

INQUIRY INTO LOCAL GOVERNMENT IN NEW SOUTH WALES

Organisation: Warrumbungle Shire Council

Date received: 3/07/2015

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Please address all mail to:
The General Manager

Please refer enquiries to:

3 July 2015

The Director,
Madeleine Foley
General Purpose Standing Committee No 6
Parliament House
Macquarie Street
SYDNEY NSW 2000

Dear Ms Foley

Re: Inquiry into Local Government in NSW

Warrumbungle Shire Council (WSC) is pleased to be granted an opportunity to make a submission to the NSW Legislative Council's inquiry into Local Government in NSW.

Warrumbungle Shire Council is a modern, progressive rural Council with a vibrant well engaged community of approximately 10,000 residents located north east of Dubbo on the Newell Highway. Council agrees strongly with both the implementation of the Fit for the Future (FFF) reforms, and the Local Government Review Panel's recommendation for our Council.

Following a better practice review council implemented 45 recommendations for change setting council on the course to being Fit for the Future well before the FFF reforms were implemented.

Despite agreeing strongly with the recent FFF reforms, Council does have the following comments to offer:

1. The timeline for the implementation of the FFF reforms was extremely tight, with the evaluation process including the IPART Assessment Criteria and the Templates involved changing over the extremely short timeline. The final Assessment Criteria was not released until June, and the FFF Templates also changed in June. This caused significant confusion for councils and an unwarranted increase in workload;
2. The early changes in the rural council model (Template 3) also delayed Council's decision making process, putting further pressure on Council staff to meet the FFF deadlines within a reduced timeframe;

3. Over many workshops with the various FFF stakeholders such as the OLG and IPART, many councils were of the cynical view that the final outcome of the FFF reforms was already decided, and that councils are in effect just "going through the motions".

The appointment of IPART as an independent review body has provided some confidence in the independence and fairness of the process, although many councils still cynically believe that IPART will only be making a "binary fit/not fit" recommendation, and that the final decision will be political;

4. The Benchmarks used were sound overall, with the Sustainability benchmarks being highly relevant (post inclusion of the FAGs grants as own source revenue) and useful for measuring a council's long term financial performance. It should be noted however, that valid concerns could be raised around both the asset maintenance, and infrastructure backlog ratios due to the unaudited nature of the data informing these ratios, and IPART's decision to use these indicators more to inform their decision making was sound.
5. The time frames for IPART to review each Council's FFF application are extremely tight, and it is uncertain that there will be sufficient time for a fair review to be carried out. There are also some concerns that councils will not be properly consulted for their viewpoint before a decision is made;
6. Although Financial Indicators are extremely important, and without adequate funding social and environmental outcomes are no longer achievable, there should have been more consideration of social factors built into the FFF process. This is especially the case for rural councils.

Rural councils are generally the largest employer and provider of government services to a region, and the only community stakeholder able to deal with disasters and protect the identity of smaller rural communities. This was clearly on display during the Wambelong bushfires in Coonabarabran, where Council was able to put 8 graders onto the fire front immediately due to its scale and capacity. Social factors like this would not be considered in Council's FFF review under the current model.

Council has high hopes and expectations for the outcomes for Local Government from these reforms, and trusts that our constructive comments have been of some assistance. Please feel free to contact Council for any assistance you may require on rural and regional issues during this important period of Local Government reform.

Yours Sincerely

STEFAN MURRU
DIRECTOR CORPORATE AND COMMUNITY SERVICES
FIT FOR THE FUTURE PROJECT TEAM LEADER
WARRUMBUNGLE SHIRE COUNCIL