

25 March 2015

Dr Peter Boxall  
Chair  
Independent Pricing and Regulatory Tribunal  
PO Box K35  
Haymarket Post Shop NSW 1200

Dear Dr Boxall

**Submission – Methodology for Assessment of Council Fit for the Future Proposals –  
Consultation Paper**

While Council appreciates the opportunity to comment on the IPART draft methodology, it questions the process and timeframe for the review of the assessment methodology.

Following this current consultation period, IPART proposes to finalise its assessment methodology on or after 1 June 2015. This is one week after closure of the public exhibition of the assessment methodology, but more importantly less than one month before councils are required to lodge their submissions to IPART for 'Fit for the Future' assessment.

Given the importance of this process, the assessment methodology should have been finalised at least six months prior to the closure date of submissions. It is not reasonable to expect councils to address changed or new assessment methodology and consult with communities less than one month prior to lodgement of submissions.

Further, the timeframe for assessment anticipates that IPART will fully evaluate all submissions, involving 152 councils in NSW, within three months. It has been reported that IPART will not release its findings to councils or the public, but provide the final report to the State Government. Councils and their communities should be advised on how they have been assessed by IPART as well as given a right to respond prior to consideration of the report by the State Government.

Council notes that IPART has proposed additional requirements to be considered to demonstrate sufficient scale as part of the assessment methodology. The IPART methodology (p21) outlines the key elements of strategic capacity for Council Improvement and Merger Proposals which include additional criteria for sufficient scale such as 'appropriate minimum population size' or 'a target number of councils in the metropolitan areas'.

Setting target numbers of metropolitan councils or minimum population targets as 'scale and capacity' presumes Council amalgamations, including forced amalgamations. Numerical targets were not included in the Independent Local Government Panel (the Panel) Report recommendations with councils being advised that in order to meet the scale and capacity criterion, Fit for the Future proposals must directly align or be broadly consistent with the Panels preferred option.

In addition the Panel's Final Report states at (p7)

"The Panel has made a decisive move away from 'one size fits all' and has sought to give communities and regions more options for the way local government is arranged and how it operates."

Clearly the setting of targets is completely at odds with a fundamental element of the approach taken by the Panel.

For these reasons Council is totally opposed to setting minimum population targets in the assessment methodology.

Council also questions why the Fit for Future financial indicators require a Council to have debt to be sustainable or why liquidity is excluded in the *Fit for the Future* assessment, when these are also strong indicators of a councils' financial capacity.

For further information, please contact me on [REDACTED]

Yours faithfully

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JASON ANDREW  
GROUP MANAGER  
ORGANISATIONAL PERFORMANCE