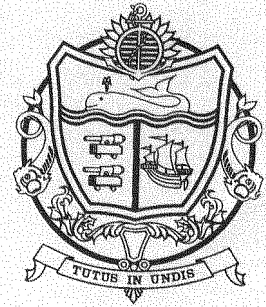


# MOSMAN MUNICIPAL COUNCIL



Viv May/SJ

12 July 2002

The Secretary  
Standing Committee on Economics, 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: ..... 2A .....

Date Received: ..... 19/7/02 .....

Secretary: .....

Dear Sir,

**Re: Inquiry into Local Government and Cost Shifting**

Reference is made to correspondence of 13 June 2002 from your Chair to Council advising of the above inquiry and seeking submissions.

The invitation to make a submission was considered by Council at a meeting held on 9 July when it was resolved that your Committee be requested to direct the Federal Government to legislate to provide for payment by the States to local government of a proportion of the Goods and Services Tax (GST) from 2004.

The 2000/01 Federal Budget Papers revealed that the majority of the \$24b in revenue collected courtesy of the GST will be allocated to the States. This amount was projected to jump by 27% to \$31b after four years, but the recent Federal Budget Papers disclosed the figure now to be over \$33b.

Earlier calls from local government for a fixed share of the GST prior to distribution to the States as part of the tax reform package were not successful. The Prime Minister has stated in local government forums that local government should be lobbying the States for a share of GST revenue but this has been unsuccessful, and while the Commonwealth continues to allocate financial assistance for local government there is still no link to GST revenue growth, and financial assistance will not keep pace with the growth in indirect tax revenue received by other levels of government.

It is understood that both the Australian Local Government Association and the NSW Local Government and Shires Associations will be making submissions to the Inquiry in direct response to the terms of reference and following Council's consideration of those representations a further submission may be made.

Yours faithfully,

(V H R May)  
GENERAL MANAGER

*Mosman IS community*