

GENERAL PURPOSE STANDING COMMITTEE NO.6

**INQUIRY INTO LOCAL GOVERNMENT IN
NEW SOUTH WALES**

Supplementary questions: Office of Local Government

Question1:

Can you provide a history of rate pegging in NSW, including:

- a. the average rate increase for each year since 1978.
- b. the average CPI increase for each of these years.
- c. the average rate increase in other states for each year, if available.

Answer:

Rate pegging was introduced in NSW in 1977. The table below shows the rate-peg and the annual percentage increase in the Australian Consumer Price Index by year since the introduction of rate pegging.

Year	Peg %	CPI %	Year	Peg %	CPI %
1977	12	9.4	2000/2001	2.7	6.1
1978	9.5	7.6	2001/2002	2.8	2.8
1979	8	10.2	2002/2003	3.3	2.6
1980	10	9.2	2003/2004	3.6	2.5
1981	12.5	11	2004/2005	3.5	2.5
1982	12	11.3	2005/2006	3.5	4
1983	11	8.6	2006/2007	3.6	2.1
1984	8	2.5	2007/2008	3.4	4.4
1985	8	8.3	2008/2009	3.2	1.4
1986	8	9.6	2009/2010	3.5	3.1
1987	7	7.2	2010/2011	2.6	3.5
1988	6.5	7.6	2011/12	2.8	1.2
1989	6.5	7.8	2012/13	3.6	2.4
1990	7.3	6.9	2013/14	3.4	3
1991	6.7	1.5	2014/15	2.3	1.5
1992	NIL	0.3	2015/16	2.4	N/A
1993	2.6	1.8			
1994	3.5	2.6			
1994/1995	NIL	4.5			
1995/1996	2.2	3.1			
1996/1997	2.7	0.3			
1997/1998	3.1	0.7			

1998/1999	1.7	1			
1999/2000	2.4	3.1			

The Office of Local Government does not collect ongoing data on average rate increases in other states. However, the following table shows an approximate comparison of the cumulative increase of rates across jurisdictions during the period 2011/12 to 2014/15.

Jurisdiction	Rate increase 2011/12 to 2014/15
New South Wales	17.77%
Queensland	19.87%
Western Australian	23.89%
Victoria	25%

Question 2:

What benefits are available to FFTF councils? Are these only available to councils that merge?

Answer:

Fit for the Future benefits are available to all councils that are assessed as being 'fit', whether as a stand-alone or merged entity. One of the key benefits includes access to a state borrowing facility. Based on current borrowing trends, this has the potential to save councils up to \$600 million over the next 10 years. Smaller councils (with populations under 10,000) in rural areas that have submitted a FFTF proposal will also eligible to apply for grant funding through the Innovation Fund.

Councils that are assessed as Fit will also have access to a streamlined rate variation process, priority access to other government funding and grants, and eligibility for additional devolved planning powers.

Question 3:

What advice did the MAG provide on the FFTF criteria?

Answer:

The Ministerial Advisory Group formed a working group comprising officers from LGNSW, LGPA and USU to provide advice on the FFTF criteria. This advice was provided to the Independent Pricing and Regulatory Tribunal in response to the Consultation Paper on the Methodology for Assessing Fit for the Future Proposals.

This submission made by MAG to the assessment methodology is publically available on IPARTs website at www.ipart.nsw.gov.au.

Question 4:

How was the FFTF criteria developed?

Answer:

The Government's response to the Independent Local Government Review Panel's final report was announced in September 2014. The response included details of the Fit for the Future program, in which the Government sought evidence based submissions from councils, in response to the Panel's specific recommendations on structural reform, as well as their performance against key criteria and supporting benchmarks. The Criteria and Benchmarks were developed based on the recommendations and work of the NSW Treasury Corporation, the Independent Panel, and the Infrastructure Audit, and were reviewed by IPART prior to finalisation.

In its review of the criteria, IPART reflected that its recommended measures were the best available data sources for review, and stated that it considers "that if councils meet these four criteria they would be able to govern effectively, and have the capacity to both partner with the State and reduce red tape and bureaucracy for business".

Question 5:

When was the last round of mergers in NSW? Were they voluntary and where did they occur?

Answer:

The last round of mergers in NSW took place in the period 2000-2004. Of the 27 mergers undertaken during that period, five were voluntary.

