils on 12 February 2004 to advise of the details of the inquiry hearings.

The Commission placed a further public notice regarding details of public hearings in the following newspapers: Armidale Express Extra (18 February 2004), Gunnedah Namoi Independent (19 February 2004), Quirindi Advocate (18 February 2004), Tamworth Northern Daily Leader (19 February 2004), Barraba Gazette (18 February 2004), Bingara Advocate (18 February 2004), Glen Innes Examiner (19 February 2004), Inverell Times (20 February 2004), Scone Valley Advocate (19 February 2004).

The notice provided details of the public hearings and advised that people who had indicated their interest in speaking at the public hearings would be contacted regarding the allocation of presentation times.

The inquiry hearings took place over four days in Armidale, commencing on 1 March 2004 and concluding on 4 March 2004. These hearings were open to the public throughout and all persons who sought to speak at these hearings were allocated a time.

Representatives from all of the affected councils addressed the Commission. A further sixty-six presentations were made to the Commission from individuals, community groups and representatives from the United Services Union. Commissioner Leo Kelly did not attend the inquiry hearings due to prior commitments.

At the conclusion of the hearings, the Commission duly considered all the evidence and materials before it, including the submissions received from the

affected councils and other interested individuals and groups before coming to its conclusions in respect of each of the proposals.

## **CHAPTER 2 THE NATURE OF THE PROPOSAL**

The proposed new New England Regional local government area comprises:

- the areas of Armidale Dumaresq and Walcha
- part of the Guyra Shire, excluding the area surrounding and including the village of Tingha, which is proposed to be transferred to the Inverell Shire local government area
- part of the Uralla Shire, excluding the locality of Bundarra in the far north of the existing Uralla Shire, which is proposed to be transferred to the Inverell Shire local government area.

A detailed technical description of the proposed boundary is contained in Chapter 5 of this Report, along with a map of the existing and proposed local government area boundaries.

## **CHAPTER 3 SUBMISSIONS**

In its public notice advertising the referral of the proposals to the Commission, the Commission invited written submissions from persons with an interest in putting forward points of view relating to each of the proposals. It was advised that such submissions should be forwarded to the Commission by 27 January 2004.

The Commission received a total of 769 submissions from interested persons for the purposes of its processes in respect of the proposals. Of these, 387 submissions referred to the councils the subject of the proposed new New England Regional local government area.

The public notice also indicated that persons making submissions should give written indication by 27 January whether they wished to speak at public hearings to be conducted by the Commission in March 2004.

In addition to the councils affected by the proposals, some 132 persons advised that they sought such an opportunity. Attempts were made to contact all these persons to allocate speaking times. In some instances, contact details had not been provided. Other people indicated that they no longer wished, or were unable, to appear at the public hearings.

All written and oral submissions made to the Commission were carefully considered in the course of the Commission's deliberations.

Representatives of the affected councils accepted the Commission's invitations to make oral presentations at the inquiry hearing in Armidale commencing on 1 March 2004.

The preparation of this report has been aided by the analysis of material provided to the Commission by the affected councils and other relevant material.

## **CHAPTER 4 EXAMINATION OF THE PROPOSAL**

The Commission is required by section 263(3) of the Act to examine and report on the boundary alteration and amalgamation proposal with regard to a number of specific factors or criteria.

While the Commission does not have a role in implementing proposals, in the course of its examination and report the Commission has identified some issues that it believes could be reflected in any proclamation that may result from a decision to implement this proposal.

The Commission's considerations relating to each factor listed in section 263(3) of the Act are now set out.

### **4.1 FINANCIAL ADVANTAGES AND DISADVANTAGES**

#### **4.1.1 INTRODUCTION**

Section 263(3)(a) of the Act requires the Boundaries Commission to have regard to "the financial advantages and disadvantages (including the economies and diseconomies of scale) of any relevant proposal to the residents and ratepayers of the areas concerned".

During the inquiry process various claims have been made regarding the actual and projected financial positions of the affected Councils and the methodology used by Mr Vardon.

The income and expenditure of the existing councils involved in the proposal and, where possible, the proposed new New England Regional Council, have been examined and compared against industry standards and other relevant information to assist the Commission in its determinations regarding the financial advantages and disadvantages of the proposal.

The Department of Local Government's category system of NSW councils for comparative purposes places the proposed new council into the category 4 group of councils. However, the Department's latest available information is for the 2001/02 year while the latest available financial information is for the 2002/03 year.

The latest available figures have been reviewed. While direct comparisons between the two sets of figures should be treated with a degree of caution they provide a guide in comparing the projected performance of the new council against the industry average for councils of a similar size and nature.

#### 4.1.2 REVENUE FROM ORDINARY OPERATIONS

It is estimated that the proposed new council is likely to have had:

- Total revenue of about \$47m
- Slightly less income from rates and annual charges (41%) than the average of similar councils (44%)
- Slightly greater revenue from user charges and fees (25%) compared to the average (20%)
- Similar levels of income from grants and contributions (29% compared to 31%) as well as from other sources of income
- Per capita income of about \$1,250 p.a. compared to the category average of around \$790 p.a.

#### Revenues from Ordinary Operations for 2002/03 (\$'000)

	<b>Armidale Dumaresq</b>	<b>Guyra (75%)</b>	<b>Uralla (83%)</b>	<b>Walcha</b>	<b>New England</b>
Rates & Annual Charges	11,659	1,715	2,779	2,540	17,550
User Charges & Fees	7,654	628	717	2,069	10,649
Interest Received	950	190	208	113	1,335
Grants & Contributions	5,309	2,616	4,061	2,290	12,532
Other Operating Revenues	750	319	27	99	982
Profit from Disposal of Assets	208	0	27	0	27
<b>Total</b>	<b>26,530</b>	<b>5,468</b>	<b>7,819</b>	<b>7,111</b>	<b>46,928</b>

#### 4.1.3 EXPENDITURE FROM ORDINARY ACTIVITIES

The proposed new council is estimated to have:

- Total expenditure of around \$50m
- Employee costs (38%) greater than the average council (34%)
- Materials and contracts costs (25%) slightly less than the category average (28%)
- Depreciation (25%) slightly higher than the average (24%)
- Expenditure per capita of about \$1,340 pa compared to the category average of around \$870 pa.

**Expenditure from Ordinary Activities for 2002/03 (\$'000)**

	<b>Armidale Dumaresq</b>	<b>Guyra (75%)</b>	<b>Uralla (83%)</b>	<b>Walcha</b>	<b>New England</b>
Employee costs	10,656	1,725	3,605	2,801	17,637
Materials & Contracts	6,433	1,636	2,516	2,134	11,629
Borrowing Costs	686	105	71	13	805
Depreciation	6,918	2,197	1,239	2,354	11,243
Other Expenses	3,034	861	501	634	4,456
Loss from Sale of Assets	0	68	0	20	43
<b>Total</b>	<b>27,727</b>	<b>6,592</b>	<b>7,932</b>	<b>7,956</b>	<b>50,207</b>

Surplus/(deficit)					
On ordinary activities	(1,197)	(1,124)	(113)	(845)	(3,279)

Overall the proposed new council is estimated to have a similar income and expenditure pattern to the average of similar sized councils.

**4.1.4 FINANCIAL RATIOS**

***Debt Service Ratio (DSR)***

The DSR's of both Guyra and Uralla in the 2002/03 year were adversely affected by loan refinancing. Guyra's figure of over 33% for this year was particularly high and unsustainable in the medium term. However, its auditor is of the view that when adjusted for the impact of loan refinancing "the ratio will return to more normal levels of approximately 10%".

**Debt Service Ratios**

	<b>2000/01</b>	<b>2001/02</b>	<b>2002/03</b>
Armidale Dumaresq	7.40	6.56	6.84
Guyra	11.59	5.21	33.21*
Uralla	4.23	21.60	15.96*
Walcha	3.0	2.2	1.3

\*Due to loan refinancing during the year.

The DSR's for the other councils are at sustainable levels with Walcha's trending down to 1.3%, which is low for a council of its size. The proposed new council in 2002/03 is estimated to have recorded a DSR of around 10.7%, which is relatively high compared to the average council of this size (7.4% in 2002).

### **Unrestricted Current Ratio**

This indicator measures a council's ability to meet its financial obligations as they fall due

- A ratio of 1:1 indicates that sufficient assets are on hand to meet current liabilities
- Ratios of less than 1:1 are unsatisfactory
- Ratios between 1:1 and 2:1 are satisfactory
- Ratios greater than 2:1 are generally viewed as good.

#### **Unrestricted Current Ratios**

	<b>2000/0100</b>	<b>2001/02</b>	<b>2002/03</b>
Armidale Dumaresq	2.40	2.64	2.56
Guyra	5.28	6.97	5.68
Uralla	1.74	2.07	2.1
Walcha	3.0	4.4	4.2

The figures for all of the existing councils involved in the proposal ranged from satisfactory to good (1.74 to 6.97). The proposed new council's ratio is anticipated to be much higher than 2:1, which is more than satisfactory.

### **4.1.5 CASH and INVESTMENTS**

All of the councils involved in the proposal appeared to hold an adequate amount of unrestricted cash and investments to meet normal operational requirements.

#### **Cash and Investments (\$'000)**

	<b>Armidale Dumaresq</b>	<b>Guyra (75%)</b>	<b>Uralla (83%)</b>	<b>Walcha</b>	<b>New England</b>
Externally Restricted	10,428	2,120	1,528	650	14,726
Internally Restricted	6,542	1,939	1,678	730	10,889
Unrestricted	1,137	359	699	996	3,191
<b>Total</b>	<b>18,107</b>	<b>4,418</b>	<b>3,905</b>	<b>2,376</b>	<b>28,806</b>

The figures ranged from 6.3% of total cash and investments (Armidale Dumaresq) to 41.9% (Walcha). The figures for the proposed new council are estimated to be about 11.4% of the total.

#### 4.1.6 RATES

##### ***Rates & Annual Charges Outstanding***

The figures for Walcha and Uralla remained relatively static and at an acceptable level during the three years under review. The figures for Guyra trended downwards from 7.29% to 2.80% in 2002/03, which is a similar figure to that recorded by Uralla (2.92%).

##### **Rates and Annual Charges Outstanding**

	<b>2000/01 (%)</b>	<b>2001/2002 (%)</b>	<b>2002/2003 (%)</b>
Armidale Dumaresq	12.12	11.37	10.62
Guyra	7.29	2.90	2.80
Uralla	2.64	2.94	2.92
Walcha	4.5	4.4	4.7

Armidale Dumaresq's figures also trended downwards from 12.12% to 10.62% over this period. This is higher than its category average of 8.74%.

##### ***Rating Issues***

It is clear from the following figures that some ratepayers are likely to pay an increase in rates while others may enjoy a decrease.

