

Our Reference: TRIM 8280 AND: AND

Methodology for Assessment of Council Fit for the Future Proposals
Attn: Dr Peter Boxall
Independent Pricing and Regulatory Tribunal
PO Box K35
HAYMARKET POST SHOP NSW 1240

25 May 2015

Dear Dr Boxwell,

WOLLONDILLY SHIRE COUNCIL SUBMISSION – METHODOLOGY FOR ASSESSMENT OF COUNCIL FIT FOR THE FUTURE PROPOSALS

Wollondilly Shire Council thanks the Independent Pricing and Regulatory Tribunal (IPART) for the opportunity to comment on the Methodology for Assessment of Council Fit for the Future Proposals

This submission supports the IPART overall methodology for the financial criteria that is proposed to be used for assessing sustainability, infrastructure management and efficiency as described in the IPART Local Government – Consultation Paper, April 2015.

Wollondilly Shire is supportive of:

- The appointment of IPART to the role of the Expert Panel;
- The use of local government knowledge and expertise in technical assessments; and
- The use of information sourced from IPART decisions on Special Rate Variations.

Wollondilly Shire would like to provide feedback on the need for a clear definition in relation to the 'scale and capacity' criterion. Lack of definitions can lead to a potential for subjectivity during the assessment process, particularly for councils that meet the 'key elements of strategic capacity'.

Wollondilly Shire would like to raise concern with the potential use of inconsistent data across councils, which may have implications on the assessment process. Inconsistent data could be problematic to the self-assessment process in relation to "backlog calculations". This may lead to uncertainty of information accuracy and inconsistency across proposals put forward by Councils.

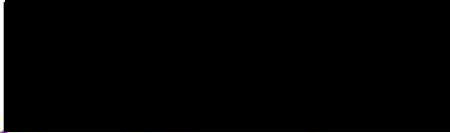
There is also unclear value in relation to community input. It is noted that a significant shortcoming of the criteria set by the Government is the focus of the assessment of "fit for the future" is based on financial ratios and does not incorporate any consideration of the community's requirements.

The proposed methodology considers Councils' consultation with the community when IPART is assessing council proposals. The methodology encourages Council to engage with their communities when preparing their proposals, document the consultation process

and outcomes of their community engagement; however there is no reference to the weighting of community involvement and how the feedback from communities will be considered in the overall assessment process.

To improve the level of transparency, the inclusion of community voices, and ensure councils have allocated sufficient time and resources to community engagement, Council requests that a clear value or weighting be provided in relation to the extent of how IPART will consider feedback from the community in the assessment of proposals.

Yours faithfully



Ally Dench
Acting General Manager