The five voluntary mergers were: Armidale Dumaresq Council, Richmond Valley Council, City of Canada Bay Council, Conargo Shire Council and Pristine Waters Council. Note that Pristine Waters was later merged with Copmanhurst, Grafton and Maclean councils to form Clarence Valley Council in 2004, which was not a voluntary merger.

The table below in the answer to question 6 outlines when each merger in the period 2000-2004 occurred, excluding Pristine Waters.

Question 6:

How do rates in NSW councils that have been merged compare to other NSW councils?

Answer:

The following table shows the average residential and business rates in 2013/14 for each merged council since 2000 compared to the group average for each council:

Average rates 2013/14 - Merged Councils (\$)						
Year	Council	Classification	Council Average Ordinary Residential Rates	Group Average Ordinary Residential Rates	Council Average Ordinary Business Rate	Group Average Ordinary Business Rates
2000	Armidale Dumaresq	Regional Town/City	901	938	3263	3651
2000	Richmond Valley	Regional Town/City	650	938	1728	3651
2000	Canada Bay City	Metropolitan	837	974	2737	5163
2001	Conargo Shire	Rural	353	351	311	657
2004	Sydney City	Metropolitan	616	974	10471	5163
2004	Cooma-Monaro	Large Rural	775	612	3398	1513
2004	Goulburn Mulwaree	Regional Town/City	881	938	4503	3651
2004	Palerang	Large Rural	815	612	714	1513
2004	Queanbeyan City	Regional Town/City	1041	938	4017	3651
2004	Tumut	Large Rural	697	612	1861	1513
2004	Upper Lachlan	Large Rural	449	612	887	1513
2004	Yass Valley	Large Rural	683	612	2061	1513
2004	Clarence Valley	Regional Town/City	844	938	2216	3651
2004	Gwydir Shire	Large Rural	429	612	353	1513
2004	Liverpool Plains	Large Rural	568	612	757	1513
2004	Tamworth Regional	Regional Town/City	871	938	2794	3651
2004	Bathurst Regional	Regional Town/City	878	938	4132	3651
2004	City of Albury	Regional Town/City	1145	938	5779	3651
2004	City of Lithgow	Regional Town/City	645	938	3726	3651
2004	Corowa Shire	Large Rural	478	612	970	1513
2004	Greater Hume Shire	Large Rural	509	612	472	1513
2004	Mid-Western Regional	Regional Town/City	784	938	1869	3651
2004	Oberon	Large Rural	649	612	756	1513
2004	Upper Hunter Shire	Large Rural	635	612	964	1513
2004	Warrumbungle Shire	Large Rural	482	612	1430	1513
2004	Glen Innes Severn	Large Rural	584	612	1365	1513

Question 7

How many independent reviews in the last 50 years have recommended that the number of councils in Sydney should be reduced?

Answer:

There have been three major reviews recommending that the number of councils in Sydney should be reduced. The Barnett Committee, established in 1974, recommended that the State's existing 223 councils be reduced to 97. This included recommendations to reduce the number of councils in Sydney. These recommendations were not adopted.

The NSW Government commissioned the Sproats Inquiry in October 2000 to consider the structure of eight councils in the inner and eastern suburbs of Sydney. The inquiry recommended that these eight councils be 'recast' to four to increase capacity.

The Independent Review of Local Government, in 2012-13, also recommended substantial reductions in the number of councils in NSW, including options to reduce the number of councils in Metropolitan Sydney.

Question 8:

Given the objectives for local Government are:

Create strategic and Fit for the Future councils – Councils that are financially sustainable; efficient; with the capacity to effectively manage infrastructure and deliver services; the scale, resources and 'strategic capacity' to govern effectively and partner with the State; and has the capacity to reduce red tape and bureaucracy for business and of a scale and structure that is broadly in line with the Panel's recommendations

Can you explain why none of the benchmarks used to measure FFTF are related to the effectiveness of the services provided?

Answer:

In order for councils to deliver services effectively, they must first have scale and capacity, be financially robust and have sound infrastructure, which is the focus of the Fit for the Future criteria. A key measure of effective service delivery is community satisfaction. Although many councils run regular satisfaction reporting, some councils do not, and results are often not comparable across council areas because of different methodologies. In NSW, there is no standard state wide local government community satisfaction survey.

While there is a range of service level data reported by councils, it is related to specific services such as libraries or water and therefore not reflective of the extent of a council's broader service delivery. There are also regional differences in services that are provided across the State – for example metropolitan Sydney and Hunter councils do not provide water services.

