



REC-230629-TMB-150445.doc

Review of Rate Peg Methodology  
Independent Pricing and Regulatory Tribunal  
PO Box K35,  
Haymarket Post Shop  
SYDNEY NSW 1240

Dear Tribunal Members

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**RE: *Submission to IPART rate peg methodology review***

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Cootamundra-Gundagai Regional Council considered a report in respect of the IPART Draft Report into the Review of the Rate Peg Methodology at its meeting held 27 June 2023 and resolved to lodge a submission indicating Council's support for draft decisions 1 through 10, and also for draft recommendations 1 and 2, within the Draft IPART Report.

As we know, rate pegging was introduced in NSW in 1977 and has been an issue for local government since its inception. Whilst some suggest that the introduction of the Local Government Cost Index (LGCI) and oversight by IPART has provided some relief to councils, a more holistic review of the rate peg methodology is long overdue.

As is often the case, the real challenge will be associated with the development of the detailed application of the changes that flow from the principles of draft decisions 1 through 10. Therefore, the membership of the local government reference group mentioned in draft recommendation 1 is so important. Ensuring that the local government reference group has membership consisting of contemporary local government practitioners who understand the challenges facing local government on a daily basis is essential to achieving the principles captured in draft decisions 1 through 10.

Draft recommendation 2 is also long overdue. An independent review of the financial model for councils in NSW should have an underlying goal to analyse the services provided by NSW Councils in today's environment and review the most appropriate financing model to suit the contemporary service delivery model.

Cootamundra-Gundagai Regional Council commends IPART on the Draft Report into the Rate Peg Methodology and looks forward to the implementation, thus enabling some relief from the challenges facing local government, particularly in the context of its revenue raising capacity.

Yours faithfully

[Redacted signature block]

29 June 2023