

The financial management challenges encountered by councils in NSW are evident and this initiative of the Minister for Local Government in requesting IPART to undertake an independent review of the financial model for NSW Councils is welcomed. The findings and recommendations from this review will undoubtedly necessitate some hard decisions and actions which I sincerely hope will be taken to assist NSW Councils to meet community expectations.

Through this submission, may I request that the following be considered for inclusion in the review:

- Are the current 'fit-for-all' financial and operating ratios appropriate? For instance, the Own Source Revenue Ratio, as one of the performance measures for growth councils like Liverpool in my view may not be suitable. Liverpool City Council collects significant funds through s7.11 contributions and will not be able to achieve own source revenue ratio above the current benchmark of 60%.
- What is the financial impact of government cost-shifting on Councils? LGNSW has amassed and published credible data illustrating and quantifying the financial repercussions for councils in this regard. I strongly suggest that the Committee thoroughly examine LGNSW's publications to grasp the gravity of the issue and its implications for the financial viability of councils.
- What are the financial implications for inconsistent application of "competitive neutrality principles"? The LG Act 1993 is mandating Councils to use NSW State Government Agencies for certain services. Examples include:
 - NSW Audit Office has mandate to conduct financial audits. Councils have experienced significant increases in cost of audit fees since this legislative change.
 - NSW Valuer-General has mandate to provide land values for rating purposes and other ad hoc acquisitions. The cost of obtaining such valuations is significant.
- What is the cost implication on Councils supporting State Government priorities? Although federal and state government grants enhance councils' ability to provide essential infrastructure to the community, the rising costs associated with operating and maintaining these new infrastructures impose financial strains on councils.

I extend my sincere thanks to IPART for providing this opportunity to contribute to the review process.