REPORT

on the

PROPOSALS FOR THE CREATION OF

PEEL REGIONAL COUNCIL

and

GWYDIR SHIRE COUNCIL

with respect to the

BARRABA SHIRE COUNCIL

January 2004
Effect of Vardon Proposals on Barraba Shire Council
1. INTRODUCTION
Following an apparent reversal on its previous policy of voluntary local government amalgamation in NSW in the immediate aftermath of the most recent state government elections, the NSW Minister for Local Government, the Honourable Tony Kelly MLC, set in motion a broad-ranging review of local government boundaries in NSW. Mr. Chris Vardon OAM was appointed Facilitator of the Regional Review of the Peel Region and charged with providing the Minister with advice on possible changes to local government boundaries and structures. The Proposal for the Creation of a Peel Regional Council and The Proposal for the Creation of a Gwydir Shire Council, presented on 17th December 2003, represents significant outcomes of this process.

The Proposal for the Creation of a Peel Regional Council and The Proposal for the Creation of a Gwydir Shire Council constitute two of five proposals for the radical restructuring of local government areas in the Peel Region. It calls for a drastic reorganization of local government involving the division of Barraba Shire between the two proposed new ‘super councils’. The new entities, tentatively entitled the Peel Regional Council and the Gwydir Shire Council, and centred in Tamworth and Warralda/Bingara respectively, would replace the existing councils under an entirely new system of representation: ‘It would transcend, and supercede, both the political and operational structures of those Councils, which would then cease to exist’ (Gwydir Proposal p. 4; Peel Proposal p. 5).

The impact of the implementation of the Vardon proposals on Barraba Shire Council and their residents, following the division of the Shire, would obviously be immense. Accordingly, Barraba Shire Council commissioned Professor Brian Dollery, Director of the University of New England’s Centre for Local Government, to independently evaluate the Proposal for the Creation of a Peel Regional Council and the Proposal for the Creation of a Gwydir Shire Council with respect to their likely impact on the citizens of the Barraba Shire Council and deliver his findings by 23rd January 2004. This Report represents the outcome of Professor Dollery’s deliberations.

The Report itself is not aimed at critically evaluating both the Proposal for the Creation of a Peel Regional Council and the Proposal for the Creation of a Gwydir Shire Council, nor ascertaining the accuracy of the information and assumptions contained in these documents. Moreover, it is also acknowledged that both proposals have the overwhelming support of all the various councils involved, except the Barraba Shire Council, whose sole objection is to the proposed curving up of their council between the two new proposed councils.

The Barraba Shire Council’s preferred option is for the entire existing Shire to be incorporated into the new Peel Regional Council in toto. Accordingly, the present Report critically evaluates the arguments put forward in the Proposal for the Creation of a Peel Regional Council and the Proposal for the Creation of a Gwydir Shire Council for the splitting up of the boundaries of the current Barraba Shire Council between the two proposed new regional councils. Thus, this Report does not attempt to justify nor discredit the proposals for the creation of the proposed two new regional councils: It only considers the impact of the proposals on the division of the current Barraba Shire Council community.
The Report itself is divided into five main sections. Section 2 summaries the key findings in this Report as they relate to the dissolution of the present Barraba Shire. Section 3 discusses the arguments advanced in the Proposal for the Creation of a Peel Regional Council and the Proposal for the Creation of a Gwydir Shire Council for dividing the Barraba community and critically evaluates the arguments put forward in support of its division. Section 4 reviews the communities of interest in the northern half of the existing Barraba Shire. Section 5 outlines the shortcomings of the Gwydir Shire Council proposal and their possible implications for the northern half of Barraba Shire. The Report ends with some brief concluding remarks in Section 6.

2. SUMMARY OF MAIN FINDINGS

Both the Proposal for the Creation of a Peel Regional Council and the Proposal for the Creation of a Gwydir Shire Council barely discuss the proposed division of the current Barraba Shire community and provide almost no justification for this drastic and potentially destructive and divisive course of action on Barraba Shire residents. The main findings of this Report on both the Proposal for the Creation of a Peel Regional Council and the Proposal for the Creation of a Gwydir Shire Council, as they relate to Barraba Shire Council and its community, may be summarized as follows:

- Barraba Shire Council is a ‘willing’ participant in the regional review process and has indicated its intention to be voluntarily involved in the creation of the proposed Peel Regional Council, with the only proviso being (at this stage) that the entire Shire be incorporated into the Proposal for the Creation of a Peel Regional Council. Notwithstanding this voluntary participation of the Barraba Shire Council in the amalgamation process, both the Proposal for the Creation of a Peel Regional Council and the Proposal for the Creation of a Gwydir Shire Council seek to divide the present Barraba Shire community.

