

-FOR IMMEDIATE RELEASE-

20 MARCH 2024:

MINISTER TO GET DEMERGER PATHWAY PLANS

Cootamundra-Gundagai Regional Council held an extraordinary meeting on Tuesday evening to adopt the Detailed Transition Plan (DTP) and Financial Sustainability Plan (FSP) in accordance with the directive from the Minister for Local Government the Hon Ron Hoenig MP.

Minister Hoenig instructed Council that it must follow a pathway to affect a demerger of Cootamundra-Gundagai Regional Council, and the formation of Cootamundra and Gundagai Councils.

The Minister requested Council to develop a detailed implementation plan, DTP and FSP, showing how the actual separation process of CGRC will take place and result in the two new Councils long term financial viability and sustainability.

In resolving to adopt the DTP and FSP, these plans will now be lodged with the Minister to seek referral to the Local Government Boundaries Commission to formalise a review and determination in accordance with s204 and s212 of the Local Government Act 1993.

Council has also resolved to develop and deliver a communications plan designed to inform the community of the details within the plans, the financial and social impacts associated with the demerger and to assist the community in understanding the long-term sustainability goals of both new councils following demerger.

The demerger process for CGRC has been long and protracted for our residents and your Council. The support from the community to continue the process, in our endeavours to return our communities to their identities and localism, deserves applause. There has never been any doubt that to follow this process and see it through would require community buy in and collaboration.

Councillors have acted in accordance with the wishes of the community. 82% of people polled by telephone poll conducted by the research company Micromex Research and Consulting and commissioned by the NSW Local Government Boundaries Commission in 2020/21 agreed or strongly agreed with the Proposal for a demerge. Written submissions to the LGBC also supported the demerger process. ([CGRC-Report-Final-Report-27.07.22.pdf \(nsw.gov.au\)](#) pg 44)

To achieve the wishes of the community, interventions are required to ensure that revenue is sufficient to renew assets and maintain the services our communities expect, and financial viability and sustainability is guaranteed into the future. The DTP and FSP are the pathways CGRC and the two new Councils will follow to achieve the financial sustainability whilst maintaining the level of services the community expect.

The profiles of the proposed new councils (former Shires of Cootamundra and Gundagai) are somewhat different, resulting in the need for different interventions, for example:

- Both Councils support roughly the same asset base with similar overheads. Gundagai has roughly half the rate revenue to that of Cootamundra.
- Substantial infrastructure upgrades such as the Sewage Treatment Plant and Sheridan Street upgrade in Gundagai contributes to increases in operating and maintenance costs.

The distribution of assets and liabilities on demerger, coupled with the reduced revenue base of Gundagai was always going to have an impact. This was noted in Dr Joseph Drews report, the Deloitte review for the Boundaries Commission and again in the DTP and FSP developed in the current process.

As a Council, your elected representatives have listened to the community's views over many years, and now seek a final determination from the Local Government Boundaries Commission and the Minister for Local Government.

All residents and rate payers are urged to read the reports. They will be available at the CGRC Administration offices in Cootamundra and Gundagai and on the CGRC website at [Demerger News | Cootamundra Gundagai Regional Council \(nsw.gov.au\)](https://www.cgrc.nsw.gov.au/news/demerger-news)

-END-

Cootamundra-Gundagai Regional Council
www.cgrc.nsw.gov.au

For further media information contact:
Cootamundra-Gundagai Regional Council on
1300 459 689