



City of Canterbury

City of Cultural Diversity

Our Reference: V-3-5

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Dr Michael Keating
Chairman
Independent Pricing and Regulatory Tribunal
PO Box Q290
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SYDNEY NSW 2000

Dear Dr Keating,

Subject: Revenue Framework for Local Government

Thank you for the opportunity to comment on the Draft Report – Revenue Framework for Local Government. As we mentioned in our submission on the Issues Paper in August 2008, the Review has provided an important summary of the issues in relation to local government revenue and expenditure, financial position and sustainability in NSW.

The revenue framework proposed has the potential to provide scope for more financial autonomy for NSW councils, allowing them to assume greater responsibility for negotiating long term financial plans with their communities. Although the reforms proposed will not remove rate pegging, there is the possibility they will bring about more transparency in relation to Local Government rate pegging, and provide councils with slightly more opportunity to raise revenue to meet community expectations.

Whilst we support the findings of the Review, the recommendations made do not go far enough in ensuring financial certainty for NSW councils into the future. Local government is facing unprecedented financial pressures and an uncertain financial outlook. Increased cost shifting obligations, declining revenues and community demand for improved facility and infrastructure renewal have placed undue stress on council budgets.

In Canterbury's case, despite being fortunate in obtaining a Special Variation that will raise approximately \$45 million over 15 years for the renewal of existing infrastructure (essentially just bringing these assets to an acceptable condition), the nature of our community means the capacity to raise revenue from user charges is limited, and the provision of new community infrastructure is difficult without additional financial support.

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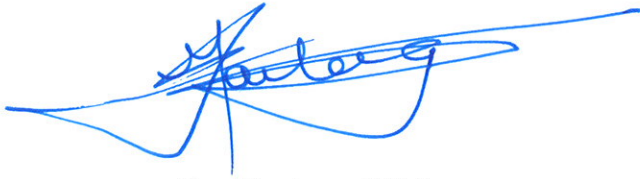
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When writing to Council please address your letter to the GENERAL MANAGER, MR JIM MONTAGUE
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A comprehensive and coordinated response from both State and Federal governments, including more direct funding from the Federal government, is required to guarantee the long term financial sustainability of NSW councils. Failure to do so could have serious consequences for councils and their communities in the future.

Please contact my office on 9789 9447 if I can provide further information.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Jim Montague', with a long horizontal flourish extending to the right.

Jim Montague PSM
GENERAL MANAGER

16 September 2009