



Mr Roger Bailey
General Manager
City of Lithgow Council
PO Box 19
LITHGOW NSW 2790

Email: roger.bailey@lithgow.nsw.gov.au

Dear Mr Bailey

The Premier, the Hon Mike Baird MP and the Minister for Local Government, the Hon Paul Toole MP, have written to your Mayor about the Independent Pricing and Regulatory Tribunal's (IPART) assessment of your council's "Fit for the Future" submission.

The NSW Government has announced a final period of consultation, which will close on Wednesday 18 November 2015. The consultation is an opportunity to inform the Government's position on local government reform, and its response to IPART's findings.

Should you wish to participate in this consultation:

- please provide any comments you wish to make in relation to IPART's findings on your council's submission; and
- if your council's submission was found by IPART to be "not fit" as it did not meet scale and capacity, or if your council adjoins a council that did not meet scale and capacity, please advise of any preferences your council may have regarding merging partners.

To provide advice, please use the online template hosted on the Department of Premier and Cabinet's website. Details will be provided separately on how to access this template.

A significant funding package is available for council mergers that are:

- supported by the merging partners; and
- supported by the Government.

Details of this package are available at www.olg.nsw.gov.au. If you have any questions in relation to this letter, please contact John Clark, Executive Director on (02) 9228 3570 or Steve Orr, Executive Director on (02) 9228 5518.

Yours sincerely

Blair Comley PSM
Secretary

21 October 2015

Local government reform 30 day consultation period

Additional FAQs - 30 October 2015

These FAQs are based on the questions commonly asked since the commencement of the consultation period. These FAQs supplement the initial FAQs, dated 23 October 2015, arising from General Manager briefings. Further FAQs will be provided as necessary.

Merger preferences

Do we have to ensure that our merger preference combines to achieve a specific population threshold or match the Independent Panel's proposal?

- No, the Government will consider all merger preferences submitted by councils.

Our Fit for the Future submission proposed a merger which has been deemed fit by IPART. Can we submit new or additional merger preferences?

- Councils with new or additional preferences can submit these.

What are the community consultation requirements of councils in relation to submitting merger preferences?

- It is a matter for councils if they wish to undertake any further community consultation during this 30 day period.

What level of detail is required in relation to stating merger preferences? e.g. does a merger business case need to be included?

- Councils are required to submit their merger preferences through the online DPC portal.
- There is no requirement to submit a merger business case or provide additional information on merger preferences.

Can a council propose being part of a Joint Organisation in this round of consultation?

- No. The 30 day consultation period provides councils with the opportunity to provide feedback on IPART's findings and to advise any merger preferences.
- Joint Organisation boundaries will be determined once council boundaries are finalised.
- Consultation on the Joint Organisation model will continue later this year.

Can the eight Far West councils submit merger preferences?

- As with the original Fit for the Future proposal process, the Far West Councils can choose to participate in the process that concludes on 18 November.
- The Government will consider any merger preferences put forward by the Far West councils.
- Mergers that are agreed to by Far West councils, by the Government and submitted by 18 November are eligible for the Stronger Communities Fund and merger implementation grant.
- The Government's commitment to the Far West initiative is unchanged, and it will continue to work collaboratively with the eight Far West councils to develop tailored solutions for the region.

Stronger Communities Fund

Which councils will have access to the Stronger Community Fund and how much is available?

- The Stronger Communities Fund will be available for council mergers that are supported by merging partners, supported by the Government and submitted to the Department of Premier and Cabinet through the online portal by 23:59 on 18 November 2015.
- For metropolitan mergers that meet the criteria, \$10 million will be available for priority community projects where the merger is of two councils and \$15million will be available for a merger of three or more councils. A merger implementation grant of \$10 million will be available to meet the up-front costs of the merger.
- For regional mergers that meet the criteria, \$5 million will be available to the new council for priority community projects where the merger is of two councils and \$10million will be available for a merger of three or more councils. A merger implementation grant of \$5 million will be available to meet the up-front costs of

the merger.

Can the Stronger Communities Fund be used for infrastructure such as roads and bridges?

