

Business Paper

EXTRAORDINARY COUNCIL MEETING

**ALBY SCHULTZ MEETING CENTRE,
COOTAMUNDRA**

6:00pm, Tuesday 14th October, 2025

Administration Centres: 1300 459 689

The Mayor & Councillors
Cootamundra-Gundagai Regional Council
PO Box 420
Cootamundra NSW 2590

NOTICE OF MEETING

An Extraordinary Meeting of Council will be held in the Alby Schultz Meeting Centre, Cootamundra on:

Tuesday, 14th October, 2025 at 6:00pm

The agenda for the meeting is enclosed.

Roger Bailey
Interim General Manager

Live Streaming of Meetings Statement

This meeting is streamed live via the internet and an audio-visual recording of the meeting will be publicly available on Council's website.

By attending this meeting, you consent to your image and, or, voice being live streamed and publicly available. Please refrain from making any defamatory statements.

Statement of Ethical Obligations

The Mayor and Councillors are bound by the Oath/Affirmation of Office made at the start of the Council term to undertake their civic duties in the best interests of the people of Cootamundra-Gundagai Regional Council and to faithfully and impartially carry out the functions, powers, authorities and discretions vested in them under the Local Government Act or any other Act, to the best of their skill and judgement.

It is also a requirement that the Mayor and Councillors disclose conflicts of interest in relation to items listed for consideration on the Agenda or which are considered at this meeting in accordance with Council's Code of Conduct and Code of Meeting Practice.

AGENDA

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1 ACKNOWLEDGEMENT OF COUNTRY

Council acknowledges the Wiradjuri people, the Traditional Custodians of the Land at which the meeting is held and pays its respects to Elders, both past and present, of the Wiradjuri Nation and extends that respect to other Aboriginal people who are present.

ADJOURN MEETING FOR OPEN FORUM**2 OPEN FORUM****RESUME OPEN MEETING****3 APOLOGIES****4 DISCLOSURES OF INTEREST**

5 GENERAL MANAGER'S REPORT

5.1 GENERAL MANAGER OFFICE

5.1.1 ESTABLISHMENT OF A DEMERGER TRANSITION COMMITTEE

DOCUMENT NUMBER	447304
REPORTING OFFICER	Roger Bailey, Interim General Manager
AUTHORISING OFFICER	Roger Bailey, Interim General Manager
RELEVANCE TO COMMUNITY STRATEGIC PLAN	4. Collaborative and progressive leadership 4.1 A clear strategic direction that is delivered upon
FINANCIAL IMPLICATIONS	There are no Financial implications associated with this report.
LEGISLATIVE IMPLICATIONS	There are no Legislative implications associated with this report.
POLICY IMPLICATIONS	There are no Policy implications associated with this report.
ATTACHMENTS	1. Demerger Transition Committee - Terms of Reference ↓

RECOMMENDATION

That Council:

1. Note that resolution 157/2025, September 2025 'Establishment of a Demerger Transition Committee' is considered unlawful.
2. Endorse the establishment of a Demerger Transition Committee pursuant to Section 355(c) of the *Local Government Act 1993 (NSW)*.
3. Approve the draft Terms of Reference for the Committee.
4. Authorise the Demerger Transition Committee to make decisions necessary to achieve the orderly demerger of the Cootamundra Gundagai Regional Council and creation of the two new councils. Such decisions must be made via an absolute majority of councillors present at the time of the meeting.
5. Appoint the Mayor (Cr McAlister) and Councillors Wight, Nicholson, Graham, Kelly, and Ryan to the Committee.
6. Authorise Councillors McAlister, Nicholson and Graham to select and appoint a resident of the proposed Gundagai local government area to the Committee.
7. Authorise Councillors Wight, Kelly and Ryan to select and appoint a resident of the proposed Cootamundra local government area to the Committee.
8. Note that, unless a vacancy occurs, there will be no alternate representatives appointed for councillors and community representatives.
9. Receive ongoing reports from the Committee at each Ordinary Council Meeting.

Introduction

Council previously considered a report in relation to the establishment of a dedicated Demerger Transition Committee to oversee and guide the planning, communication, and implementation of the demerger process in line with statutory obligations and community expectations.

Following the September Council meeting a concern was raised about the legality of the establishment of the Committee. Subsequently, legal advice was obtained on the validity of the 157/2025 resolution. The legal advice confirmed that the resolution and establishment of the committee did not breach s233 of the LG Act or was inconsistent with the OLG advice or the requirements of the Code of Meeting Practice (CoMP) in respect of transparency and inclusivity. However, it also identified that the requirement for decisions to be made by an absolute majority rendered that resolution technically unlawful.