It should be noted that measures used in the Fit for the Future criteria, such as the infrastructure and the asset renewal ratios indicate a Council's ability to provide the community

with standard services. Councils were also encouraged, through their Fit for the Future submissions, to provide qualitative information about their service delivery operations to enable evaluation of this aspect of their operations.

Question 9:

Given the objective of the need to partner with the State can you detail how the State and its agencies are to partner with the new FFTF Councils and where this has been disclosed to the community?

b. If not, why not?

Answer:

The Panel considered this issue and noted that more productive relations between the State and local government were essential to create the right platform for reform.

Please refer to the Panel's final report, in particular Sections 11 and 17, and the Government's response to the Panel's recommendations, which has been made available to the public and is accessible on the Fit for the Future website.

Question 10:

In the absence of information on how the State and its agencies are to partner with the new FFTF Councils, how can a council, current or planning to amalgamate, be judged on its ability to partner with an unknown state structure/agency?

Answer:

The Panel noted that councils with sufficient strategic capacity were in a better position to work with other organisations to provide cross-boundary solutions that benefited their regional communities, such as provision of services and infrastructure.

The Fit for the Future process provides councils with the opportunity to demonstrate how they will achieve sufficient scale and capacity. The starting point for all councils' fit for the future proposals was the structural recommendations made by the Independent Local Government Review Panel for each local government area.

Question 11:

Given an objective of reducing red tape and bureaucracy for business can you detail what red tape and bureaucracy you have identified as needing to be removed?

Answer:

IPART has noted that NSW councils have around 120 regulatory functions, involving over 300 separate regulatory roles.

To help reduce the cost of regulation, the Government has commissioned IPART to undertake a number of important reviews: One focusing on local government compliance and enforcement (undertaken from 2012-14) and a second (currently underway), assessing the regulatory burden on councils. Further information about the reviews is available from www.ipart.nsw.gov.au.

The recommendations of these reviews will form a key input for the second phase of the Local Government Act reform.

Question 12:

In the absence of information on how the State plans to reduce red tape and bureaucracy for business, how can a council, current or one planning to amalgamate, be judged on its ability to meet your objective and be FFTF?

Answer:

All councils have a responsibility to ensure that their regulatory services are delivered in an effective and efficient manner, avoiding unnecessary duplication and burdens. Red-tape duplication and complexity are by-products of having 152 councils across NSW and 41 in metropolitan Sydney. The Fit for the Future reforms are designed to enhance the strategic capacity of councils to work with other levels of Government and 'fit' councils will form an effective partnership with the State Government in identifying and reducing red-tape and regulatory burdens on the community and business.

Question 13:

Can you explain why, given all the study the ILGRP did of implementation of amalgamations, did OLG reject the ILGRP methodology for the implementation of reforms?

Answer:

Following receipt of the Independent Local Government Review Panel's final report, the report was placed on public exhibition for further community consultation. Feedback obtained through this consultation was considered when preparing the Government response to the report.

Recommendations 32, 43, 47, 51 and 65 related to the Panel's proposed process and timeframe for rolling out key aspects of reform.

The Government response to these recommendations is available on the Fit for the Future website.

Question 14:

If there were a number of amalgamations agreed in the FFTF process how did the State aim to enable them to happen, given the current requirements of the Local Government Act to use the Boundaries Commission?

Answer:

The Government is committed to ensuring transparency and public confidence in any boundary review process. The Government will consider the suggestions made by the Panel in preparing a new Local Government Act, to identify opportunities to streamline the process whilst ensuring robust and transparent decision making. In the meantime, the Government will make it easier for councils wishing to merge voluntarily by seeking to amend the Local Government Act and implement a streamlined approval process.

Question 15:

Why did the OLG reject the ILGRP alternative reform using Strong Joint Organisations?

Answer:

The Government did not reject proposals for Joint Organisations and is currently piloting Joint Organisations in five regions: Hunter, Central NSW, Riverina, Namoi and Illawarra. The pilot model is based on feedback provide by councils on the Panel's final report. The Government recognizes the significant potential to strengthen regional planning and service delivery through a new approach to regional cooperation and is committed to making this happen.

Consistent with the recommendations of the Independent Local Government Review Panel, the Government deferred the consideration of Joint Organisations in metropolitan Sydney pending further consideration of options for council mergers.

Question 16:

Given that IPART in its review of the FFTF criteria noted that Real Opex per head is not a measure of efficiency but of cost effectiveness, why does the OLG continue to call it efficiency?