- Yes. The projects on which Stronger Communities Funding can be spent will be a matter for the new council to determine in line with guidelines to be provided by Government.

Merger implementation

Are there any legislative amendments being proposed to enable mergers?

- The Local Government Act prescribes the processes required to consider council mergers.

Will mergers be implemented with Local Transition Committees?

- Information on the process to implement a merger will be provided by the end of the year.

If our merger preferences are accepted by the Government, will the new council be deemed “Fit”, and if so, will it have access to the TCorp borrowing facility?

- Newly merged councils will be eligible to apply to access the TCorp borrowing facility.

Other Fit for the Future reforms

What is the status of other aspects of the local government reform program, such as the Innovation Fund, FAGs review and Joint Organisations?

- The current 30 day consultation is primarily focussed on councils providing feedback on the IPART assessment of their fit for the future submissions and advising government of their merger preferences.
- The broader Fit for the Future local government reform program continues as previously announced.

How will the status of councils be assessed in future years?

- Further details about the ongoing assessment of whether a council is ‘fit’ or not will be provided by the end of the year.

What is happening to the Rural Council model?

- The Government acknowledges the concerns that rural councils have raised following the release of the IPART report.
- The Government has previously advised that there will not be a separate legislated model for rural councils in line with feedback from the sector.
- The Government will review the strategies identified in the 20 rural council proposals, consider the findings of the IPART report and continue to work closely with rural councils to support them deliver improved outcomes for their communities.

What is happening to the Far West Initiative?

- The Government’s commitment to the Far West Initiative is unchanged, and it will continue to work collaboratively with the eight Far West councils to develop tailored solutions for the region.

If you have any additional questions please forward them to the contacts below.

For further information, please contact:

John Clark, Executive Director, DPC (02) 9228 3570 or john.clark@dpc.nsw.gov.au

Steve Orr, Executive Director, DPC (02) 9228 5518 or steve.orr@dpc.nsw.gov.au

Chris Presland, A/Director, OLG (02) 4428 4174 or chris.presland@olg.nsw.gov.au



Stronger Councils. Stronger Communities.

STRONGER COMMUNITIES FUND Funding for councils and communities

Newly created councils and their communities will receive up to \$25 million

A Stronger Communities Fund of up to \$15 million is available, providing new councils a head start on community infrastructure projects like sporting fields, libraries, or parks

Additional funding of up to \$10 million will be provided to ensure ratepayers do not fund the up-front costs of merging

Councils have until 18 November 2015 to put forward their merger preferences and be eligible for funding

Funding will be available for council mergers that are supported by merging partners, supported by the Government and submitted to the Department of Premier and Cabinet by 18 November 2015

Fund	Metro Sydney*	Regional
Stronger Communities Fund	\$10 million OR \$15 million if three or more councils merging	\$5 million OR \$10 million if three or more councils merging
Merger Implementation Grant	\$10 million	\$5 million

*Includes Newcastle, Wollongong and surrounds.



Stronger Councils. Stronger Communities.

Next Steps

The final consultation opportunity for councils

After four years of partnership, the NSW Government is giving councils a final 30-day consultation opportunity to inform the Government's position on local government reform and respond to the IPART findings

20 October 2015

Councils receive briefing from the Premier and Minister on the findings of the IPART assessment of council Fit for the Future proposals.

21 October 2015

Councils receive an invitation from the Secretary of the Department of Premier and Cabinet to provide feedback on the IPART report and indicate their merger preferences.

By 18 November

Councils are encouraged to review IPART's assessment of their Fit for the Future submission and respond.

The assessment is available on the IPART website www.ipart.nsw.gov.au.

Councils should provide feedback using the online portal on the Department of Premier and Cabinet's website, which will be available shortly.

For councils that are assessed as being not fit due to scale and capacity, or who neighbour a council that was not fit due to scale and capacity, the Government would also like to know, through the online portal, the merger preferences of these councils.

Funding is available for mergers agreed to by councils and the NSW Government.

By end 2015

The Government will consider responses from councils, decide on next steps and inform councils and the community.