



15 March 2024

## **SUBMISSION TO THE IPART REVIEW OF THE COUNCIL FINANCIAL MODEL IN NEW SOUTH WALES DRAFT TERMS OF REFERENCE**

Cowra Council welcomes the opportunity to provide input to the draft Terms of Reference (TOR) for the IPART review of the financial model for councils in NSW. We look forward to continued involvement in the review over the next 12 months.

Council makes the following points in relation to the draft TOR

In the first instance Council congratulates the NSW Government on establishing the review. It is long overdue.

Having said that, it is council's view that the TOR are fundamentally flawed in not including an investigation of the adequateness of the overall funding framework for local governments in NSW inclusive of the revenue constraints the industry operates under.

The TOR as drafted appear to be more focused on the capacity and capability of staff and councillors and the adequacy of reporting whilst ignoring the key issues that are and will continue to affect the ongoing financial sustainability of councils and their ability to provide services and assets for their residents.

This failure and what seems to be a focus on outputs rather than inputs will result in a report that likely increases the administrative and reporting burdens on already resource stretched Councils, whilst doing little to shine a light on the fundamental systemic issues of council financial sustainability.

Council strongly urges the TOR be amended to include investigation of:

- recommendations from IPART's recent review of the NSW Rate Peg
- the extent of cost shifting from NSW and Commonwealth governments to local councils
- the grant funding framework that exists from NSW and Commonwealth governments to local government and whether there should be a greater focus on recurrent, financially sustaining programs instead of the ad hoc nature of the majority of existing programs

- the adequacy of the amount and the formula for calculating and distributing the Commonwealth Financial Assistance Grants to NSW councils

We urge the NSW Government and IPART to grasp this opportunity to have a thorough in-depth review of the NSW council financial model for the long-term prosperity and well-being of all residents.

Yours faithfully

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