

Submission to IPART on Terms of Reference for Investigation of Council Financial model in NSW

Federation Ratepayers Incorporated have read and discussed at committee level the Draft Terms of Reference for Investigation of the Council Financial Model in NSW and largely, strongly support the Draft Terms of Reference contained therein.

Federation Ratepayers inc. ask IPART to also consider the following recommendations for inclusion in the Final Terms of Reference for Investigation.

- 1. The Visibility of Councillors and the community over the financial and operational performance of their councils.**
 - Should Council workshops prior to Council meetings be open to the public or at least lived streamed to allow the public to hear discussions in full regarding Councils financial decisions and reasons for actions taken, which ultimately impact the operational performance of their Councils?
 - Should Council Meeting Agendas be published earlier to allow both councillors and the community the time to research and fully understand the recommendations contained within the agenda items prior to the Council Meeting?
 - Should senior executive award pay rates be linked to a base financial outcome for Councils?
- 2. Whether the current budget and financial processes used by councils are delivering value-for-money for ratepayers and residents.**
 - Are Councils consulting and engaging with their communities in an effective, open and transparent manner when it comes to major financial decisions?
 - Do the current budgeting and financial processes allow councils to deviate from their core responsibilities of essential infrastructure needs resulting in deteriorating assets due to lack of maintenance?
 - Are Councils held to account for proper due process when awarding contracts then holding external companies to account when poor workmanship and unnecessary deviations in costs arise?
- 3. Whether the current funding model will sustainably support the needs of communities**
 - Has the current funding model in regard to grants money, given Councils and their communities an unrealistic expectation of what can and should be provided by Council for their community, resulting in a focus on “wants” rather than “needs”?
 - Should the allocation of Grant Monies be accompanied with closer checks and balances so that these funds can be better directed into core infrastructure requirements rather than into community projects that have ongoing operating and maintenance costs?
- 4. Whether councils (both councillors and staff) have the financial capacity and capability to meet current and future needs of communities.**
 - Do Councillors and Staff have the necessary skillset to be suitably qualified to make appropriate decisions within legislative requirements on matters which invariably have long term ramifications on Councils financial viability and sustainability?

- Do Councillors and/or Council Staff have the capacity and the capability to accurately and fairly self-assess their own Council's financial sustainability. In instances of "stressed" or unsustainable Council finances, is there capability amongst Councillors and Senior Council staff to instigate, develop and implement strategic change in their operations to correct unsustainable finances. If not, is there a need for intermittent independent reviews of Council finances and operations?
 - Is a lack of productivity within Councils workforce having a negative impact on Councils long-term financial viability and sustainability resulting in further cost burden for the ratepayer?
 - How effective is the current process for identifying poor productivity within Councils and who is responsible for addressing this poor productivity when identified?
 - Are the current processes in place adequate to address poor productivity if identified as a direct result of systemic poor leadership within senior staff and the General manager?
- 5. How can better planning and reporting systems improve long term budget performance, transparency and accountability to the community?**
- Do the Government Departments overseeing Councils operations require greater legislative powers to ensure that Councils abide by the recommendations contained within IPARTS Final Report on the Financial Model for Councils in NSW?
 - Are Councils being transparent and accountable in the reporting of all Budgetary and Performance reviews to their respective communities, both of which have an impact on councils overall financial sustainability?
 - Are Councils that have received fixed SRV's being held to account strongly enough to ensure they meet their key objectives and terms of the SRV?
- 6. Any other matters IPART considers relevant.**
- Does the current SRV application process prove beyond reasonable doubt that Councils have provided IPART with proof of sound and verifiable financial management?

Chairman Federation Ratepayers

