



Broken Hill City Council

... a safe, vibrant, prosperous and culturally rich City achieved through community leadership and sustainable management.

Quote No 52901 - L4/20
FZ/KW

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September 17, 2009

Acting Chairman,
Review of Regulatory Framework of Local Government - Draft Report,
Independent Pricing and Regulatory Tribunal,
PO Box Q290,
QVB Post Office NSW 1230

Dear Sir,

Review of Regulatory Framework of Local Government - Draft Report

Thank you for the opportunity to comment on the Draft Report.

Preferred Option

Council welcomes the review recommendations and submits that Option B (independent of Option A) is the way forward subject to an extended transition period to permit full (assisted) implementation of the Local Government Integrated Planning and Reporting Framework.

Such an assisted transition period is supported on the basis that the review findings indeed confirm " there is significant variation between councils and their financial capacities, specifically, rural and remote councils have a lower capacity to generate revenues and have less flexibility than metropolitan councils".

Examples of "less flexibility" include Broken Hill City Council's historical reliance on mine rate income for ongoing operations with the inherent uncertainty of the resource price based nature of the mining resources industry sector.

In addition the Western Division of NSW is experiencing prolonged drought (since 2001) and the ability of the Region's councils to generate revenues alongside their community's ability to pay - should clearly be a matter for consideration in the review.

Local Government Cost Index

The development of a Local Government Cost Index (adjusted for productivity) is supported subject to an explicit and independently calculated adjustment being applied for rural and remote councils which are subject to higher input costs across a range of criteria as a result of
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"Broken Hill - the Hill that changed a Nation"

geographic location, transport links and ability to attract and retain labour. The latter adjustment could align with the criteria used for determination of the Commonwealth Government's Financial Assistance Grants to councils.

Council looks forward to the final review report and recommendations.

Yours faithfully,



FRANK ZAKNICH
GENERAL MANAGER