##### **Average Rates Levied (2001/02)**

	<b>Residential (\$)</b>	<b>Farmland (\$)</b>
Armidale Dumaresq	639.89	1,582.11
Guyra	237.26	1,251.18
Uralla	396.72	1,979.14
Walcha	254.45	1,755.32

Various measures are available under the rating provisions of the *Local Government Act 1993* to assist in overcoming this. However, any adverse changes in rate levels that cannot be accommodated by the legislation should be implemented over an extended period.

#### 4.1.7 ASSETS/CAPITAL EXPENDITURE

##### *Capital Expenditure Ratio*

This indicator assesses a council's ability to replace or add to capital assets compared to the consumption of assets (depreciation). It does not include land, water and sewerage assets.

##### **Capital Expenditure Ratio**

	1999/2000	2000/2001	2001/2002
Armidale Dumaresq	0.52	0.23	0.65
Guyra	-3.82	0.26	0.04
Uralla	0.85	1.93	2.61
Walcha	0.80	0.60	0.71
Category 4 Council	1.15	2.53	1.07

The performance of the existing councils in replacing their assets in the three-year period to 2001/02 ranged from unsatisfactory to satisfactory. Guyra's ratio ranged from -3.82 to 0.26, Armidale Dumaresq from 0.23 to 0.65, Walcha from 0.60 to 0.80, while Uralla's were from 0.85 to 2.61.

The range for the category 4 average council was from 1.07 to 2.53.

##### *Expenditure on Assets*

The programmed asset maintenance expenditure for Uralla in 2002/03 was equal to the estimate required to maintain them in a satisfactory condition.

##### **Condition of Public Works (All Assets)**

	Estimated Expenditure to Maintain Current Standard (\$k)	Actual Maintenance program (\$k)
Armidale Dumaresq	4,874	3,898
Guyra	1,811	1,679
Uralla	1,893	1,893
Walcha	1,888	1,560
New England	10,466	9,030

Armidale Dumaresq's programmed maintenance expenditure was about 80% of the estimate, Guyra's 93%, Walcha's about 83% while the proposed new council is anticipated to have a figure of about 86%.

#### 4.1.8 BUSINESS ACTIVITIES

**Armidale Dumaresq** operates a water supply service, which recorded a surplus before grants of \$536k in 2002/03 compared to a deficit of \$573k the prior year. On the other hand its sewerage operations recorded deficits of \$39k and \$129k in the corresponding years.

**Guyra** also operates water and sewerage services with the former recording small losses in the two years to 2002/03 (\$51k and \$41k). The water supply operation recorded surpluses in these years (\$78k and \$114k).

**Uralla's** water supply operation recorded a deficit in 2002/03 of \$116k compared to the prior year's surplus of \$5k. Its sewerage service recorded deficits in both years (\$28k and \$8k).

**Walcha's** water supply recorded a deficit of \$9k in 2003 compared to a surplus of \$12k in the previous year. Its sewerage operation incurred a deficit in both years (\$91k and \$36k).

Overall, these operations should have only a minimal impact on the proposed new council's finances.

#### 4.1.9 FINANCIAL ASSISTANCE GRANTS

Financial Assistance Grants (FAGs) are provided by the Commonwealth to local government under the provisions of *the Local Government (Financial Assistance) Act 1995*. Federal funding can be project-specific or part of the annual fiscal equalisation and is distributed through the NSW State Grants Commission. In 2003-2004 the estimated grant entitlement for NSW amounts to \$486.85 million.

There are two components to the grant:

- a **general purpose** component of \$352.34 million, which is determined according to a fiscal equalisation model that attempts to equalise the financial capacity of councils by assessing their relative cost and revenue needs; and
- a **local roads** component of \$134.51 million, which is determined on the basis of population, local road and bridge length.

Both components are paid to councils as untied grants, which can be used by local authorities according to their own local priorities. A minimum grant "safety net" applies to the general-purpose component.

The Grants Commission's recommendations require endorsement by the NSW Minister for Local Government prior to approval by the Federal Minister for Regional Services, Territories and Local Government.

### Financial Assistance Grants Allocated 2002-2003

Council	Estimated Resident Population as at 30/6/01 (p)	General Purpose (final) (\$)	Per Capita (\$)	Local Roads (final) (\$)	Total Allocated (final) (\$)
Armidale Dumaresq	24,383	1,961,431	80.44	860,622	2,822,053
Guyra	4,202	856,136	203.74	578,275	1,434,411
Uralla	5,620	868,645	154.56	575,929	1,444,574
Walcha	3,194	554,304	173.55	533,607	1,087,911

### Financial Assistance Grants Allocated 2003-2004

Council	Estimated Resident Population as at 30/6/02 (p)	General Purpose (prelim) (\$)	Per Capita (\$)	Local Roads (prelim) (\$)	Total Allocated (prelim) (\$)
Armidale Dumaresq	24,808	2,013,601	81.17	885,653	2,899,254
Guyra	4,488	890,343	198.38	600,459	1,490,802
Uralla	6,082	891,118	146.52	599,312	1,490,430
Walcha	3,298	593,539	179.97	552,583	1,146,122

The NSW Local Government Grants Commission is sensitive to the need for grant stability during periods of structural reform. Accordingly, the Grants Commission has in place a distribution principle, which states that:

“In the event of council amalgamations, the new council will receive grants for two years as if the councils had remained separate entities and any subsequent change may be phased in at the discretion of the Commission.”

Therefore, if the amalgamation proposal were implemented and subject to there being no significant data changes, it would be expected that FAG funding for the new council entity would continue at 2003-04 levels for at least two years.

It should be noted that the “two-year” element of the amalgamation principle recognises limitations in the availability of data required by the Grants Commission to assess grant needs beyond that two-year time frame. For that

reason the discretionary element of the principle allows the Grants Commission the flexibility to carefully monitor grant outcomes and limit change, should that be necessary.

The effects on the grants are therefore expected to be minimal.

#### **4.1.10 ESTIMATED SAVINGS**

The report on the proposal for the creation of the new council estimates annual savings of around \$530,000. Additional savings relating to on-costs and overheads, etc, are also likely to be achieved while one-off savings are estimated to be about 10% of total plant and equipment (\$1.16m).

#### **4.1.11 COUNTY COUNCILS**

The financial impact on the New England Weeds Authority caused by the proposal should be minimal.

#### **4.1.12 TRANSFER OF LAND TO INVERELL SHIRE**

Inverell recorded a deficit from ordinary activities before capital amounts of \$858k in 2003 compared to a deficit of \$2.17k the prior year. It has a low debt level (the DSR was 1.28% in 2003), a reasonable level of outstanding rates and annual charges (6.20%) and a good unrestricted current ratio (5.06). The addition of land from Guyra Shire should not adversely impact on its overall financial position.

#### **4.1.13 FINANCIAL VIABILITY**

**Armidale Dumaresq Shire Council** had total revenue in 2003 of \$26.5m, expenditure of \$27.7m and incurred a loss before capital items of \$1.2m. It also incurred a loss of \$794k in the prior year. It had reasonable debt levels and more than satisfactory unrestricted current ratios for the past three years. Its capital expenditure ratio during the three years to 2002 was unsatisfactory (0.23 to 0.65) while programmed expenditure on asset maintenance in 2003 was about 80% of the amount required to maintain them in a satisfactory condition.

Council had a reasonable level of income from rates and annual charges (44%) and relatively low reliance on grants, etc (20%). Its unrestricted cash and investments (\$1.1m) was at a reasonable level. Council has the capacity to maintain its assets and services at a satisfactory level in the longer term.

**Guyra Shire Council** had revenue from ordinary operations in 2003 of \$7.3m in 2003 and expenditure of \$8.8m. It incurred a loss of \$1.5m in that year before capital items and a similar deficit the prior year (\$1.44m). Its capital expenditure ratio over the three years to 2002 ranged from poor (-3.82) to unsatisfactory (0.26) while programmed maintenance expenditure in 2003 was around 93% of the estimate required to maintain assets at a satisfactory level. Debt service ratios ranged from high (11.59% in 2001) to unsustainable (33.21% in 2003, caused principally by the renewal of loans).

Income from rates and charges was relatively low (31% in 2003) while that from grants, etc was a high 48%. It held \$479k in unrestricted cash and investments, which is a satisfactory level for operational requirements. Due to its continuing deficits, low levels of expenditure on asset replacement and high reliance on grant income there is some doubt council has the financial capacity to maintain its assets and services at a satisfactory level in the medium term.

**Uralla Shire Council** had total revenue of \$9.4m in 2003 and recorded a deficit of \$137k before capital items. This compares unfavourably to the surplus of \$520k in the previous year. Its capital expenditure ratio in the three years to 2002 trended from unsatisfactory (0.85) to good (2.61). Programmed maintenance expenditure in 2003 was 100% of the estimate to maintain assets in a satisfactory condition.

Income from rates and charges was a reasonably satisfactory 36% of total income while reliance on grants, etc was also reasonable (32%) for a council of its size. Council held over \$840k in unrestricted cash and investments, which is more than adequate. The debt service ratio was a very high 15.96% in 2003 but this was partly caused by loan restructuring. Council's auditor states "... this ratio in 2004 should compare favourably with the average for similar sized councils due to the expected reduction in debt service costs". Overall, council appears to have the financial capacity to maintain its assets and services at a satisfactory level in the medium to longer term, subject to debt levels being reduced as claimed.

**Walcha Shire Council** had total revenue of \$7.1m in 2003 and expenditure of \$7.96m. Its deficit before capital items in 2003 was \$845k, which is an improvement on the previous year's deficit of \$597k. Its debt levels were very low in the three years to 2003, with the debt service ratio trending down from 3.0% to 1.3%. Unrestricted current ratios were more than satisfactory while unrestricted cash and investments was at a more than adequate level (\$996k).

Income from rates and charges was a reasonable 36% of total income while grants related income was at a reasonable level (32%). Its capital expenditure ratio in the three years to 2002 was at an unsatisfactory level (0.60 to 0.80) while programmed maintenance on assets in 2003 was about 83% of the estimate required to maintain them, at a satisfactory level. Overall, while council's

continuing deficits are a cause of some concern, it has the financial capacity to maintain its assets and services at a satisfactory level in the medium term.

**The proposed new New England Regional Council** is estimated to have revenue of about \$47m and expenditure of around \$50.2m, resulting in an overall estimated deficit of \$3.2m. Programmed expenditure on its assets is likely to be about 86% of the estimate to maintain them in a satisfactory condition. Debt service (10.7%) is anticipated to be relatively high compared to its category average (7.4%), but this was partly due to loan restructuring. It is estimated to have unrestricted cash and investments of \$3.2m out of a total of \$28.8m.

The proposed new council is likely to have a lower level of income from rates and annual charges ((37%) than the category average (44%) and a higher dependence on grants and contributions (28% compared to 18%). Per capita expenditure was estimated to be \$1,340 pa or over 50% more than the category average council (\$870pa). Estimated one-off savings of around \$1.16m and operational savings of at least \$530k pa should assist in improving council's capacity to maintain its assets and services at a satisfactory level in the longer term.

