

INQUIRY INTO LOCAL GOVERNMENT IN NEW SOUTH WALES

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The Hon Paul Green MLC
Committee Chair
General Purpose Standing Committee No. 6
Legislative Council
Parliament House
Macquarie St
SYDNEY 2000

Dear Mr Green,

INQUIRY INTO LOCAL GOVERNMENT IN NEW SOUTH WALES

Thank you for the invitation to make a submission to the inquiry into Local Government in New South Wales. IPART has extensive experience in local government, and we welcome the opportunity to contribute to your review.

In relation to local councils in NSW, we have ongoing functions, including:

- ▼ determining the rate peg, or the allowable annual increase in general income for councils
- ▼ reviewing and determining council applications for increases in general income above the rate peg, known as 'Special Variations'
- ▼ approving certain increases in council minimum rates; and
- ▼ reviewing certain council development contributions plans that propose contribution levels that exceed caps set by the NSW Government.

Additionally, we undertake special reviews on behalf of the NSW Government in relation to local government, including our 2014 review of benchmark costs for local infrastructure contributions and our review of Local Government Compliance and Enforcement in 2012. We have recently commenced an aligned review of the reporting and compliance burdens on local government.

In April 2015 the NSW Government issued IPART with Terms of Reference to assess whether local councils in NSW are 'Fit for the Future', based on criteria adopted by the Government in September 2014. Throughout May 2015 we consulted widely on the methodology that we proposed to use in making our assessments against the criteria. Our final methodology paper, released on 5 June 2015, addressed the issues raised during this consultation.

By the due date of 30 June 2015, we received 'Fit for the Future' proposals from all 144 councils requested to submit proposals. This does not include the 8 Far West councils which were not required to submit proposals as part of the process.

Our experience, analytical capability and consultative processes make the Tribunal well placed to undertake the required assessments. For this review the Tribunal comprises myself as Chair, together with our part time Tribunal members, Ms Catherine Jones and Mr Ed Willett, and a temporary Tribunal member, Mr John Comrie, who has extensive experience in local government.

The Tribunal will be supported by IPART's Secretariat. IPART's agile structure permits us to allocate staff and resources to priority work so we can deliver a high standard. For the Fit for the Future review, as with all of the reviews the Government directs us to undertake, we have ensured that sufficient, experienced staff are available to complete the task within the required timeframe.

For your reference, I have included a copy of our final methodology for undertaking the Fit for the Future assessments. It sets out how we will undertake the assessments of councils' proposals. Should you have any queries in relation to this document, please feel free to contact

Yours sincerely

Peter J. Boxall AO
Chairman