

IPART

Date No

File No



SYDNEY
METROPOLITAN
MAYORS



13 May 2015

Our Ref: 2015/210696

Dr Peter Boxall
Chair
Independent Pricing and Regulatory Tribunal
PO Box K35
Haymarket Post Shop NSW 1240

Dear Dr Boxall,

Fit for the Future Assessment Methodology

The Sydney Metropolitan Mayors, representing 26 councils in metropolitan Sydney, write in response to your request for feedback on the draft methodology for assessing councils' submissions on the NSW Government's *Fit for the Future* proposal.

In late 2011, representatives from NSW councils met with the Minister for Local Government, and the then Department of Local Government, and developed *Destination 2036*, a vision for reforming local government.

Following *Destination 2036*, reviews were made to the *Local Government Act*, and a report on proposed reforms prepared by the Independent Local Government Review Panel.

Local councils largely supported the reforms outlined in the Independent Panel's report, and the changes proposed to the *Local Government Act*. Those reforms have not been implemented.

Discussion about most amalgamation options would be better deferred until the legislation is amended to provide clarity about the role and authority of councils, and to reform the rating system and mechanisms for councils to earn income. That might be the time to discuss amalgamations. It is impossible for councils to know which grouping of councils is right, when these fundamental reforms have not been progressed.

The templates released by the Office of Local Government responding to the *Fit for the Future* proposals required councils to either propose an amalgamation, or prepare an improvement plan to ensure they are fit for the future.

Member councils of the Sydney Metropolitan Mayors have been reviewing the *Fit for the Future* proposal, and considering options for amalgamation, collaborative ways of working, and how to ensure they are fit for the future. Councils have also consulted with their communities about their views on amalgamation.

Discussions with the Office of Local Government have previously indicated that while scale and capacity should be considered, the criteria and measures were the key consideration. No indication has been given that the scale and capacity referenced in the Independent Local Government Review Panel's report was the benchmark and a threshold issue to be determined first before other criteria.

The draft methodology suggests that if a council is not proposing to amalgamate, either in line with the recommendations in the Independent Local Government Review Panel report or similar, they must submit a business case demonstrating why their proposal to stand alone is superior. This requirement was not outlined in the information provided by the Office of Local Government in late 2014 and is unlikely to be adequately done before 30 June if started now.

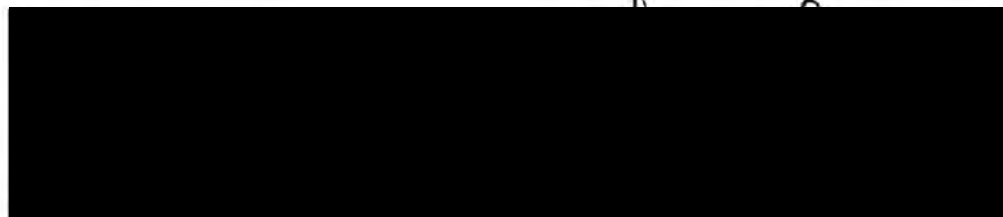
In IPART's proposal, the focus of the assessment has shifted from 'here's how we can ensure we are fit for the future', to 'why aren't you amalgamating'.

The draft methodology appears to suggest a particular form of consultation should have been undertaken with communities. Most councils have undertaken consultation based on the information contained in the templates. Consultants recommended by the Office of Local Government have been used by member councils and those consultants have not suggested taking a different approach to that outlined in the templates.

Councils are preparing their submissions in line with the information provided by the Office of Local Government and the templates provided.

To change the information now required to be submitted, six months after *Fit for the Future* was released, and less than two months before the submissions are due, places an unreasonable impost on councils.

Yours sincerely



Clover Moore
Lord Mayor of Sydney
Chair, Sydney Metropolitan Mayors
Mayors

Scott Lloyd
Lord Mayor of Parramatta
Deputy Chair, Sydney Metropolitan