



GUNDAGAI SHIRE COUNCIL

255 Sheridan Street
PO Box 34
GUNDAGAI NSW 2722
www.gundagai.nsw.gov.au

Tel : 02 6944 0200
Fax : 02 6944 1475
Email: mail@gundagai.nsw.gov.au
ABN : 91 330 041 700

Address all communications to the
GENERAL MANAGER

Office hours 8.30am to 5.00pm
Monday to Friday

Council ref: L16

Your ref:

25 May 2015

Independent Pricing and Regulatory Tribunal of New South Wales
PO Box K35
HAYMARKET POST SHOP NSW 1240

Dear Sir/Madam,

RE: RESPONSE TO METHODOLOGY FOR ASSESSMENT OF COUNCIL FIT FOR THE FUTURE PROPOSALS

This submission responds to IPARTS Local Government Consultation Paper issued April 2015, and specifically the stakeholder feedback questions.

Gundagai Shire Council (GSC) believes that, since the release of the Independent Local Government Review Panel (ILGRP) report, there has been significant the dialogue from the Office of Local Government (OLG), and unfortunately the content within the Methodology for Assessment has not recognised the same intent.

Following attendance at the IPART session in Wagga, we left heartened that our proposals will be given a holistic assessment on merit to determine our Fitness – however you must strongly recognise the value Council's provide to the social and community fabric in Rural NSW.

1. How should the key elements of strategic capacity influence our assessment of scale and capacity? Are there any improvements we can make to how we propose to assess the scale and capacity criterion, consistent with OLG guidance material?

GSC believes that the Joint Organisations (JO) have not been properly considered in the methodology. The Independent Local Government Review Panel (the Panel) was of the opinion that strategic capacity could be achieved through active participation in a JO, JOs do not appear in the methodology for assessing scale and capacity.

GSC has a long and successful history of regional collaboration and strongly believe that this should be factored into the assessment process. While JOs are yet to be formally operational, the operation of Regional Organisations of Councils is well documented and should not be lost in the assessment process. REROC is part of the fabric of the way local government operates in our region and this should be recognised.

We note with some concern IPART's reference to a Target Number of councils in regional areas. The Panel did not set a target number of councils for regional NSW, further we believe

that the application of a target undermines the Fit for the Future process. The reference to target numbers for regional NSW in the Methodology should be removed. The assessment of scale and capacity should be outcomes and service delivery based. For Regional and Rural Areas the aim should be "fit for purpose".

GSC is a Group B Council and identified in bold as a preferred option for merger, and required to demonstrate first that it considered this option prior to presenting a second option as a Rural Council Proposal if it chooses that path. The document indicates that a 'business case' is required. This is contrary to previous advice from OLG and creates a financial and time frame burden.

2. Which of the 'Rural Council Characteristics' are the most relevant, considering a Council must satisfy a majority of the characteristics to be considered a Rural Council?

Proving to meet the Rural Council characteristics and not being given the opportunity for providing or proving positive scale and capacity is a negative aspect of this methodology. This should not be to our detriment.

Under a 'one size does not fit all' acknowledgement these characteristics will provide different challenges to different Councils and therefore their importance or weighting should not be used arbitrarily but rather in full consideration of all characteristics.

However, as we are required to advise on the importance of these characteristics then GSC would rate Item 1,2,3,and 4 as major considerations in this process.

Item 9 is irrelevant because it does not recognise potential achievements through regional collaboration.

3. Are there any improvements we can make to how we propose to assess the sustainability, infrastructure management and efficiency criteria, consistent with OLG guidance? Are there issues that we need to consider when assessing Councils' proposals using the measures and benchmarks for these criteria?

We are concerned that IPART's requirements in relation to the first two ratios have been altered from the OLG's requirements of "working towards" to "must be met within 5 years". We request that the IPART requirements reflect the requirements set by the OLG's guidelines.

We appreciate that IPART is using the previously set benchmark of 60% for own source income, but we believe that this is an arbitrary figure based on averages and does not reflect what each Council undertakes or achieves. As has become abundantly clear "one size does not fit all" and the pressure and expectations of a Rural Council are different to metropolitan Councils.

Operating expenditure over population is of concern and misses the mark, particularly as this ratio does not recognise community benefits and issues around service provision. Rural Councils provide increasing support services to their communities that are left unattended by the State – and that should not be penalised.

4. How should Councils engage with their communities when preparing FFTF proposals? Are there other factors we should consider to inform our assessment of Council consultation? Please explain what these other factors are, and why they are important.

The OLG gave advice as to how Councils should consult with their community and primarily focussed on those proposing to merger. It seems unreasonable that at the eleventh hour that we are being judged on the quality of consultation if proposing an alternate proposal.

The timeline has been very short for this whole process and this late change makes a mockery of how Council are required to provide further information to their communities and report back to Council for endorsement before submission date.

There should be an ability to recognise previous or alternate consultation methods that Councils continually undertake with their communities.

5. Should Council performance against FFTF proposals be monitored? If so, are there any improvements we can make on the approach outlined for Councils to monitor and report progress on their performance relative to their proposals?

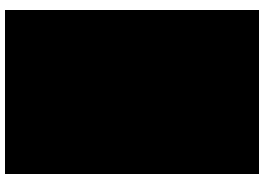
GSC agree that council performance should be monitored and we believe that monitoring should be undertaken by the OLG, with IPR requirements.

The monitoring process should be a constructive exercise that supports on-going improvement.

Evaluations should also include the operation of the JOs and the way in which they have impacted on the strategic capacity of the council.

Should you require further information or wish to discuss the matter please contact undersigned on (02) 6944-0200.

Yours Faithfully,



Phillip McMurray
General Manager.