#### **4.1.14 CONCLUSION**

##### ***Advantages***

The formation of the proposed new New England Regional Council is estimated to:

- Result in annual savings of at least \$530,000 pa with one off savings of \$1.16m
- Create a financially stronger and more viable council compared to the existing councils with per capita income of about \$1,250 pa and expenditure of around \$1,340 pa compared to the category average in 2002 of \$790 pa and \$870 pa
- Create an organization that will be in a much better position to maintain its assets at a satisfactory level compared to the existing councils.

##### ***Disadvantages***

- Some ratepayers may face increased rates, however this could be minimised by the effective utilisation of the rating provisions of the *Local Government Act 1993* or by phasing in any changes over an extended period.
- There would be some one-off establishment costs however these could be absorbed into normal operating expenses or met by one-off savings.

## **4.2 COMMUNITY OF INTEREST AND GEOGRAPHIC COHESION**

Section 263(3)(b) of the Act requires the Commission to have regard to “the community of interest and geographic cohesion in the existing areas and in any proposed new area.”

In outlining the proposal to the Boundaries Commission on the first day of the public hearing on 1 March 2004, Mr Chris Vardon OAM, the Facilitator who conducted the regional review of the Peel area, indicated that Uralla is a dormitory suburb of Armidale and as such, the Uralla township should be included with Armidale, while Bundarra belongs in Inverell. Mr Vardon advised that Guyra Shire argued their case to remain alone, while a public meeting at Tingha showed a clear difference of community opinion as to where Tingha belonged. Mr Vardon concluded that Tingha belongs with Inverell. Mr Vardon also commented that while Walcha Shire Council’s plan for the local timber industry was impressive, he concluded that it was appropriate to include Walcha in the proposed new New England Regional local government area.

### **4.2.1 ARMIDALE DUMARESQ**

The Mayor indicated to the Commission that there are strong historical ties and traditional values in rural NSW and there is commonality of interest across the region, but there are some differences worth considering. For example, Armidale Dumaresq Council has close ties in the rural area and educational area – education gives a specific community of interest which has flow-on to tourism throughout the region, but there are specific viewpoints in areas such as Walcha and it is important for these areas to retain their historical/traditional values and pursue them.

The Mayor also advised the Commission that the four councils primarily affected by the proposal put forward the concept of a Strategic Alliance as a third alternative – the first alternative being for the councils to stand alone, with amalgamation as the second alternative.

The Strategic Alliance is based on individual council process models, shared service process model and shared provider model. Under the Alliance, the Mayor cited the importance of appropriate representation in a regional and rural sense and the autonomy of councils with virtual boundaries. He also indicated that there is a great deal of commonality of interest as well as individuality, for example, dealing with individual representatives at the coalface elected by their communities. The Mayor advised that the four councils have already identified a number of areas on which councils are committed to proceeding, but there will be other analyses that cannot be done overnight.

#### **4.2.2 GUYRA**

Council's Mayor advised the Commission at the public hearings that Council is opposed to any amalgamation or boundary alteration, although Council supports regional cooperation and has therefore agreed to support the Strategic Alliance.

According to Council's website, Guyra is a 40 minute bus ride from Armidale, where there are private schools catering for both boys and girls, as well as the University of New England.

#### **4.2.3 INVERELL**

In his presentation to the Commission, Council's Mayor indicated that the proposal to incorporate Tingha and Bundarra in a proposed new New England regional local government area is strongly supported by Council on the basis that boundaries should support communities of interest and these areas have strong social, cultural, historical and traditional linkages with Inverell.

The Mayor also indicated that there are no geographical impediments to the proposal.

Council also advised that it had identified the 'service footprint', which included Tingha and Bundarra communities as they are within the economic service centre for Inverell, eg., library membership and swimming pool season ticket holders are drawn from these localities.

A resident and businessman of the area also supported the community of interest between Tingha, Bundarra and Inverell.

#### **4.2.4 URALLA**

In his presentation to the Commission, Council's General Manager informed the Commission that Uralla is a different community to that of Armidale - they consider themselves part of Uralla, even though they might access services in Armidale, eg., school or shopping. He also indicated that Council should remain as a stand-alone entity, however, desirable improvements may be achieved through the continuation and expansion of regional co-operation and resource sharing. In this regard, he cited Council's formal agreement to commit to the Strategic Alliance and the protection and support for the economies and unique culture and heritage of small towns.

In addressing the Commission, one resident indicated that opposition to the proposal is based on the possible negative effects on Uralla's social, cultural and historical values - Uralla is a place of creativity that is disenchanted with 'bigger is better' cities and increased crime rates.

#### **4.2.5 WALCHA**

In his presentation to the Commission, the Mayor indicated that Walcha has a special position geographically in that it is much the same distance from Tamworth (100km) and Armidale (80km). Council advised that the community of interest is probably evenly divided between Armidale and Tamworth, although defining what constitutes community of interest was difficult in that many things, including shopping, education and medical services could be considered. Generally, the Walcha community is an extremely flexible community that goes where they need to in order to access services and facilities.

A resident of Walcha challenged a statement in the Facilitator's report that there are strong functional links between Walcha and Armidale and indicated that the links are just as strong with Tamworth.

The Mayor also indicated that while small villages not developing very much, the town of Walcha (1500 people) is developing. The area has large areas of Crown land and State forests and is a grazing, not a farming, area. The area is also significant because of its timber and Council is developing a softwood plantation and there has been interest in the further development of a hardwood industry.

The Mayor also advised the Commission that Walcha has agreed to be part of the New England Strategic Alliance.

The Commission noted that Council was able to articulate a long-term vision for the area, eg., a capital improvement plan over 15-20 years; streetscape improvement; establishment of a softwood plantation unit; a strong and vibrant arts community; works cooperatively and well with Aboriginal community; retains heart of community; retention and enhancement of a progressive community.

The President of the Walcha Arts Council advised the Commission that Council is involved with its community at a grass roots level. He also expressed concern that the cultural progress of Walcha will cease if amalgamation proceeds and aesthetic, spiritual and economic benefits will be lost. He also indicated that a survey of visitors to the area indicated that public art was a major attraction drawing people to Walcha.

A former Mayor of the Council advised the Commission that some areas are geographically isolated and some of the schools are also remote. He further indicated that any attempt to amalgamate Walcha and Armidale would result in vigorous anger from the community.

#### **4.2.6 CONCLUSION**

The Commission notes that other suggestions, alternatives and requests have been made by the affected councils and by community groups and individuals with regard to the boundaries of the proposed new local government areas. It is therefore important that the Commission clarify its role. The *Local Government Act 1993* does not give the Commission power to make significant amendments to proposals for boundary alterations or amalgamations. In this regard, it may only make recommendations concerning the proposal currently before it.

The Commission has considered the principle that residents identify with their localities rather than their local government area, and notes that the amalgamation and boundary alteration proposal does not significantly offend this principle.

The Commission notes with concern, however, the statement that some areas in the existing Walcha Council area are geographically isolated.

With regard to the concept of a Strategic Alliance, the Commission is mindful that other arrangements have already existed for many years that could have enabled councils to take advantage of resource-sharing and other cooperative arrangements, eg., Regional Organisations of Councils. The proposed formation of the Strategic Alliance indicates to the Commission that the existing structures have been unable to achieve the desired outcomes in terms of greater efficiency and cost-effective provision of services. In this regard, the Commission views the formation of the Strategic Alliance with skepticism and is doubtful that the model will result in the benefits attributed to it, particularly by Armidale Dumaresq Council.

The Commission also noted with some concern interpretations of the Strategic Alliance as a 'pardon' for the councils affected by this proposal from participating in meaningful reform in the short to medium term. The long timeframes proposed prior to the Alliance actually commencing, the unclear virtual boundaries, and the lack of any identifiable outcomes have not provided reassurance to the Commission in this regard, nor has the advice that not all councils have even entered into a preliminary agreement at this stage.

## **4.3 HISTORICAL AND TRADITIONAL VALUES**

Section 263(3)(c) of the Act requires the Commission to have regard to “the existing historical and traditional values in the existing areas and the impact of change on them.”

### **4.3.1 ARMIDALE DUMARESQ**

Armidale is situated high on the northern tablelands of New South Wales and is midway between Sydney and Brisbane on the New England Highway and just over two hour’s drive from the coast along the Waterfall Way.

Known for its rich history from the early days of European settlement, Armidale has many fine heritage buildings, elegant cathedrals and grand pastoral homesteads.

As a university town, Armidale celebrates arts and culture. There are many museums and the New England Regional Art Museum permanently houses the Hinton and Coventry Collections.

Armidale’s tree-lined streets and extensive parks and gardens have been a feature from its early beginnings. The beauty of the City of Armidale contrasts dramatically with the rugged gorge country, the waterfalls and the wilderness along the escarpment of the Great Dividing Range nearby. Within a short drive to the east of Armidale, Oxley Wild Rivers, Cathedral Rock and New England National Parks offer awe-inspiring scenery and a great choice of outdoor activities.

[Source: Tourism NSW: [www.visitnsw.com.au](http://www.visitnsw.com.au)]

### **4.3.2 GUYRA**

Guyra is located in the heart of the New England, midway between Sydney and Brisbane on the New England highway and only two hours from north coast beaches. At 1320 metres above sea level, Guyra is the highest town on the tablelands.

Aboriginal people have lived in the area, using the resources and managing the environment for thousands of years. Evidence can be found throughout the area with several rock art sites depicting animals, tools and axe grinding groove sites. The last ceremonial activity known to have taken place was at Black Mountain in the 1880s at a site containing trees carved with ceremonial patterns, a bora ring and stone arrangements.

In 1818, the explorer John Oxley passed through but the area was not settled until the early 1830's. Ollera Station was settled in 1838 and is run today by members of the same family. The Guyra Railway Station was opened in 1884 and the town proclaimed in 1885.

The New England is renowned for many national. The New England National Park, Guy Fawkes River National Park, Cathedral Rock and the Styx River National Parks are to the east.

Nearer to Guyra, Little Llangothlin Nature Reserve incorporates a high country natural lagoon frequented by a wide variety of bird life whilst the famous Mother of Ducks Lagoon at the rear of the Guyra township boasts a variety of birds including migratory and other feeding birds.

The streams around Guyra are well known for trout fishing along Sandy, Ollera, Moredun, Rockvale and Boorolong Creeks. Fossickers may find sapphires, jellybean crystals and grass stone at Stannifer or at Stoney Creek off Bundarra Road in the area SW of Copes Creek. Sapphires and topaz may also be found in the Sara River near Kookabookra.

Tingha is an old tin mining town located 75kms to the west of Guyra.