Answer:

It is important that councils are able to demonstrate to their communities that they are efficient and providing value for money and therefore efficiency is a key element of the Fit for the Future criteria.

As noted by IPART in its review of the Fit for the future criteria:

'We acknowledge the difficulties attached to finding a suitable measure of efficiency. Efficiency requires measures of output relative to inputs. For a service industry such as local government, it is difficult to measure the price of many outputs as many are not traded. Those typically used, including the one proposed by OLG, are measures of cost effectiveness not efficiency.'

However, a target of efficiency in a more general sense can still be used to drive efficiencies in the local government sector. The efficiency dividend mechanism is commonly applied by Commonwealth, state and territory governments to provide for an annual reduction in funding for the overall running costs of an agency. Although it is considered a blunt instrument, it has proven to be a simple and predictable way to create an incentive for budget constraint in the public sector.' Page 37

The Office of Local Government has acknowledged that this benchmark needs to be considered within the context of the operating environment of an individual council and their performance against other benchmarks. The submission templates provide councils the ability to contextualise their performance against this and other benchmarks with qualitative supporting information. The final assessment methodology also confirmed that IPART would take a holistic view of a council's performance in carrying out the assessment, rather than adopting a pass/fail approach.

Question 17:

Given IPART in its review of the FFTF Criteria noted that Infrastructure Backlog ratio should only be used if it is audited.

- a. Why does the government continue to use this benchmark?
- b. Is this ratio going to be audited in 14/15 financial statements?
- c. If not, why not? (Please refer to OLG issued circular 20/7 about auditing of Schedule 7.)

Answer:

Infrastructure Backlog is a commonly used measure of council performance and has been a key focus of the local government sector.

OLG provides guidance through the accounting code and the Integrated Planning and Reporting (IPR) framework on how councils report on infrastructure and how to determine a satisfactory standard with the community. The 2013 OLG infrastructure audit found that the quality of asset data had improved since the introduction of IP&R, with 50% of audited councils having adequate assessments, processes and procedures.

The Office continues to work closely with Institute of Public Works Engineering Australasia to

improve councils' accounting practices for assets. The OLG is currently working with the local government sector to introduce auditing of Special Schedule 7 for the 2015/16 financial year. These timeframes have responded to feedback from the local government sector regarding readiness for audit.

Question 18:

IPART noted in its review of FFTF criteria (page 23) that the operating performance ratio is highly sensitive to how councils estimate depreciation expense. Does the OLG recognise that Councils do use dramatically different methodologies for calculating depreciation and obtain dramatically different results and thus how can OLG and IPART use this measure to compare councils as FFTF?

Answer:

The financial statements of councils are audited by registered auditors in accordance with Australian Accounting Standards and approved by each council. Depreciation represents the consumption of an asset on an annual basis over the life of that asset. The rate of depreciation therefore is determined by the useful life of an asset.

The useful life of an asset is dependent on a variety of factors. These include the:

- environment in which the asset is located
- method of construction
- level of use
- manner in which it is used
- maintenance and renewal works undertaken and
- levels of standard determined by the community.

IPART is taking the method used by each council to depreciate its assets into consideration as it undertakes its review of Fit for the Future proposals. The IPART methodology outlines how it will assess a council's operational sustainability overall. This will include consideration for the depreciation expenses and the onus will be on the council to communicate any adverse consequences of these expenses on the ratio. IPART will consider contextual data specific to each council's method when assessing the council's performance against the benchmark

Question 19:

What is OLG doing to standardise depreciation so councils can be more effectively compared?

Answer:

The OLG is aware that some councils have been examining the useful lives of assets with the view to having standard lives that apply on a regional basis. The OLG has been working with these groups and encourages this work to continue.

The OLG will continue to work with councils and local government stakeholders, such as, the Institute of Public Works Engineering Australasia to further develop this concept in conjunction

with the work being undertaken to standardise reporting on infrastructure assets. The Government has also committed to the NSW Auditor-General being the auditor for all councils; this will improve the consistency of the audit process and increase the reliability and accuracy of financial data.

Question 20:

Of the \$1 billion incentive to amalgamate over \$600 million is from reduced interest rates by allowing the local councils to access cheaper funds through the state borrowing facility.

- a. Given that this has been done in other states for years, is there any connection between this facility and the question of amalgamation?
- b. If so, what is the connection?

Answer:

Access to the State Borrowing Facility is dependent upon council becoming 'Fit for the Future'. Access is not specifically related to mergers.

