

Business Paper

DEMERGER TRANSITION COMMITTEE MEETING

**ALBY SCHULTZ MEETING CENTRE,
COOTAMUNDRA**

2pm, Tuesday 24th February, 2026

Administration Centres: 1300 459 689

NOTICE OF MEETING

A Meeting of The Demerger Transition Committee will be held in the Alby Schultz meeting Centre, Cootamundra on:

Tuesday, 24th February, 2026 at 2pm

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

Order Of Business

1	Acknowledgement of Country	4
2	Apologies, Leave of Absence and audio-visual attendance requests	4
3	Disclosures of Interest	4
4	Confirmation of Minutes	5
4.1	Minutes of the Demerger Transition Committee Meeting held on Tuesday 27 January 2026	5
5	General Manager's Report.....	9
5.1	General Manager Office	10
5.1.1	Committee Meeting Schedule	10
5.1.2	Formal Approval of Software Acquisition	12
5.1.3	Dispute Resolution Panel Membership Expression of Interest	14

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.

2 APOLOGIES, LEAVE OF ABSENCE AND AUDIO-VISUAL ATTENDANCE REQUESTS**3 DISCLOSURES OF INTEREST**

4 CONFIRMATION OF MINUTES

4.1 MINUTES OF THE DEMERGER TRANSITION COMMITTEE MEETING HELD ON TUESDAY 27 JANUARY 2026

REPORTING OFFICER	Peter Bascomb, Demerger Transition Manager
AUTHORISING OFFICER	Roger Bailey, Interim General Manager
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. Minutes of the Demerger Transition Committee Meeting held on Tuesday 27 January 2026

RECOMMENDATION

That the Minutes of the Demerger Transition Committee Meeting held on Tuesday 27 January 2026 be confirmed as a true and correct record of the meeting.

Minutes

DEMERGER TRANSITION COMMITTEE MEETING

COUNCIL CHAMBERS, GUNDAGAI

2PM, TUESDAY 27th January, 2026

Administration Centres: 1300 459 689

**MINUTES OF COOTAMUNDRA-GUNDAGAI REGIONAL COUNCIL
DEMERGER TRANSITION COMMITTEE MEETING
HELD AT THE COUNCIL CHAMBERS, GUNDAGAI
ON TUESDAY, 27 JANUARY 2026 AT 2PM**

PRESENT: Cr Abb McAlister (Mayor), Cr Rosalind Wight (Deputy Mayor), Cr David Graham, Cr Penny Nicholson, Cr Gil Kelly, Cr Les Cooper

IN ATTENDANCE: Peter Bascomb (Demerger Transition Manager), Roger Bailey (Interim General Manager)

1 ACKNOWLEDGEMENT OF COUNTRY

The Chairperson acknowledged the Wiradjuri people who are the Traditional Custodians of the Land at which the meeting was held and paid his respects to Elders, both past and present, of the Wiradjuri Nation and extended that respect to other Aboriginal people who were present.

2 APOLOGIES, LEAVE OF ABSENCE, AND AUDIO-VISUAL ATTENDANCE REQUESTS

2.1 APOLOGIES

That the apology received from Cr Ryan be accepted.

2.2 LEAVE OF ABSENCE

Nil

2.3 AUDIO-VISUAL ATTENDANCE REQUESTS

Nil

3 DISCLOSURES OF INTEREST

Nil

4 GENERAL MANAGER'S REPORT

4.1 GENERAL MANAGER OFFICE

4.1.1 CONSOLIDATING EXPECTATIONS FOR THE DEMERGER TRANSITION

COMMITTEE RESOLUTION

Moved: Cr Penny Nicholson

Seconded: Cr Rosalind Wight

The Committee recommends that Council:

- 1. Confirms 1 July 2027 as the target date for the commencement of the two successor councils.**
- 2. Confirms that the primary objectives of the Demerger Transition Project are:**
 - (a) By 31 December 2026, 6-months ahead of the commencement date for the new Councils, the project must have prepared documentation sufficient for the OLG to prepare the required Proclamation**
 - (b) To enable the two successor councils to effectively commence operations the project must develop two separate suites of IP&R documents and other governance arrangements,**

including policies and organisational structure, that clearly demonstrate that the two councils will be operationally and financially sustainable in the long term.