- It is concerning that neither the Proposal for the Creation of a Peel Regional Council and nor the Proposal for the Creation of a Gwydir Shire Council provide any detailed information on the ‘community of interest’. It is also most unfortunate that neither Proposal undertook any systematic community attitude survey prior to determining that a fully functional community that had operated jointly for many years should henceforth simply be divided into two.

- The only justification for dividing the Barraba Shire between the two proposed new regional ‘super councils’ is based on a newly created catchment management authority (CMA) boundary. No rationale is advanced in support of the controversial contention that aligning council boundaries with CMA boundaries improves efficient delivery of local government services nor any evidence that the aligning CMA with municipalities enjoys any significant community support.

- After an exhaustive analysis of the Vardon documents, this Report cannot escape the conclusion that the Proposal for the Creation of a Peel Regional Council and the Proposal for the Creation of a Gwydir Shire Council seek the
division of the Barraba Shire in order to justify and sustain the proposal to create a new Gwydir Shire Council.

- Even if ‘communities of interest’ can be demonstrated between the northern half of Barraba Shire and Bingara and/or Warialda, there is nonetheless still no basis for determining whether these residents have a ‘community of interest’ with Moree or Inverell rather than with Tamworth. Indeed, the Proposal for the Creation of a Gwydir Shire Council frankly concedes that the proposed new Gwydir Shire Council is only a temporary or transitory arrangement, and a mere stepping stone towards incorporating this new municipal area into a greater Moree Plains Shire Council or greater Inverell Shire Council.

- It is the view of this Report that the residents of the northern half of Barraba Shire would be better served, and that greater certainty afforded them, if they were part of the proposed Peel Regional Council rather than the proposed Gwydir Shire Council.

- The Report thus strongly recommends that a poll of electors be undertaken by the Local Government Boundaries Commission pursuant to section 265 of the Local Government Act 1993 to determine conclusively the views of the majority of residents in the northern part of Barraba Shire.

3. RATIONAL FOR DIVIDING THE BARABA COMMUNITY

The Proposal for the Creation of a Peel Regional Council seeks a ‘merger of the whole of Tamworth City Council, the whole of the Manilla Shire Council, the southern part of Barraba Shire Council from the Nandewar Range at Bells Mountain, including the township of Barraba, a significant part of the Parry Shire Council, centring on Currabubula and Werris Creek, and the bulk of the Nundle Shire Council’ (p. 4) to form the proposed new Peel Regional Council. The stated justification for decision is that ‘the proposed new local government area covers the whole area in New South Wales (NSW) that has strong functional links to Tamworth’ (p. 4). The Proposal then contends that ‘The City of Tamworth would be the headquarters for the new entity’ (p. 5).

By contrast, Proposal for the Creation of a Gwydir Shire Council argues that it ‘describes a preferred model for the establishment of a new local government area to serve an area incorporating the whole of the existing shires of Yallaroi and Bingara, and that part of Barraba Shire from the Nandewar Range north of Bells Mountain towards Bingara’ (p. 3).

From these descriptions of the two proposed new ‘super councils’, Mr Vardon clearly favours the division of the present Barraba Shire community into separate north and south halves, with the north being incorporated as part of the Gwydir Shire Council and the south to be part of the new Peel Regional Council. This drastic division of a presently united Barraba Shire community is justified the following grounds: ‘A division of Barraba Shire along the Nandewar Range recognises and follows the boundaries between the two recently created Catchment Management Authorities (CMAs). These are the Border Rivers/Gwydir CMA and the Namoi CMA’ (Peel Proposal p. 4) (emphasis added). The rationale for the alignment of municipal
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boundaries with CMA boundaries appears to lie in the contention that it would allow ‘a better alignment of natural divisions within the catchment systems with the local government boundary to enable the co-ordinated planning and management of the catchment areas to take place. The larger council could recruit the additional environmental science and linked skills needed to manage the catchments effectively.’ *(Peel Proposal p. 8).*

It is exceedingly difficult to understand why it is considered desirable that CMA boundaries should coincide exactly with local government boundaries. After all, the fact that the same argument could be raised with respect to national and state boundaries, in Australia and elsewhere, but virtually never is raised in these broader contexts, surely demonstrates its spurious nature. In the particular instance, this contention has additional shortcomings. For instance, it fails to consider the effects of many years of the broader Barraba Shire community operating as one, and the history and tradition of the community. Moreover, it does not attempt to take into account any ‘community of interest’ of the people involved; nor does it consider the impact on the efficient delivery of council services in the determination of the municipal boundaries.

The sole rationale for the exact coincidence of CMA boundaries and council boundaries seems to derive exclusively from the recently created CMAs. While all councils are mindful and are proactive in protecting the environment under their control, catchment management nevertheless plays only a minor part in the overall delivery of local government services. CMA boundaries do not take into account everyday council activities, such as road maintenance, which can involve moving in and out of council boundaries to repair roads (if the boundaries are not properly constructed). This creates confusion in ratepayers and councils alike, with sections of the same road being maintained by different local authorities. To link local government boundaries to CMA boundaries to the exclusion of all else, including roads, ratepayers, townships and communities, highlights a peculiar narrowness of focus and a neglect of the totality of contemporary local governance. Indeed, this approach is surely akin to ‘the tail waving the dog’!

