

Carmel Donnelly PSM Chair IPART PO Box K35 Haymarket Post Shop NSW 1240

Dear Chair,

<u>DRAFT TERMS OF REFERENCE - INVESTIGATION OF COUNCIL FINANCIAL MODEL IN NSW - SUBMISSION</u>

Thank you for the opportunity to make a submission regarding the Draft Terms of Reference.

The Draft Terms of Reference as published by the Independent Pricing and Regulatory Tribunal (IPART), represent a missed opportunity to undertake a comprehensive review into all matters that influence the council financial model in NSW.

As an "Independent" Statutory Authority, IPART should be provided with the scope through the Draft Terms of Reference to investigate and report on all relevant matters that influence the council financial model in NSW. The Draft Terms of Reference fails in that regard. Council proposes that the following should be included in the Final Terms of Reference;

- Report on the extent to which "cost shifting" by other levels of Government is impacting
 on the capacity of Local Government to deliver services to the community.
- Report on the diminishing level of the annual untied Financial Assistance Grant (FAG)
 as provided by the Australian Government to Local Government via State
 Governments and the impact these diminishing grants have on the capacity of Local
 Government to effectively deliver services.
- Report on the impact that Rate Pegging has on the capacity of Local Government to effectively deliver services.

Thank you for the opportunity to make this submission.

Yours sincerely,

