

FIT FOR THE FUTURE ASSESSMENT METHODOLOGY RELEASED

5 June 2015

The Independent Pricing and Regulatory Tribunal (IPART) will take a holistic approach to assessing whether councils are *Fit for the Future* within the existing criteria set by the NSW Government.

Under the NSW Government's Fit for the Future reforms, all councils in NSW are required to submit a proposal demonstrating how they meet the criteria by 30 June 2015, which will then be assessed by IPART, as the appointed Expert Advisory Panel.

IPART Chairman Dr Peter Boxall said following four weeks of public consultation, including 174 submissions and over 300 people attending public forums across the State, the final methodology puts the onus on councils to demonstrate how their proposals meet the criteria.

"There is no one-size-fits-all measure or universal minimum population size in assessing a council's scale, beyond the options provided by the Independent Local Government Review Panel (ILGRP) in 2013," Dr Boxall said.

"Scale and capacity are about more than population. We are interested in how high capacity councils are able to deliver quality services and infrastructure while keeping rates and charges affordable, and representing the diverse needs of their communities.

"Similarly, there is no overall pass or fail mark for the other criteria of sustainability, effectiveness and efficiency. What we are interested in is an overall assessment of a council's proposal.

"These criteria, the way they will be measured and the benchmarks councils are required to meet, have not changed."

"Scale and capacity was set as the threshold issue in September last year, with councils required to consider the recommendations of the ILGRP as their first option."

"But we will consider alternatives if councils can demonstrate that they will deliver benefits to the community that are at least as good as the ILGRP recommendations."

Dr Boxall said many of the issues raised during the consultation were unable to be addressed by IPART as they relate to issues outside the terms of reference.

"There has been considerable interest from councils in clarifying what requirements they need to meet," Dr Boxall said.

"We have addressed these concerns as far as possible, and recognise that this is about more than short term budget adjustments. We will make holistic assessments by considering whether councils have the capacity to deliver what their communities need in the future."

"This leaves us able to consider alternative proposals that fulfil the intent of the criteria, and we will consider a flexible approach to individual benchmarks within each overall assessment."

Dr Boxall said the limited modifications to the assessment methodology should make it easier for councils to lodge their proposals by the 30 June deadline.

IPART will be receiving public submissions to the councils' proposals during July, before advising the Minister for Local Government on our assessment of each proposal by the end of October.

A copy of the assessment methodology and information about IPART's approach and timetable can be found on the IPART website www.ipart.nsw.gov.au.

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