Having justified the division of the Barraba Shire community on the basis of CMA boundaries, the *Proposal for the Creation of a Peel Regional Council* then seems to contradict itself by stating that ‘while the southern boundary of the Northern Rivers CMA (separating it from the Namoi CMA) dissect the present Nundle Shire, it is not considered appropriate in the present instance to follow that boundary and so divide the Nundle Shire into separate parts’ (p. 4). The *Proposal* loses further coherence by noting that ‘subject to these minor qualifications, the whole of the proposed new local government area will fall within the borders of the Namoi CMA. That CMA, of course, covers a very much larger area extending a good deal further west’ (p. 4). In general, the *Proposal for the Creation of a Peel Regional Council* and the *Proposal for the Creation of a Gwydir Shire Council* follow a piecemeal approach: In some instances seems to be preferable to use CMA boundaries, whereas at other times it is not, with no justification being used in either case. This Report thus concludes that the proposed division of Barraba Shire is arbitrary and unjustified.

As we have seen, Barraba Shire Council, unlike many other comparable municipalities, is a willing participant in the current boundary reform process pursued by the NSW state government. Moreover, it is worth stressing that the Barraba Shire
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Council is the only municipality in the both the Proposal for the Creation of a Peel Regional Council and the Proposal for the Creation of a Gwydir Shire Council that has recorded a positive operating result. In the former Proposal’s own words ‘Barraba, on the other hand, has had an improving position, and had a small surplus in 2002 and a slightly larger one in 2003’(p.13). Notwithstanding this excellent financial outcome, Barraba Shire Council is not big enough to carry the other councils in the proposal out of an aggregate deficit result. This is conceded in the Peel Proposal: ‘Barraba’s size is such that its better report card can hardly be expected to carry the others’ (p. 13). However, rather than being rewarded for these two positive endeavours, Barraba Shire Council and its residents seem to have been punished by dividing it in half.

An additional negative repercussion deriving from the Proposal for the Creation of a Peel Regional Council and the Proposal for the Creation of a Gwydir Shire Council on the proposed splitting of the current Barraba Shire Council boundaries between the two proposed regional councils is that it will substantially dilute the representation of the greater Barraba Shire community. Whereas the existing community would have 2,232 people supporting the Barraba Shire district (if solely contained in the proposed Peel Regional Council), these proposals will only see some1,732 in the Peel Regional Council and 500 in the Gwydir Shire Council. By combining these numbers (i.e. by not splitting the Shire) there is greater potential for more representation on issues affecting the Barraba community as a whole.

The Proposal for the Creation of a Peel Regional Council recognizes the problem of reduced representation. It proposes to deal with this problem through the creation of precinct committees ‘with definite responsibilities and a supporting budget’ (p. 27). Moreover, ‘these committees, nominated by the local community, would focus on issues that are distinctly local, and would be empowered to safeguard and protect various aspects of local lifestyles and identity’ (p 27). Notwithstanding the ethereal ‘otherworldliness’ of these idealistic sentiments, the reality is that it is the elected council, not precinct committees, that are responsible under the Local Government Act 1993 for the setting of fees, charges, rates, and budgets. The real debate on priorities and funding will thus be fought in the council chambers and not at precinct meetings. It is thus obvious that it is in the Barraba district’s best interests to have the maximum number of residents available at the ballot box to elect a councillor who is sympathetic and aware of their local needs.

4. COMMUNITIES OF INTEREST

Barraba Shire Council contend that their entire Shire has a common community of interest, which when taken on a regional basis, lies with Tamworth. It is thus more than a little surprisingly that no social impact statement or detailed community of interest study was undertaken to support the proposed division of the Barraba community, as outlined in both the Proposal for the Creation of a Peel Regional Council and the Proposal for the Creation of a Gwydir Shire Council.

Section 263 of the Local Government Act 1993 requires that inter alia the following factors be considered as part of any amalgamation/boundary reform process:

‘(b) The community of interest and geographic cohesion in the existing areas and in any proposed new area;
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(c) The existing historical and traditional values in the existing areas and the impact of change on them; and
(e3) The impact of any relevant proposal on rural communities in the areas concerned.