There are three historic preserved heritage railway stations at Black Mountain, Guyra and Ben Lomond.

[Source: Guyra Shire Council website]

### **4.3.3 INVERELL**

Inverell is situated on the Macintyre River in the centre of the New England Tablelands on the Gwydir Highway, which connects western NSW with the eastern seaboard.

The Shire of Inverell is rich farm and grazing land, including large mineral deposits, particularly tin and sapphires.

The town had its beginnings when Colin and Rosana Ross arrived in August 1853 to start a store for the settlers who had moved into the district during 1839-40. Ross Hill is named after the family.

The man who was to give Inverell its name and lay the foundations for today's modern community was Alexander Campbell. A Scottish immigrant, Campbell came to Australia in 1824 and was employed by Peter Macintyre in the Hunter Valley.

In March 1835, Campbell set out on what proved to be a long and hazardous journey to explore the new country known as the New England.

After travelling through Guyra and Bundarra, Campbell established a property for his employer, calling it Byron Station and established Inverell Station for himself.

The name Inverell means: "Inv" - a meeting place and "Ell" - swans, so named because of the many swans in the area at that time. Today you can see the swans at Lake Inverell on the eastern edge of the town.

During the early days Inverell was known as Green Swamp and was a favourite camping place for bullockies. The location was most favoured for crossing the Macintyre River.

Green Swamp was an obvious site for the village and with many travellers passing through and families settling in the district, Inverell was named in 1856.

[Source: Inverell Shire Council website]

#### **4.3.4 URALLA**

Uralla is a local aboriginal word meaning "Meeting Place". Uralla is a small town nestled in a pocket of the New England high country 22kms south of Armidale.

Once a favorite haunt of the infamous bushranger, Thunderbolt, his bronzed likeness now looks out along the main street that has changed only marginally since the state troopers brought his 'reign of terror' to an end in 1870.

Uralla is well known for it's historic buildings, antique collectables and rich artistic community. It has three museums, five antique stores, three galleries, two antiquarian bookshops, and a variety of specialty shops, coffee shops and three foundries. The New England Brass and Iron Lace Foundry is the oldest working foundry in Australia.

[Source: Uralla Gallery]

Half way between Sydney and Brisbane on the New England Highway, the 'Meeting Place' is steeped in history, from Aboriginal rock art to gold fever and the legend of bushranger, Captain Thunderbolt.

The area also has one of the worlds most advanced satellite tracking stations.

Museums include McCrossin's Mill, a museum and gallery housing the original paintings of the Death of Thunderbolt. A collection of military memorabilia is displayed at Hassett's Military Museum. At Australia's oldest working foundry -

The New England Brass and Iron Lace Foundry - the blacksmith may be seen swinging his hammer.

Gold has lured people to Uralla since the 1850's, and fossickers can still find gold and small precious stones.

[Source: Tourism NSW: [www.visitnsw.com.au](http://www.visitnsw.com.au)]

#### **4.3.5 WALCHA**

Walcha Shire is home to the Macleay Gorges and boasts some 205,000 hectares of dedicated national park, wilderness and state forest. Parts of Werrikimbe National Park are World Heritage listed.

The Shire is also a well-known trout fishing area, boasting some 1,500 km of trout streams, which are home to Rainbow and Brown trout. The township of Walcha is 1,067 metres above sea level, with the highest point in the district being at "The Flags" (42 kilometres south of Walcha), which is 1,493 metres above sea level.

Walcha was the first area to be discovered in the New England region. It was on the route taken by the explorer John Oxley and reached on 8 September 1818. Walcha's first settler, Hamilton Collins Sempill, arrived in 1832 from Belltrees in the Hunter River district. Sempill based his headquarters near the campsite used by John Oxley and he named the area Walcha ("Wolka"). Although there is no conclusive evidence of the meaning of "Wolka", three Aboriginal meanings are "Sun", "Deep Water" and "Water".

Further settlers moved into the district over the years 1834 to 1858, when David William Jamieson formed the nucleus of the Walcha township by erecting various industrial structures such a flour mill, store, smithy, etc.

The Municipality of Walcha was proclaimed on 12 March 1889. On 1 June 1955 the Shire of Walcha was constituted by the amalgamation of the Municipality of Walcha and the Shire of Apsley. From 1 July 1993, the Walcha Shire Council became known as the "Walcha Council".

Apsley Gorge incorporates most of the Apsley and Tia River gorges in an area of 6630 hectares. Here you can see plunging waterfalls, deep gorges and rushing waters of the two rivers.

At the suggestion of the Walcha Arts Council, Walcha Council has adopted the concept of developing Walcha as an Open Air Gallery. The decision was taken for a number of reasons, not least of all to develop Walcha's distinctiveness, to provide an additional dimension to the quality of life of the community and to provide a source of expression for talented local artists.

[Source: Walcha Shire Council website]

#### **4.3.6 CONCLUSION**

The Commission notes the similarity between the areas, particularly with regard to topography and their origins and, in some instances, with regard to their rich mineral deposits and precious gemstones.

From its examination of historical and traditional values of the affected areas, the Commission considers that no impediment to the amalgamation and boundary alteration proposal is presented.

#### **4.4 RESIDENTS' AND RATEPAYERS' ATTITUDES**

Section 263(3)(d) of the Act requires the Commission to have regard to "the attitude of the residents and ratepayers of the areas concerned".

The Commission has held a public inquiry, but was not required to conduct a plebiscite or postal survey of electors, in relation to this amalgamation and boundary alteration proposal.

In considering the attitudes of residents and ratepayers, the Commission has had regard to the submissions made to it by the affected councils, as well as submissions from individuals and community groups and submissions made at the public hearings.

##### **4.4.1 ARMIDALE DUMARESQ**

Council's Mayor indicated at the public hearings that ratepayers had misgivings at time of the amalgamation of the Armidale and Dumaresq local government areas. He commented that it is important for residents of smaller towns and villages, such as Ebor, to have strong and effective representation. Council considers that it has maintained a strong connection with the rural part of the local government area through its rural committees.

The Mayor also commented that anecdotal information suggests that the Armidale Dumaresq amalgamation has been successful and that although no resolution has been put or passed regarding this proposal, and no public meetings have been held regarding it, he is of the view that Council is probably opposed to any further amalgamation in the region, although he advocates the formation of strategic alliances.

Council indicated that it has a commitment to ensure that the 3,500 residents in the former Dumaresq shire are not disadvantaged. The Mayor expressed concern that further amalgamation would de-focus the current Council and require it to re-focus on a larger area and that there would be an adverse impact on the rural community of this.

The Mayor indicated that the Strategic Alliance of the four councils is committed to a level of restructuring and resource sharing across virtual boundaries that is to benefit the entire region and this benefit would flow on to individual councils. In this way, the Mayor suggested that the autonomy of the four councils is maintained and adequate representation is enshrined in this approach. Among the possible benefits of such an arrangement are increased service levels and efficiency to ratepayers. The Mayor also commented that the historical inability of councils to enter into resource-sharing agreements has led to a degree of skepticism about ability of councils to do this now, however proposed discussions may lead to the will to do so now rather than amalgamate.

The Commission also notes that it received 5 submissions from the Armidale Dumaresq Council area in relation to the proposal. Of these, one submission opposed the proposal, while the other four submissions did not state a preferred view.

#### **4.4.2 GUYRA**

In addressing the Commission at the public hearings, Council's General Manager indicated that Council had responded enthusiastically to the Minister's request for a proposal for structural reform. In this regard, Council went to its consultative groups (of which there are about 10 in the Shire) – there was almost unanimous support for the continuation of Guyra Shire. A meeting held at Tingha was attended by 36 people, at which 6 indicated a preferred alliance with Inverell. At another public meeting, 250 Guyra residents indicated unanimously to retain Guyra council in its current form.

The General Manager also referred to the results of a telephone poll of 482 people that Council contracted 'Iris' to undertake. (The Commission notes that Council resolved soon after the release of the Facilitator's report to engage Iris and that no formal meeting of Council was held to resolve on this approach, but rather that notes were sent to each councillor seeking their agreement to proceed.)

At the public hearings, a representative of the Guyra Tourism and Commerce Association referred to the 'Grow with Guyra Shire' campaign, which commenced in August 2003. The representative also indicated that a petition for Council to stand-alone was presented to Parliament and that approximately 200 letters were

sent to the Premier to seek his support in not proceeding with the proposed amalgamation.

The Commission also notes that it received 5 submissions from residents/ratepayers in the Guyra Shire local government area. Of these, four opposed the proposal and one did not state a preferred view.

#### **4.4.3 INVERELL**

In making his presentation to the Commission, Council's Mayor indicated support for the proposed New England Regional Council on the basis that it would result in a stronger financial unit that could deliver better services to a wider service area. He also indicated that the proposed new Gwydir Shire local government area's potential is unlikely to be realized in its current form due to the small size of Bingara and Yallaroi, but if Inverell was also included, better services could be provided to residents of the larger area and that this could be achieved without the 'diseconomy of distance' as had been suggested elsewhere.

An Inverell Shire resident and engineering consultant commented that the proposed new Gwydir Shire local government area should be amalgamated with the Inverell Shire local government area now, and that the localities of Tingha and Bundarra should be included with Inverell. He also indicated to the Commission that tourism is becoming increasingly important in the area. As Copeton Dam is currently divided between the Guyra, Bingara and Inverell local government areas, he indicated that it should be managed by one local government entity.

The Commission also notes that it received 2 submissions from residents/ratepayers in the Inverell Shire local government area. Neither of these submissions stated a preferred view regarding the proposal.

#### **4.4.4 URALLA**

Council's General Manager commented to the Commission that all four of the councils primarily affected by the proposal and both local Members of Parliament are firmly of the view that the proposal to create a New England Regional local government area should be rejected. The General Manager also indicated to the Commission that three of the affected councils commissioned a report by Professor Dollery to audit the information contained in the Facilitator's report and cited Professor Dollery's finding that the premise that 'bigger is better' represents a gross exaggeration regarding municipal service delivery.

Uralla Council indicated that it supports the use of voluntary arrangements, eg., Regional Organisations of Councils and Strategic Alliances to achieve desired outcomes, while acknowledging that these organisations are not currently used to

their full potential. Uralla Council indicated that it wants to stand-alone in order to protect its community and the viability of small towns, although there is a willingness to participate in voluntary organisation to achieve efficiencies.

One presenter, speaking on behalf of 200-250 Uralla residents, indicated that opposition to the proposal is based on the perceived negative effects on Uralla's social, cultural and historical values.

The Commission also notes that it received eight submissions from residents/ratepayers in the Uralla Shire local government area. Of these, six opposed the proposal, one supported it and one did not indicate a preferred view regarding the proposal.

