

8 May 2008

The Mayor and Councillors
Indigo Shire Council
Camp Street
Beechworth Vic 3747

Dear Mayor and Councillors

Re: **Proposed Centralisation of Indigo Shire Administrative Offices**

We write to express the opposition of YCDCo Ltd and our shareholders to the present proposals for the consolidation of the Indigo Shire Council administrative centre. We understand that a feasibility study is about to be undertaken in relation to the proposal. Our concerns are expressed to you following a resolution that was passed unanimously by the 54 YCDCo shareholders present at our AGM in November 2007 in relation to this matter. The resolution expressed the complete opposition of shareholders present at the meeting to the plans to consolidate the Shire offices and for cessation of Council's administrative activities in Yackandandah.

Our concerns about this proposal are summarised below:

Cost and Efficiency:

The capital costs of establishing a new centralised administrative centre are substantial (\$4-6 million). Seeking to justify such a significant capital outlay on the basis of efficiency savings in the order of \$135,000 per annum is in our view extremely questionable.

Service Quality and Community Engagement:

Indigo Shire was established as the 'historic towns' Shire. As such, it is not focused on a large regional centre but rather has 5 main townships with numerous other hamlets and localities. This presents a challenge to Council in terms of maintaining ongoing contact with and services to each township and locality without creating the perception that it is overly focused on any single township or area. YCDCo believes that it is especially important for multi-town shires, like Indigo, to maintain a **substantial and ongoing physical presence** in each of its main townships, including Yackandandah. We submit that if Council is serious about building relationships with and engaging with the various communities that comprise the Shire, and avoiding the creation of feelings of disengagement and disenfranchisement that can occur along geographic lines, then it will recognise the necessity of doing this (and investing the necessary resources to make it work).

Economic Impact:

YCDCo Ltd has a Constitution with a goal that is focused squarely on "... the economic, social and cultural well-being of the Yackandandah community and its surrounds." The formation of YCDCo was built around a small rural township recognising that to maintain its critical mass as a township and community, it needs to maintain a core service offering and local economy.

As a company, we measure our success not just in terms of bottom line profit (as could be and often is expected) - we measure it in terms of township money retained and spent within the township and local jobs for local people (as well as profit). We do not have an "economic development strategy" ... we just try to keep local money local and create jobs.

We submit that the office centralisation proposals being considered by Council pay insufficient regard to the critical role played by major employers, such as Council, to the local township economy (and the critical mass thereof). If everything in this town, or Rutherglen or Beechworth or Chiltern or Tangambalanga was assessed in terms of pure financial efficiency, then Council might as well seek amalgamation with Wodonga City and give up on township efforts to retain basic services for residents. We believe this course essentially undermines the very essence and beauty of what Indigo Shire is. Council ought not assess its activities in pure financial terms - it ought give added weight to economic impact of its decisions on the local township economies.

Summary

The formation of YCDCo Ltd was born out of a cooperative, frank and strong relationship between the local Yackandandah community and the Indigo Shire Council. We worked together and achieved something unique in terms of community development that has been widely acclaimed. This occurred in a time of crisis and need over the 2002/2003 bushfire period.

It is this sort of relationship that we would like to see built between the Yackandandah community (and other small communities) with Council in future.

To do this, it will require an ongoing dialogue between Council and the key institutions in each township. We believe this also requires that Council ensures that it does not do things that can cause a sense of isolation, detachment or disenfranchisement on the part of its various communities. We argue that it will also require that Council invest resources in maintaining a meaningful ongoing physical presence in each of the townships and communities that make up the Shire - not default to a 'virtual office' service model. Such a model, whilst in vogue and arguably more efficient, simply builds isolation, resentment and detachment. If Council is serious about engaging with its various communities, then it needs to invest resources in the people and places to do it ... on their turf!

The resolution passed by YCDCo shareholders was not initiated by the Board - it was initiated from the floor and gained unanimous support. We believe the sentiments expressed at that meeting are widely reflective of those in the broader Yackandandah community.

YCDCo Ltd would like to thank the Council for their cooperation in this matter and look forward to a strong long-term partnership. Should you require any further information, please feel free to contact me on 6027 1226.

Yours sincerely,

James Lacey
Chairman