In addition to this the Local Government Association of NSW’s guidelines on Local Government Structural Reform (2003 p. 8) state that:

‘As a matter of general principle, a council should reflect communities of interest of an economic, social, and other relevant kind and be consistent with community values, expectations and aspirations. Coherent representation of communities of interest are more likely achieved if local government boundaries do not divide significant communities of interest and strategies are used to address any apparent conflict within or between communities of interest within a local government area. In examining voluntary amalgamations or significant boundary changes, an analysis of the following factors is useful:

- Population structure/characteristics/growth
- Aboriginal communities of interest
- Employment/shopping/health/education access patterns
- Local government infrastructure facilities and services access patterns

The guidelines also provide details in the Appendix of a number of factors that should be considered when examining the communities of interest of any reform proposal. Details of this Appendix are provided in the table below:

<table>
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<tr>
<th>Considerations when Examining Communities of Interest</th>
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<tr>
<td>Addressing the following factors may help council think about aspects of communities of interest.</td>
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<tr>
<td>• The nature of demography in council’s area and adjoining areas (population structure and characteristics)</td>
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<td>• Growth or decline of population in council’s area and adjoining areas</td>
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<td>• Population trend over 5, 10, 20 years in council’s area and adjoining areas</td>
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<td>• Other socio-economic data in council’s area and adjoining areas (e.g. age, ethnicity, average income etc.)</td>
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<td>• Aboriginal communities of interest in council’s area and adjoining areas</td>
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<td>• The impact for local, regional and State Aboriginal Land Councils if a number of councils were merged into one local government area</td>
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<td>• Employment patterns in council’s area and adjoining areas</td>
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<td>• Residents shopping patterns in council’s area and adjoining areas</td>
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<td>• Residents health and medical services access patterns in council’s area and adjoining areas</td>
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<td>• Residents school/TAFE/other education access patterns in council’s area and adjoining areas</td>
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<td>• Residents active sports or other recreation access patterns in council’s area and adjoining areas (e.g. local government</td>
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<td>playing fields, parks and gardens, swimming pools)</td>
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<td>• Residents Library and information services access patterns in council’s area and adjoining areas</td>
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<td>• Residents cultural activities access patterns in council’s area and adjoining areas (e.g. galleries, museums, cinemas or</td>
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<td>performing arts)</td>
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<td>• Water and sewerage services supply to residents</td>
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Source: LGA of NSW 2003 Appendix 7 p. 19

A community of interest analysis has also been a key factor in determining the suitability of amalgamation proposals considered elsewhere in Australia. In fact, so important was the demonstration of communities of interest in the South Australian amalgamation process of the mid-1990s, that section 17B of the Local Government
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(Boundary Reform) Amendment Act 1995 (S.A.) required councils to formally address this issue in the submissions they provided to the Local Government Boundaries Reform Board. Studies (Kangaroo Island Proposal p.16) conducted under this proposal have included:

- Research of relevant material and data collection;
- Demographic profile analysis; and
- Analysis of the relevant communities of interest issue to determine common and complementary communities of interest and to identify any relevant conflicts within or between those communities of interest.

The (S.A) Local Government Reform Group (1995 Series 5 p. 1) defines community of interest as aspects of the physical, economic and social systems which are central to the interaction of communities in their living environment.

Given the central importance of communities of interest to any structural reform proposal, it thus raises the thorny question as to whether the Proposal for the Creation of a Peel Regional Council and the Proposal for the Creation of a Gwydir Shire Council even considered this critical factor before proposing the potentially damaging division of the Barraba Shire community.

The Proposal for the Creation of a Peel Regional Council itself explicitly recognizes an extensive community of interest between Tamworth and Barraba Shire. For instance, it notes that ‘Tamworth provides many medical services to the surrounding population. It provides the great bulk of tertiary education services, and is the place of choice for many families for schooling of children resident in the surrounding region. It is, by a long way, the major source and supplier of cultural activities in the region. Tamworth is the major centre for recreation facilities and lifestyle amenities such as restaurants. The Tamworth sporting teams are strongly supported by people in the surrounding region, and sports services for the region tend to be sourced from Tamworth. Tamworth has the largest and most diversified array of retailing and services in the region, and its shops and service outlets are patronised by the residents of the region’ (p. 29). Moreover, the Proposal states that ‘the dominating community of interest for people in the Tamworth region is their dependency on, and linkage to, Tamworth. As in any other region in NSW, there are local communities of interest embedded under the region. These include Manilla, Barraba, Duri, Nundle and Hanging Rock, all of which have strong local affiliations, heritage and traditions. Rural areas have both an historic and a contemporary sense of the importance of their industries and cultures’ (p. 29) (emphasis added).