A new resolution is therefore required to correct this procedural error and formally establish the Committee in compliance with legislative requirements.

Background

Following recent developments regarding the proposed demerger of Cootamundra-Gundagai Regional Council (CGRC), a formal structure is required to ensure a coordinated, transparent, and accountable approach to transition planning.

At its August 2025 meeting, Council resolved to authorise six Councillors to workshop with the Interim General Manager on:

- The proposed composition of the Committee;
- Draft Terms of Reference;
- Any delegations to be conferred; and
- Any other matters relevant to the Committee's establishment and commencement of the demerger process.

The establishment of a Demerger Transition Committee will provide governance oversight, strategic coordination, and stakeholder engagement to address the complex financial, administrative, infrastructure, and workforce implications of the demerger.

Discussion

The demerger process will involve a wide range of issues, including:

- Asset and liability division;
- Workforce planning;
- Financial and budget separation;
- Re-establishment of two independent governance and operational frameworks;
- Community engagement and communication;
- Alignment with NSW Government requirements and timelines.

Given this complexity, it is proposed that the Demerger Transition Committee be established as a formal Advisory Committee of Council under Section 355 of the *Local Government Act 1993 (NSW)*.

Legislative Framework

- Section 355 of the *Local Government Act 1993 (NSW)* allows a council to exercise its functions by a committee of the council.

- Section 377(1) allows the council to delegate many of its functions to a committee (with certain exceptions). Delegated powers can enable the Transition Committee to provide timely recommendations back to the elected Council.

The Committee will operate under an adopted Terms of Reference covering:

- Membership and structure;
- Meeting frequency;
- Reporting obligations;
- Key responsibilities and scope of authority.

Important Note: while the demerger of the Cootamundra-Gundagai Regional Council is a unique situation, the Council is still obligated through the process to follow the NSW Local Government Act 1993.

Objectives of the Committee

The Transition Committee will:

1. Provide strategic oversight of the demerger process.
2. Facilitate clear and consistent communication with the community, staff, and NSW Government.
3. Develop a Demerger Transition Plan and monitor progress against agreed milestones.
4. Provide recommendations to Council on significant risks, issues, and budget implications.
5. Monitor community feedback and ensure transparency throughout the process.

Additional Information

Following discussions with the NSW Office of Local Government (OLG) on 8 August 2025, the following points are noted:

- The demerger is Council's responsibility to manage.
- OLG's preferred completion date is 30 June, requiring Council's preparatory work to be finalised by mid-December to allow the Proclamation to be drafted.
- A likely commencement date for the two new councils is 1 July 2027. Bringing this forward could create accounting complexities.
- OLG recommended a Transition Committee reporting directly to Council as the appropriate governance model.
- OLG may prepare Section 23A Guidelines once Council's Transition Plan is submitted.
- Council's Transition Plan should simplify the existing draft into clear, actionable steps.
- Financial sustainability options (beyond Special Rate Variations) should be considered, including service adjustments or alternative funding sources.
- A shared services approach requires a clear policy decision.
- A dispute resolution process will need to be established.
- OLG will not have a formal place on the Committee but may occasionally attend as observers.
- The Minister has confirmed that no funding will be provided to support the demerger process.

Legal Advice

Following the September 2025 Council meeting and making of Resolution 157/2025 legal advice was requested and obtained on the making of the resolution. The concern was that

the establishment of the Committee may not be consistent with the *Local Government Act 1993 (NSW)*, the Model Code of Meeting Practice, and the guidance provided by the Office of Local Government (OLG). The concern also raised that the resolution appears to vest binding decision-making powers in a subset of councillors in a manner that may be unlawful and procedurally unsound.

Following this request legal advice was sought. A poignant section of the advice is:

I do not consider that there is any argument that the resolution and establishment of the committee breaches s233 of the LG Act, or is inconsistent with the OLG advice or the requirements of the Code of Meeting Practice (CoMP) in respect of transparency and inclusivity.

The advice also included:

- The resolution should have clarified that the committee has all functions in respect of the demerger, other than to those functions cannot be delegated under s377.
- As the Committee is comprised solely of councillors the resolution cannot dictate how decisions are made by the committee. Here voting is dictated by the CoMP. For this reason the resolution is 'unlawful'.

