

1. ATTACHMENTS

10.2 DE-AMALGAMATION IMPLEMENTATION AND FINANCIAL SUSTAINABILITY PLANS - POST PUBLIC CONSULTATION - ATTACHMENTS

1. Submissions to De-amalgamation Implementation and Financial Sustainability Plans - Public Consultation

Attachment 1 - 20250131 all submissions received - De-amalgamation Implementation Plan and Financial Sustainability Plan Public Exhibition**Respondent No:** 1**Login:** Anonymous**Email:** n/a**Responded At:** Dec 17, 2024 08:32:55 am**Last Seen:** Dec 17, 2024 08:32:55 am**IP Address:** n/a

Q1. Full Name

[REDACTED]

Q2. Email

[REDACTED]

Q3. What is your feedback?

Having read the document I would like to suggest that the Working Group considers the demographics of the SVC in terms of their ability to pay the proposed increase in rates water etc should the de-amalgamation proceed. Further, I request that the Working Group (prior to the referendum), do a "side by side" costing for the ratepayers of: the projected costs to them by way of SRVs and general increased costs in the event the referendum is successful; and, the projected costs to them by way of SRVs and general increased costs in the event that the referendum is unsuccessful. This will give the ratepayers the necessary information to make an informed decision. To do otherwise is disingenuous.

Q4. You can also choose to upload a pre-prepared submission document here (optional)

not answered

**Respondent No:** 2**Login:** Anonymous**Email:** n/a**Responded At:** Dec 19, 2024 18:22:03 pm**Last Seen:** Dec 19, 2024 18:22:03 pm**IP Address:** n/a**Q1. Full Name**

[REDACTED]

Q2. Email

[REDACTED]

Q3. What is your feedback?

The plan cannot be assessed as it does not present outcomes for Scenario 1 - the base case (do nothing option). The only outcome that is apparent is that the de-amalgamation, regardless of how necessary from a community perspective, will significantly increase costs without improving the operating position of either Tumut or Tumbarumba. Please publish analysis presenting the base case and which allows a relative comparison and assessment of value to the community as a result of any given course of action being adopted.

Q4. You can also choose to upload a pre-prepared submission document here (optional)

not answered

**Respondent No:** 3**Login:** Anonymous**Email:** n/a**Responded At:** Jan 30, 2025 23:06:52 pm**Last Seen:** Jan 30, 2025 23:06:52 pm**IP Address:** n/a**Q1. Full Name**

[REDACTED]

Q2. Email

[REDACTED]

Q3. What is your feedback?

Given the huge risks highlighted throughout this 'plan', the likely need to continue under a shared services model for numerous functions, the continued stress this uncertainty & extra workload will place on your staff, and the inevitable cost increases for all ratepayers; it is incomprehensible that anyone can think this de-amalgamation is advantageous. As a ratepayer that moved here after the 2016 merger, SVC seems to function as well as any other local government, and I am sick of hearing about the past from people that think they can turn back time. Stop this waste of time & money, just get the current SVC running at optimum capacity and ratepayer satisfaction will improve.

Q4. You can also choose to upload a pre-prepared submission document here (optional) not answered

**Respondent No:** 4**Login:** Anonymous**Email:** n/a**Responded At:** Jan 31, 2025 18:21:34 pm**Last Seen:** Jan 31, 2025 18:21:34 pm**IP Address:** n/a**Q1. Full Name**

[REDACTED]

Q2. Email

[REDACTED]

Q3. What is your feedback?