These unambiguous statements seem to conclusively point to Tamworth being the overwhelmingly dominant community of interest for all the councils involved in the entire Peel Proposal, including Barraba. Accordingly, what justification does the Proposal for the Creation of a Gwydir Shire Council provide for the northern half of Barraba having a different community of interest to the southern half? The Proposal contends that ‘Yallaroi and Bingara Shires, and the northern part of Barraba Shire, cover basically a rural community with the major population centres of Warialda and Bingara having similar populations of about 1,200 to 1,300. The geographic division created by the Nandewar Range at Bells Mountain creates a natural directional force for the community of interest, with the population in Cobbahadah and Upper
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Horton (Barraba Shire) having an affinity towards Bingara, which the creation of the new council will enhance’ (p. 28) (emphasis added). The Proposal then contradicts itself when it further declares that ‘the Inverell, Moree, Tamworth and to some extent Armidale regions provide many services to the surrounding population, including health and education. These larger rural towns provide the bulk of tertiary education services and they provide much of the cultural, sporting and social interaction in the area’ (p. 28) (emphasis added).

Given the limited shopping, educational, and health facilities are available in Bingara (and to a lesser extent Inverell), when compared to Tamworth, it seems obvious that most residents in the northern half of Barraba would also have stronger links with Tamworth. It is also self evident that the ‘the geographic division created by the Nandewar Range at Bells Mountain’ (p. 28) is not as bigger a barrier to the community of interest argument as asserted by the Proposal. After all, it is not Mount Everest!

Given these community of interest problems associated with the Proposal for the Creation of a Peel Regional Council and the Proposal for the Creation of a Gwydir Shire Council, it would surely have been prudent for the author to have conducted extensive consultation and surveying of the community to determine their affiliations and preferred options for structural reform.

In this regard, Section 263 of the Local Government Act 1993 also requires consideration be given to:
(d) The attitude of the residents and ratepayers of the areas concerned; and
(e5) In the case of a proposal for the amalgamation of two or more areas, the need to ensure that the opinions of each of the diverse communities of the resulting area or areas are effectively represented.

The question thus arises as to how the Proposal for the Creation of a Peel Regional Council in fact determined the attitudes and opinions of affected people. The Proposal states that ‘a number of meetings were held in the region in October 2003. Community meetings were held at Tamworth, Manilla, Barraba and Nundle. Council meetings and discussions were held with each of the Councils. Meetings were also held with representatives of professional, business and worker groups such as Chambers of Commerce and unions’ (p. 30). In addition, in regard to the Gwydir proposal ‘a community meeting was held in Barraba (at lunchtime), which attracted over 110 people, and a similar meeting was held at Bingara with attendance by about 40 people. Council meetings were held with Barraba and Bingara Shire Councils and the Mayor and some Councillors from Yallaroi attended one of the community meetings’ (Gwydir Proposal p. 29).

From these observations, it can reasonably be deduced that not many northern Barraba residents attended these meetings (given that most rural property owners are not able to attend lunch time meetings and only a very small number of people attended the Bingara meeting). Residents in the affected northern region of Barraba appear not to have been specifically consulted on proposed changes that will undoubtedly have a major impact on them. However, the Gwydir Proposal does note that ‘during the Facilitator’s community meetings, a number of residents identifying themselves as
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from Upper Horton indicated a preference to join Bingara and Yallaroi.’ (Gwydir p.30).

This raises the following critical question: Do the views of a few residents represent the opinions of the entire northern part of Barraba Shire? We are not able to answer this question from the evidence provided. However, much more importantly, neither is the author of both proposals. Indeed, it is alarming that no attempt was made to determine this important issue prior to dividing a viable and stable community.

The closest the author got to answering this critically important question was when he disclosed that the ‘Barraba community are divided on options for reform of their local area. In the first instance, there is a strong support for the status quo. Surveys conducted by Barraba Shire Council, and community meeting held by the Facilitator in Barraba township, indicate strongest support for an amalgamation between Barraba, Bingara and Manilla (41% in Barraba’s survey), followed by amalgamation with Tamworth (12.6%), while a full amalgamation with Bingara and Yallaroi had low support (4%)’ (Gwydir Proposal p. 30.) (emphasis added). It is thus little short of amazing that on the basis of a mere 4 percent support for an amalgamation with Bingara and Yallaroi, and an attendant discussion with a handful of people, Mr Vardon concluded that the long established Barraba community should be split in two.

The views of the elected representatives of the people concerned appeared not to have enter into the equation: The Proposal for the Creation of a Gwydir Shire Council reports that ‘there was concern expressed, particularly among Councillors and Council staff, that the current entities should be amalgamated in toto, and that they should not be split up or subject to boundary adjustments’ (p. 30).

A number of other critical social issues not discussed in either the Proposal for the Creation of a Peel Regional Council or the Proposal for the Creation of a Gwydir Shire Council that are fundamental to the survival and growth of the Barraba community. Barraba township will be close to the boundary of the proposed Peel Regional Council and only some 47 km from the town of Manilla. It is thus difficult to justify the continuous maintenance of a both depot and an office in Barraba if the existing Shire is to be divided into two.