CARRIED

4.1.2 DEMERGER DISPUTE RESOLUTION PROCESS

COMMITTEE RESOLUTION

Moved: Cr David Graham

Seconded: Cr Gil Kelly

That the Committee recommends that Council:

- 1. Adopts the dispute resolution process as outlined in the report.**
- 2. Updates the Terms of Reference for the Demerger Transition Committee to include the dispute resolution process.**
- 3. Confirms that decisions of the Demerger Transition Dispute Resolution Panel (DTDRP) will be accepted and implemented by Council.**
- 4. Undertakes an expression of interest (Eoi) process to recruit suitable nominees for the proposed Demerger Transition Dispute Resolution Panel (DTDRP).**
- 5. Confirm any costs associated with the DTDRP be met from Council's previously budgeted demerger funding.**

CARRIED

4.1.3 CONFIRMATION OF PREVIOUS COMMITMENTS FROM COUNCIL SUBMISSIONS

COMMITTEE RESOLUTION

Moved: Cr Rosalind Wight

Seconded: Cr Gil Kelly

The Committee Recommends that Council:

- 1. Recommits to the Objectives and Interventions used in the preparation of the Draft Demerger Transition Plan and Financial Sustainability Plan.**
- 2. Acknowledges that adherence to the Objectives and Interventions may impact the development of CGRC's FY27 Operational Plan.**

CARRIED

The Meeting closed at 2:43pm.

CHAIRPERSON

GENERAL MANAGER

5 GENERAL MANAGER'S REPORT

5.1 GENERAL MANAGER OFFICE

5.1.1 COMMITTEE MEETING SCHEDULE

DOCUMENT NUMBER	457955
REPORTING OFFICER	Peter Bascomb, Demerger Transition Manager
AUTHORISING OFFICER	Roger Bailey, Interim General Manager
RELEVANCE TO COMMUNITY STRATEGIC PLAN	3. Protected and enhanced environment 3.4 Greater efficiency in the use of resources
FINANCIAL IMPLICATIONS	There may be additional Councillor travel expense claims if the recommendation is adopted.
LEGISLATIVE IMPLICATIONS	There are no Legislative implications associated with this report.
POLICY IMPLICATIONS	There are no Policy implications associated with this report.
ATTACHMENTS	Nil

RECOMMENDATION

That the Committee:

1. **Alter its meeting schedule to be 3pm on the second Tuesday of the month.**
2. **Reschedule its next meeting to be 3pm Tuesday 10 March 2026.**

Introduction

With the DTC meetings on the same day as the Council meeting, the committee recommendations are not considered by Council until the following month. This report proposes an alternate schedule to expedite consideration.

Discussion

Recommendations of the DTC technically cannot be progressed until accepted and adopted by Council. This means, for example, Committee recommendations from its January meeting are being considered by Council at the February Council meeting.

As the DTC is a Committee of Council and is subject to the requirements of Council's Code of Meeting Practice (CoMP) it cannot modify its practices to, say, allow the approval of minutes "offline" via email as a s.355 committee might.

It is proposed that the Committee modify its meeting schedule as follows:

1. DTC meetings to be scheduled for 3pm on the second Tuesday of the month
2. Draft minutes to be circulated to Committee members no later than the Friday of the week of the meeting.
3. If, by the Friday of the subsequent week, no objections to the draft minutes are received the recommendations of the Committee will be reported to Council for consideration. This

cannot take the form of receiving and noting the Committee minutes as the minutes have not been formally adopted by the Committee but will provide Council the opportunity to consider the recommendations reported in the draft minutes.

4. The Committee minutes will be formally approved at the next meeting of the Committee and reported to Council in the normal manner, but without the need for Council to adopt recommendations if they have been adopted under (3) above.

