

# Business Paper

## LATE REPORTS DEMERGER TRANSITION COMMITTEE MEETING

**ALBY SCHULTZ MEETING CENTRE,  
COOTAMUNDRA**

**10am, Wednesday 15th April, 2026**

**Administration Centres: 1300 459 689**

# LATE REPORTS

## Order Of Business

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## 5 REPORT

### 5.1 GENERAL MANAGER OFFICE

#### 5.1.4 UPDATE ON FINANCIAL SUSTAINABILITY TENDER SCHEDULE

DOCUMENT NUMBER	467915
REPORTING OFFICER	Peter Bascomb, Demerger Transition Manager
AUTHORISING OFFICER	Roger Bailey, Interim General Manager
RELEVANCE TO COMMUNITY STRATEGIC PLAN	<b>4. Collaborative and progressive leadership</b> 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	1. FSP Specification <a href="#">↓</a>

#### RECOMMENDATION

**That the committee endorses the changed schedule for the appointment of contractors to undertake the review and update of the Financial Sustainability Plan.**

#### Introduction

It has not been possible to meet the endorsed time frame for the advertising the tender for the update and review of the Financial Sustainability Plan. This report proposes a new time frame.

#### Discussion

The endorsed specification Financial Sustainability Plan specification (attached) included a proposed schedule that included the target of advertising the tender on 25 March 2026.

Date	Milestone
<b>10 March 2026</b>	DTC to consider FSP documentation and whether to recommend to Council.
<b>24 March 2026</b>	Council to consider DTC's recommendation
<b>16 April 2026</b>	RfT released via Council's usual channels
<b>15 May 2026</b>	RfT closes
<b>9 June 2026</b>	DTC considers RfT responses and selects successful contractor
<b>24 &amp; 25 June 2026</b>	Consultant induction

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<b>8 September 2026</b>	Preliminary findings presented to DTC
<b>13 October 2026</b>	Draft FSP, LTFPs & revenue policies presented to DTC
<b>10 November 2026</b>	Final FSP, LTFPs & revenue policies presented to DTC

Financial

There are no additional costs because of the change to the timetable.

OLG 23a Guideline consideration

N/a

## Schedule 3 Specification

### 1 Introduction

Cootamundra Gundagai Regional Council (CGRC) was formed in May 2016 by the merger of the former Cootamundra & Gundagai Shire Councils (the successor councils). The merger has never been supported by the communities and after multiple reports, submissions and NSW Boundaries Commission inquiries the Minister for Local Government, in June 2025, approved the demerger of CGRC.

The Minister, in his announcement approving the demerger, made it clear that CGRC is wholly responsible for preparing everything necessary to demonstrate that the proposed Cootamundra and Gundagai Councils will be operationally effective and financially sustainable from day 1 of their creation, currently scheduled to be 1 July 2027.

Most of the financial sustainability work, and the planning for operationally effective organisations, must be completed by 1 December 2026 to enable the documentation to be adopted by Council and submitted to the Minister for preparation of the Proclamation required to create the successor councils..

Council is therefore commissioning an independent Financial Sustainability Plan (FSP) and other documentation to extend and refine the FSP submitted to the 2025 Public Inquiry that preceded the Minister's approval of the demerger.

#### 1.1 Background Information

In May 2016, the Cootamundra Gundagai Regional Council (CGRC or the Council) was formed through an amalgamation of the Cootamundra and Gundagai Shires.

Like many rural and regional Councils, the predecessor councils reported various levels of deficit in the years preceding the 2016 merger. CGRC has continued to struggle financially, continuing to report operating deficits and insufficient funds to match its externally and internally restricted reserves.

The FY25 audited Annual Statements can be found [here](#), while the FY26 Q2 Quarterly Budget Review was included in Council's February 2026 business paper, available [here](#).

Council has established the following oversight structure for the demerger transition project:

1. Established a Demerger Transition Committee (DTC) comprising 6 Councillors, including the Mayor as Chair
2. Appointed a Demerger Transition Manager (DTM)
3. Established a Demerger Transition Disputes Resolution Panel (DTDRP) comprising 3 people with extensive local government experience. At the time of issuing this RfT the EoI process for Chair and members of the DTDRP had not been completed.

#### 1.2 OLG's Role

The Minister has made it clear that the OLG will have little involvement in the planning for and implementing the demerger. Of particular note the Minister has made it clear that CGRC must cover all demerger costs, including consultants recruiting staff ahead of the demerger.

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At the time of preparing this RfT OLG has provided only broad guidelines of what the Minister, Parliamentary Counsel, OLG and possibly IPART will require to enable the Proclamation to be drafted and any special variation (SV) approved.

### 1.3 Demerger Project Overview

It took over 9 years of lobbying by the communities, Council and the local MP to reach the point of the Minister's decision to approve the demerger.

The agreed objectives of the Demerger Transition Project are:

1. 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
2. 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.