Lack of / late/ poor consultation. Insufficient time to fully review document / powerpoint following briefing session. Presentation was shaped with intended messages - not the real and detailed messages of what rates/ services changed are going to be impacted .(was way too broadbrush to fully comprehend) Too much rate payer money being spent on de-amalgamation \$200,000 is money that could have been more constructively spent across the region. If rate payers had been told/asked about the costs of de-amalgamation earlier i very much doubt they would have agreed to the money that had been wasted on this for no gain. During this time all we have experienced is continued loss of services and increased rates. Going forward unless deamalgamation can be undertaken without any cost to rate payers - i will not be supporting it. We have a new council that needs to focus on what's important across the region - there are far more important existing issues than spending money on something that is not viable. There should be confirmed advice - -No change from previous council boundaries proposed -Cost of de amalgamation needs to be govt. funded -Cost of referendum to progress decision - no cost to rate payers - Do not rebrand SVC (cost is too expensive and not needed or wanted) - No Future special rate variation submissions or more communicatio on submissions for them - No loss of services /staff to Talbingo - we are constantly paying increased rates and have lost enough -Currently no Access to SVC services in z Talbingo -proposed Sharing of assets/services begs the question why demerge. -Please fix the False travel costs being quoted in these discussions- they do not account for remote/ local work and are misleading - anyone who has engaged with council recently is aware a lot of staff work from home or remote/ locally.

Q4. You can also choose to upload a pre-prepared submission document here (optional) not answered

(5)



The General Manager
Snowy Valleys Council
76 Capper Street
TUMUT NSW 2720

29 January 2025

Dear Sir,

Submission on De-Amalgamation Implementation and Financial Sustainability Plans

I appreciate the opportunity to provide this submission and my thoughts / opinions on the proposed de-amalgamation of the Snowy Valleys Council (SVC) to create two new councils in the areas of the former Tumbarumba and Tumut Councils. I have previously provided a submission to the Boundaries Commission addressing the heads of consideration under Section 263 (3) of the Local Government Act 1993, therefore this submission will only relate to the de-amalgamation and financial sustainability issues of the proposal as detailed in the report prepared by Peter Teggart.

On the basis that I would generally support the distribution metrics for the implementation of two new councils this submission will primarily focus on the financial considerations.

As a general comment on the DIP and FSP I acknowledge the amount of time and effort by all concerned to put these documents together and I believe based on the information contained the de-amalgamation of SVC should proceed generally in accordance with the pathways identified.

The biggest question to me: Is SVC truly sustainable?

Since its inception in 2016 SVC has not been able to demonstrate the ability to operate in a sustainably efficient manner. Cost cutting measures have been introduced resulting in reductions in service levels to the community. A Special Rate Variation (SRV) was introduced for the 2023 and 2024 financial years. This brought about a cumulative rate increase of some 35.9%, however the general fund deficits have kept occurring with the accumulated General Fund deficit after eight years of SVC approaching the vicinity of \$40M. This is certainly not a sign of sustainability and indicates a deep-rooted level of inefficiency, largely brought about by the 2016 amalgamation.

The sustainability plan for SVC indicates a preferred option (4) as adopted by Council. This option shows another cumulative rate increase of 32.4% over seven years, in addition to rate peg.

Comment: Based on my past experiences working in local government and as an elected councillor in both Tumbarumba Council and SVC, I would suggest that it is highly unlikely that any council will ever stay focused, without deviation, on a seven year financial plan. While discussion by Councillors on this matter indicated that some believed they had seven years to bring about financial sustainability, the fact is they have been elected for a four year term and if they have not made significant in-roads into efficiency / enhancement of service provision and reversal of the deficits by the end of their first term their success at re-election in 2028 may be more difficult.

FSP Assumptions

The FSP appears to make a number of assumptions primarily based on the operation of SVC as it currently conducts its business. It appears that these assumptions are also used for the different scenarios relating to the proposed new councils. While it is reasonable to accept that these operational activities are now well entrenched in the day to day running of SVC, this fact is one of the reasons why SVC will find it extremely difficult to introduce significant cost saving measures without substantial reductions in service levels.

While I understand that some may not agree with this point of view, the reality is that after eight years there is no evidence that a different point of view has any real merit. You might call it the "lived experience".

The FSP provided some discussion on various opportunities that may be available to SVC to improve the financial position. One such issue raised and identified at the public meetings was that of dividend payments from water and sewer businesses in the order of \$1M - \$1.6M. I don't believe the report is accurate in its assessment of the potential for such payments as detailed below.

