



**Tumbarumba**  
SHIRE COUNCIL

*Experience the Magic*

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Our ref: C2-8

Contact: Kay Whitehead

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IPART  
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SYDNEY NSW 2000

Dear Sir/Madam

Tumbarumba Shire Council is pleased to provide the following small comment in response to your invitation for submissions on the Methodology for Assessment of Council Fit for the Future Proposals.

**Rural council characteristics**

Council considers that the panel should take the same approach as it is doing to the 'scale and capacity' criteria, ie, no one characteristic should be more important than any other. Each council completing Template 3 should describe how each characteristic applies and IPART should make an assessment of whether the council meets the characteristics overall.

**Group C Councils**

There seems to be an internal disconnect in the IPART methodology. Part of the document takes into account the discussions the OLG has had with rural councils over past months, which are reflected in Template 3, and part of the document refers back to the recommendations from the ILGRP, before any discussion took place with the sector.

To describe this further:

Template 3 questions in section 1.2 Scale and Capacity are:

Did the Independent Local Government Review Panel identify the option that your council become a Rural Council – answer Y/N (***ie your Council was identified in Group C or B of the Panel's final report***)

If the Panel identified an alternative preferred option for your council, have you explored this option answer Y/N/NA (***Group C Councils should answer NA***)

Please demonstrate how your council meets the following characteristics of a Rural Council (***optional if a Group C Council***)

The implications of these questions and answers for a Group C Council was clearly:

1. A merger does not have to be considered
2. The Council clearly fits the characteristics of a rural council
3. If the Council can show improvement against the benchmarks then it will demonstrate that it is 'Fit for the Future'



This appears to agree in some places, and to conflict with the IPART document in other places:

P8 – Figure 1.1 – appears consistent with OLG Template 3.

P25 – Table 3.1 – appears consistent with OLG Template 3

However, there are several references back to the ILGRP final report; ie 'non-metropolitan Group C councils would be suitable to be a rural council, but in nearly every case the possibility of a merger should be properly assessed before being ruled out...' p. 16.

Comment: Template 3 clearly indicates consideration of a merger option for Group C councils is not applicable.

On p 24, the IPART document states:

'We propose to assess scale and capacity based on the ILGRP's recommended *preferred option*, as shown in Table 11 of the report.... Where the ILGRP provided multiple options, but did not express a preference, we will assess scale and capacity as follows:

- All Group C councils are suitable candidates for the new 'Rural Council' option, but according to the ILGRP in nearly every case the possibility of a merger should be properly assessed by the relevant councils before being ruled out.'

Comment: Template 3 says Group C councils should answer NA to the question about exploring other options.

The Wagga Wagga forum did not clearly resolve these conflicts.

#### **Target number of councils in rural areas**

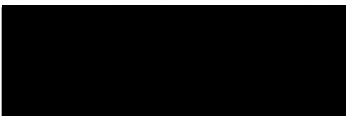
It was asked at the Wagga Wagga forum whether there was any rationale to support a 'target' no of councils in rural and regional areas. It is this Council's view that geography and communities of interest strongly influence whether any merger proposal has merit. If a council can demonstrate that it is 'fit for the future' then that should be the overriding criterion.

#### **Operating expenditure per capita**

As raised by Council's Deputy Mayor Brent Livermore at the Wagga Wagga forum, it is important that the operating expenditure per capita measure takes into account each council's individual circumstances, and that changes in services levels are taken into account when reviewing the results. For eg, this council has a very sparse population at 0.80 residents per square km, delivers an extensive range of community services, and competes for private works outside the shire. These arguably demonstrate the effectiveness of this council, all improve Council's scale efficiency, and many improve financial sustainability, but also increase operating expenditure per capita.

Thank you for the opportunity to comment.

Yours faithfully



Kay Whitehead  
General Manager