Accordingly, if these facilities are closed, then this would have an extremely adverse effect on the small close-knit Barraba community. Job losses, rising unemployment, and decreasing levels of economic activity in the township of Barraba would have devastating economic and social implications. However, if the whole of Barraba Shire is allowed to amalgamate with Tamworth, then there will be large area and road networks existing beyond the town that would ensure full and efficient use of the existing works depot in Barraba. This would serve to minimize the harmful effects of amalgamation on the community.

Barraba Shire Council is the largest employer in the community. The loss of the Woodsreef Asbestos mine in the late 1980’s had a disastrous economic impact, causing a sharp decline in population. Fortunately, this has slowed in recent years and the community is only now regaining its strength. The loss of a further 19 jobs to the Barraba community will be devastating. People in small communities tend to transfer to places where jobs are available. The current workforce of the Barraba Shire
Council is an integral part of the social fabric of the community. The loss of 19 families would take students away from Barraba’s schools causing a further decline of population as teacher numbers fall and the choice of subjects available to the children of Barraba would be drastically curtailed. The loss of population will also affect small businesses that are already struggling to remain viable and would surely result in job losses in this sector and force businesses to close.

In addition to these catastrophic effects, many services provided by the state government, such as medical and hospital spaces, are determined on a population basis. If the Gwydir Proposal is forced upon it, the town of Barraba would lose hospital beds, medical and allied health staff, further reducing the employment, population and services available to the town. This would obviously affect the viability of the local doctor and chemist.

Barraba is currently considered a vibrant community with many small clubs and organisations covering many forms of leisure activity, including arts, drama, craft, service clubs, historical interests, fishing and many sporting activities to name but a few. The loss of population would mean that most of these organisations would cease to exist due to insufficient numbers of patrons and volunteers to keep them viable.

The lack of any substantive analysis of the community of interest in Barraba Shire or social impact statement is disturbing. However, the Proposal for the Creation of a Peel Regional Council was undoubtedly correct when it observed that ‘there was also a strong feeling that the character of local communities needed to be conserved and protected across the region’ (p. 30). It is further obvious that the preferred views of the northern residents of Barraba Shire need further exploration. With this in mind it is a great pity that Mr Vardon did not investigate this issue in any detail in order to ascertain the views of the majority of residents affected by the proposed division of the existing Barraba Shire community.

5. THE FAILURE OF THE GWYDIR PROPOSAL
The major concern for most northern Barraba Shire residents is the disparaging remarks made by Mr Vardon on the viability of his own proposal to form a Gwydir Shire Council. This should be of grave concern to residents: At present they are not in fact choosing to be involved in either the Peel Regional Council or the Gwydir Shire Council proposals, but with a Peel Regional Council, a greater Inverell, or a greater Moree Plains Council. This is a significant fact that residents may not be aware of.

This aim of this section of this Report is to review Mr Vardon’s own comments in the Gwydir Proposal and especially the ‘unsustainability’ of this Proposal. This provides some insight into the fate that awaits northern Barraba residents if they become part of the proposed Gwydir Shire Council. We do not attempt to independently validate the claims made by in the Gwydir Proposal on the long-term viability of the proposed Gwydir Region Council. Instead, this section employs Mr Vardon’s own observations to highlight the uncertainty facing northern Barraba Shire residents if they become involved in the proposed Gwydir Shire Council.
The Proposal for the Creation of a Gwydir Shire Council immediately concedes that ‘Yallaroi Shire was not originally conceived as being part of the Peel Region. That Council area only came to be examined as result of the existence of the Bingara and Yallaroi Shire proposal that has been referred to the Boundaries Commission for examination and report. Notwithstanding this, Yallaroi is not considered to be part of the Peel Region, and therefore its status ideally should be considered further as part of a regional review of the region or group of Councils that it more naturally links with. In particular, the status of the Yallaroi local government area needs to be examined in terms of its possible communities of interest with the Moree Plains Shire and Inverell Shire local government areas’ (p. 3).

In addition to this the Proposal for the Creation of a Gwydir Shire Council concluded (in regard to its own proposal to form a Gwydir Shire Council) that ‘while comparable to similar sized large agricultural councils, the fact remains that the total population of the proposed new Gwydir Shire Council, and the size of its projected revenues from ordinary activities, are of a scale where the required benefits and economies of scale that might otherwise be expected to arise from local government reform at this time may likely not eventuate, or at least eventuate to the desired or optimum extent. On a scale of likely success of the new entity, the proposed new council might be expected to be in the range of marginal. Its long-term success and security is far from clear on the present numbers. This is one of the reasons why this proposal is put forward as one which will amount to an interim measure or solution only. A further review may well conclude that the new entity should be conjoined with Inverell Shire Council’ (p. 11-12).