Question 21:

- a. Given that the pilot studies on Joint Organisations took considerable time to set up, should not the timetable allow for this pilot to be completed before any further steps are taken to either amalgamate councils or redraw boundaries?
- b. If not, why not?

Answer:

Given the complexities of issues confronting rural and regional NSW the NSW Government recognized that there would be no one size fits all. This is why the Government is trialling Joint Organisations as well as providing options for councils to merge and consider options available under the rural council template. The Government has also provided an innovation fund to assist small rural councils to implement innovative solutions to address their challenges.

Joint Organisation will be established throughout rural and regional NSW to enable regional strategic planning, leadership and advocacy. As well as this councils will have the opportunity through the Joint Organisation to work together and address issues confronting all councils.

Joint Organisations were announced with the Fit for the Future package in September 2014 and the Pilots formerly commenced in February 2015, following a co-design process to develop the pilot model and support the establishment of the pilots in late 2014.

Question 22:

In your submission it is stated that NSW is the last state to reform its Local Government Structure. As all the other states Local Government rates are higher per capita than NSW with no apparent improved services, how do you reconcile this fact with your claim that change is needed to put pressure on rates?

Answer:

The NSW Government's submission to this Inquiry noted that NSW is one of the last States in Australia to undertake widespread structural local government reform. The Submission also notes that the Government wants councils to have the scale and capacity to partner effectively with all levels of government, deliver better infrastructure and services and sustain themselves without charging higher rates.

The extent of rate increases in other jurisdictions does not correspond to whether the State has or not undertaken structural reform to councils. Between 2011/12 and 2014/15, average rates increased by 23.89 per cent in Western Australia, which has not undertaken widespread structural reform. This compares to 19.87 per cent in Queensland and 25 per cent in Victoria over this period. Both of these states have undertaken structural reforms.

NSW is the only state that has rate pegging.

Research undertaken by the Australian Centre of Excellence for Local Government in their review on the evidence of mergers has found that efficiencies and cost benefits do come from mergers and are generally redirected into services and infrastructure that communities need.

The history of structural reform in NSW demonstrates that mergers have not produced higher rates for their residents. Of the 26 councils established from mergers, 17 of these had lower residential rates in 2013-14 than the average residential rate across each classification of council.

The Government has reiterated its commitment to protecting ratepayers in NSW from unfair rate rises. The rate pegging system ensures any increases are subject to community consultation and are well supported by residents. The Fit for the Future reforms also commit the Government to a number of sector wide programs to support financial sustainability, including an independent review by IPART of the rating system.

Question 23:

Given the submission of the FFTF Ministerial Advisory Group (MAG) to the IPART assessment criteria it appears that MAG did not have sufficient time to input to the assessment criteria. Can you give details of the dates of the FFTF MAG meetings and the dates of the publication of the details of the FFTF process and the assessment criteria?

Answer:

The Ministerial Advisory Group met on 24 November 2014, 5 February, 16 April, 18 May and 10 August 2015.

The Terms of Reference developed by the Government in close consultation with the MAG for the IPART Review specifically asked IPART to consider advice of the MAG in finalizing its methodology.

At the meeting on 16 April 2015 the MAG considered advice from a working group on the FFTF criteria and benchmarks. The MAG asked the Chair to provide this information to the Expert Panel once it had been established. The Government announced IPART's appointment as the Expert Panel on 27 April 2015 and IPART released its Consultation Paper on the methodology for assessing FFTF submissions on the same day. The working group advice on the criteria and benchmarks was included in the MAG response to IPART on the assessment methodology on 22 May 2015.

IPART made changes to the final methodology in response to feedback during the consultation period. This submission made by MAG to the assessment methodology is publicly available on IPART's website at www.ipart.nsw.gov.au.

Question 24:

What has OLG done in the Fit for the Future process to assess and ensure that community consultation regarding Fit for the Future was appropriate, balanced, unbiased and meaningful?

Answer:

The Fit for the Future reforms follows over three years of consultation with the local government sector starting with the Destination 2036 Conference in late 2011, where councils from across NSW came together to discuss their long-term future.

The Independent Local Government Review Panel was established in March 2012 following a request from the then Local Government and Shires Association (now Local Government NSW). The Panel consulted widely with the sector and local communities, and used the feedback it received from councils and residents during three rounds of consultation to help refine its recommendations from its draft to final reports.

