

29 February 2024

Mr Andrew Nicholls PSM
CEO
Independent Pricing and Regulatory Tribunal
[Via online submission form](#)

Our Ref: 2024/060852

Dear Mr Nicholls

Submission: NSW Government's Draft Terms of Reference for NSW council financial model review

Northern Beaches Council welcomes the opportunity to provide feedback to IPART on the Terms of Reference from the NSW Government to investigate and make recommendations on the NSW council financial model. This submission was endorsed by Council at their meeting on 27 February 2024.

The current terms of reference cover issues identified by IPART in your 'Review of the rate peg methodology' in 2023 in terms of transparent governance and better accountability, streamlined frameworks and processes and better engagement with the community to build trust and understanding.

However, they do not effectively cover better financial sustainability for councils including looking at restrictions which currently limit fair and reasonable increases on revenue sources and ensuring rates affordability and the equity of the rating system.

To address this gap, the following other measures, should be included in the terms of reference:

- Ensuring that statutory charges reflect the efficient costs incurred by councils in providing statutory services.
- Consideration of a rate peg exemption model for councils that demonstrate an agreed level of performance and streamlining and simplification of the Special Rate Variation process.
- A comprehensive evaluation of existing pensioner concessions should be conducted, including the funding model and support for vulnerable ratepayers.
- Consideration of the eligibility criteria for rates exemptions.
- Consideration of the use of the Capital Improved Value method to set the variable component of rates.
- Investigate the legitimacy and how cost shifting from other levels of government to local government impacts financial sustainability and the consideration of funding mechanisms to take account of these cost transfers.

- Given natural disasters and extreme weather events are becoming more intense and frequent, consider how climate change impacts financial sustainability, including the adequacy of infrastructure, coastal erosion risks, clean-up costs along with the need to fund mitigation and adaption actions and what funding mechanisms may be available to deal with these additional costs.

Should you require any further information or assistance in this matter, please contact my office on [REDACTED]

Yours faithfully

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Chief Executive Officer