

Submission to Parliamentary Inquiry: [REDACTED]

I make this submission as an individual [REDACTED]
[REDACTED]

[REDACTED]. I have particular skills in redressing serious fiscal predicaments and am often called on to implement complex remedies when councils face crises. I have also worked abroad on large-scaled projects relating to local government financial sustainability.

[REDACTED]

In order to develop and implement efficacious solutions to local government financial sustainability it is first necessary to properly measure the current state of affairs. There is currently no competent regime for measuring financial sustainability in this country. Many extant systems are characterised by flawed metrics, distorted data, perverse incentives to game, arbitrary benchmarks, and extreme synecdoche [REDACTED]. [REDACTED]. Until we can measure financial sustainability in a reasonable way, we can't hope to improve matters.

Measuring financial sustainability in a competent manner is certainly possible for someone with the requisite empirical skills and knowledge. Unfortunately, decision-makers have been disinclined to engage suitably qualified people to do the work. An example is the national work done in 2006 which was derivative and extremely synecdochal. A further example was the financial sustainability reviews used to justify the *Fit for the Future* program which employed illogical benchmarks, known distorted data, and flawed metrics. [REDACTED], a flawed sustainability measurement regime is worse than useless – it leads to flawed decision-making (as we saw in NSW, [REDACTED])

It would take well over a year to develop a competent system to measure financial sustainability and would require the supervision by someone with suitable empirical skills and knowledge of the field. It may also require changes to accounting reports which often fail to meet the intent of the Australian Accounting Standards, especially with respect to comparability.

Establishing a system for monitoring financial sustainability would only be a first – but essential – step in remedying matters. The next step would be to conduct rigorous research. Notably, I am talking about sensible, peer-reviewed work here, not the crude efforts that state governments around the country have paid commercial consultants top dollar to produce. Only robust work can lead us to efficacious prescriptions.

[REDACTED]

Robust peer-reviewed work will always triumph over giggle-and-guess efforts by people who usually remain nameless (possibly not suitably qualified) and are motivated entirely by profit.

Indeed, scholars have produced volumes of work, that mostly lie unread by decision-makers who seem to prefer to pay consultants for inferior work instead. Until we break this cycle of giving preference to poor quality evidence, we can't expect things to improve. Indeed,

[REDACTED]

Scholarly work doesn't just allow us to avoid public policy disasters (such as my previous example, notwithstanding the fact that the said work was ignored and we thus experienced the entirely avoidable harm anyhow), but it also challenges pervasive but fallacious assumptions.

[REDACTED]

[REDACTED]

gone for good. Given the difficulty in establishing oneself as an academic, a lack of mentors, and no realistic potential for funding, it is hard to see how we will be able to draw on necessary expertise in the future. It seems that the federal government may have recognised this many years ago when they funded ACELG – but sadly the millions of dollars largely got spent on international conferences, and paying for piecework by non-academic associates, rather than establishing a body of scholarly evidence. I can thus understand the reticence of any government funding scholarly endeavours in the future – if a higher-tier body was to understand the critical need to inject funds, then it would be essential for them to provide a fixed-term grant for specific work to a *bona fide* scholar, so that it didn't just get frittered away by people pursuing their own utility. Without doing something of this kind, it is hard to see how a local government financial sustainability crisis can possibly be averted.

[REDACTED]

I am willing to come and provide evidence, if my frank assessment of matters will be welcomed or heeded. There are many matters that I could talk on at length which would likely help the inquiry make good decisions and I am happy to share the scholarly knowledge that I have created over the last few decades with whomever should ask.

Sincerely

[REDACTED]

[REDACTED]

27th March, 2024.