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LOCAL INFRASTRUCTURE RENEWAL SCHEME GUIDELINES

I am pleased to advise that the NSW Government's Local Infrastructure Renewal Scheme (LIRS) Guidelines have been released and are now available for download from the 'Publications' page of the Division of Local Government's website at www.dlg.nsw.gov.au.

The NSW Government's NSW 2021 State Plan has a goal to invest in critical infrastructure. To achieve this, the NSW Government has committed to implementing a Local Infrastructure Backlog Policy, which comprises the following elements:

1. Council by council audit of local infrastructure backlog

The Division of Local Government is undertaking an audit of each council's local infrastructure backlog to provide better information on investment needs.

The infrastructure backlog audit is based on councils' 10-year Asset Management Plans, prepared under the Integrated Planning and Reporting (IP&R) framework, and data included in councils' annual financial reports. The audit is being undertaken in stages from 2011 to 2014 as councils commence under the IP&R Framework.

2. Local Infrastructure Renewal Scheme

The Local Infrastructure Renewal Scheme (LIRS) provides the opportunity for councils to access interest subsidies for the purpose of funding legitimate infrastructure backlogs.

The LIRS will provide a 4% interest subsidy to assist councils with legitimate infrastructure backlogs to cover the cost of borrowing. The subsidy aims to provide an incentive to councils to make greater use of debt funding to accelerate investment in infrastructure backlogs and augment funding options already available to councils.

The LIRS is being administered by the Division. Applications will be assessed by an Assessment Panel comprising an Independent Chair and representatives from the Division, NSW Treasury and the Department of Planning and Infrastructure.

The Guidelines provide detailed information on the eligibility requirements and the assessment criteria for projects to enable councils to consider these before deciding whether to apply for LIRS assistance. Further information to assist councils to make an application will be provided to those councils that notify the Division that they intend to apply, in line with the following timetable.

Item	Date
Pre-notification by councils of their intention to lodge an application	10 February 2012
Application closing date	30 March 2012

3. NSW Treasury Corporation financial assessment and benchmarking

NSW Treasury Corporation (TCorp) is establishing a system for financial assessment and benchmarking of NSW councils' financial position. The purpose of the assessment is to assist councils' asset acquisition and investment management strategies, including providing advice on their capacity to utilise debt when appropriate.

Councils that apply for assistance under the LIRS will be required to have a TCorp assessment completed. However, all councils are encouraged to undergo an assessment.

Further information on the TCorp process can be obtained by contacting Mr Kevin Pugh, Senior Manager Corporate Finance, NSW Treasury Corporation, by email to kevin.pugh@tcorp.nsw.gov.au or by telephone on (02) 9325 9257.

Councils are encouraged to take advantage of this opportunity to receive financial support from the NSW Government to assist them to invest in infrastructure backlog projects that have been identified in their long-term community, asset management and financial planning to improve the services provided to the community.

For further information on LIRS, please contact the Division's LIRS Project Manager on telephone 4428 4100.



Ross Woodward
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A Division of the Department of Premier and Cabinet