



KIAMA MUNICIPAL COUNCIL

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9 July 2007

Ms Fiona Towers
Director
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Dear Ms Towers

Integral Energy Public Lighting Price Increases

With reference to your invitation of 19 June 2007 please find below Council's submission in relation to the above matter.

Council notes that Integral is proposing a total increase of 5.5% being a 3.5% rise in accordance with a specified CPI formula and an additional 2% as a first step towards aligning public lighting tariffs with the alleged costs of providing the public lighting service.

Whilst Council does not welcome any increase it is particularly opposed to the proposed 2% increase above the prescribed formula.

Council is itself subject to government imposed revenue raising restrictions in the form of rate capping. The rate increase allowable for the 2007/2008 year is capped at 3.4% of the previous year's rating revenue.

It is clear to all in the Local Government sector that Council costs are increasing annually at a far greater rate than the rate of revenue allowable under the government's rate capping legislation. As public lighting costs are funded solely from Council's revenue it is obvious that excessive increases from other government entities or trading corporations add to the burden of New South Wales ratepayers.

Considered historically in the context of the deregulation of the Electricity Industry, price increases as proposed by Integral Energy represent yet again a clear example of State Government cost shifting.

ALL CORRESPONDENCE

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your council
your community

On this basis, Council strongly opposes any Public Lighting price increase beyond 3.4%.

Yours faithfully



Chris Quigley

Director Strategic and Commercial Services