To rectify the inconsistency, it is proposed that the Committee composition be those councillors that undertook the workshop, including the Mayor and Councillors Wight, Nicholson, Graham, Kelly, and Ryan, plus the addition of two community representatives who must be residents of the Cootamundra-Gundagai Regional Council local government area. One of the residents being from the proposed Cootamundra Council area and the other from the proposed Gundagai Council area. Such persons are to be selected and appointed by the aforementioned councillors.

Financial

There are no direct financial implications arising from this report.

OLG 23a Guideline consideration

This report is consistent with the Local Government Act 1993 (NSW) and does not conflict with existing OLG 23A Guidelines.



Demerger Transition Committee – Terms of Reference

Adopted:

1. Purpose

The Demerger Transition Committee (the Committee) is established to provide strategic oversight, guidance, and advice to Council on matters relating to the implementation of the demerger of Cootamundra-Gundagai Regional Council (CGRC) into the former Cootamundra Shire and Gundagai Shire Councils.

The Committee will ensure that the demerger is implemented efficiently, transparently, and fairly, and in the best interests of both communities.

2. Objectives

The Committee is responsible for supporting the orderly demerger of CGRC and the establishment of two new councils. In doing so, the Committee will:

- Oversee the planning and coordination of the demerger process.
- Monitor delivery of the Demerger Transition Plan and associated actions.
- Identify and assess key risks and recommend mitigation strategies.
- Facilitate effective communication and engagement with the community and stakeholders.
- Provide advice to Council on key decisions impacting the transition.
- Ensure compliance with legislative and NSW Government requirements.

3. Authority

The Committee is established under Section 355(c) of the *Local Government Act 1993 (NSW)* and reports directly to Council.

The Committee is delegated by Council to make decisions necessary to facilitate the orderly demerger of CGRC and the creation of two new councils. This delegation does not extend to those functions specifically excluded under Section 377 of the Act.

All decisions of the Committee are to be made by an absolute majority of councillors present at the meeting. Such decisions must be formally recorded and reported to Council.

4. Membership

The Committee will comprise:

- Mayor (Chair)
- Five (5) Councillors, as appointed by Council resolution
- Two (2) resident community representatives – one from the proposed Cootamundra Council area and one from the proposed Gundagai Council area, both of whom must reside within the CGRC Local Government Area

The community representatives will be appointed by the councillors representing their respective areas, that is, Cootamundra councillors will appoint the Cootamundra community representative, and Gundagai councillors will appoint the Gundagai representative.

Secretariat support will be provided by Council staff, including the Interim General Manager and the Transition Manager.

5. Code of Meeting Practice

The Cootamundra-Gundagai Regional Council Code of Meeting Practice will apply to all Committee meetings unless otherwise specified in this Terms of Reference.

If a discrepancy arises, the provisions of this Terms of Reference will prevail.

6. Quorum

A quorum will consist of a simple majority (50% plus one) of appointed members, excluding any vacancies.

7. Meetings

- The Committee will meet at least monthly, or more frequently if required.
- Extraordinary meetings may be convened by the Chair where urgent matters arise.
- Attendance may occur in person or via approved remote/online means.
- Agendas and minutes will be prepared by Council staff and circulated at least three (3) business days prior to each meeting.
- Minutes will be reported to the next available Ordinary Council Meeting.

8. Roles and Responsibilities

All Committee members are expected to:

- Act in good faith and in the best interests of the community.
- Respect confidentiality and declare any conflicts of interest.
- Participate actively and constructively in discussions and decision-making.
- Represent their constituents and ensure balanced consideration of issues affecting both communities.

- Support transparent and timely communication with the community.
- Contribute to the orderly separation of services, staff, assets, and liabilities.

9. Decision-Making

All decisions of the Committee must be made by an absolute majority of councillors present at the meeting.

10. Reporting

The Committee will provide a standing report to each Ordinary Council Meeting that includes:

- Progress against the Demerger Transition Plan
- Key issues and risks
- Costs incurred as part of the demerger process

The Committee may also provide interim briefings to councillors as required.

11. Term of the Committee

The Committee shall remain in place until:

- The completion of the demerger of Cootamundra-Gundagai Regional Council and the commencement of the new Cootamundra and Gundagai Councils; or
- Council resolves to dissolve the Committee.

At that time, the two new councils may consider establishing a Joint Working Party to finalise any outstanding matters.