

2 August 2002

File No : S020695

The Secretary
House of Representatives
Economics, Finance and Public Administration Committee
Parliament House
CANBERRA ACT 2601

Dear Sir/Madam

INQUIRY INTO LOCAL GOVERNMENT AND COST SHIFTING

Thank you for the opportunity to contribute to the Federal Government Inquiry Into Local Government and Cost Shifting.

An effective review of the efficacy and outcomes of inter-governmental fiscal relations requires consideration of the respective roles, responsibilities and transfer of funds across all levels of government. Any shift in responsibility must consider resource implications.

The changing role of local government and indeed capital cities is generating considerable pressure for change in a climate of declining government support. Capital cities face unique issues competing in the new globalised economy which are not recognised in current grant allocation principles.

Our submission highlights the substantive issues faced by local government and makes recommendations for the Committee to consider. These include the need to restore the nexus between State and Local government grants and the Commonwealth, access to a growth tax such as the GST, a review of the National Principles to consider infrastructure needs to enhance economic growth, among others.

I trust our submission will assist the Inquiry with a better understanding of capital city local government issues and the need for improved inter-government fiscal relationships.

Enquiries regarding the City's submission may be directed to Joel Johnson, Executive Project Manager on (02) 9265 9446.

Yours sincerely,

ROBERT DOMM
General Manager