

Our Reference: PJK:EL ; C10/05010
Your Reference:
Contact Name: Mr Paul Keech
Telephone: (02) 6799 6877

16 September 2009

Independent Pricing and Regulatory Tribunal
PO Box Q290
QVB POST OFFICE NSW 1230

Dear Sir/Madam

**Re: IPART Revenue Framework for Local Government Other Industries — Draft
Report July 2009 - Submission**

Thank you for giving Council the opportunity to comment on Options A and Option B presented in the Draft Report July 2009. Council considered a response to Options A and B at its Ordinary Meeting held Tuesday, 15th September 2009.

Council understands that In May 2008, the then Premier of NSW asked the Independent Pricing and Regulatory Tribunal of NSW (IPART) to assist the Department of Local Government (DLG) by conducting a review of the regulation of council rates and charges in NSW and that IPART have prepared Options A and B after considering

- an appropriate inter-governmental and regulatory framework for setting rates and charges that facilitates the effective and efficient provision of local government services
- a role for IPART in setting rates and charges in future years

Council supports “the abolition of rate pegging (Option 5 in section 7.4 of IPART’s Issues Paper) and the introduction of a long term strategic service and resource planning framework based on objectives agreed upon with the community. The framework should include comprehensive long term financial planning, asset management, and monitoring of financial sustainability. Councils who have implemented this system should not be subject to rate pegging as they will have in place adequate financial accountability and governance mechanisms as well as performance measurement and reporting frameworks ensuring financially sustainable policies and accountability to the community.” (LGSA September 2008).

This being the case Council would favour Option B (iPART 2009) if it was modified to remove the following requirements for Council to demonstrate;

- a community mandate for the council’s proposed medium term revenue plan.
- that their plans have the support of their constituent communities, especially when these plans involved greater than the regulated annual rate increase.

In support of Council’s position Council believes that

- compliance with the Integrated Planning and Reporting Framework involves substantial planning and community consultation.

- complying with the local government “health check” criteria set out by the Department of Local Government, allows Council to demonstrate that it has adequate financial accountability and governance mechanisms as well as performance measurement and reporting frameworks ensuring financially sustainable policies and accountability to the community
- neither the state nor federal governments are required to seek a community mandate for revenue plans/increases.

I trust this information is to your satisfaction and invite you to contact me on 6799 6877 if you would like to discuss this matter further.

Yours faithfully



Paul Keech

ACTING GENERAL MANAGER
DIRECTOR ENGINEERING SERVICES

LGSA September 2008; Submission to the Issues Paper of the Independent Pricing and Regulatory Tribunal of NSW's Review of the Revenue Framework for Local Government – September 2008 [R90/0397-05].
iPART 2009; Revenue Framwork for Local Government Other Industries – Draft Report July 2009