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| Secretary: | <i>B. Smith</i> |
| Date Received: | 27/7/02 |
| Submission No.: | 78 |
| House of Representatives Standing Committee on Economics, Finance and Public Administration | |



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

26th July, 2002

Dear Sir/Madam,

Inquiry into Cost Shifting onto Local Government

I refer to a letter dated 14th June, 2002, from The Hon. Wilson Tuckey, MP, Minister for Regional Services, Territories and Local Government, regarding the abovementioned inquiry.

Whilst time and resource limitations do not permit the preparation of a detailed submission, the following overview of Council's position in relation to this matter is provided for the information of the Standing Committee.

Council provides an ever-increasing range of services, many of which could not be regarded as core Local Government business. Whilst these services are generally funded to some degree by Federal or State Government, they are, nonetheless, reliant on Local Government resource and it is often our experience that the proportion of Local Government resource increases progressively over time.

Whilst not exhaustive, the following list is provided as an example of services currently provided by this municipality, which we would not regard as core Local Government business, but which require substantial ratepayer contributions.

- Home and Community Care, including Meals on Wheels
- School Crossings Supervision
- Weeds Eradication
- Buildings Inspections – Fire Prevention
- Youth Services
- Tobacco Legislation
- Environmental Health Services
- Maintenance of Local Roads which have previously been designated Main Roads and previously maintained by the Roads Authority
- Community Services Administration
- Boating Control
- State Emergency Services
- Maternal and Child Health
- Flood Warning Systems

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All of these services are important and none are capable of being withdrawn without significant detriment to our community. However, I would reiterate that they are not core Local Government services and it is our view that they should not be reliant on ratepayer funding.

Council has discussed the proposition that financial assistance grants be administered directly by Federal Government rather than via State Government, however, in the absence of a clear indication of the financial outcomes of such a change, Council reserves its opinion in relation to this aspect.

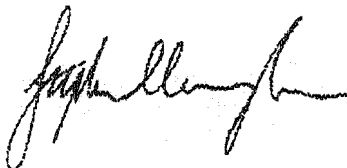
Whilst not specifically a matter provided in the Terms of Reference, Council has been an advocate for a review of Local Government rating.

Is the collection of rates is the best method of funding for Local Government?

- Only a quarter to one third of Council's money comes from rate revenue; remainder comes from Federal / State sources. Would it simplify the process to have just one income stream?
- substantial efficiencies and financial savings would result through removal of revaluations, rate collection / management, etc.

Thank you for the opportunity to make a submission to the Standing Committee. We will be available to address this submission if a hearing is to held in our area. In the event that regional hearings are to be conducted, Strathbogje would be pleased to provide a suitable venue.

Yours faithfully,



Stephen Merrylees,
MAYOR

c.c. Fran Bailey
Sophie Panopoulos