

**INQUIRY INTO
LOCAL GOVERNMENT
AND COST SHIFTING**

A SUBMISSION FROM

MOIRA CONCERNS INC.
*(Moira Shire Ratepayers and
Residents Action Group.)*

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

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Amalgamation was heralded as the answer to all our Local Government problems promising efficiency, cost-cutting and high quality services for our Rate dollars. 1994 saw the beginning of the erosion and indeed destruction of Local Government, to the extent which has impacted on every small and large community in Victoria.

An essentially **flawed** system was put in place by the Government of the day **without true community consultation or enough money to make it work**. These two elements still plague us today. Thus a major issue to Ratepayers is **where is money and how is it being used**. Shires are struggling with, in some cases, very heavy debt. **Moira** being a glowing example of this struggle, began amalgamated life with an \$8 million debt, where pre-Commissioner days saw only one out of the five communities which make up the Shire carrying any debt. Today this very Community appears to have gained a financial advantage over the other four, receiving our new Shire Administration Offices costing almost \$1 Million while three of the other communities in the rural part of the Shire suffer dangerous and degrading services due to lack of money!

AREAS OF MAJOR CONCERN

1. ROADS

Moira Shire is promoted as the 'Food Bowl of Australia' because of its strong primary produce industry. In every day life this means trucks-loads of produce being transported from the farm gate for processing. **Roads are the vital veins of our livelihood**. If Shires are expected to maintain our vast network of roads which after all are a typical characteristic of our very large country, then they must receive generous, **specific** grants to reinstate and then maintain our roads in a safe condition. This money cannot be allowed to be used elsewhere.

Future plans to increase the size of milk-tankers to b-double proportions puts this issue on an urgent agenda. The already dangerous roads will be further degraded, while the **poorly maintained shoulders** of our bitumen roads challenge truck drivers to control a large vehicle as it veers right when it's wheels hit the edge of the bitumen. Here we see lives at risk including the truck driver, school children travelling the roads on busses, service personnel and families who daily encounter this dangerous situation. A recipe for disaster!

2. TENDERING PROCESS

Moira Shire held a 'fire sale' to reduce our astronomical debt the Government appointed Commissioners left us after spending \$17 million of our money. We are left with no plant and equipment to have any competitive leverage in the tendering of works. We cannot compete with other tenders and therefore have no control over service price and quality, and suffer from a lack of local knowledge on the part of those who win the tenders to provide essential services to ratepayers every day.

Pooling resources has failed us also, as this often ends up with Administration costs absorbing proportionally too much of the budget. In short, Moira Shire cannot provide more services because we can't even provide for ourselves. We need **specific grants** to reinstate our capabilities if we are expected to take on extra responsibilities.

3. PLANNING

Amalgamation was meant to make for a more effective allocation of resources. Why then is there such a shortage of Planning Officers? Moira Shire appears to have problems regarding permits. We have a situation where our own system appears to be making investment confidence and development of industry in our Shire more difficult than necessary to secure.

Specific funding must be made available to **repair this faulty mechanism** so as we can attract business investment and reap its inherent benefits for a healthier future, before being expected to take on increased service provision.

4. CHANNELING OF GRANTS

As our Local Shires battle to cope with a \$400million deficit between revenue received and their expenditures, it is apparent that **grants must be specific and tied to their purpose** so as those moneys are not channelled into other areas to cover short-falls. Understandably Ratepayers become impatient with the Government when they are told that funding has been made available for specific urgent needs, yet there are lengthy delays in any evidence of the said moneys being received.

5. WELFARE

Community Services such as Meals on Wheels has been badly affected in Moira Shire. One would think that Pensioners would not be disadvantaged according to where they live when it comes to essential services. However it appears that Moira Shire Pensioners must join a long waiting-list to receive meals and then have to face pricing discrepancies for the same meal as those

received in neighbouring Shires! This service exists to ensure the basic health of our Pensioners yet balancing the budget seems to be dictating it's efficiency. There should be no waiting list as we are told money is available, so where is it?

6. DEBT LEVEL - APPROPRIATE FUNDING

Moirra Shire is still trying to regain so much lost due to Amalgamation. Our infrastructure is depreciating due to lack of funds after servicing our huge inherited debt.

Shires cannot be expected to take on new responsibilities without appropriate funding. The system is flawed and no-one is willing to make the changes needed to fix it. Shires cannot efficiently cope with the responsibilities they began with. To ask more is irresponsible and bad government, unless the Government is willing to restructure and finance the transformation to effective Local Government.

CONCLUSION

Ratepayer opinion of Amalgamation ranges from doubtful to disastrous. But there is no question that this reform of Local Government has not worked and until some difficult issues are looked at sincerely, it will not work.

Large Shires need large budgets. Our geographically large, mainly farming Shire does not bring in enough rates to service it's area. **Shires need specific grants tied to a purpose, eg. road maintenance.** Small, densely populated Shires may have a hope of making this system work, but the country is different. We need a system which is tailored to cater for the needs inherent with the nature of the Shire as regards population density, industry needs and geographical size thus the size of the road network to be maintained. These are only the initial considerations which proves that all Shires can't be treated the same way. A clever system which provides an efficient framework within which each Shire can cater for it's individual requirements and aspirations should be supported by Government.

The last few years has been spent working within an ineffective and failing system. Precious money and resources are being wasted each day, when **common sense could solve such a lot.**

- 1. Fund and reform** the system before asking any more of it.
- 2. Specify and tag** the funding to its purpose so as to gain the confidence of ratepayers and rebuild our services.
- 3. Honestly look at the underfunded areas and commit funds** to help Shires regain the ground lost due to Amalgamation.

Once these steps are taken hopefully Shires can attract experienced, competent staff; achieve lower staff turnover and raise morale through genuine community consultation.