



Office of the Mayor

Cr Ambrose Doolan

29 February 2024

Carmel Donnelly PSM
Chair
IPART
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Dear Ms Donnelly

Review of the Council Financial Model in NSW

I am writing to express appreciation for the opportunity to provide feedback on the draft Terms of Reference for the upcoming review. The initiative to assess and improve the current framework is welcomed as it is crucial for the effective functioning of local government entities.

While acknowledging the comprehensive nature of the draft Terms of Reference, we would like to draw attention to certain gaps that, in our view, need consideration to ensure a thorough and well-rounded review process.

Council's primary concern revolves around the absence of explicit provisions addressing external cost drivers, particularly issues related to cost shifting. Cost shifting has been a significant challenge faced by local government bodies, and its inclusion in the review would help identify mechanisms to mitigate its impact. I would recommend incorporating specific language in the Terms of Reference that directs the review panel to examine and make recommendations on strategies to address cost shifting in the context of local government operations.

Additionally, I believe that the review should address the wide disparities in revenue-raising capacity among different councils. Recognising the diversity of councils and their respective financial challenges is essential to ensuring equitable outcomes. Therefore, I suggest amending the Terms of Reference to explicitly instruct the review panel to explore mechanisms for addressing and balancing the variations in revenue-raising capacity among councils.

I reiterate Council's support for the review and its potential to enhance the local government framework and believe that addressing these gaps in the Terms of Reference will contribute to a more comprehensive and effective review process, ultimately leading to improved outcomes for all stakeholders involved.

Thank you for considering this input.

Yours sincerely,



**COUNCILLOR AMBROSE DOOLAN
MAYOR**