

Cardell, Susan (REPS)

From: Rob Callaghan
Sent: Friday, 26 July 2002 8:43 AM
To: efpa.reps@aph.gov.au
Subject: cost shifting inquiry - submission..doc

25th July 2002

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

Dear Sir,

INQUIRY INTO LOCAL GOVERNMENT & COST SHIFTING

Thank you for the opportunity to make a submission to what Council believes is a long-overdue review.

The Walcha Council believes that Local Government is best placed to deliver most of the services required by Australia's communities. Local Government is able to play an expanded role in service delivery, provided it is given access to adequate levels of funding. In many cases Local Government is able to provide these services more efficiently.

Natural Resource Management is a case in point. Council believes that Local Government should have a major role to play in the management of natural resources. At present in NSW there are some 18 pieces of environmental legislation. Much of this legislation could be incorporated into the one Act, The Environmental Planning & Assessment Act and administered by Local Government, provided adequate funding was made available.

Local Government is increasingly being called upon to undertake what are currently "non-traditional" roles and this is exemplified in the delivery of health services. Council has recently had to outlay significant funds to attract a doctor to our town. Health services are currently the responsibility of State & Federal Governments not Local Government yet Council was obliged to use ratepayers' funds to provide this most important "non core" service.

In addition, Council has recently been approached by an organisation known as SPELD Inc. (Solutions for People Experiencing Learning Difficulties) for ongoing financial assistance because of "...*dwindling government support...*". Again, Local Government is being asked to bear a cost associated with a service that is the responsibility of other levels of Government.

There must be grave doubts as to the long-term sustainability of Local Government under current

funding arrangements as successive NSW State Governments have pursued with an almost paranoid zeal, the restriction of Local Government's access to funds.

It began with the 50% reduction in the Pensioner Rebate. Currently, that decision costs this Council \$17,600 per annum and is, in effect a transfer of costs associated with the welfare of our aged, a traditional responsibility of other levels of government.

The Council believes that Rate Pegging is a major contributor to the decline of rural communities. We estimate conservatively that, without rate-pegging restrictions, this Council would employ up to 4 additional permanent staff. The legislation is also an insult to local democracy and deprives communities such as ours, access to a wider range of services and a higher standard of services.

Council also deplores the arrogance with which the legislation is applied. Successive NSW governments have been quick to impose limits on Local Government but show little interest in curtailing their own expenditures choosing rather to pass them on to Local Government. In 2002/03, increases in rates were restricted to 3.3% however the NSW Board of Fire Commissioner's Service Levy on Council was, at the same time, increased by 13.3%.

Local Government needs access to new sources of income such as a share of the GST together with a share of National Competition Policy payments as are provided by other States to their Local Governments. Local Government in NSW is required to contribute, at significant cost, to the implementation of NCP; it should share directly in the payments made to the States.

Council would take this opportunity to strongly urge the Federal Government to continue the *Roads to Recovery Program* beyond its 4-year life. It is the single most significant boost to this Council within memory and has resulted in the employment of additional staff and an upgrading of the road network that might never have otherwise occurred.

Thank you for the opportunity to comment.

Yours faithfully

ROB CALLAGHAN
GENERAL MANAGER