



20 May 2015

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Boorowa Council submission on “Methodology for Assessment of Council Fit for the Future Proposals Local Government — Consultation Paper April 2015”

Firstly I would like to thank the Independent Pricing and Regulatory Tribunal (IPART) for the opportunity to contribute towards IPART’s “Methodology for Assessment of Council Fit for the Future Proposals”.

Boorowa Council fully understands the need for a level of independence and objectiveness in the decision making process on the future of Councils.

Boorowa Council has resolved to support a merger with neighboring Young and Harden Shire Councils which fully aligns with the recommendations of the Independent Local Government Review Panel.

This resolution is based on the assumption that the incentives identified by the NSW Government will be available and that a range of efficiencies we have identified can be achieved.

Of the 3 Councils recommended to merge in our cluster both Boorowa and Young have resolved to support the merger of the 3 Councils; a decision founded on a high degree of independent analysis and comprehensive community engagement. Unfortunately, Harden Shire Council has made an alternate resolution for reasons not overtly apparent.

Further to Boorowa Councils resolution to support a merger of the 3 Councils, Council specifically resolved not to support a merger with Young Council alone as it did not believe that the merger would achieve a scale and capacity that would deliver upon the needs of our community, nor was it consistent with the recommendations of the Independent Panel.

As the situation currently stands, Council has been advised by the Office of Local Government (OLG) that Fit for the Future (FFTF) Template 1 relating to a merger requires a resolution of all Councils involved in a proposed merger to resolve to support that merger.

As described above the proposed framework does not align with the resolutions of Boorowa Council.

It is the strong belief of this Council that whatever assessment framework and methodology is adopted, it should be accommodating of the scenario where 2 Councils have resolved to support a merger of 3 Councils that aligns with the recommendations of the Independent Panel, regardless of whether the third supports the proposal or not.

Boorowa, Harden and Young Councils (supported by the OLG and Minister for Local Government) invested significant resources to have an independent assessment of a range of reform options reviewed.

It would be considered restrictively bureaucratic to develop a framework that did not allow the findings of this work to be presented and considered.

In addition to the above I submit the following feedback for consideration to IPART in finalising the methodology of assessment:

- All of the FFTF documentation and commentary to date has strongly referred to having adequate scale and capacity broadly consistent with the recommendations of the independent panel as the first benchmark to meet. A lack of definition of the term "broadly consistent" has made it difficult for Councils to analyse the likelihood of alternate proposals being considered adequate. Perhaps a benchmark definition of "if a proposal provides combined population, revenue and land area that is within 10% of the recommended proposal for a Council then it may be considered as broadly consistent, anything outside these parameters will not be accepted as providing adequate and scale and capacity".
- It is Councils opinion that should IPART and subsequently the Government not support the two Councils proposals (i.e. Boorowa and Young) they should still be considered "fit for the future" and be provided with the same support as Councils assessed as being "fit for the future"
- It is not clear as to whether proposals that involve mergers across proposed Joint Organisation boundaries will automatically result in a "not fit" assessment. Council believes this should be the case.
- Clarification of what will be recommended for Councils deemed "not fit" should be provided. Will the recommendation for Councils deemed "not fit" be consistent with the recommendations of the Independent Panel?
- Council strongly supports having the opportunity to present either individually or as groupings of Councils to IPART to support their submissions
- Any online portal system should not contain hold points or points where if a certain box is not checked then the rest of a template cannot be completed (refer to earlier commentary for context)
- IPART should give weighting to the timing and breadth of consultation with communities. As an example the submission of a Council that consulted with its community before taking a preferred position should be considered more favorably than a Council that consulted with its community after making a decision on its preferred position.

Boorowa Council strongly believes that every Council should be able to put forward its preferred position and not be unnecessarily restricted by a submission framework.

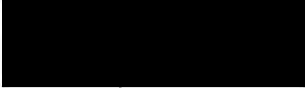
Attached to this submission is Boorowa Councils Draft FFTF submission which will be exhibited for a period of 28 days to allow public feedback prior to its final submission.

The draft submission consists of a cover letter, FFTF submission template and a range of attachments.

It is Councils belief that the final "Methodology for Assessment of Council Fit for the Future Proposals" should accommodate submission of all the information included in the attached draft submission.

Should you wish to discuss any of the above in further detail please do not hesitate to contact me.

Yours faithfully



Anthony McMahon
General Manager

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