

Local Government Team
IPART
PO Box Q290
QVB Post Office NSW 1230

Our Reference: 2286066
Your Reference:

Contact: Mr Steve Embry
Telephone: 6591 7222

4 November 2011

Dear Sir/Madam

Re: Submission Measuring and Assessing Productivity Performance in Local Government.

Thank you for the opportunity to make a submission on the discussion paper in relation to measuring and assessing local government productivity.

As a provider of a large variety of services it is inherently difficult to accurately measure productivity improvements across the local government industry. This has been acknowledged by IPART. An analysis should conclude that the inherent difficulties of accurately assessing productivity will inevitably result in an inaccurate adjustment factor being applied on an industry wide basis. Given that there is an acknowledged infrastructure backlog in maintaining local government assets, particularly the road network, it would seem to be inappropriate to apply a questionable adjustment factor which could further erode Councils ability to maintain basic service levels.

In terms of community opinion, I feel very confident that if you surveyed our local community on the question of whether they would prefer a 0.2% to 0.3% productivity factor to be applied to a rate reduction or to maintaining Council services, the maintenance of services would receive far greater support. This is based on evidence obtained in Council's extensive community consultation held as part of the Integrated Planning and Reporting process.

In our view, the policy of applying a productivity adjustment factor to decrease the available revenue stream when the challenges facing local government in maintaining infrastructure has been widely acknowledged is an inappropriate policy position. Councils will continue to pursue productivity initiatives to enable savings to be directed into providing services to its local community. Local government in NSW has had its rates, compared to other States in Australia, constrained for many years forcing productivity initiatives. Unfortunately, service cuts are now resulting and any productivity savings are being directed towards efforts to maintain services rather than improve them. To place further pressure on Councils and widen the gap with other States by the imposition of a productivity adjustment factor will be detrimental to the provision of core local government services across NSW.

We have reviewed the Local Government Solutions submission to IPART on this issue and we support the comments and general sentiment contained in the Local Government Solutions submission.

Council appreciates the opportunity to comment on the discussion paper and we look forward to IPART giving consideration to the issues raised in this submission.

Yours faithfully

STEVE EMBRY
Director Corporate & Community Services