

The Hon P Green MLC
Chair
General Purpose Standing Committee No. 6
Parliament House
SYDNEY NSW 2000

Dear Mr Green

I am writing in relation to the preliminary briefing Mr Steve Orr and I provided on 24 June 2015 before the Legislative Assembly General Purpose Standing Committee No.6 (Committee) for its Inquiry into Local Government in NSW.

The NSW Government has now lodged a written submission with the Committee for the purposes of its Inquiry. I trust that this will also assist Members to gain a better understanding of local government and the Fit for the Future program.

I am pleased to provide a copy our presentation to the Committee, as requested. I also note that the Committee has sought further information on a number of issues relevant to its Inquiry and provide the following responses.

IPART Reviews

The NSW Government has commissioned an independent review of the regulatory and compliance burden on councils, under the guidance of the Independent Pricing and Regulatory Tribunal (IPART). This will identify further opportunities to avoid duplication and reduce red tape. IPART has released an Issues Paper and has called for public submissions. The Terms of Reference and Issues Paper may be viewed at [www.ipart.nsw.gov.au/Home/Industries/Local Govt](http://www.ipart.nsw.gov.au/Home/Industries/Local_Govt).

As part of the Fit for the Future package, the NSW Government has also agreed to review the rating system, which will address concerns raised by the Independent Local Government Review Panel (the Panel) in relation to how rates are raised.

Scale and Capacity

The Committee has requested information to support the view that 'bigger is better'. The Panel identified that the strategic capacity of councils is an essential part of an effective system of local government. The key elements of strategic capacity are defined in Box 8 of the Panel's report.

The Panel expressed the view that council amalgamations are an important element of a wider package of reforms, stating that NSW cannot sustain 152 councils. The Committee may also refer to the Australian Centre of Excellence in Local Government's report, *Consolidation in Local Government: A Fresh Look*, which assessed the benefits of different options to consolidate local government.



Past mergers, such as the creation of City of Auckland (2010), Tamworth Regional Council (2004) and the City of Charles Sturt (1997), show that mergers can improve councils' ability to invest in large infrastructure, deliver more ambitious solutions to solve problems and form effective partnerships with other organisations.

Queensland Reforms

The Committee has expressed interest in learning more about the experience of local government reform in Queensland. I would recommend that this information be sought directly from the Queensland Government, noting that the Fit for the Future program has been designed specifically for NSW and must be considered in the context of our unique environment, communities and strategic priorities.

Joint Organisations

I note that the Committee has also sought information about development of the new Joint Organisation model. As members would be aware, the Joint Organisation model is being built through a pilot process undertaken collaboratively with councils in the Namoi, Hunter, Central NSW, Riverina and Illawarra regions. \$1.5 million is being invested to assist these pilots to participate in this process.

The NSW Government has committed to implementing Joint Organisations from September 2016 across regional and rural NSW. The Office of Local Government is working closely with the five pilot regions and a State Agency Group to develop the model prior to tabling enabling legislation in the first half of 2016. The Government has also engaged a provider to undertake an evaluation of the pilot process by December this year.

The Joint Organisation Roadmap and Pilot Interim Report are available on the Fit for the Future website <http://www.fitforthefuture.nsw.gov.au/joint-organisations>. An Emerging Directions Paper will soon be released to engage the broader local government sector in the process of developing the Joint Organisation model.

Map of Local Government Areas

A map of Local Government Areas and a further map showing greater detail of the Sydney Metropolitan Area are attached to this response.

I trust this information is of assistance to the Committee.

Yours sincerely


Marcia Doherty
Chief Executive
Office of Local Government