This process will reduce the time between the Committee making a recommendation and Council's consideration of that recommendation.

Financial

Councillors that are members of the DTC may need to lodge an additional travel expense claim.

OLG 23a Guideline consideration

N/a.

5.1.2 FORMAL APPROVAL OF SOFTWARE ACQUISITION

DOCUMENT NUMBER	458214
REPORTING OFFICER	Peter Bascomb, Demerger Transition Manager
AUTHORISING OFFICER	Roger Bailey, Interim General Manager
RELEVANCE TO COMMUNITY STRATEGIC PLAN	4. Collaborative and progressive leadership 4.4 Recognised as a premier local government Council that represents and advocates for community needs
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	Nil

RECOMMENDATION

The Committee recommends that Council:

- 1. Formally endorses the acquisition and implementation of Civica Altitude ERP and Magiq EDMS software systems for the proposed Cootamundra and Gundagai councils**
- 2. Approve exemptions, under section 55(3)(i) of the Local Government Act 1993, to the tendering requirements for the reasons stated in the report.**

Introduction

All demerger planning to date has assumed that the two successor Councils would continue using the software currently used by CGRC. This assumption needs to be formally agreed by Council.

Discussion**The Software**

Council currently utilises Civica Authority as its main enterprise resource planning (ERP) system covering rates, payroll, accounts receivable, accounts payable, assets, general ledger and other modules. Council is currently completing a project to move to a new, entirely cloud-based version of Civica, called Altitude, which is expected to “go-live” next month.

Council has commissioned Civica to undertake a scoping study to prepare a project plan and costing to split the CRGC data. The scoping study will commence in April. It is critical that the project plan and costing are available prior to December 2026 as they will help inform the financial sustainability plan (FSP) and may be referred to in the proclamation establishing the two successor councils.

Prior to the 2016 merger, both Cootamundra and Gundagai councils were using Civica.

It is recommended that Council approve the acquisition of Civica Altitude ERP for the proposed Cootamundra and Gundagai councils.

Magiq is Council's electronic document management system (EDMS). Council has commissioned Magiq to move from an on-premise system to a cloud-based system, with the transfer of the data from Council's file-server to the cloud based system scheduled for the October 2026 long-weekend.

Prior to the 2016 merger, Cootamundra was using Magiq while Gundagai retained a paper-based records management system. While it remains possible for Gundagai to return to a paper-based system, it is not recommended. With so much of today's communication being electronic, the capture and retrieval of information – both for operational effectiveness and to meet statutory requirements – it is far more efficient and cost-effective using an EDMS that integrates with Council's electronic systems such as emails.

It is recommended that Council approve the acquisition of Magiq EDMS for the proposed Cootamundra and Gundagai councils.

The Exemption

There are multiple other vendors that can provide either an ERP, an EDMS or both. The normal process for a Council seeking new systems would be to undertake a public tender process.

In this instance, however, this is not recommended for the following reasons:

1. Resources: CGRC does not currently have the resources to develop the tender documentation and to complete the evaluation of submitted tenders to meet the timeframe to complete the FSP.
2. Data: While it is possible to transfer data from one system to another, it will be far easier, and presumably cheaper, to do it from one version of Civica / Magiq to another than to transfer the data to an entirely different system.
3. Training: Existing CGRC staff are already familiar with both systems and will transfer their skills to the successor councils. If it was decided to move to alternate systems then the staff would need to be trained before 1 July 2027, placing an additional burden on them in the lead-up to the demerger. This would be particularly difficult if different systems were chosen for each of the successor councils.

It is therefore recommended that Council approve an exemption from normal procurement practice for the acquisition and implementation of Civica Altitude ERP and Magiq EDMS for the proposed Cootamundra and Gundagai councils.

Financial

The known costs are already included in Council's budget. The unknown cost of acquiring and implementing Civica Altitude for the successor Councils will be met from the allocated demerger budget.