#### **4.4.5 WALCHA**

At the public hearings, Council's Mayor referred to a 'no amalgamation' rally that was attended by over 1500 people. The rally was addressed by the local Federal Member of Parliament (the local State Member of Parliament sent his apologies). A motion was put at the rally, which was supported, that Walcha Shire Council should remain as a stand-alone entity. The Mayor also indicated that Council asked its community to write letters, although he stressed that Council didn't develop a form letter for this purpose.

A farmer from the Walcha area indicated that Council has a social conscience and empathy for arts and culture. He also commented that the quality and quantity of services is improving and cited high staff morale and the vast majority of staff greatly caring about the community they live in as possible reasons for this.

A Walcha grazier and local SES controller indicated to the Commission that Walcha Council's submission has the support of the whole community.

The Commission also notes that it received 367 submissions from residents/ratepayers in the Walcha local government area. Of these, 363 submissions opposed the proposal, and the remaining four submissions did not indicate a preferred view regarding the proposal.

#### **4.4.6 CONCLUSION**

In examining the submissions, the Commission noted that views ranged from objections to the proposal for unspecified reasons or concerns regarding the level of representation and provision of services to support for its implementation on the basis that it would be an improvement over the current arrangements.

Based on the submissions received and extending the results across the populations of the various existing local government areas, the Commission estimates that the total estimated affected population is 38,672 and that 24,804 people (64%) have a 'neutral' view regarding the proposal, while 13,868 (36%) are likely to oppose the proposal.

The Commission has also noted the sincere concerns and fears expressed, particularly by Walcha Shire residents and ratepayers, that any changes to local government boundaries could fundamentally change and/or threaten everyday life and the strong community bonds within the area.

The Commission considers that meaningful local government reform can be achieved when the integrity and character of localities are protected and residents are ensured continued access to and involvement in decision-making and the provision of effective and affordable services appropriate to their needs.

Ultimately, it is up to the community to encourage a more sustainable local government entity, which improves both the quality of life and the environment and ensures the equitable, effective and efficient allocation of resources to meet community needs. The strength of community involvement and commitment to the affected areas provides a sound base for this.

The Commission also noted that many submissions and presentations at the public hearings suggested that "bigger isn't necessarily better". In this regard, the Commission considers that larger councils have a greater capacity to:

- apply for and receive grant funding from Federal and State governments
- attract increased funding for the provision of health and related community services
- overcome the fragmentation that currently exists
- negotiate more favourable purchasing arrangements
- provide enhanced services such as a mobile library service.

The Commission also notes the presentation by Professor Brunkhorst on his extensive research on eco-civic regions. Level 3 eco-civic regions are recommended by his research as an appropriate base for local government areas. The Commission notes the merits of the model based on surveying communities regarding civic areas of interest and notes that the eco-civic region for the region surrounding Armidale is consistent with this New England Regional local government area proposal developed by Mr Vardon following his public consultation as part of the regional review process.

A view was also put to the Commission that there were concerns regarding the Strategic Alliance and that some mayors and councillors were not truly representing their communities' views regarding reform.

## 4.5 REPRESENTATIONAL ISSUES

Section 263(3)(e) of the Act requires the Commission to have regard to “the requirements of the area concerned in relation to elected representation for residents and ratepayers at the local level, the desirable and appropriate relationship between elected representatives and ratepayers and residents and such other matters as it considers relevant in relation to the past and future patterns of elected representation for that area”.

The proposal, if implemented, would change the representation ratios, when compared with those currently applicable at each of the existing Councils.

The following table sets out the current representation levels, and also shows the expected resultant figures for the proposed new council.

<b>Council</b>	<b>Estimated Population</b>	<b>No. Councillors</b>	<b>Ratio of elected representatives to population</b>
Armidale Dumaresq	24,808	10	1:2,481
Guyra	4,488	6	1:748
Uralla	6,082	9	1:676
Walcha	3,298	8	1:412
New England Regional	37,522	12	1:3,127

Many submissions from residents and ratepayers have expressed concern regarding the level of representation they will receive should the amalgamation proposal be implemented. From the information provided above, the proposal will impact on the representation of people in the existing local government areas, particularly to those residents of the Guyra, Uralla and Walcha local government areas.

There are important ways in which resident and ratepayer attitudes can be represented in council decision-making processes.

For example, the Commission supports the concept of community/precinct committees, providing they are based on an appropriate model and are adequately resourced. In this regard, the Commission considers that the following principles should apply to such committees:

- Established as a committee of council

- Chaired by a councillor
- Administrative support provided by a council officer
- Funding provided – committee must be accountable for expenditure and appropriate records must be kept and audited on a regular basis
- Full reports of committee meetings to be tabled as part of the business papers at the next full meeting of council.

#### **4.5.1 CONCLUSION**

It is clear that if the proposal proceeds, it will impact on existing representational arrangements.

If the Government decides to implement the proposal, the Commission recommends that there be a maximum of ten councillors, including the mayor. The Commission supports the recommendation contained in the proposal that the mayor be elected from amongst the councillors.

Should the amalgamation proposal proceed to implementation, it would be a matter for the new council to determine what role, if any, community or precinct committees would play.

The Commission supports the concept of community/precinct committees on the proviso that council is responsible for ensuring they are appropriately structured, resourced, and accountable.

Based on the above, the Commission does not consider that implementation of the proposal would adversely affect the representational rights of electors in the proposed new area or the standard of local governance.

#### **4.6 SERVICE DELIVERY AND ACCESS**

Section 263(3)(e1) of the Act requires the Commission to have regard to “the impact of any relevant proposal on the ability of the councils of the areas concerned to provide adequate, equitable and appropriate services and facilities.”

##### **4.6.1 INTRODUCTION**

The services provided by the councils involved in this proposal and, where possible, those of the proposed new New England Regional Council have been reviewed and compared to industry standards and statutory requirements. This has assisted the Commission in determining whether the proposal will have an

impact on the provision of adequate, equitable and appropriate services and facilities.

A council's charter comprises a set of principles that are to guide councils in carrying out their functions. Councils may add other principles, provided they are not inconsistent with those contained in the charter. The council's charter provides the minimum requirements and is set out in section 8(1) of the *Local Government Act 1993*, as follows:

*“8(1) A council has the following charter:*

- to provide directly or on behalf of other levels of government, after due consultation, adequate, equitable and appropriate services and facilities for the community and to ensure that those services and facilities are managed efficiently and effectively*
- to exercise community leadership*
- to exercise its functions in a manner that is consistent with and actively promotes the principles of multiculturalism*
- to promote and to provide and plan for the needs of children*
- to properly manage, develop, protect, restore, enhance and conserve the environment of the area for which it is responsible, in a manner that is consistent with and promotes the principles of ecologically sustainable development*
- to have regard to the long term and cumulative effects of its decisions*
- to bear in mind that it is the custodian and trustee of public assets and to effectively account for and manage the assets for which it is responsible*
- to facilitate the involvement of councilors, members of the public, users of facilities and services and council staff in the development, improvement and co-ordination of local government*
- to raise funds for local purposes by the fair imposition of rates, charges and fees, by income earned from investments and, when appropriate, by borrowings and grants*
- to keep the local community and the State government (and through it, the wider community) informed about its activities*
- to ensure that, in the exercise of its regulatory functions, it acts consistently and without bias, particularly where an activity of the council is affected*
- to be a responsible employer.”*

#### 4.6.2 COMPLIANCE WITH STATUTORY REPORTING REQUIREMENTS

Councils are required to:

- submit their annual reports to the Department of Local Government by 30 November each year
- include a State of the Environment Report (SoE) with the annual report
- submit a copy of their audited financial statements and the auditor's report to the Director General of the Department of Local Government and the Australian Bureau of Statistics no later than 7 November each year. Councils must also include a complete copy of the audited financial report in their annual report.

The following information highlights the level of compliance with these deadlines.

##### ***Submission of Annual Reports***

A council's Annual Report contains important information of interest to residents, ratepayers and other stakeholders.

##### **Submission of Annual Reports**

Year	Armidale Dumaresq	Guyra	Uralla	Walcha
1999/00	<4	On time	On time	<16
2000/01	On time	On time	On time	<4
2001/02	On time	On time	On time	On time

Time in weeks

Guyra and Uralla both submitted their Annual Reports on time for each of the three years to 2001/02. Armidale Dumaresq was up to four weeks overdue in one year and Walcha up to 16 weeks late in the same year.

### **State of the Environment (SoE) Report**

Guyra did not submit a report in two of the three years under review while Walcha also missed one year. Armidale Dumaresq was up to four weeks overdue in one year while Uralla ranged from 16 weeks overdue to being on time.

#### **State of the Environment Report**

Year	Armidale Dumaresq	Guyra	Uralla	Walcha
1999/00	<4	<4	<4	<4
2000/01	On time	Not received	<16	<4
2001/02	On time	Not received	On time	Not received

Time in weeks

Overall the performance of existing councils was less than satisfactory.

### **Financial Report**

Armidale Dumaresq and Uralla were up to 16 weeks overdue in one of the three years and on time for the other two. Guyra and Walcha submitted their reports on time.

#### **Financial Report**

Year	Armidale Dumaresq	Guyra	Uralla	Walcha
1999/00	<16	On time	On time	On time
2000/01	On time	On time	>16	On time
2001/02	On time	On time	On time	On time

Time in weeks

### **Comment**

The proposed new council is likely to have a stronger and more secure financial base, which should result in increased resources being made available. In the circumstances, and unlike the existing councils, the proposed new council is anticipated to meet all of these deadlines on an annual basis.

#### **4.6.3 LIBRARY EXPENSES PER CAPITA**

This indicator measures the expenditure on library services per person. Expenditure by Armidale Dumaresq (\$27.38) was greater than the category average council (\$23.17) while that of Guyra and Walcha was slightly less. Uralla's expenditure (\$16.14) was much less than the average.

### Library Expenses per capita (\$)

Armidale Dumaesq	Guyra	Uralla	Walcha	New England	Category Average
27.38	21.14	16.14	22.99	25.67	23.178

Projected expenditure by the New England LGA (\$25.67) is anticipated to be greater than the group 10 average council (\$23.17) and therefore satisfactory.

#### 4.6.4 DOMESTIC WASTE SERVICES

##### *Recyclables (kilograms per capita pa)*

This indicator measures the effectiveness of a council's recycling services.

##### Recycling Services (kilograms/capita pa)

Armidale Dumaesq	Guyra	Uralla	Walcha	New England	Category Average
347.94	124.66	83.73	119.93	285.59	165.79

Armidale Dumaesq (347.94) was well in excess of the category average council (165.79) while the other three existing councils recycled less than the average. The projected figure for the New England Regional Council (285.59) is also estimated to be in excess of the average and is considered more than satisfactory.

##### *Domestic Waste Collected (kilograms per capita pa)*

This indicator measures the effectiveness of a council's efforts to minimise domestic waste.

