



THE FUTURE OF YOUR COUNCIL

Join the Conversation



Dear Resident,

As you may be aware Young Shire Council is facing one of its most important decisions in its history as we consider the options for how we exist in the future.

It is imperative that you, the residents and ratepayers of Young Shire contribute to this discussion. Councillors will be seeking your feedback before we recommend to the Minister what is best for our future.

I hope you find this newsletter helpful in summarising the options we have moving forward and the journey so far in becoming "Fit for the Future". There will be plenty of opportunities to speak with your Councillors in person at the forums and community kiosks we have planned in March. You can also write or email Council with your thoughts on this matter.

I look forward to hearing from you.

Regards,

Councillor John Walker

Mayor of Young

We need to know your thoughts on the four scenarios covered in the 'Hilltops Report'. We want your questions, your concerns, your ideas. This is your Council and we want you to have a say in its future.

For each scenario we have taken a selection of material from the report (see over the page). If you want to read the full 'Hilltops Report' it is available online at www.young.nsw.gov.au, the Council offices at the Town Hall or the Library.

Together we have a choice.

How did we get to this point? Why are we considering these options?

MAY 2012

The Independent Local Government Review was launched with the formation of a panel that was tasked with looking at ways to strengthen the effectiveness of local government in NSW.

APRIL 2013

The panel released a report 'Future Directions for NSW Government' and one of the preferred options was for Young Council to merge with Boorowa and Harden.

JUNE 2013

All 3 Councils meet and agree that more information and state government financial support needs to be gained before any further steps can be taken.

SEPT 2013

A Hilltops Region Review Steering Committee is operational with representatives from each Council and the Minister for Local Government pledges funding support to engage a consultant to review the potential of a Hilltops Region Council and options for the future.

APRIL 2014

Council engages consultants LKSQUAREO to write the 'Hilltops Report' based on the following 4 scenarios:

- 1. Maintaining the status quo of the Council.**
- 2. A merger of Boorowa, Harden and Young Councils.**
- 3. Incorporating other communities of interest.**
- 4. Maintaining the existing Councils with a different administrative/managerial structure.**

SEPTEMBER 2014

The State Government launches "Fit for the Future"- a blueprint for the future of local government. It outlines funding levels for merging Councils and benchmarks for performance. If the 3 Councils were to merge the newly formed Council would receive \$11m to use as it sees fit.

DECEMBER 2014

A draft of the 'Hilltops Report' is provided by LKSQUAREO and reviews the four scenarios.

We want you to join the conversation on the future of your Council.

Scenario 1 - Maintaining the status quo of the Council

In conclusion the report states (excerpt from pg 16 of Hilltops Report):

The increasing operating deficits of the Councils will make it increasingly difficult for them to sustain the current level of services. As an example, none of the Councils will have sufficient funds to maintain their assets in an adequate position over the next twenty years. If the current services and service levels are maintained cash reserves will be depleted, operating deficits will increase to a point where they are no longer affordable.

The financial situation of the Councils will mean that at some time in the future each Council will be required to significantly adjust the level of service it provides to its ratepayers. The timing for when this change will need to occur will be different for each Council. If the Councils allow the deficits to continue at the rate predicted in the model without adjusting their services, external intervention would be likely to occur.