OLG 23a Guideline consideration

N/a

5.1.3 DISPUTE RESOLUTION PANEL MEMBERSHIP EXPRESSION OF INTEREST

DOCUMENT NUMBER	458631
REPORTING OFFICER	Peter Bascomb, Demerger Transition Manager
AUTHORISING OFFICER	Roger Bailey, Interim General Manager
RELEVANCE TO COMMUNITY STRATEGIC PLAN	4. Collaborative and progressive leadership 4.2 Proactive, practical Council leaders who are aligned with community needs and values
FINANCIAL IMPLICATIONS	The financial implications will be determined by the number of disputes referred to the panel.
LEGISLATIVE IMPLICATIONS	There are no Legislative implications associated with this report.
POLICY IMPLICATIONS	There are no Policy implications associated with this report.
ATTACHMENTS	1. Draft DTDRP Chair & Member Eol ↓

RECOMMENDATION

That the Committee approves the Expression of Interest documentation for the Chair and Members of the Demerger Transition Dispute Resolution Panel attached to this report.

Introduction

This report seeks the Committee's approval of the attached documentation.

Discussion

At its January meeting the Committee recommended the establishment of a Demerger Transition Dispute Committee (DTDRP). If Council, at its February meeting, adopts the Committee's recommendation Council will seek expressions of interest (Eoi) from suitably qualified people to be Chair and Members of the panel.

The attached Eoi documentation seeks to explain the role of the DTDRP and the eligibility criteria for potential members and will be used in conjunction with the advertising of the positions.

Financial

In addition to the sitting fees outlined in the January report, the attached documentation anticipates that Council will undertake background checks similar to those for ARIC members. This will incur an additional cost to be drawn from Council's allocated demerger budget.

OLG 23a Guideline consideration

N/a

Expression of Interest - Independent Chair & Members

Demerger Transition Disputes Resolution Panel

Applications are invited from suitably qualified individuals for the appointment to the position of Chair for the Demerger Transition Disputes Resolution Panel (DTDRP) for Cootamundra Gundagai Regional Council (CGRC).

Expressions of interest are also sought from suitably qualified people who seek appointment as an Independent Panel Member.

The Minister for Local Government has accepted the recommendation of the Boundaries Commission and approved the demerger of CGRC back into its constituent councils, namely Cootamundra and Gundagai. The Minister has made it clear that the responsibility for all demerger planning and other matters rests with CGRC, including the resolution of any dispute.

The new Councils will commence operation on 1 July 2027.

CGRC has established a Demerger Transition Committee (DTC) to oversee the planning for the demerger and has appointed a Demerger Transition Manager (DTM) to assist with planning.

Given that there is no NSW template for demergers, and the sensitivity of some matters to be considered, CGRC has determined to establish a Demerger Transition Disputes Panel. The process for consideration of any dispute is outlined below.

There is unanimous Councillor support for the demerger backed by strong community support. It is therefore not anticipated that there will be many referrals to the DTDRP.

The selection of Chair and members will broadly follow the Office of Local Government's Guidelines for Risk Management and Internal Audit for Local Government in NSW (the Guidelines), with remuneration equivalent to the current ARIC Chair and members.

The DTDRP Chair and members should have no direct association with CGRC either in a professional or personal capacity.

The DTDRP will cease on 30 June 2027 after which the two successor Councils will determine any future dispute resolution process.

Appointment of Chair

The appointment panel will aim to ensure that the independent chair has recent and relevant experience in local government with particular emphasis on financial sustainability and operational effectiveness.

The Chair cannot be an employee of another local government entity, including a joint organisation.

The fees payable for the chair position will be \$1500.00, per dispute excl. GST (inclusive of all preparation time) plus expenses.

Appointment of Panel Members

Panel members will have extensive local government experience and be capable of making informed decisions regarding potentially detailed matters affecting the financial sustainability and operational effectiveness of the proposed Cootamundra and Gundagai councils.

Given that the DTDRP will meet on an "as needs" basis, Council may choose to appoint more than 2 members to ensure that there will always be 3 members (Chair and 2 members) available to consider a disputed matter.