##### Waste Services (kilograms/capita pa)

Armidale Dumaesq	Guyra	Uralla	Walcha	New England	Category Average
389.95	105.71	88.23	399.27	341.12	306.64

Armidale Dumaesq (389.95) and Walcha (399.27) collected more waste than the average council (306.64) while Uralla and Guyra collected much less. The proposed new council (341.12) is also estimated to collect more than the average. An expected increase in recycling due to increased resources should result in a decrease in this figure to a more acceptable level.

#### 4.6.5 PLANNING AND DEVELOPMENT SERVICES

##### ***Number of development applications (DA's) determined***

This number gives an indication of the level of development activity in a local government area.

##### **Number of DA's**

Armidale Dumaresq	Guyra	Uralla	Walcha	New England	Category Average
337	16	45	47	425	842

The proposed new council (425) is anticipated to process around half of the category average council (842).

##### ***Mean time for determining DA's***

The mean (or average) time in calendar days measures the speed at which DA's are determined. The mean time for all four existing councils was less than the category average (34.80) and within acceptable limits for processing times (40 days).

##### **DA Mean Time (days)**

Armidale Dumaresq	Guyra	Uralla	Walcha	New England	Category Average
24.20	28.94	16.60	9.00	22.00	34.80

The proposed council's estimated figure (22 days) was well within the acceptable limit.

##### ***Environmental Management & Health Expenses per capita (\$)***

Expenditure by Walcha (\$40.83) was about twice the category 10 average council (\$22.61). Guyra (\$21.14) was only slightly less than the average while Armidale Dumaresq and Uralla were also less than the average.

##### **Environmental Health Expenses/capita pa (\$)**

Armidale Dumaresq	Guyra	Uralla	Walcha	New England	Category Average
16.52	21.14	15.65	40.83	19.49	22.61

The proposed New England Regional Council (\$19.49) is anticipated to be less than the average but within acceptable levels.

#### 4.6.6 NET RECREATION AND SERVICE EXPENSES/CAPITA

This indicator measures the net amount spent on recreation and leisure services per head of population and takes into consideration any revenue received for these services. Expenditure by all four existing councils was less than the average (\$67.36). The proposed council's projected figure (\$45.32) would also be less than the average.

##### Net Recreation and Leisure Expenses/capita pa (\$)

Armidale Dumaresq	Guyra	Uralla	Walcha	New England	Category Average
45.67	35.09	29.65	63.22	45.32	67.36

It is expected this figure would increase to more acceptable levels due to the anticipated increased financial and other resources available to the proposed New England Regional Council.

#### 4.6.7 COMMUNITY SERVICES EXPENSES/CAPITA

This measures the amount spent per person on services such as community centres and halls, senior citizens and youth centres etc.

##### Community Services Expenses/capita pa (\$)

Armidale Dumaresq	Guyra	Uralla	Walcha	New England	Category Average
17.41	149.80	414.76	53.24	54.80	47.28

Expenditure by Uralla (\$414.76), Guyra (\$149.80) and Walcha (\$53.24) was in excess of the average (\$47.28). Armidale Dumaresq's expenditure (\$17.41) was much less than the average. The estimated figure for the proposed new council (\$54.80) is satisfactory.

#### 4.6.8 CONCLUSION

The proposed New England Regional Council, with estimated increased financial capacity and resources, should meet the Charter set out in section 8(1) of the *Local Government Act 1993* by being in a better position than the existing councils involved in this proposal to provide adequate, equitable and appropriate services and facilities.

## **4.7 EMPLOYMENT IMPACTS**

Section 263(3)(e2) of the Act requires the Commission to have regard to “the impact of any relevant proposal on the employment of the staff by the councils of the areas concerned.”

### **4.7.1 INTRODUCTION**

Recent amendments to the *Local Government Act 1993* protect the employment of all staff (except those designated as senior officers) in situations such as those covered by this proposal. Accordingly it is proposed to review, in general terms, the organisational structure of Armidale Dumaresq Council and Guyra and Uralla and Walcha Shire Councils in order to assist in determining its impact on the staff of these councils.

### **4.7.2 DISCUSSION**

The only designated senior officer in the existing councils is the general manager. Accordingly, it is likely that up to four employees out of the total staff employed could be adversely affected by the proposal.

This conclusion is based on the assumption that the councils involved will resolve all issues related to the transfer of any other staff affected by the proposal, consistent with the recent amendments to the legislation.

The Commission notes that the *Local Government (Employment Protection) Act 2003* was assented to on 15 July 2003. The amendments will ensure that where an organisational restructure occurs within a council due to its structural reform by way of constitution, amalgamation or boundary alteration, the existing employment conditions of staff are protected.

The amendments prevent staff-shedding in anticipation of an amalgamation, constitution or boundary alteration by ensuring that staff cannot be made redundant without their permission during the proposal period for restructure. The proposal period runs from receipt by the Minister of a formal proposal for structural reform until the Minister decides either not to proceed with the proposal or until it is implemented by way of Proclamation.

A non-senior staff member who is transferred from one council to another as a result of structural reform will have the terms and conditions of their employment continued until other provision is duly made under any Act or law. The contract of employment will not be taken to have been broken by the transfer. The

transferred staff member's accrued rights, including recreation leave, sick leave, long service leave and superannuation, will be preserved.

Where the conditions of employment of staff members of a council are changed during a proposal period, and those changes are not approved by the Minister, then the council to whom those staff are transferred will not be bound by those altered conditions of employment.

There can be no forced redundancy of a transferred non-senior staff member for 3 years after the transfer.

In the event of structural reform by way of constitution, amalgamation or boundary alteration of a local government area, councils affected must notify staff vacancies internally and select candidates from within where an adequately trained pool of staff exists. Transferred non-senior staff will be preferred candidates for positions where they are qualified to fill the position.

#### **4.7.3 CONCLUSION**

The Commission considers that many of the concerns regarding the impact of the proposal, if implemented, have been dealt with by the amendment to the *Local Government (Employment Protection) Act 2003*.

If the proposal is implemented, the Commission notes that up to four employees out of the total staff employed by the existing councils may be adversely affected, with their future employment to be determined by the new council.

#### **4.8 IMPACT ON RURAL COMMUNITIES**

Section 263(3)(e3) of the Act requires the Commission to consider the impact of any relevant proposal on rural communities in the areas concerned.

The Commission is mindful that if the proposal is implemented, some of the factors that are likely to impact on rural communities are:

- size of the proposed new local government area
- distance of the main administrative centre from outlying towns and villages
- cost of telecommunications in contacting the main administrative centre of the new council

The Commission therefore considers that, if the proposal is implemented, the new council should give consideration to the introduction of a toll free or 13 (local call charges) telephone number for use by residents in outlying areas. In addition,

the new council could also consider providing routine customer services facilities at existing council locations.

## **4.9 DIVIDING THE AREA INTO WARDS**

Section 263(3)(e4) requires the Commission to consider the desirability (or otherwise) of dividing the resulting area or areas into wards.

The Commission notes that three of the four councils primarily affected by the proposal are currently divided into wards.

If the amalgamation proposal is implemented, the Commission supports consideration being given by the new New England Regional Council with regard to the introduction of wards on the basis of ensuring effective representation for the residents and ratepayers of the proposed new council.

If the new council considers that dividing the area into wards is appropriate and to enable the new council to determine the appropriate ward boundaries, the Commission considers that the ward system could be implemented in preparation for local government elections scheduled for 2008.

## **4.10 OTHER MATTERS**

Section 263(3)(f) of the Act requires the Commission to have regard to "such other factors as it considers relevant to the provision of efficient and effective local government in the existing and proposed new areas".

### **4.10.1 COUNTY COUNCIL MEMBERSHIP**

The Commission notes that there are thirty-three councillors elected to the four councils primarily affected by the proposal. Four of these councillors are also delegates to the New England Weeds Authority County Council.

The Commission considers that if the proposal is implemented there is likely to be sufficient support from the proposed new council to operate the functions of the existing county council. This will also enable the savings made from the current allowances to be put back into the operation of the proposed new council.

The Commission notes the need for these investments to be managed appropriately and recommends that the new council establish a sub-committee

dedicated to ensuring these issues are managed and addressed; that grants are sought, budgets set and funds accounted for appropriately.

## **CHAPTER 5 THE NEW BOUNDARY**

### **SCHEDULE A: PROPOSED NEW ENGLAND REGIONAL LGA**

Area about 16098.35 square kilometres. Commencing at the junction of the southern boundary of the Parish of Kunderang, County of Vernon and the generally eastern boundary of the County of Vernon: and bounded thence by that county boundary and the generally eastern boundary of the County of Clark, generally northerly to the generally northern boundary of Portion 26, Parish of Guy Fawkes, County of Clarke; by that boundary, generally westerly, part of the eastern boundary of Portion 24, northerly, a line, the eastern and northern boundaries of Portion 47, northerly and westerly, part of the north-eastern boundary of Portion 43, north-westerly, the generally eastern and the northmost northern boundaries of Portion 39, generally northerly and westerly, the generally eastern and the northmost northern boundaries of Portion 36, generally northerly and westerly, part of the eastern boundary of Portion 35 and the eastern boundary of Portion 37, northerly, the generally eastern boundaries of Portions 38 and 49, generally northerly to Pantons Creek; by that creek and Guy Fawkes River, downwards and Sara River, upwards to the generally north-eastern boundary of Portion 22, Parish of Towagal; by part of that boundary, generally north-westerly to a point east of Ben Lomond ( Mountain); by a line westerly to the generally south-eastern boundary of Lot 61, DP 705133; by part of that boundary and part of the generally south-western boundary of that lot, generally south-westerly and generally north-westerly to, again, the line to Ben Lomond (Mountain); by that line, westerly to that mountain; by the Macleay Range, generally south-westerly to the northern boundary of Lot 1, DP 554313; by part of that boundary, the western boundary of that lot and it's prolongation, westerly and southerly to Inn Road; by that road, generally westerly to the Great Dividing Range; by that range, generally north-westerly to the southern boundary of Portion 22, Parish of Ben Lomond; by part of that boundary, the western and part of the northern boundaries of that portion, westerly, northerly and easterly to, again, the Great Dividing Range; by that range, generally north-westerly, Waterloo Range and the range forming the southern watershed of the Macintyre River, generally westerly to the eastern boundary of Lot 2, DP 786388; by part of that boundary and part of the generally south-western boundary of that lot, southerly and generally north-westerly, a line westerly, the generally south-eastern boundary of Lot 1, DP 786388, generally south-westerly, a boundary of line south-easterly, part of the generally south-western boundary of Lot 3, DP 786388, south-easterly, part of the generally southern the County of Gough, generally westerly, the generally north-eastern boundary of the Parish of Clerk, county of Hardinge, generally south-easterly, part of the generally southern boundary of Lot 1, DP 841482, generally westerly, part of the generally eastern boundary of Lot 2, DP 841482, generally southerly, the eastern prolongation of the northern boundary of Lot B, DP 388247 and that boundary, westerly, the northern boundary of Lot A, DP 388247, westerly, the northern and western boundaries of Lot 204, DP 753651, westerly and southerly,

