



MAYORAL MEMO - 7 JUNE 2023

We have seen some commentary in the news lately about the issue of financial sustainability in local government, including some strong comments from the new Local Government Minister.

The term “financial sustainability” is often thrown about loosely but what does it actually mean? Do we think that Councils across the state are about to declare bankruptcy? In Dubbo’s case, definitely not, and I assume the same for all 128 Councils in NSW. A financially sustainable Council can maintain its current level of service and infrastructure while meeting its existing liabilities. With rate-pegging, charging more is not an option so cutting back on services is often the main solution available to Councils whilst also prioritising projects.

Recent years have seen NSW councils encounter challenges of rising operational costs, changing demographics, climate change, cost-shifting from other levels of government and significant infrastructure backlogs. As a major regional hub, Dubbo is no stranger to these issues. However, we also boast significant advantages in our diverse economy and strategic location, offering lessons for long-term financial sustainability.

An essential part of our approach in Dubbo is strategic financial

planning. This Council has implemented a long-term financial plan that sets out fiscal objectives, strategies and actions for many years to come. The plan is informed by gaining an understanding of our community's needs and a firm commitment to asset management. It takes a proactive approach towards securing grants and optimising revenue streams while carefully managing expenditure.

Another key to Dubbo's financial sustainability is diversification. Dubbo enjoys a diverse economy with strong sectors including health; retail; education; transport and logistics and tourism. This diversification provides the community with a broad revenue base, mitigating risks associated with economic cycles and helping to support a range of services for the community.

Collaboration and innovation are other crucial elements of our strategy. Through collaborative partnerships with other councils and government agencies, we leverage resources, share knowledge and enhance service delivery. We also foster innovation, seeking creative ways to deliver services more efficiently, thereby saving costs and improving outcomes for the community.

To sustain this strategy and to propagate it across the NSW local government sector, we need robust policies and regulations from the state government. We need ongoing reforms to enhance the ability for Councils to create additional revenue.

This is not necessarily about throwing away the concept of rate-pegging but it does always seem frustrating that an external organisation dictates your pricing regime. More importantly, I would prefer to see the other two levels of government improve their financial support for local government.

We must also harness the potential of technology to drive efficiencies and better service delivery. Finally, community involvement is paramount. Financial sustainability cannot be divorced from community priorities and aspirations. Through open dialogue, we ensure the community's voice is heard in decisions affecting long-term financial stability.

Councillor Mathew Dickerson

Mayor of Dubbo Regional Council

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