Comment: The FSP report provides an example for a potential dividend payment to Council, based on the 2023 Income Statements for water and sewer of \$1.884M from the water fund and \$479,000 from the sewer fund, totalling \$2,363M for that year (2023), based solely on payment of a 50% dividend from operating surplus.

While the Guidelines for the payment of dividends do indicate a maximum of 50% of surplus may be paid, the Guidelines also clearly state that the upper limit dividend payment is not to exceed \$30 per assessment less the payment for tax equivalents, in this case \$3 per assessment, as shown in the income statements. In other words, for this exercise, the dividend would be \$27 per assessment.

Councils Revenue Policy document for the 2025 year identifies that there are 6,411 water assessments and 5,706 sewer assessments, therefore notwithstanding any surplus the maximum dividend payable to council on the 2023 figures would be \$173,097 from water and \$154,062 from sewer, representing a total of \$327,159, being a shortfall of just over \$2M from the assumptions in that example given. Scenario 4 of the SVC sustainability plan is predicated on the payment of between \$1M - \$1.6M from the water and sewer utilities. This clearly cannot happen and as such leaves a substantial shortfall, best case \$673K or worst case \$1.273M which is unlikely to be addressed by efficiency savings without further service level cuts.

It should be noted here that the payment of dividends is dependent on a number of other qualifying factors and some of these will not be known until SVC has completed its Integrated Water Cycle Management Plan. However given the number of significant projects that relate to the water business alone, that are already known, it would be fair to say that any dividend payment may be unlikely in the short to medium term and even then it will be capped by the number of assessments regardless of the level of surplus.

In Summary, it would be my opinion that SVC has far too many entrenched inefficiencies with regard to its responsibility to provide adequate services to its community at a fair and reasonable cost, coupled with its inability to raise sufficient revenues without extensive rate increases over both the immediate and longer terms to reach a point of financial and operational sustainability in accordance with accepted industry benchmarks and Office of Local Government performance ratios.

Tumut as a Sustainable Council

The FSP for a stand-alone Tumut council clearly indicates that this would be a no-brainer. The cumulative impact on rates over seven years at 14.87% (preferred option) is a far more acceptable outcome for Tumut residents as compared to the 32.4% under the preferred SVC scenario. In addition, the other initiatives for increased revenue by way of uplift in various fees and charges are very close to those for the SVC preferred scenario.

For ongoing operations Tumut would gain a definite advantage in having a more efficient and streamlined organisation with a manageable area of operations as in the former council area.

Tumut has the office building, the depot, the staff, the IT system to have a new council up and running in a relatively short time. Notwithstanding there will be much work to do during the implementation period, but these workloads should be considered in contrast to the current dysfunction of SVC, with the main difference being that as a stand-alone council it will be a far more realisable outcome for staff and the Tumut community.

Tumbarumba as a Sustainable Council

There has been much discussion about the prospects of Tumbarumba achieving a sustainable council into the future. There is no credible evidence to suggest that, similar to other rural councils, Tumbarumba cannot achieve a sustainable council.

The preferred scenario for Tumbarumba, as in all the scenarios detailed, is predicated on a continuation of operational activity in line with the current operations of SVC. This will not be the case, particularly in the medium to longer terms, as Tumbarumba is a very different community and its requirements are very different to those of the Tumut and SVC areas as a whole.

This fact should have been investigated more fully when producing the Risk Assessment for the de-amalgamation. This document has been put together as a "one size fits all" which has caused it to be biased and not give a necessarily true picture of risk as it would relate to the three councils, i.e. there is no risk matrix for SVC and there should be separate risk matrix / assessment for the two proposed councils, as this would have provided better comparisons.

I understand that would create difficulty in that the majority of staff involved in the exercise would have scant knowledge and or understanding of the requirements of the Tumbarumba community, never the less, all three scenarios should have been considered separately in any risk assessment.

During Council's discussions on the DIP and FSP at the November 2024 meeting they questioned representatives from the Tumbarumba area as to whether they understood the ramifications for Tumbarumba should the de-amalgamation proceed. Unfortunately, the one question they did not ask was whether or not the Tumbarumba community understood the ramifications should SVC continue. I can answer, they do understand and again just call it the "lived experience" and they want it to end.

