

Ref: GM/AO1/15

22nd May 2015



DENILIQVIN COUNCIL
Achievement through Action

Dr Peter J Boxall AO
Chairman
Independent Pricing & Regulatory Tribunal
PO Box K35
HAYMARKET POST SHOP NSW 1240

All correspondence to be directed to the General Manager

Dear Dr Boxall

Civic Centre
Civic Place
PO Box 270
DENILIQVIN NSW 2710

Methodology for Assessment of Council Fit for the Future Proposals

Telephone
03 5898 3000

Deniliquin Council is an active and willing participant in the NSW Government's Fit for the Future process and thanks them and IPART for the opportunity to comment on the proposed IPART assessment methodology.

Facsimile
03 5898 3029

Deniliquin Council has been assessed by the Independent Local Government Review Panel as being unfit for the future and has been continually promoting the opportunity of a merger with surrounding councils.

Email
council@deniliquin.nsw.gov.au

Deniliquin Council believes the key elements of scale and capacity are correct and do not believe there should be greater weighting for any of the criterion.

Website
www.deniliquin.nsw.gov.au

While Deniliquin Council is geographically located within a rural area it is not in a position to be comment on the importance of rural council characteristics as we do not have the desire or possibility of meeting the majority of these criteria.

ABN 90 513 847 629

Council is of the opinion that when IPART is considering the assessment of sustainability of councils that previous natural disaster funding or relief for infrastructure should be considered in achievement of current positions relating to infrastructure funding backlogs and expenditure levels on infrastructure maintenance. Historically when a council receives natural disaster funding to replace infrastructure the council gets two benefits. The first is that the disaster relief work replaces the previously approved capital works programs



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and secondly it replaces significant amounts of infrastructure assets with new ones without the need for funding by the local council. The previously allocated capital works program is usually deferred and funding is held bolstering the council's financial position as well as improving the asset renewals ratios and possibly eliminating the infrastructure backlog.

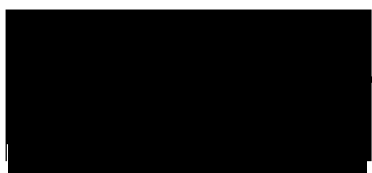
If the natural disaster funding is assessed this will then provide a greater level of impartiality especially for those councils that have not had the need to claim and replace assets. An example taken from Victoria in recent floods where one council had virtually all rural roads replaced under natural disaster funding which improved their level of asset funding gap to zero and this will remain so for the next fifteen years.

In regard to engagement with communities it is considered that in smaller council areas the council is continually in touch with most of their community through all stages of possible change. If we take Deniliquin as an example the community was discussing and promoting the possible need for mergers during consultation on the community strategic plan at early stages of implementation of the integrated planning and reporting arrangements in 2011 and 2012. The next stage of consultation will be when we have some final direction from surrounding councils on their position in submitting templates for Fit for the Future. Any further consultation before this stage will be too ambiguous and will not result in informed input from relevant sections of the community.

Council has considered that the need for monitoring of performance after implementation of Fit for the Future proposals and consider that any further measurement regime is an unnecessary impost unless there is some action or penalty associated with non-achievement. The opinion is there is no point in measuring it unless there is a plan to do something about poor measurement.

While there is a requirement for all councils in the rural area to become a member of a Joint Organisation there is very little work that has been undertaken in relation to how this will assist councils in achieving sustainability. As the advantages or disadvantages are still a significant unknown it is felt that a final determination on council's ability to be sustainable into the future is a little premature unless the opportunities from JOs are ignored completely.

Yours sincerely

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Des Bilske
General Manager