

Submission on IPART Review of Local Council Fit For The Future proposals

1 Scale and capacity

- 1.1 IPART's role is to ensure a "*consistent, impartial and balanced assessment*". To do so there must more clarity around scale and capacity particularly for Councils in more sparsely populated rural communities which have not qualified as "Rural Councils" but where it is not appropriate in the community context for an arbitrary population size or lines drawn on a map to be the determining factor. For these situations, it should be expressly acknowledged in the guidelines that "scale and capacity" could be satisfied by eg the Council being a member of a regional umbrella or co-ordinating entity. This co-ordinating entity would co-ordinate regional strategies and be the agent to effectively and efficiently engage at broader levels.
- 1.2 At 3.2.1 a "*target number of councils*" may be a consideration. This criteria distorts any impartial and balanced consideration. Inclusion of this in the methodology runs counter to IPART's role and must be deleted.

2 Sustainability

The focus is on financial sustainability only. Local governments, unlike the private sector, are not in the business of making profit. Their core business is connecting and representing local communities and delivering services not delivered at State and Federal levels. Their role in Australia's framework has to be measured on a true test of substantiality and take into account social and environmental costs and benefits. These must be factored into the methodology.

3 Social and community context

Within IPART's consideration of social and community context there should be an express acknowledgment that communities of interest will be considered (consistent with s263 of the Local government Act 1993(NSW)). For a local Council to effectively fulfil its role and be truly sustainable in the medium to long term it must represent communities of similar interest. For example, a Council which currently represents rural villages and predominantly agricultural interests (and which can show it is fit for the future as a stand-alone council and can satisfy scale and capacity test through eg joint organisation) should not be forced through this process to amalgamate with an urban centre.

4 Process

- 4.1 At page 6 it is stated that:

*"We will consider first the ILGRP's **preferred option** for each council regarding scale and capacity and whether the councils' proposed action is **broadly consistently** with this option."*

This is inconsistent with 1.5.2 (second para), Table 3.1 and Figure 1.1. What does "broadly consistent with this option" mean? Does it mean that they must merge if recommended (despite evidence that this is not appropriate)? This statement confuses the guidelines and should be deleted.

5 Inadequate timeframes for robust and informed analysis

The periods of time:

- for independent consultants to prepare their reports and for financial information to be audited and adjusted to ensure that the analysis of the financial data of any proposed members is on a consistent basis

- for Councils to consider reports, consult with the community and prepare their case
- for public submissions
- for IPART to give proper consideration to the thousands of submissions which will be forthcoming and which Councils and the community will have expended significant resources preparing,

are grossly inadequate (particularly given the recent changes in guidelines and the limited period between close of submissions on methodology today and issue of final methodology).

They make a mockery of the process and support the argument that the process is designed to satisfy political objectives above what is best for the community.

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