

MEDIA RELEASE

FOR IMMEDIATE RELEASE

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DEMERGER TALKS WITH THE OFFICE OF LOCAL GOVERNMENT (CGRC DISCUSSES DEMERGER PROGRESS WITH OLG).

The planning for the demerger of Cootamundra Gundagai Regional Council continues to ramp up. Recently the mayor, Cr Abb McAlister, Interim General Manager Roger Bailey and Demerger Transition Manager Peter Bascomb met with OLG's Executive Director Jennifer Hickey.

The primary focus was the preparation required to enable the OLG to prepare the Proclamation required to establish Cootamundra and Gundagai Councils. The Mayor again expressed Council's concern that it will take approximately six months to prepare the proclamation after Council has provided OLG with all the necessary information.

A Proclamation has a legal status like legislation and as such needs to go through the same drafting and approval process as legislation. This involves the Office of the Parliamentary Counsel as well as OLG and Council. The Proclamation will be complex covering many issues such as contracts, allocation of assets and resources, staffing and many other matters to ensure that the two new councils are financial sustainable and operationally effective from day one.

A key aspect of this is the rate income for each Council. The 2025 Financial Sustainability Plan (FSP) clearly indicated that Cootamundra would need a special variation of 7.5% above the rate peg for two years and Gundagai would require 25% above rate peg for 3 years as well as borrowing \$1.5 million per year for three years. The FSP was an essential part of Council's submission that helped finally convince the NSW Local Government Boundaries Commission to recommend that the demerger proceed. It was that recommendation that led to the Minister approving the demerger.

An updated FSP will be developed later this year which may change the required SVs. It will be crucial that the additional income from these SVs is available to the new Councils from day one. Ms Hickey advised that the SVs could not be included in the Proclamation but explained some options for implementing the SVs, some of which may involve IPART. Council's IGM Mr Bailey expressed great concern that involving IPART would undoubtedly delay the process.

CGRC is waiting for further clarification of exactly what will be required to ensure that the SVs will be in place at the commencement of the new Councils.

Other topics discussed included the new Code of Meeting Practice and its implications on how the Councillors can become informed on, and discuss, matters that will be included on future council meeting agendas.

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

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