part of the eastern boundary of Lot 26, DP 753651, southerly, the eastern and southern boundaries of Lot 61, DP 753651, southerly and westerly and part of the generally western boundary of the Parish of Clerk, generally southerly to Moredun Creek; by that creek downwards to the northern prolongation of the western boundary of Lot 98, DP 753679; by that prolongation, boundary and the western boundaries of Lots 96, 85 and 71, DP 753679 and their prolongation, southerly to Limestone Creek; by that creek upwards to the northern prolongation of Lot 70, DP 753679; by that prolongation and boundary, southerly, part of the northern and part of the western boundaries of Lot 90, DP 753679, westerly and southerly, the road reserve passing south-westerly, through Lots 38 and 37 DP 753679, the eastern and southern boundaries of Lot 20, DP 753679, southerly and westerly, part of the southern boundary of Lot 57, DP 753679, westerly, part of the generally western boundary of the Parish of Tenterden, southerly to Georges Creek, by that creek downwards to the eastern prolongation of the northern boundary of Pt Lot 71, DP 753635; by that prolongation and boundary, westerly, the western boundary of that lot and its prolongation, southerly to Laura Creek; by that creek, downwards to the northern prolongation of the eastern boundary of Lot 18, DP 753635; by that prolongation, boundary and the southern boundary of that lot, southerly and westerly, part of the southern boundary of Lot 17, DP 753635, westerly, a line southerly, the western boundaries of Lots 26 and 1, DP 753635 and their prolongation southerly to Abington Creek; by that creek, downwards, Gwydir River and Camerons Creek upwards to the western boundary of Lot 18, DP 753639; by part of that boundary, the western boundary of Lot 9, DP 753639 and their prolongation southerly, part of the generally north-eastern and southern boundaries of Lot 83, DP 753639, generally south-easterly and westerly, a line westerly, part of the eastern, the southmost southern, the westmost eastern and the northmost southern boundaries of Lot 40, DP 753639, southerly, westerly, northerly and westerly, the southern boundaries of Lots 38 and 58, DP 753639, westerly, part of the generally south-eastern and the generally southern boundaries of Lot 49, DP 753639, generally south-westerly and generally westerly to the Nandewar Range; by that range generally south-easterly to the northern-most corner of portion 12, parish of Retreat, county of Inglis; by part of the generally north-eastern boundary of that parish generally south-easterly to the easternmost corner of portion 42; by the Nandewar Range generally south-easterly to the south-eastern corner of portion 29 of the said parish of Retreat; by part of the generally northern boundary of portion 19 easterly to the north-eastern corner of that portion; by the eastern boundary of the said portion 19 and portion 2 southerly; by boundaries of portion 20 southerly, easterly and again southerly to the north-western corner of portion 14; by the northern boundary of that portion easterly to the road from Bundarra to Bendemeer; by that road south-easterly to the south-western corner of portion 67, parish of Roumalla, county of Hardinge; by the Nandewar Range generally south-easterly to the said road from Bundarra to Bendemeer; by that road south-easterly to the north-western corner of portion 40, parish of Winton, county of Inglis; by the northern, the north-eastern and southern boundaries of that portion easterly, south-easterly and westerly; by the western, the southern and part of

the eastern boundary of portion 18, parish of Roumalla, county of Hardinge, southerly, easterly and northerly to Nandewar Range; by that range generally easterly to the northernmost corner of portion 92, parish of Looanga, county of Inglis; by the generally eastern boundary of that parish and the generally eastern boundary of the Parish of Tara, generally southerly to Congi Creek; by that creek, downwards and Macdonald River, upwards to the Main Northern Railway; by that railway, generally south-westerly to the generally south-western boundary of the Parish of Scott; by part of that boundary and part of the generally southern boundary of that parish, generally south-easterly and generally easterly, the western boundary of Portion 76, parish of Vernon, southerly and part of the northern boundary of Portion 23 and it's prolongation, westerly to Cauborn Creek; by that creek downwards to the northern prolongation of the western boundaries of Portions 26 and 28; by that prolongation and boundaries, southerly, the generally western and southern boundaries of Portion 40, generally southerly and easterly, part of the southern boundary of Portion 29, easterly, the western boundary of Portion 27 and it's prolongation, southerly to Fairy Ground Creek; by that creek, upwards to the northern prolongation of the eastern boundary of Portion 34; by that prolongation, boundary and it's prolongation, southerly to Sherins Creek; by that creek, downwards to the northern prolongation of the western boundary of Portion 10, Parish of Ainsley; by that prolongation, boundary and the western boundaries of Portions 34 and 36, southerly to Larrys Range; by that range, generally south-easterly to the generally southern boundary of Portion 2; by that boundary and part of the generally southern boundary of Portion 145, generally easterly, a line southerly, the western boundary of Portion 73, southerly, the western, the generally southern and the generally south-eastern boundaries of portion 72, southerly, generally easterly and generally north-easterly, the generally northern and the eastern boundaries of Portion 122, generally easterly, and southerly, the easternmost eastern and the southern boundaries of Portion 102, southerly and westerly, part of the eastern boundary of Portion 43, Parish of Walcha, a line, the eastern boundaries of Portions 2 and 1 and their prolongation, southerly to Mulla Mulla Creek; by that creek, upwards to the western prolongation of the southern boundary of Portion 46; by that prolongation, boundary and the southern boundary of Portion 4, easterly, the western boundaries of Portions 53, 52, 51, 50 and 49, northerly, the western and northern boundaries of Portion 44, northerly and easterly and part of the generally south-western boundary of portion 11, generally south-easterly to the Moonbi Range; by that range, generally south-easterly and the Great Dividing Range, generally south-westerly to the northern boundary of Lot 8, DP 846906; by part of that boundary, easterly to, again, the Great Dividing Range; by that range, generally south-westerly and the range dividing the waters of Tuggolo Creek from those of Barnard River, generally easterly to the generally western boundary of Portion 8, Parish of Coolcumber, County of Hawes; by part of that boundary and part of the southern boundary of that portion, generally southerly and easterly to, again, the range dividing the waters of Tuggolo Creek form those of Barnard River; by that range, generally south-easterly to the northern boundary of Portion 4, Parish of Parkes; by that boundary and it's prolongation,

easterly to Tuggolo Creek; by that creek and Myall River, downwards to the generally southern boundary of the Parish of Togalo; by part of that boundary and part of the generally eastern boundary of that parish, generally easterly and generally northerly to the south-western prolongation of the south-eastern boundary of Portion 21, Parish of Ward; by that prolongation, north-easterly to the western boundary of Portion 52, parish of Giro; by part of that boundary and the southern boundary of that portion, southerly and easterly, the southern and eastern boundaries of Portion 59, easterly and northerly, the south-western prolongation of the south-eastern boundary of portion 21, that boundary and part of the generally north-eastern boundary of that portion, north-easterly and generally north-westerly, the south-eastern prolongation of the generally north-eastern boundary of Portion 15, that boundary and its prolongation, generally north-westerly, part of the generally southern boundary of Portion 20, generally westerly, the generally southern and part of the generally south-western boundaries of Portion 18, generally westerly and generally north-westerly and part of the generally southern boundary of the Parish of Couatwong, generally easterly to the Cooplacurripa River; by that river upwards to the western prolongation of the southern boundary of Portion 14, Parish of Lowry; by that prolongation, boundary and part of the eastern boundary of that portion, easterly and northerly, the western prolongation of the northern boundaries of portions 3, 76, 4, 75 and 24, those boundaries and their prolongation, easterly to the Mummel River; by that river, upwards to the western prolongation of Portion 76, Parish of Hawes; by that prolongation, boundary, a line, the northern boundaries of Portions 18, a line, 17, 16, a line, the southern boundary of Portion 65, easterly, part of the western, the southern and part of the eastern boundaries of Portion 64, southerly, easterly and northerly, the southern boundary of Portion 97, easterly and part of the generally northern boundary of the Parish of Rowley, generally easterly to Cells River; by that river, upwards to the generally eastern boundary of the Parish of Murray; by part of that boundary, northerly to the Oxley Highway; by that highway, generally north-easterly to the eastern boundary of the Parish of Rushbrook; by that boundary, northerly, part of the generally northern boundary of the Parish of Naylor, generally easterly, the generally western boundary of the Parish of Werrikimbe, generally northerly, the generally southern and the eastern boundaries of the Parish of Vernon, County of Macquarie, generally easterly and northerly and part of the generally eastern boundary of the County of Vernon, aforesaid, generally northerly to the point of commencement.

## **SCHEDULE B – Area Proposed to be Transferred From Guyra Shire**

Area about 1007.37 square kilometres. Commencing at the junction of the generally northern boundary of Guyra Shire and the generally north-eastern boundary of the Parish of Clerk, County of Hardinge: and bounded thence by that parish boundary, generally south-easterly, part of the generally southern boundary of Lot 1, DP 841482, generally westerly, part of the generally eastern boundary of Lot 2, DP 841482, generally southerly, the eastern prolongation of the northern boundary of Lot B, DP 388247 and that boundary, westerly, the northern boundary of Lot A, DP 388247, westerly, the northern and western boundaries of Lot 204, DP 753651, westerly and southerly, part of the eastern boundary of Lot 26, DP 753651, southerly, the eastern and southern boundaries of Lot 61, DP 753651, southerly and westerly and part of the generally western boundary of the Parish of Clerk, generally southerly to Moredun Creek; by that creek downwards to the northern prolongation of the western boundary of Lot 98, DP 753679; by that prolongation, boundary and the western boundaries of Lots 96, 85 and 71, DP 753679 and their prolongation, southerly to Limestone Creek; by that creek upwards to the northern prolongation of Lot 70, DP 753679; by that prolongation and boundary, southerly, part of the northern and part of the western boundaries of Lot 90, DP 753679, westerly and southerly, the road reserve passing south-westerly, through Lots 38 and 37 DP 753679, the eastern and southern boundaries of Lot 20, DP 753679, southerly and westerly, part of the southern boundary of Lot 57, DP 753679, westerly, part of the generally western boundary of the Parish of Tenterden, southerly and part of the generally north-western boundary of the Parish of St. George, generally south-westerly to generally south-western boundary of Guyra Shire; by part of that boundary, the generally western and part of the generally northern boundaries of that Shire, generally north-westerly, generally northerly and generally easterly to the point of commencement.