The financial ramifications for Tumbarumba appear to be less attractive than for the Tumut scenario, however as stated above the circumstances in Tumbarumba are greatly different and as with the previous Tumbarumba Council things will not be done as they are done in Tumut, SVC, or other larger councils.

I do not necessarily agree with the scenario settings with regard to rate increases due to the above reasoning. However, it is clear that a new Tumbarumba council is likely to require an SRV in the short term and the quantum of that will only be known after the dust settles. It is realistic though to expect that the required SRV level may be less than predicted in the FSP given the conservative nature of such a document and on the basis that compared to rate levels for Tumbarumba at merger, rate harmonisation and the subsequent SRV of 35.9% have significantly increased the potential rate revenue for a Tumbarumba council.

The scenario figures do give some useful comparative date. When you compare the SVC scenarios to the Tumbarumba scenarios the best-case scenarios only provide for a rate increase difference of 12% for Tumbarumba with the worst-case scenarios only resulting in an additional 13% for Tumbarumba. The worst-case scenario is more likely for SVC regardless of the preferred option, subsequently I would consider that future rate increases for Tumbarumba are more likely to be less than those for SVC and to that end it is my opinion that the de-amalgamation of a financially distressed SVC will result in two new financially sustainable councils in the medium to longer terms.

As a general comment on the FSP it appears to be placing a reliance on councils becoming financially sustainable in their own right i.e. without reliance on grant funding. While this may meet a government expectation the hard reality is that there would not be a rural/regional council in NSW that would be sustainable without FAGS and various other grant sources and that is the environment local government operates in. Activities funded by external grants should not be considered as a cost to be recouped from the ratepayers as is the assumption in the FSP for such things as community services, which are externally funded services not otherwise available to the community.

In conclusion, it is obvious that a stand-alone Tumut council would have capacity to achieve financial sustainability in a relatively short period when compared to SVC and while the Tumbarumba outlook does not appear as positive as for Tumut, it is only marginally worse than the outlook for SVC. As discussed, the FSP for Tumbarumba is predicated on a business as usual model based on SVC operations and this would definitely not be the case for a new Tumbarumba council, Therefore in my opinion a new Tumbarumba Council would be far better placed to achieve a financially sustainable position than SVC, with the added benefit of returning a basic democratic right back to the Tumbarumba residents to be able to determine their own destiny.

I would be most happy to discuss this submission further if required.

Yours faithfully



SAVE TUMBARUMBA SHIRE Inc**SUBMISSION ON SVC DIP & FSPs****31 January 2025**

STS supports the SVC / Peter Teggart developed De-amalgamation Implementation Plan (DIP) and Financial Sustainability Plans (FSPs) for the purpose for which they were developed; that is to satisfy the Minister for Local Government and the Local Government Boundaries Commission that two financially sustainable councils (Tumut and Tumbarumba) can be achieved from a de-amalgamation of Snowy Valleys Council.

Notwithstanding the commitment by Council to forward all submissions in full to the Boundaries Commission we intend to separately forward this submission to the Boundaries Commission.

STS notes, as stated in the documents considered by SVC, that the new councils are in no way bound to adopt or implement the FSPs. It is up to the new councils to decide on service levels, rates and charges.

We are confident a new Tumbarumba council will not need to impose an SRV anywhere near what is proposed under the FSP. The Long Term Financial Plan previously developed and updated in May 2024 by well-informed former Tumbarumba councillors and staff along with the Chamber of Commerce and STS, shows that a new Tumbarumba council will likely be financially sustainable from day 1 under current rate structure. This was included in the most recent STS submission to the Boundaries Commission for its current examination of the SVC de-amalgamation proposal.

We are also confident that should it emerge in future that an SRV will be required for Tumbarumba post de-amalgamation, there is a high willingness to pay among the Tumbarumba community in order to achieve the autonomy we have been seeking since 2016. The threshold of pain is that under an ongoing SVC, Tumbarumba residents would have faced an SRV of at least 32% and likely considerably more.

