

Author name: L. Jackson

Date of submission: Friday, 22 May 2015

Submission: Tenterfield Shire Council resolved the following submission at the Ordinary Council meeting on 20 May 2015.

(141/15)

(2) That the General Manager lodge a submission to IPART's "Methodology for Assessment of Council Proposals – Consultation Paper" including the following:

- a) That Rural Councils in group F that are submitting Template 2, be provided with a longer time-frame to meet the Operating Performance Ratio by 2024/25;
- b) That Rural Councils in group F that are submitting Template 2, be able to include the Financial Assistance Grant (FAG) in their calculation of their Own Source Revenue Ratio.

Background: Councils in group F are also Rural Councils (populations between 5,000 and 10,000) but not necessarily eligible to use Template 3 (Rural Council Option) as they may not meet the criteria. This is the case with Tenterfield Shire Council who has been assessed as having scale and capacity by the Independent Panel and accordingly will make its Road Map to become Fit for the Future by using Template 2.

Further, Councils in group F may already have commenced their plan for financial sustainability after the handing down of the Tcorp report findings. Tenterfield Shire Council included the recommendations of Tcorp in Council's IP&R documentation and has subsequently made operational expenditure savings and is now implementing a substantial SRV with a focus on asset renewal.

Councils that have been addressing financial sustainability through the SRV process already, in good faith, without knowledge of the short timeframe subsequently proposed by IPART, may be disadvantaged by their proactive approach to achieve financial sustainability. In consideration of this, with IPART's timeframe of the Operating Ratio being required to be met by year 2019/20 (other than Rural Council Option), it is recommended that Councils in group F be allowed to meet this criteria by 2024/25.

In relation to the Own Source Revenue Ratio, the Financial Assistance Grant (FAGs) provides a reliable untied funding source that is essential for Councils with rural communities as per the funding disability methodology of horizontal equalization.

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