### **SCHEDULE C – Area Proposed to be Transferred From Uralla Shire**

Area about 558.76 square kilometres. Commencing at the junction of the generally north-eastern boundary of Uralla Shire and the eastern prolongation of the northern boundary of Pt Lot 71, DP 753635: and bounded thence by that prolongation and boundary, westerly, the western boundary of that lot and its prolongation, southerly to Laura Creek; by that creek, downwards to the northern prolongation of the eastern boundary of Lot 18, DP 753635; by that prolongation, boundary and the southern boundary of that lot, southerly and westerly, part of the southern boundary of Lot 17, DP 753635, westerly, a line southerly, the western boundaries of Lots 26 and 1, DP 753635, and their prolongation southerly to Abington Creek; by that creek, downwards, Gwydir River and Camerons Creek upwards to the western boundary of Lot 18, DP 753639; by part of that boundary, the western boundary of Lot 9, DP 753639 and their prolongation southerly, part of the generally north-eastern and southern boundaries of Lot 83, DP 753639, generally south-easterly and westerly, a line westerly, part of the eastern, the southmost southern, the westmost eastern and the northmost southern boundaries of Lot 40, DP 753639, southerly, westerly, northerly and westerly, the southern boundaries of Lots 38 and 58, DP 753639, westerly, part of the generally south-eastern and the generally southern boundaries of Lot 49, DP 753639, generally south-westerly and generally westerly to the generally western boundary of Uralla Shire; and by part of that boundary and part of the north-eastern boundary of that shire, generally northerly and generally south-easterly to the point of commencement.

## **SCHEDULE D – Proposed Inverell Shire**

Area about 9845.21 square kilometres: Commencing at the confluence of the Macintyre River with the Dumaresq River on the boundary dividing the States of New South Wales and Queensland; and bounded thence by that boundary generally easterly and southeasterly to the confluence of Beardy River or Glen Creek with the Dumaresq River; by the said Beardy River or Glen Creek upwards to Swamp Oak Creek; by that creek upwards to the easternmost northeastern corner of portion 31, Parish of Astley, County of Arrawatta; by the easternmost boundary of that portion and the eastern boundary of portion 1, southerly; by a line southeasterly to the north-western corner of portion 1, Parish of Strathbogie, County of Gough; by the western boundary of that portion southerly; by a line south for a distance of about 4 224.5 metres (210 chains) to the generally western boundary of T.S. and C.R. 61 731 notified 14th March, 1930; by part of the generally southwestern boundary of the Parish of Gordon generally southeasterly to the southwestern corner of portion 68; by the ridge dividing the waters of Arrawatta Creek and Stoney Creek passing through portions 38 and 39, Parish of Vivier, County of Arrawatta, generally southerly to the northernmost north-eastern corner of portion 34, Parish of Vivier, by the south-western boundary of portion 39, Parish of Vivier, southeasterly to the southernmost southwestern corner of that portion; by part of the generally eastern boundary of that parish and part of the generally eastern boundary of the Parish of Buckley generally southerly to the northern boundary of Portion 131, Parish of Wellingrove, County of Gough; by part of that boundary easterly to a line along the western boundary of portion 96; by that line southerly to its intersection with a line along the northern boundary of portion 197, Parish of Buckley, County of Arrawatta; by that line westerly to the said generally eastern boundary of that parish; by that boundary generally southerly to the northeastern corner of portion 124, Parish of Balaclava, County of Gough; by the generally northern and part of the generally eastern boundaries of that parish generally easterly and southerly to the southernmost south-western corner of portion 134, Parish of Waterloo, by part of the generally northeastern boundary of cancelled portion 144 (shown in plan catalogued G. 5074 1761) generally south-easterly; by the range dividing the waters of The Falls and Little Oak Creek and the Waterloo Range generally southerly to the ridge forming the generally southern watershed of the headwaters of the Macintyre River; by that ridge generally westerly to the eastern boundary of Lot 2, D.P. 786388; by part of that boundary, part of the generally south-western boundary of that Lot southerly and generally north-westerly, the generally south-eastern boundary of Lot 1, D.P. 786388 south-westerly, a line south-easterly and part of the generally south-western boundary of Lot 3, DP. 786388 generally south-easterly to the generally southern boundary of the County of Gough; by part of that boundary generally westerly, the generally north-eastern boundary of the Parish of Clerk, county of Hardinge, generally south-easterly, part of the generally southern boundary of Lot 1, DP 841482, generally westerly, part of the generally eastern boundary of Lot 2, DP 841482,

generally southerly, the eastern prolongation of the northern boundary of Lot B, DP 388247 and that boundary, westerly, the northern boundary of Lot A, DP 388247, westerly, the northern and western boundaries of Lot 204, DP 753651, westerly and southerly, part of the eastern boundary of Lot 26, DP 753651, southerly, the eastern and southern boundaries of Lot 61, DP 753651, southerly and westerly and part of the generally western boundary of the Parish of Clerk, generally southerly to Moredun Creek; by that creek downwards to the northern prolongation of the western boundary of Lot 98, DP 753679; by that prolongation, boundary and the western boundaries of Lots 96, 85 and 71, DP 753679 and their prolongation, southerly to Limestone Creek; by that creek upwards to the northern prolongation of Lot 70, DP 753679; by that prolongation and boundary, southerly, part of the northern and part of the western boundaries of Lot 90, DP 753679, westerly and southerly, the road reserve passing south-westerly, through Lots 38 and 37 DP 753679, the eastern and southern boundaries of Lot 20, DP 753679, southerly and westerly, part of the southern boundary of Lot 57, DP 753679, westerly, part of the generally western boundary of the Parish of Tenterden, southerly to Georges Creek, by that creek downwards to the eastern prolongation of the northern boundary of Pt Lot 71, DP 753635; by that prolongation and boundary, westerly, the western boundary of that lot and its prolongation, southerly to Laura Creek; by that creek, downwards to the northern prolongation of the eastern boundary of Lot 18, DP 753635; by that prolongation, boundary and the southern boundary of that lot, southerly and westerly, part of the southern boundary of Lot 17, DP 753635, westerly, a line southerly, the western boundaries of Lots 26 and 1, DP 753635 and their prolongation southerly to Abington Creek; by that creek, downwards, Gwydir River and Camerons Creek upwards to the western boundary of Lot 18, DP 753639; by part of that boundary, the western boundary of Lot 9, DP 753639 and their prolongation southerly, part of the generally north-eastern and southern boundaries of Lot 83, DP 753639, generally south-easterly and westerly, a line westerly, part of the eastern, the southmost southern, the westmost eastern and the northmost southern boundaries of Lot 40, DP 753639, southerly, westerly, northerly and westerly, the southern boundaries of Lots 38 and 58, DP 753639, westerly, part of the generally south-eastern and the generally southern boundaries of Lot 49, DP 753639, generally south-westerly and generally westerly to the Nandewar Range; by that range generally north-westerly to the generally western boundary of the Parish of Cooper, County of Hardinge; by part of that boundary, generally northerly, the generally eastern boundaries of Portions 126, 125 and 134, generally northerly, again, the generally western boundary of the Parish of Cooper, generally northerly, the southern boundaries of Portions 91, 59 and 58 and their prolongation easterly to the Gwydir River; by that river downwards to the generally northeastern boundary of the Parish of Dingo, County of Murchison; by that boundary generally northwesterly to the easternmost corner of Lot 5, plan catalogued Ms.3059 Ae.R; by the southeastern and southwestern boundary of that lot southwesterly and northwesterly to the westernmost corner of that lot; again by that generally northeastern boundary of that parish generally northwesterly to the southernmost corner of lot 3; by the southwestern

boundaries of that lot northwesterly to the westernmost corner of that lot; again by that generally northeastern boundary of that parish generally northwesterly to the southernmost corner of lot 1; by the generally southwestern boundary of that lot generally northwesterly to the westernmost corner of that lot; again by that generally northeastern boundary of that parish generally northwesterly to the southernmost corner of lot 6, Deposited Plan 249163; by the southwestern and western boundaries of that lot and the western boundary of lot 5 northwesterly and northerly to the northernmost corner of the said lot 5; again by that generally northeastern boundary of that parish generally northwesterly to the northeastern corner of portion 2; by part of the northern boundary of that portion westerly to Sandy Creek; by that Creek and Myall Creek downwards and Sheep Station Creek and Reserve Creek upwards to a line along the eastern boundary of portion 22, Parish of Dumboy; by that line northerly to the Moree to Inverell Railway lands; by that railway land westerly to a line along the western boundary of portions 39 and 41, Parish of Gunnee, County of Burnett; by that line northerly to Warialda or Reedy Creek; by that creek upwards to the former site of the road from Graman to Warialda as described in proclamation of Macintyre Shire in Government Gazette No. 150 of 1st November 1940; by part of that road northeasterly to the boundary of Ashford Shire as described in Government Gazette No. 114 of 17th July 1936; by part of that boundary generally northerly to the easternmost southeastern corner of portion 40, Parish of Ottley, County of Burnett; by boundaries of that portion westerly, southerly, again westerly and northerly to the southern corner of portion 5; by the southwestern boundary of that portion northwesterly; by Ottley's Creek downwards to the southeastern corner of portion 17, Parish of Tucka Tucka, County of Stapylton; by a line along the eastern boundary of that portion and portion 33 northerly to the Macintyre River; and by that river downwards to the point of commencement.

## CHAPTER 6 RECOMMENDATION

The Commission has examined the amalgamation and boundary alteration proposal announced by the Minister for Local Government in December 2003 to amalgamate the entire Armidale Dumaresq and Walcha local government areas and to make boundary alterations with the Guyra, Inverell and Uralla local government areas to form a new entity.

Having considered the amalgamation and boundary alteration proposal, the submissions presented to the Commission by the affected councils, the submissions from members of the public and community groups and other material, and having regard to the factors set out in section 263(3) of the Act, the Commission considers that the proposal should proceed to implementation.

Significant benefits of the proposal noted by the Commission are:

1. The proposal represents a significant step in a wider local government reform process articulated by the NSW Government Local Government Reform Program. It is likely to achieve meaningful reform.
2. The proposal should mean that the proposed new council has the financial capacity to continue to maintain its assets and provide adequate, efficient and effective services in the medium to long term.
3. The proposal should enable the residents to maintain the lifestyle of their choice.
4. The proposal should enable the proposed new council to meet its obligations under the Charter outlined in section 8 of the *Local Government Act 1993*.

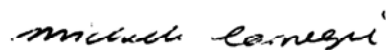
In the event that this proposal does not proceed to implementation immediately, the Commission recommends that the Minister review consideration of the proposal within twelve (12) months, particularly with regard to the success or otherwise of the Strategic Alliance as referred to by the four councils primarily affected by this proposal. The Commission has a number of concerns regarding the Strategic Alliance and does not support it as a means of achieving reform.

The Commission has resolved by majority on this proposal.



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MRS EDITH HALL AM  
CHAIRPERSON



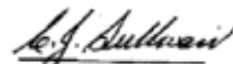
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MS MICHELLE CARNEGIE  
COMMISSIONER



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CLR LEO KELLY  
COMMISSIONER



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CLR COL SULLIVAN  
COMMISSIONER

## **CHAPTER 7 MAP**