The outlook for an ongoing SVC is a critical aspect of ratepayers' decisions on whether or not to support a de-amalgamation. It is the baseline "do nothing" case. SVC's preferred Scenario 4 suggests that average residential rates will only increase by \$311 between today and 2032 despite a SRV of more than 32% and massive increases in fees and charges. This simply lacks credibility.

It is the view of STS that the Council preferred Teggart scenario 4 for a sustainable ongoing SVC is absurdly optimistic, fraught with uncertainties, and gives an unrealistic view of the likely performance of an ongoing SVC.

That ongoing SVC scenario assumes that the water and sewer funds will pay dividends annually of up to \$1.6million. Without those dividends the SRV will need to increase to around 43.8% - virtually the same as the failed SRV application SVC made in 2023.

Even with that level of increase SVC will need to be incredibly financially disciplined over 2 terms (8 years) to reach sustainability. This is something we have never seen from SVC in the past eight years and in our view highly unlikely to happen in the future. In addition, the work has not yet been done to assess whether such a dividend is even possible. Currently there is a regulated "cap" on any such dividends which would prevent SVC from obtaining "dividends" of the proposed level.

It is also considerably uncertain how IPART would respond to another SRV application from SVC given its most recent application failed in 2024 on 5 of 6 criteria that IPART assesses, one of which is SVC's failure to meet the reporting condition of the SRV granted in 2022/23, a condition it has

again failed to meet in its latest annual financial reporting. The ongoing SVC scenario seems a very optimistic approach indeed, and one the Tumbarumba community does not support. An overriding observation and subject of very real concern is the complete lack of meaningful consultation and real engagement with the community in the preparation of these plans. One perfunctory town hall meeting after the completion of the plan and its endorsement by Council, or a “cuppa with a councillor” session do not in any way constitute even an adequate level of communication, let alone engagement.

We note that Item 10.2 of the Business Paper to SVC’s meeting on 12 Dec 2024 clearly highlights this failure;

COMMUNITY ENGAGEMENT AND COMMUNICATION:

Nil.

A review of IPART’s 2024 report on its findings in rejecting the most recent SVC application for an SRV provides further comprehensive insight into SVC’s poor record of community consultation.

STS considers it is entirely unacceptable that SVC has developed its DIP without any communication or real engagement with the community of the former Tumbarumba Shire, and that the current DIP incorporates actions and assumptions that are at odds with the positions incorporated in the community-developed Long Term Financial Plan for a new Tumbarumba Council. That plan has been provided to the Boundaries Commission and has also been provided to SVC, but there is no evidence that it has even been considered by SVC in the development of the DIP.

STS has very real concerns, reflective of widely-held community concerns, that SVC will embark on a program of asset disposal ahead of de-amalgamation, and that the DIP and FSP is based on an asset/liability distribution model that unreasonably and unfairly disadvantages Tumbarumba.

STS is particularly concerned that the DIP dictates key elements of what is to happen and decisions to be made pre demerger including such things as distribution of assets, liabilities cash reserves etc in some cases back to the point of amalgamation.

For this reason and because of the lack of community engagement, STS on behalf of the Tumbarumba community requests the Boundaries Commission to recommend in the strongest possible terms that the Minister invoke prohibitions on SVC in accordance with **Local Government Amendment (De-amalgamations) Bill 2024**;

Part 3 Referendums

4 Process after holding of referendum approved

(3) The Minister may, after approving the holding of a referendum, prohibit the council for the amalgamated area, or a person prescribed by the regulations, from doing the following —

- (a) selling businesses or other assets of the council,*
- (b) making or amending a local environmental plan.*

Community concerns and lack of trust in SVC are based on lived experience, not “sour grapes” . The community of Tumbarumba has good reason not to trust SVC based on: SVC’s secretive attempt in 2020 to sell off the Tumbarumba Medical Centre, it’s un-heralded move last year to outsource the services of the Visitor Information Centre, and its refusal to account for some \$4million in Tumbarumba reserves that were present in the final audited accounts of the former Tumbarumba Council but that SVC claimed had “disappeared” post merger after it had merged the 2 former council accounts some 2 years after amalgamation, among a host of other examples

