

RKS:SGI

25 May 2015

Methodology for Assessment of Council
Fit for the Future Proposals
Independent Pricing and Regulatory Tribunal
PO Box K35
Haymarket Post Shop NSW 1240



Dear Sir/Madam

**RE: Consultation Paper – April 2015
Methodology for Assessment of Council Fit for the Future Proposal**

I refer to your invitation to provide written comment on the above document.

Council notes the short time frame for IPART to consult on the methodology in that submissions close on the 25th May 2015 and that the final methodology will be released.

Councils' are required to submit their Fit for the Future proposals by 30th June 2015.

This is an incredibly short time to consider and finalise Fit for the Future proposals.

Council's concerns are;

1. FAG's should be permitted to be included as own source revenue for all rural/regional councils. All rural/regional councils except maybe for regional centres share the common characteristics as identified in the rural council (Box 2.1) and all face similar challenges.
2. All Councils in regional areas will be a member of a JO and it is reasonable to assume that scale and capacity could be achieved through activities of the JO. (This has been achieved by REROC and it's member Councils)
3. Distance is a "fact of life" in rural areas that typically do not have public transport systems.
4. There has been a shifting of the goal posts on the requirement to meet benchmarks. Why has this changed from "working towards" to "must meet" within 5 years?

For example, rural councils typically have large rural road networks that can be located over changing geography, e.g., Riverine plain to alpine areas and be subject to varying levels of usage, dependent upon land use, e.g., softwood timber plantation, rural grazing and national park.

Many rural councils also must deal with large areas of crown land that do not pay rates. In our instance, over 60% of the land area.

The above puts all rural/regional councils at a disadvantage.

The requirement should be "meet or improve" not "must meet".

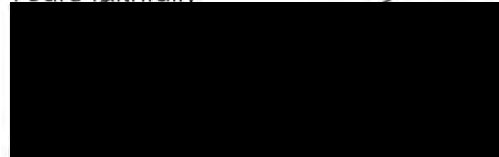
5. Operating Expenditure/Population does not work for rural councils, that need to offer a range of services that demand increased expenditure but which may increase community satisfaction, e.g., childcare centre, medical facilities. This benchmark should be about measuring community dividends not about cost of service/head of population. Areas with seasonal transient populations, e.g., tourists/seasonal workers are placed at a disadvantage. One size does not fit all.

This should not be a "meet or fail" benchmark.

Council believes in and supports reform; however the assessment for Fit for the Future is being undertaken without Councils' having the knowledge of:

- Impacts of the New Local Government Act
- Impacts of the Rating Review (Crown Lands)
- Potential of JO's to deliver services

Yours faithfully



R K Stewart
GENERAL MANAGER