Councils' Comment

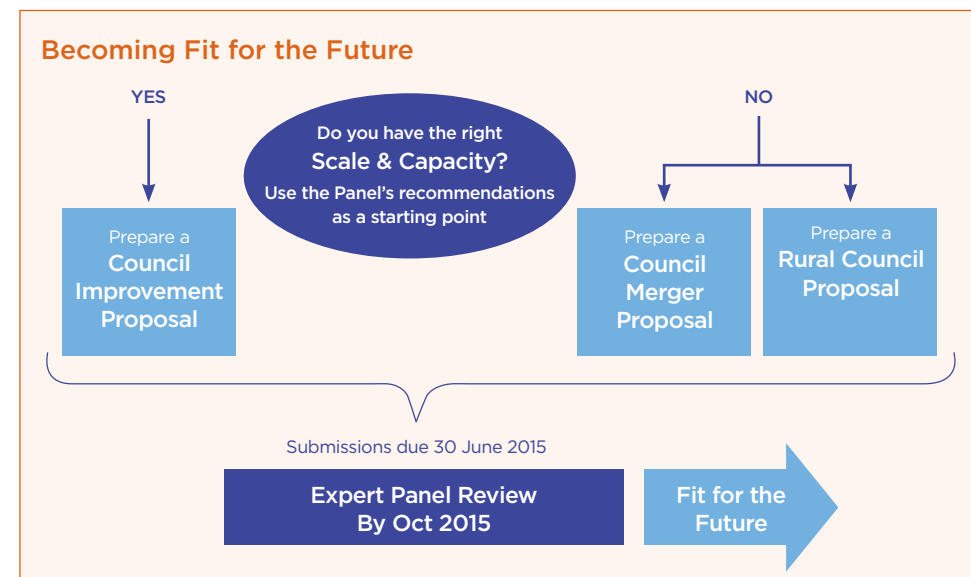
- ← The Independent Local Government Review Panel final report states that Council does not meet the scale and capacity criteria to be "Fit for the Future". As illustrated in the diagram, Council then has two options - prepare a merger proposal or a rural council proposal.
- ← Council at present meets 5 out of 7 of the State Governments "Fit for the Future" benchmarks.

If Young Council is to remain 'status quo' and no merger is to take place then we will need to;

1. Improve/increase our own source revenue.
2. Restrict new capital projects and use these funds towards current asset renewals.
3. Review our service levels to meet acceptable asset renewals standards.
4. New assets will need to be funded from new borrowings supported by an increase in rate revenue.

Fit for the Future

All Councils have to become "Fit for the Future" and the government has developed a set of benchmarks for Councils to be measured against. Council must provide its "Fit for the Future" report to the government by 30th June 2015 and this will take into consideration the decision on the scenarios.



Scenario 2 - A merger of Boorowa, Harden and Young Councils

In conclusion the report states (excerpt from pg 24 of Hilltops Report):

The merged Council with the regional and local structure will be able to operate with financial soundness. After the merger is implemented, the merged Council will be able to achieve solid operating surpluses into the foreseeable future without any significant policy adjustments. Should it decide to use the resources released by the merger, the new Council will be able to quickly reduce the infrastructure asset backlog to nil. The value of the resources released through this option, when compared to the status quo or baseline option, totals \$156m over 20 years. Care must be taken in understanding this figure as the status quo position would never be left to occur. External intervention is likely to occur to arrest the financial decline and unviability at some point. However, it is illustrative of the substantial benefits that could be obtained through the implementation of this option, which could see the use of resources available to the Councils moved away from funding less than efficient structures to being applied to meet the needs of the local community.

Councils' Comment (Scenario 2)

- ← A new Council would be formed from the three existing Councils.
- ← The consultant model in the 'Hilltops Report' identifies a considerable saving through rationalisation of resources and increased use of technology to provide the long term savings for asset renewal purposes.
- ← Rationalised Councillor's number from the current 25 to approx. 9 - Area Committees to be formed to ensure broad community representation is maintained.
- ← Rationalised plant/more efficient use of plant.
- ← Review of service levels to maintain existing service catalogue.
- ← The cost of the merger will be paid from the governments' incentive money and not from ratepayers.
 - 3 Councils merge - \$11million
 - 2 Councils merge - \$5million
 - Opportunity to re-engineer the organisation from the ground up to deliver specifically to our Shire's needs.
 - All Shires to be represented in process through creation of an Establishment Committee.
- ← Keeping projects running and plants working to optimal output.
- ← The new Council must still be "Fit for the Future".
- ← The regions voice can be represented by one Council.

