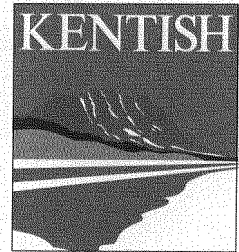


# KENTISH COUNCIL

ABN: 31 828 311 570

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*"Tasmania's Outdoor Art Gallery"*

August 14<sup>th</sup> 2002

Mr D Hawker MP  
Chair  
Standing Committee on Economics,  
Finance and Public Administration  
Parliament House  
CANBERRA 2600

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

Submission No: 248

Date Received: .....

Secretary: Berdell

Dear Mr Hawker

## **Inquiry into Local Government and cost Shifting**

On behalf of this Council, I am pleased to submit this brief submission to the Inquiry.

It should also be noted that Council fully supports the Statewide submission for Tasmania being prepared by the Local Government Association of Tasmania and Local Government Managers Association.

With regard to the Terms of Reference, I submit as follows:

Terms of Reference 1. - current roles and responsibilities

As the tier of government closest to the people, local government is increasingly being asked to expand its roles and responsibilities. Some of this expansion relates to cost shifting, whilst other relates to a meeting of community expectations into new areas and filling voids in services in both the public and private sectors. It is our belief that there should be a comprehensive tri-partite review of the roles and responsibilities of the three tiers of government and that this should precede the constitutional recognition of local government debate.

Terms of Reference 2. - current funding arrangements

The primary source of Council funding, property rates, is not seen as a revenue source which can meet future and present funding. Rates, being linked to property values, do not relate to the property owner's ability to pay, particularly those on fixed incomes. Also of concern is the lack of State and Federal Grant programs to keep pace with real cost increases which are absorbed by Councils from their own revenue sources. A greater share of both the State and Federal taxation base must be provided to local government.

Terms of Reference 3. - capacity to meet existing obligations and take on an enhanced role through Regional cooperation.

This Council has a very limited capacity to meet its existing obligations, particularly in the maintenance of its roads, bridges, water and sewerage infrastructure, let alone take on an enhanced role. Council already undertakes significant resource sharing and is an active supporter of the Cradle Coast Authority, a Regional body set up to deal with strategic issues across the Region. The infrastructure needs will continue to direct much of Council's funding into the long-term.

Terms of Reference 4. - expenditure impacts

Although Council has not had the time or resources to quantify the financial impacts of changing roles and responsibilities, it is never the less, a significant proportion of our annual budget and continues to increase.

Terms of Reference 5. - scope for rationalisation

It is our view that rationalisation can and should occur. There is significant scope for removing the duplication that exists between State and Federal governments and their interaction with local government.

I trust these brief comments will be useful.

Yours faithfully



Dirk Holwerda  
**GENERAL MANAGER**