The fees payable for the members will be \$750.00, per dispute excl. GST (inclusive of all preparation time). Employees of local government entities may be members but are not entitled to any payment other than expenses.

Superannuation and Insurances

Superannuation is paid in addition to the above set fee in accordance with the requirements of the *Superannuation Guarantee (Administration) Act 1992*. DTDRP members will be covered under Council's insurance policies for public liability and professional indemnity.

Eligibility Criteria:

The chair and all members of the DTDRP must be independent to ensure they have no real or perceived bias or conflicts of interest that may interfere with their ability to act independently and can provide the Council with robust, objective and unbiased decisions regarding any dispute.

The chair and independent voting committee members must not:

- i. currently be a Councillor of any NSW Council
- ii. be a non-voting representative of the board of the joint organization
- iii. be the chair or a member of CGRC's ARIC or any other Council committee including s.355 committees
- iv. be a candidate at the last election of Cootamundra-Gundagai Regional Council
- v. be a person who has held office with CGRC during the previous term
- vi. be currently employed by CRGC, or been employed during the last 12 months
- vii. conduct audits of CGRC on behalf of the Audit Office of NSW
- viii. have a close personal or business relationship with a councillor or a person who has a senior role at CGRC that may lead to a real or perceived conflict of interest
- ix. currently, or within the last three years, provided any material goods or services (including consultancy, legal, internal audit and advisory services) to CGRC
- x. be (or have a close family member who is) a substantial shareholder, owner, officer or employee of a company that has a material business, contractual relationship, direct financial interest or material indirect financial interest with CGRC or a related entity which could be considered a real or perceived conflict of interest, or
- xi. currently or have previously acted as an advocate of a material interest on behalf of CGRC or a related entity which could be considered a real or perceived conflict of interest.

Current staff of another Council may serve as an independent member DTDRP but not as its Chair.

Please Note:

- A criminal record and financial status (bankruptcy) check of preferred applicants will also be undertaken before an appointment is made.
- Council will appoint the chair and members after consideration of a report and recommendation by the selection committee, following assessment of applications.
- Members of the DTDRP are subject to the Council's Code of Conduct.

The Dispute Resolution Process

The resolution process is as follows:

1. Council establishes, after a public expression of interest (EOI) process, a panel of 3 independent local government specialists to form the demerger transition dispute resolution panel (DTDRP). It may be beneficial to also nominate 2 or 3 alternates. Council shall appoint 1 of the members as Chair.
2. Remuneration of the Panel Chair and members would be equivalent to that of ARIC Chair and members.
3. Council will accept and implement the decisions of the DTDRP. This will maintain the independence of the process.
4. A matter is automatically referred to the DTDRP if 3 or more Councillors indicate their opposition to any demerger transition matter being considered by either the Demerger Transition Committee or by Council.
5. Councillors, jointly or separately, will submit their opposition to any matter to the Demerger Transition Manager (DTM) stating:
 - a. Why they dispute a particular demerger matter and
 - b. Their preferred alternative outcome.
6. If a complying submission is received the following process will be followed:
 - a. The DTM will refer all relevant documentation to the Chair and members for their review.
 - b. The TRDRP Chair and members may request additional information.
 - c. The TRDRP Chair will convene a meeting of the Panel, which may be conducted either in person or by audio-visual link.
 - d. The panel may receive representations from Councillors for and against the matter(s) under consideration.
 - e. Staff and contractors involved in the matter will be available to answer members' questions.
 - f. The Panel will then adjourn to allow members to more fully consider the matter and prepare a report outlining the Panel's decision and its reasoning.
 - g. The DTM will prepare a report for the next scheduled Council meeting presenting the Panel's decision.

How to Apply

Expressions of interest can be submitted in the following manner:

Completion of EOI form: OR

Email: demerger@cgrc.nsw.gov.au

For further information:

Contact: Peter Bascomb – Demerger Transition Manager – by phone 0418 690 030 or email peter.bascomb@cgrc.nsw.gov.au

Closing date: 7 April 2026