Scenario 3 - Incorporating other communities of interest

In conclusion the report states (excerpt from pg 26 of Hilltops Report):

At the outset of the review, it was considered prudent to provide for the possibility that other Councils would wish to participate in the review. This was particularly so as the signals coming from State Government about reform of the sector were becoming more specific and stronger. The initial approach to a number of neighbouring Councils yielded no other initial interest. While other Councils were aware of the review being undertaken, and dialogue by the three Councils were maintained with others, no other Councils expressed interest in participating in the review.

It was determined that to locate the information necessary to undertake the analysis of another Council would have proved difficult without the concurrence of that Council or Councils.

There emerged the view from the Steering Committee that proceeding with the review with three willing Councils was the best way forward. However, the review was to be conducted in a manner that was scalable and other information could be added without the need to revisit underpinning principles and assumptions.

Councils' Comment (Scenario 3)

- ← Cannot force other Councils to be interested in any proposal.
- ← Early on in the reform process our neighbouring Councils to Boorowa, Harden and Young were approached and none expressed an interest to join us to look at the options.
- ← This scenario would have helped to be a stronger political influence to create a greater region.

Scenario 4 - Maintaining the existing Councils with a different administrative/managerial structure

In conclusion the report states (excerpt from pg 29 of Hilltops Report):

In this scenario, the merging of the administrations only would enable the Council to operate with financial soundness. After the integration of the administrations is bedded down, the Council would be able to achieve solid operating surpluses for at least the next 18 years without any significant policy adjustments.

When compared to the status quo or baseline position, this option releases resources to the value of \$126m over 20 years. As mentioned previously, as the status quo position would never be left to occur, this calculation is illustrative only. However, it demonstrates the significant benefits that could be obtained through the implementation of this option.

Should they decide to, the Councils would be able to make substantial inroads into their asset renewal backlog or whatever priorities the Councils may have.

This option does not achieve the same level of savings and income as the full merger option and therefore does not release the same level of resources. The full merger option could provide up to \$1m per year in additional resources over the 20 year period being considered.

Councils' Comment

- ← The single administration/management would be responsible to three Councils and could/would create significant issues between the demands and prioritisation of services/decisions or policies.
- ← If you get to this point why not merge completely in order to maximise the effectiveness of the organisation and its role within its communities and towns.
- ← No \$11 million payment under this model.
- ← The Councils will still need to be "Fit for the Future".

How can I join the conversation?

SPEAK TO US...

We will be holding the following public forums:

Koorawatha, Monday, 9th March, 2015 in Koorawatha Hall at 7pm

Murringo, Wednesday, 11th March, 2015 in Murringo Hall at 7pm

Monteagle, Thursday, 12th March, 2015 in Monteagle Hall at 7pm

Bendick Murrell, Monday, 16th March, 2015 in Bendick Murrell Hall at 7pm.

Bribbaree, Wednesday, 18th March, 2015 in Bribbaree Hall at 7.30pm

Young, Tuesday, 24th March, 2015 in the Town Hall at 7pm

Community Consultation Kiosk with Councillors and Council Staff

DATES: Saturday 14th and Saturday 21st March

LOCATION: In front of Westpac, Boorowa Street

TIME: 9am-1pm

WRITE TO US...

mail@young.nsw.gov.au

189-205 Boorowa Street, Young, NSW, 2594

[Facebook.com/youngshirecouncil](https://www.facebook.com/youngshirecouncil)

All submissions must be received by Tuesday 31st March. All written submissions with contact details provided will be noted and responded to.

What happens next?

- ← Council will consider all submissions, feedback and questions before making its decision on the options for the future of Local Government for Young.
- ← Council will prepare its "Fit for the Future" report taking into consideration the decision in relation to stay as we are or merger with Boorowa/or and Harden. (subject to the Councils agreeing).
- ← Council will make its submission to the Governments submission review panel.
- ← The panel will make recommendations to the Government.
- ← The Government will make the decision on the future of Young Shire Council.