Given the objectives and with the target date of 1 July 2027 for the commencement of the two successor Councils, the project is broken into three broad phases:

1. Pre-December 2026: preparation of everything required for the development of the proclamation including:
  - 1.1. This FSP
  - 1.2. Individual IP&R suites
2. December 2026 – June 2027: Implementation Part 1
3. From 1 July 2027: Implementation Part 2

## 2 Scope of Work

### 2.1 Work Included

The prime objective of the FSP is to identify robust options to ensure both the successor councils can operate sustainably and effectively into the future.

The FSP terms of reference are to build upon the work already undertaken to:

1. Document factors contributing to CGRC current financial position.
2. Assess Council's current financial settings and oversight strategies from an efficiency, effectiveness and sustainability and performance management perspective and how they might need to change to ensure the successor councils are sustainable.
3. Identify potential opportunities for the successor Councils to increase revenue and reduce costs including through, but not limited to current:
  - 3.1. rates, fees and charges
  - 3.2. Council management, operations, services, capital program, monitoring and governance systems
  - 3.3. consideration of equity and distribution issues
  - 3.4. broader Council planning and strategy activities, including service levels.

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4. Develop a set of recommended, evidence-based options for Council's deliberation, noting the potential risks and benefits of each, plus a recommended implementation strategy and timeframe.
5. Produce a clear and concise FSP final report and, for each successor Council, a long-term financial plan and draft revenue policy.
6. A summary of findings suitable for public release.

## 2.2 Suggested Approach

Council has identified the following as a possible methodology for the FSP, while welcoming submissions that include modifications or alternative options to address the scope of work:

1. Conduct a thorough review of:
  - 1.1. Council's submissions to the Public Inquiry and Boundaries Commission, including the Demerger Transition Plan (DTP), Financial Sustainability Plan (FSP) and Service Catalogue (SC) developed for Council by Always Thinking Advisory.
  - 1.2. Council's recent past, current and long-term financial plans, internal and external audit results, pricing policies and related operational and delivery plans
2. Review asset planning and asset audits, plus internal management processes that have been undertaken and to identify any potential gaps or areas for improvement
3. Consult with Councillors, and key Council staff
4. Consider community perspectives and expectations via an online survey hosted on Council's website (supported by CGRC Communications staff). This may only be required if the modelling suggests that either of the required SVs is greater than the SVs identified in the 2025 FSP.
5. Compare key measures and other comparable data sets and practices from other Councils similar to the successor councils to inform the evidence base and potentially relevant options.

## 2.3 Specific Deliverables

### 2.3.1 Timeline

The scope of works must be finalised and delivered to a meeting of Council's Demerger Transition Committee on 10 November 2026.

The review is expected to incorporate the following deliverables. (Each should be incorporated into the project timeline as part of the tender submission). All dates are based on the successful tenderer being advised by 27 May 2026.

1. Inception meetings with:
  - 1.1. Key Council staff 15 & 16 June 2026
  - 1.2. The DTC 16 June 2026.
2. Preliminary Findings and Work-in-Progress Report (including stakeholder feedback to date), to be presented to the DTC meeting on 8 September 2026.
3. Final Draft FSP report and associated documentation report for final comments 13 October 2026

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4. Final FSP report and associated documentation to DTC meeting 10 November 2026.

**It will be mandatory for the consultant's project lead and key personnel be present on-site for the inception meetings and for the project lead to attend in person the scheduled meetings of the DTC.**

### 2.3.2 Consultation

It is expected the successful consultant will need at least three engagements with the DTC including those listed above.

## 3 Governance

The day-to-day monitoring of project milestones will be the responsibility of the DTM, noting that the DTM will be absent from 7 May 2026 returning 15 June 2026. During this the time the IGM will assume this responsibility.

The final FSP Report will be strictly the work of the independent consultant selected to undertake the review, the implementation of any review recommendations will be for DTC to consider and vote on.

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## 4 Timeline

Date	Milestone
10 March 2026	DTC to consider FSP documentation and whether to recommend to Council.
24 March 2026	Council to consider DTC's recommendation
25 March 2026	RfT released via Council's usual channels
30 April 2026	RfT closes
5 May 2026	DTC considers RfT responses and makes recommendation to Council
26 April 2026	Council selects successful consultancy and applicants notified
15 & 16 June 2026	Consultant induction
8 September 2026	Preliminary findings presented to DTC
13 October 2026	Draft FSP, LTFP & revenue policy presented to DTC
10 November 2026	Final FSP, LTFP & revenue policy presented to DTC

## 5 Reference Documents

The successful consultant will be supplied with the documentation necessary to conduct the review. This will include the results of relevant audit reports plus financial planning information. All documentation will be subject to confidential clauses in the signed contract.

The Contractor is also required to ensure compliance with the following documents. A copy of these documents can be found on Council's website.

Document Number	Document Title	Date Issued
	Health and Safety Policy	
	Smoke Free Work Environment Procedure	
	Work Wear Clothing and Personal Protective Equipment Procedure	
	Alcohol and Other Drug Procedure	
	Code of Conduct (including the model Code of Conduct	

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