

## **Gatton Shire Council**

### **Submission to Inquiry into Cost Shifting onto Local Government**

#### **Introduction**

Gatton Shire Council welcomes the opportunity to make submission to the House of Representatives Standing Committee on Economics, Finance and Public Administration Inquiry into Cost Shifting onto Local Government.

Council is of the view that considerable cost shifting occurs from the other tiers of government particularly in service delivery. This cost shifting often takes advantage of the closeness of local government to its community and our desire to serve the needs of our residents.

The Local Government Association of Queensland (LGAQ) is preparing a comprehensive submission on behalf of local government in Queensland and the majority of Council's effort in responding to the Inquiry will be directed to providing feedback and data to support the LGAQ submission. Council is of the view that most of the issues relating to Cost Shifting are common across local governments in this state.

There are some issues however, which Council wishes to briefly articulate in our own submission.

#### **State Emergency Service / Counter Disaster Management**

Council is committed to maintaining a strong local leadership role in Counter Disaster Management and provision of support to the local State Emergency Service. Both activities are obviously best coordinated at a local level and Council takes seriously its role in each of these areas. They do however, form a significant part of a broader approach to emergency services which is the province of the State Government.

Coordination and provision of these services at a local government level should be supported through State funding in order to maintain adequate resources across all local governments and recognise the contribution that the sector makes to key elements of service delivery in this area.

#### **Grants Commission Funding**

The mechanism used to deliver Commonwealth Grants Commission funding to local governments through a state bureaucracy appears to be inefficient and could be more effectively managed directly through the Commonwealth. Funding formulae which take into account differences between the needs of local governments in different states could still be applied as required under a more centralised model.

## **State and Commonwealth Government Grants Programs**

Like all rural local governments in Australia Gatton Shire Council is reliant on grant income to support a broad range of programs ranging from roads to culture to environment. The majority of these grants are aimed at program development, capital works or special projects. Generally, aside from the need to provide some form of matching funding or in-kind contribution these grants result in long term budget implications for Council.

These budget implications may be in the form of a commitment to long term maintenance expenditure where a capital works project has been completed. Where the grant relates to developing a new program or event it will create some expectation in the community to maintain this on a long term basis. In short the grant income will certainly assist Council in completing a project – it will generally not however consider the longer term issue of maintaining outcomes for the community. This responsibility generally transfers to the “bottom line” for Council as another item in its recurrent budget where the primary source of funding is rates.

It is important to consider the impacts of grant funding and options for building in medium term “maintenance” funding for grant funded projects needs to be a feature of grant funding formulae.

## **Regionalisation**

Council is strongly committed to participation in a range of regional activities and outcomes particularly through involvement with SEQROC and the sub-regional grouping WESROC. These organisations provide a valuable mechanism for local governments to collaborate on a range of issues of common interest.

Council has chosen to withdraw from regional groupings where it was believed that the agenda was being driven by sectional interest or where no benefit to our own community could be discerned.

Involvement in regional activity can be a valuable experience, it is however a costly one – particularly for rural communities such as Gatton Shire. If the Commonwealth choose to promote a stronger regional approach the issue of funding would need to be considered.

The most significant consideration should be to ensure that the voice of communities is not lost in a move towards regionalisation. The existing strength of local governments lies in being small enough to be in touch with their communities and being placed to advocate on their behalf. Regionalisation should be based on cooperation between local governments sharing communities of interest rather than on establishing regional entities which dictate terms to local Councils.