The final reports of the Panel and the Local Government Acts Taskforce were released for public consultation by the Government in early 2014. Each submission was reviewed by the Office of Local Government and used to inform the Government's Response to the Panel and Taskforce.

In recognition of the importance of appropriate and balanced community consultation on council's Fit for the Future proposals, the Government ensured that templates released for proposals required details of consultation. This included details of how the costs and benefits

of any proposed merger were explained to the community and the attachment of copies of any relevant materials circulated. For instance, those councils completing a merger proposal were required to demonstrate that the councils had met minimum public exhibition requirements of the proposal (28 days) and had consulted with council staff.

As part of assessing the Fit for the Future submissions by councils, the Terms of Reference require Independent Pricing and Regulatory Tribunal to include an assessment of the consultation process undertaken by councils. This requirement was included in the Terms of Reference for the review at the request of the Ministerial Advisory Group.

In its methodology for the review, IPART states that it will also ‘consider how balanced was the information provided to the community, i.e. whether it promoted only the benefits or only the costs of a particular option, or if it informed the community about both the costs and benefits of one or more options.’ IPART also opened all councils submission to public submission for a one-month period prior to assessing each proposal.

The Government will consider the IPART review of consultation processes undertaken by Councils when the final Report is presented to the Government in October 2015.

Question 25:

What will OLG do to protect the rights and views of residents and ratepayers throughout the Fit for the Future process?

Answer:

As detailed in the answer to question 24, the Government has sought to ensure that residents and ratepayers have had the opportunity to express their views at each step of the reform process. The level of community consultation on each proposal made by Council is specifically being assessed by IPART as part of its review.

Question 26:

How will OLG ensure that the outcomes of the process reflect the wishes of the community or is this not a goal of the office?

Answer:

See the answers to questions 24 and 25.

Question 27:

Will the Government commit to making the recommendations of the IPART review of the Fit for the Future proposals public?

Answer:

As stated in the Terms of Reference presented to IPART for the review of Fit for the Future Proposals, IPART is to “provide the Minister for Local Government and the Premier with a final report by 16 October 2015 identifying whether or not each council is Fit for the Future and the reasons for this assessment, to be publicly released following Cabinet approval.”

Question 28:

The Government and OLG have claimed that Local Government loses \$1 million a day. Where does this figure come from and exactly what does it represent?

Answer:

In a letter to the Office of Local Government in September 2014, NSW Treasury Corporation stated that the total operating results for councils in deficit in 2012/13 was an aggregated deficit in excess of \$400million. The 2013/14 audited financial statements of councils show total operating income for all councils in 2013/14 was \$9.715 billion and total expenditure was \$10.075 billion, translating into a net operating deficit for the sector of \$359.442 million: or approximately \$1million a day. This information is available in the Your Council report on the office of Local Government web site.

Question 29:

What cost benefit analysis was done of the Fit for the Future program, and of council amalgamations in particular, and would OLG or the Government table it for the Committee?

Answer:

The Fit for the Future reform program responds to the recommendations of the Independent Local Government Review Panel and the Local Government Acts Taskforce, each of which undertook extensive research and community consultation. Among other publications available on the Independent Panel’s website, this research included a detailed report assessing the processes and outcomes of the 2004 Local Government Boundary Changes in NSW by Jeff Tate Consulting and a Spatial Analysis of NSW regional centres by SGS Economics and Planning.

Councils considering voluntary mergers have been asked to consider potential costs and benefits of the proposal and to discuss these issues with their community. The NSW Government provided 50% of the costs of councils preparing a Business Case for a proposed merger, and offered access to tools to prepare a cost-benefit analysis, such as Treasury Guidelines. IPART will assess proposals in accordance with the final assessment methodology, which includes an analysis of business cases prepared by councils.

Question 30:

- a. Was any modelling done of what the size and/or structure a future council should have at the conclusion of the FFTF process? – work of Panel and IPART
- b. If so, what is it and can it please be provided to the committee?
- c. If not, why not?

Answer:

The Independent Local Government Review Panel carried out extensive research and consultation and made recommendations regarding each council in NSW.

In making its recommendations, the Panel did not take a “one size fits all” approach to scale and capacity. It looked at the unique characteristics of each area – geography, economic and transport flows, communities of interest and local identity. The Panel made recommendations to ensure each council was able to meet the key elements of strategic capacity.

The starting point for all Fit for the Future proposals was the Independent Panel’s final report and the options for each local government area. These options are available in the Panel’s final report at www.localgovernmentreview.nsw.gov.au.