21 April 2020

The Hon Josh Frydenberg MP
Treasurer
PO Box 6022
House of Representatives
Parliament House
CANBERRA ACT 2600

Dear Treasurer

COVID-19 FINANCIAL STIMULUS PACKAGE FOR LOCAL GOVERNMENT

I write in relation to the deterioration in Cumberland City Council's financial situation due to the COVID-19 pandemic.

As one of the largest Councils in Western Sydney, our Council was amalgamated by the NSW Government in 2016. We service approximately 240,000 residents and we, like many Councils, have had to suspend a number of events and services in order to help contain the spread of Coronavirus (COVID-19) and keep our residents safe.

We are still committed to doing the basics well and delivering essential services.

Local Councils are on the frontline when it comes to delivering services to residents. Without financial assistance, it is going to delay our recovery and this may delay the delivery and renewal of public infrastructure.

In light of this, we respectfully request that the Federal Government provide a financial stimulus package to assist Council in meeting its obligations to the community.

As a Council, we are wearing significant financial losses. The losses we are aware of at this stage, and which are contributing to this figure include:

Rates: Based on the requests for relief received to date, Council has estimated that 25% of ratepayers are likely to be businesses and residents impacted by employment losses or reductions, meaning they will not be able to pay at least the next rate instalment.

Interest: Council stands to lose significant income from interest bearing investments, including capital losses and reductions due to lower interest rates which contribute to this.

User Fees: All income Council normally derives from hall and park bookings, the Holroyd Centre and swimming pools has now been completely removed due to the closure of these facilities and refunds of bookings for which payment had been made (and no new bookings being accepted). Further reductions are now starting to become evident as a result of reduced engineering and construction charges as well as significant reductions in Development Application and Planning Fees.

Other Revenue: Council is also experiencing reductions in other revenue such as lease fees for Council buildings where lessees have applied for rent relief, reduced revenue from parking fines and a general decline in our revenue from other services we typically charge for, such as immunisation programs and regulatory and compliance inspections.

We expect that this year alone, we stand to lose $15 million dollars.

As you may be aware, Council has obligations under Section 88 of the NSW Local Government Act 1993 to apply sound financial management principles and in particular that "Council spending should be responsible and sustainable, aligning general revenue and expenses".

As a result of this crisis, Council's revenue will not be sufficient to meet our expenditure and maintain our current service offerings and/or standards.

Therefore, I am writing to you to respectfully request that urgent financial assistance be considered to assist Cumberland City Council and other local councils.

We believe a stimulus package, could be a way to lessen some of the impact of the economic downturn that the country is experiencing.

Correspondence concerning this matter has also been sent to the NSW Treasurer The Hon Dominic Perrottet MP. We will be seeking a loan through the NSW Government's TCorp, in order to continue to deliver our key services.

Thank you for your consideration. Should you have any enquiries or require further information, please feel free to contact me via email steve.christou@cumberland.nsw.gov.au or alternatively on my mobile 0419 651 187.

Yours faithfully

Clr Steve Christou
MAYOR