

# COROWA SHIRE COUNCIL

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REFERENCE: BJC:MTH - 56/1  
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2002/952

17 July, 2002

Secretary  
Standing Committee on Economic,  
Finance and Public Administration  
House of Representatives  
Parliament House  
CANBERRA ACT 2600

House of representatives Standing Committee on  
Economics, Finance and Public Administration

Submission No: 39

Date Received: 24/7/02

Secretary: Bardell

Dear Sir

RE: **INQUIRY INTO LOCAL GOVERNMENT AND COST SHIFTING**

Council would like to thank the Federal Government for the opportunity to provide a submission to the Inquiry into Local Government and Cost Shifting.

Local Government Authorities for some time have had difficulty in embracing the situation of reducing resources with greater expectations of service from their ratepayers.

Over this time we have also seen greater demands of Local Government by State Government in providing services to our community. These demands made by the State Government are often burdens to Local Government in that they are not supported with resources to achieve the objectives required.

Issues of concern to Corowa Shire Council include the following :-

- (1) The unfunded mandates that are being placed on Local Government which would normally be State Government responsibilities. These mandates include the following :-
  - (a) Councils competing with other Councils to obtain doctors and support health staff. This situation creates a bidding war with the best offer being successful. The situation has come about through the lack of professional health service staff and the dire straits a number of rural Councils find themselves in when providing doctor services. Councils in this situation often have to call on their own resources to meet the needs of the professional health staff in encouraging them to their areas. This situation also applies with community services where the health systems set up by the State Government are not meeting the needs of local areas.
- (2) Councils are also required to support educational facilities, libraries, street lighting and noxious weeds where funding for these services have been drastically reduced over time by the State Government leaving the burden on local Councils eg. removal of street light funding on State funded roads.
- (3) The difficulty Councils face in NSW with ratepegging where Councils are restrained in their income raising areas by ratepegging while State Government services paid for Local Government are continually being increased far in excess of the ratepegging limit eg.

## **COROWA BIRTHPLACE OF FEDERATION**

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Council's ratepegging limit for 2002/2003 is 3.3% while charges for New South Wales Fire Brigades for the same period have increased by 14.4%.

To address these issues Council proposes :-

- (1) More direct funding to Local Government by the Federal Government for infrastructure projects instead of funding being allocated through the State Government. Council believes this process would provide greater efficiency and more value for the dollar eg. Roads to Recovery and Work for the Dole programs have been successfully funded directly through Local Government.
- (2) Council would also like to see consideration given to Local Government receiving a set percentage of GST instead of GST being allocated in full to the State Government. At this time New South Wales Local Government has not received any GST payments in any form from the State Government.
- (3) Compulsory payment of National Competition Policy payments by the State to Local Government is also necessary. Local Government has been a part of National Competition Policy and should receive its share of payment. Some States make payments to Local Government, New South Wales does not.

If these actions were possible Local Government would be secure in knowing what income was available allowing greater planning and efficiency of Local Government spending in providing local services.

The issues provided above are common to Local Government throughout Australia and Council would welcome the opportunity to further expand on the matters raised in this submission.

Yours faithfully



**BJ CORCORAN**  
**GENERAL MANAGER**

**COROWA BIRTHPLACE OF FEDERATION**