

Jessica Clough
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Dear Ms Clough

REVIEW OF THE COUNCIL FINANCIAL MODEL IN NSW – TERMS OF REFERENCE

Thank you for providing the local government sector with the opportunity to comment on the draft Terms of Reference (TOR) for the Review of the Council Financial Model in NSW.

The tone of the draft TOR is that financial sustainability challenges facing local government in NSW, and particularly in rural areas, is because of the capacity of Councillors and Council staff. This is quite disingenuous and ignores the fundamental issue of whether local government is receiving its rightful share of national and state taxation revenue.

Other comments on the draft TOR are included below:

Task 3 - Whether the current funding model will sustainably support the needs of communities

How effective are councils in identifying and using other revenue sources beyond grants and rates to support the needs of communities and sustainably provide services required to be delivered by councils?

Response: There is a need to differentiate between the revenue-raising powers of metropolitan/large regional and rural Councils' when considering this Task.

Task 6 - Other matters IPART considers relevant?

Response: The following should be considered as part of the review:

- *A specific task examining the fundamental funding arrangements of local government, particularly from the Australian Government.*
- *A task to review the impact on local government finances occurring from cost-shifting by the State Government (or Federal Government) including Emergency Services Levies, Rate exemptions including Pensioner Concessions, unfunded or underfunded regulatory functions such as swimming pool inspections etc.*

Should you require any further information please do not hesitate to contact me on [REDACTED].

Yours Faithfully

[REDACTED]
Steven Pinnuck
INTERIM GENERAL MANAGER

