



Putting Residents First

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IPART

24.5.15

Independent Pricing and Regulatory Tribunal

Submission to IPART

The draft Methodology for Assessment of Council Fit for the Future Proposals

Thank you for the opportunity in commenting on the draft Methodology for Assessment of Council Fit for the Future Proposals.

BCV- Burwood Community Voice is a group of residents who represent the interests of people living and working in the Burwood Local Government Area.

We raise the following concerns:

1. Tight timeframe impacts on the quality of proposals and meaningful consultation and are clearly unworkable

- Councils, that intend to submit Template 1 based on IPART methodology, must put their proposals out for public comment for the Statutory 28 day period before they are required to submit them to IPART by 30th June. This means, at the latest, they must go on public exhibition by the 3rd June. However the finalised methodology for assessment will only be available from the 1st June. This gives 2 days for Councils to use the methodology and finalise their draft proposal before going on public exhibition.
- Given submissions on the IPART methodology close on the 25th May, and then the methodology is be finalised for release by the 1st June, IPART will have five working days to examine submissions, decide on changes, implement changes, and communicate changes to Councils.
- Councils cannot make any changes to their proposals based on responses from their communities after the exhibition period if they intend to wait for potential amendments to the draft IPART methodology
- If Councils put their draft proposals on exhibition before the methodology for assessment is finalised by IPART community may be commenting on inaccurate proposals using draft methodology
- IPART will have different information from Councils using different methodology (draft methodology or amended methodology)

Recommendations

1. Extend the release date of the finalised methodology so IPART can make meaningful changes based on received submissions
2. Extend the deadline for Councils submitting their proposals to IPART by at least 6 weeks to enable Councils to submit proposals based on the final methodology and the opportunity to receive and make changes to the proposals based on community consultation.

2. Omission of the Joint Organisation (JO) option

- Councils are required to use the original recommendations from the Independent Local Government review Panel as a starting point for all proposals. The Panel's report recommended a JO option for the 6 inner west councils in lieu of a merger. This option is no longer available to these Councils.
- Strengthened JOs are a sound alternative that achieve the principles of mergers while retaining adequate representation and local identity while avoiding expensive amalgamation costs. This is evidenced by the Morrison and Low Report *Inner West Council's Shared Modelling (February 2015)*

Recommendation

A Joint Organisation is reinstated as an option for Burwood and the 5 other inner west councils as per ILGRP's recommendation

3. Scale and Capacity

- No empiric evidence is given in either the Panel's Report or the State Governments FFFT reform documents that support the concept of a minimum population size of 250,000 to ensure sustainability of a council.
- If a council demonstrates financial sustainability, no arbitrary scale target should be nominated.
- Although Burwood has a positive financial outlook, the minimum population of 250,000 would make it automatically "unfit"
- There is no evidence to link the scale of a council with its strategic capacity
- The proposed merger of Burwood with 5 other councils has shown through the commissioned Morrison and Low report, that the population of a Council does not ensure financial sustainability.

Recommendation

1. IPART judges Council's proposals on their merit without a pre-set minimum population target.
2. That scale and capacity should not be threshold criteria and should be considered separately

4. Target Number of Councils

The FFTF program recommends a radical deduction from 44 Metropolitan Councils to 18 Mega Councils. The setting of this arbitrary target is prejudicial to the outcome of the reform process.

Recommendation

IPART's assessment of Council's proposals are based on their merits not a pre-determined target number of councils

Yours sincerely
Ian Hammerton
BCV President