Accordingly, not even the Proposal for the Creation of a Gwydir Shire Council accepts the long-run viability of the Gwydir Shire Council, but instead contemplates that the area covered by the Proposal should be considered in conjunction with Moree Plains Shire and Inverell Shire. This raises the obvious question: What is the future of the proposed Gwydir Shire Council? According to the Proposal for the Creation of a Gwydir Shire Council, ‘while the present proposal is put forward, as an interim measure, it is contemplated that in due course even the proposed new Gwydir Shire Council and its situation will be re-examined as part of such a regional review (p. 3). The proposed Gwydir Shire Council is thus only a temporary measure. The Gwydir Proposal thus wants the residents of the new Gwydir Shire to contribute substantially to the significant cost of integrating the new council only to have to go through the same disruption and the same costs again in the not too distant future.

This raises the further important question: What is the problem with this two-stage approach to structural reform embodied in the Gwydir Proposal? One way of answering this question is to consider Mr Vardon’s own views on two-stage municipal reform, as expressed in the Proposal for the Creation of a Peel Regional Council: ‘The proposal adopted by four of the Councils, namely Tamworth City Council, Parry Shire, Manilla Shire and Nundle Shire, to amalgamate in toto is an attractive proposal in that it is, for the present time, straightforward. A further stage, however, is suggested at which time it is proposed to make further boundary alterations with other Council areas.’ (p. 31). The Peel Proposal further states that ‘this two-pronged approach will only continue to fuel speculation and unease within the wider community. It prevents other positive alterations being made in other Council areas at this time. The two-pronged approach as outlined by the four Councils
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(Tamworth, Manilla, Parry and Nundle) will simply create further disruption within a matter of a couple of years or maybe even months. Therefore, this option is not recommended.’ (p. 31). If we add to this the further stipulation in the Peel Proposal ‘that those changes be made now to allow new entities to develop and enhance services to ratepayers and residents without further complications’ (p. 31), then it is quite clear that Mr Vardon himself does not endorse two-stage structural reform and recognises the high costs it entails.

Why then does the same author adopt diametrically opposed positions in the two aligned Proposals? It can be argued that the real reason that the northern part of Barraba was incorporated into the Gwydir Proposal is to make this proposal meet viability criteria implicit in both Proposals. Without the inclusion of the northern section of Barraba Shire, the amalgamation of Yallario and Bingara would struggle to meet the arbitrary 5,000 population figure stipulated by the NSW Premier as ‘less than ideal’. Indeed, this is hinted at in a number of comments in the Proposal for the Creation of a Gwydir Shire Council, including:

- ‘Barraba’s improving performance may therefore be expected to bring a positive influence on the outcome for the proposed new council’ (p. 11). But since even this is not able to improve the overall result of the proposed shire, it is further argued ‘but an outcome that ... still entails a total that is unsatisfactorily in the red’ (p.11);
- ‘Inclusion of that part of Barraba Shire north of Bells Mountain into the proposed new entity will also further strengthen the rating base and income stream for the community, at least in terms of the current situation applying in the existing and unmerged Councils’ (p. 12); and
- ‘Given that the bulk of this [Barraba Shire Council] debt would be associated with services or activities provided in Barraba township, it is suggested that this debt be allocated in its entirety to the new Peel Shire Council’ (p. 14) and further that ‘it is clear that the amalgamation of the Councils will provide capacity to spread the debt servicing burden and thus reduce the debt servicing ratio for the new council’ (p.14). Moreover, ‘while Yallari and Bingara currently have ratios below the group average, and Barraba above, it is anticipated that the amalgamation will increase the new entity’s ratio to be more in line with the category average’ (p. 15).

Further support that Barraba Shire represents ‘cannon fodder’ to prop up the Gwydir Shire Council proposal is contained in the Gwydir Proposal statement that ‘Yallaroi Shire Council is one of the 30 or so Councils in the State which are on the Department of Local Government’s financial monitoring list, a factor which is considered to underpin the need for it to be amalgamated in some way with another Council or Councils’ (p. 12). Yallaroi is far bigger than Bingara at almost twice its income (i.e., Yallaroi $9.2million, population 3,232; Bingara $4.2million, population 2,120). The inclusion of the northern half of Barraba could thus be seen as a chance to dilute Yallaroi’s control over the new council and thus ensure that it stays off the Department’s watch list.

Additional concerns for the viability of the proposed Gwydir Shire Council are the claims made by Barraba Shire that they dispute the arbitrary population figure of 500
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people cited in the *Gwydir Proposal* to live in the northern half of their shire which are proposed to be transferred to the new Gwydir Shire Council. [In fact, Barraba believes this figure to be more like 400 people]. This will have a significant impact on the amount of income levels, etc., underlying the *Gwydir Proposal*, which by its own admission is only marginal. Barraba Shire also claim that other assumptions used to determine the level of income to be transferred to the proposed Gwydir Shire Council actually overestimate income in the area of grants, rates, user charges and annual charges. Moreover, a large magnitude of user charges and annual charges, in Barraba Shire, are derived from the services provided to the township of Barraba itself and hence will not be available to the new Gwydir Shire Council.

