

Mayor of Leichhardt Council, Cr Rochelle Porteous

**Submission to IPART regarding the Methodology for Assessment of Council Fit for the Future Proposals**

1. **Scale and Strategic Capacity criteria:**

- a. **Scale and Capacity as Threshold Criteria:** There is no argument nor is there evidence to support Scale and Strategic Capacity criteria being required to be threshold criteria. The only argument for this a purely political one. Large councils with big populations and wide geographical spread do not generally deliver better in terms of Asset Maintenance and Renewal; Operating Performance; Own Source Revenue; Debt Service Cover; Infrastructure Backlog or Real Operating Expenditure. There is no link between these criteria and scale and capacity. Each criteria should therefore be considered independently on its merit rather than some criteria being artificially elevated to “threshold criteria” in order to deliver on political doctrine.

**Therefore Scale and Strategic Capacity should not be Threshold Criteria.**

- b. **The linking of Scale and Strategic Capacity:** There is no relationship between the scale of a local government area and its capacity to delivery sound finances, quality services, excellent consultation with its community, strategic planning and effective advocacy on State and Federal issues.

**Therefore scale and capacity strategic criteria should not be linked.**

- c. **Minimum numerical populations as Scale Criteria:** There is no evidence that “bigger is better” with council sizes. In fact in terms of council size, many smaller councils across NSW, Australia and overseas consistently perform better on a wide range of criteria than do many larger councils. A decision to require councils to have a minimum population in order to “pass” the threshold criteria would therefore be a political decision alone and should not be a decision made by IPART. Should IPART choose to put a number on how big a council should be in order to meet the threshold criteria of scale it would effectively destroy the reputation of IPART as an Independent body that works from an evidence base in its determinations.

**Therefore there should be No Minimum Population in terms of the Scale Criteria.**

- d. **Strategic Capacity – 10 elements:** Strategic capacity is proposed to be measured using 10 elements. The wording of these elements implies that the council is required to measure the element comparing the council’s capacity to another entity’s capacity which is not defined so that terminology such as “better” is used – better than what? If the proposal is to measure the council against an entity that does not exist – how can meaningful measurement be done? Each council should be measured as to its own capacity in these areas rather than being compared to something that does not exist.

**Therefore comparative words should be removed from the 10 elements and councils measured according to their own strategic capacity.**

- e. **Delivery of the State’s political agenda – “planned development” as a criteria of Strategic capacity:** It would appear from the documentation that there is an intention to measure Strategic Capacity of a council also according to the degree that it co-operates and helps facilitate the roll out of “planned development” p.21 of the State Government. This “planned development” is further defined in the rational provided for amalgamations of councils, for example the proposed amalgamation of Burwood, Ashfield, Canada Bay, Strathfield, Marrickville and Leichhardt includes as its rational that this will facilitate the implementation and “integration of WestConnex, inner west redevelopment (read plans of Urban Growth along the Parramatta Road corridor) . This significantly prejudices local councils which are standing up for the rights of their residents as their effective advocacy could deem them as being unfit if this logic is upheld.

**Scale and Strategic capacity measured by enabling and challenging the State Government’s planned development should be removed.**

**2. Target number of councils in metropolitan/regional areas:**

IPART itself clearly acknowledged that there is currently no evidence base whatsoever for such targets. If each council is to be assessed on its own merit using an evidence-based approach, the pre-determining of the outcome with the arbitrary setting of target numbers of amalgamated councils in metropolitan /regional areas would again be entirely political and would severely compromise both the process and IPART’s status as an independent body.

**3. Joint Organisations need to be ruled in for Metropolitan Councils:**

Joint Organisations were originally recommended by the Independent Panel for all councils then the Government ruled them out in Metropolitan Sydney. There was never evidence provided as to why they should be ruled out as an option in Metropolitan Sydney and in fact versions of Joint Organisations through the Regional Organisations of Councils (ROCS) are already functioning well across Sydney and enabling significant savings, sharing of resources and strategic planning work.

**Joint Organisations should be returned as an option for all councils including Metropolitan Councils and time allowed to develop business cases.**

**4. Transparency is essential to this process:**

All submissions made to IPART for this Methodology Proposals paper; submissions made on the individual councils’ Fit for the Future proposals and any other submissions received by IPART should be published on the IPART website as soon as possible. No matter when a submission is received it should be added to the website to enable full transparency and public scrutiny. The decisions of FIT, UNFIT and DEEMED UNFIT of councils should also be published with reasons for this rating before these determinations are taken to Cabinet.

**All submissions and determinations should be immediately available for public scrutiny by IPART.**

**5. The timeline is too short and too tight and goes against good process:**

IPART submissions close on 25 May and the final methodology and criteria will be published 1 June. This does not give enough time to fully consider all submissions; assess and respond to them and then develop the final document. In addition if changes are made to the document then the time becomes very short to enable councils to respond. If this process is to have any credibility it needs to work to a timeline that gives councils and the community confidence that decisions have not already been made on the methodology and criteria before assessing the submissions received. Further councils have to be given reasonable time to respond to any changes in criteria or process which may impact on the final submission they make to Fit for the Future.

**The timeline needs to be extended to allow enough time to fully consider and respond to all submissions and to provide time for councils to respond to changes made in process or criteria by IPART after 1 June.**

I look forward to an acknowledgement of my submission and a response to the issues I have raised.

Yours faithfully,

Rochelle Porteous

Mayor

Leichhardt Council.