STS recommends the Boundaries Commission require SVC to initiate real active engagement with its community, especially in Tumbarumba, in developing all aspects of the DIP, and that it does so through engagement with Tumbarumba community members endorsed by that community. STS further recommends the Boundaries Commission require SVC to initiate a similar level of engagement in the development of the “for” and “against” cases for a Constitutional Referendum in the event it recommends the Minister proceed with de-amalgamation.

STS was very disturbed to hear councillors at the December meeting making statements to the effect that it would be up to the people of Tumbarumba to advocate for the de-amalgamation across the wider LGA. Others rightfully acknowledged that they were elected to represent the interests of the entire LGA.

This current de-amalgamation proposal is a council-initiated and driven proposal, developed without community input. Councillors at various key stages of the process have voted unanimously in favour of it progressing. Given the unanimous support of Councillors for the de-amalgamation it is up to Councillors to vigorously prosecute its case and convince the ratepayers of its merits. If they fail to take that obligation seriously, they will have abrogated their civic responsibilities. It will be the council which will have failed should the referendum fail, not the community, but it will be the community that suffers the consequences.

According to Prof. George Williams, one of Australia’s leading constitutional lawyers, the reasons Australian referendums often fail include:

- a confused campaign, or no campaign at all;
- lack of public knowledge (the “vote no, if you don’t know” response);
- weak leadership
- lack of engagement and public consultation.

Conversely, he identifies several factors behind successful referendums, including:

- strong leadership by government advocating “Yes” ;
- a well informed electorate;
- extensive deliberation addressing public concerns; and
- community involvement through public forums

STS urges Councillors to actively engage in prosecuting the case for their de-amalgamation proposal. Doing so will go some way to restoring community faith and trust in SVC.

In Summary, Save Tumbarumba Shire requests the Boundaries Commission to accept the SVC DIP and FSP and recommend the de-amalgamation of Tumut and Tumbarumba Shires. We disagree with much of the detail of the SVC “plans” but feel that the ongoing damage caused by the forced merger is destroying our communities, and that the demerger process must be initiated as soon as possible.

(7)



Submission

Boundaries commission

Snowy Valleys de-amalgamation

To whom it may concern,

Re; The de-amalgamation of the Tumut and Talbingo L.G As

I am writing to strongly support the above proposal as there is a strong and imperative need to return the communities to their own and unique place. To enable them to grow and develop in their own and special way.

From my personal experience as the chair of the [REDACTED] [REDACTED] I have experienced firsthand the effected the forced amalgamation has had particularly on Tumbarumba.

My opinion has been formed by the many residents I have met since the fires of 2019/20 and their concern for their fellow residents and pride in their town and environment.

Tumbarumba operates on a can-do attitude for each other and their town.

Reflecting on Tumut their attitude is different very different there is always the expectation "well council can do that and why hasn't council done this".

I fully appreciate there is *the cost benefit analysis and the bottom line and the triple bottom line* to the decisions made in

amalgamating. What was deeply missing was the lack of understanding of the community and people. This lack of understanding extended right across the entire area and particularly impacted on our very well-meaning councilors and council staff.

Little thought has been given right across the board on the profound impact on the people of this area of the decision made to amalgamate.

I feel it is imperative that the two council areas are returned to their original boundaries to enable all to just get and be back in a familiar cohesive place.

In returning to the original boundaries, I would suggest there is no reason why the two communities could not become good partners. Despite my comments relationships have been formed and infrastructure, services and plant and equipment could be shared.

Yes, money is the big one in all this, however it is the people of the community where the value lies, and I ask that common sense may prevail, and we are all given the opportunity to become our two separate entities. The people are the foundation of both communities and this is where the enduring assets are.

Thanking you in anticipation of your consideration.

Yours sincerely,

A solid black rectangular box used to redact the signature of the person writing the letter.