It is thus clear that the proposed new Gwydir Shire Council represents a ‘mixed blessing’ for northern Barraba residents. For this reason, it seems that the *Gwydir Proposal* attempts to sweeten an otherwise very bitter pill. It contends that ‘there will be some need to ensure ready access to services for those residents currently included in the Barraba Shire Council - for example, the establishment of a small works depot or maintenance store in Upper Horton.’ (p. 17). This appears to be a token gesture for the residents of Upper Horton to make it seem they are receiving at least something out of the proposed forced amalgamation. The large costs of setting up depots that comply with all current standards will, in all probability, prevent this proposed depot from even being established. For instance, it is acknowledged that the Armidale Dumaresq Council (formed by the amalgamation of Armidale City Council and Dumaresq Shire Council some four years ago) still maintains two depots in Armidale City due to the prohibitive costs of constructing a new depot. This is without even considering the ongoing costs associated with such facilities that are also not insignificant. In any event, the people of Upper Horton would still be required to travel to Bingara or Yallario to conduct council business requiring face-to-face contact (like development applications, etc.). Most residents are surely interested in local government services and employment rather than costly overheads as part of some symbolic gesture.

The *Gwydir Proposal* is based on the presumption that 26 members of Barraba Shire Council staff will be transferred to the Peel Regional Council while assumingly the remaining 16 staff members will be transferred to the Gwydir Shire Council. These employees of Barraba Shire Council will thus be required to move from Barraba to Bingra or Yallario for the interim arrangement, and then onto Inverell or Moree in a year or so. To put it mildly, this is very disruptive the staff and their families, who, based on the *Gwydir Proposal*, are expected to live a nomadic existence over the coming years as they get transferred from one town to another.

A further area in which the *Gwydir Proposal* is deficient resides of environmental management. The *Gwydir Proposal* states that ‘Bingara and Yallario Shires are currently involved in a joint agreement with Barraba Shire Council in relation to the employment of an Environmental Services Manager for the provision of town planning, health, building and environmental services to all three Councils’ (p. 18). However, with the southern half of Barraba Shire, and the township of Barraba itself being involved in the Peel Regional Council, the viability of this position would have to be questioned once the costs are divided by two, rather than three councils. The likely result of this would be that the level of environmental services provided the residents in the northern part of Barraba Shire would be reduced (or the existing
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service will continue, leaving fewer funds available for other local government services).

The overwhelming conclusion reached in this Report is that the northern part of Barraba Shire is thus being placed in a ‘holding pattern’ pending further investigation. This can hardly be described as a satisfactory outcome for residents and staff who face an uncertain future. Moreover, it is likely that these residents will have to pay for the large, inevitable costs associated with merging two and half operations into one.

It is for this reason that we strongly recommend that the entire existing Barraba Shire Council be incorporated into the proposed Peel Regional Council in order to bring certainty and a sense of purpose to its northern residents. We can see no benefit in dividing the Barraba community in two simply so that they can fulfil some bureaucratic whim for a single catchment management authority. The average resident would surely see no real benefit from dividing the existing council into catchment management boundaries, especially since these have no relevance to the communities themselves.

6. CONCLUDING REMARKS
This Report has grave concerns with both the Proposal for the Creation of a Peel Regional Council and the Proposal for the Creation of a Gwydir Shire Council as they relate to the division of the Barraba community. In the first place, the fact that the Proposal for the Creation of a Gwydir Shire Council does not even seem to have the backing of its own author, and yet has still been referred to the NSW Local Government Boundaries Commission for determination, is surely nothing short of astonishing. Of even more serious concern is the fact that no community of interest or social impact statement was undertaken as part of the proposals, the affected community was not adequacy consulted, the Barraba Shire Council advised against the division of the Shire, and only four percent of the Barraba community expressed a preference to merge with the Bingara Shire and Yallaroi Shire.

While this Report cannot conclusively determine the preferred position of the majority of northern Barraba Shire residents, it is equally clear that the author of the Proposal for the Creation of a Peel Regional Council and the Proposal for the Creation of a Gwydir Shire Council is also unable to make any informed determination. It need hardly be stressed that community views and commonality of interests make up a fundamental part of any reform proposal. It would thus be prudent for the NSW Local Government Boundaries Commission to instigate a poll of electors (in the northern half of Barraba Shire), under section 265 of the Local Government Act 1993, prior to making a determination on these two proposals. This seems to be the only authentic way to determine the true wishes of the residents affected, in accordance with the legislation. Any poll should not only include choosing between the Peel Regional Council and the Gwydir Shire Council, but should also embody the proposition that the proposed Gwydir Shire Council represents an interim solution; ultimately these residents would be part of a greater Inverell Shire or greater Moree Plains Shire.

Brian Dollery, PhD
Professor of Economics & Director
REFERENCES


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