



## MINISTER FOR LOCAL GOVERNMENT

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Mr David Hawker MP  
Chairman, Standing Committee on Economics, Finance and  
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Parliament House  
CANBERRA ACT 2600

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

Submission No: 406

Date Received: 11/9/03

Secretary: .....

Dear Mr Hawker

I am writing to thank you and Anna Burke MP in your roles as Chair and Deputy Chair of the House of Representatives Standing Committee on Economics, Finance and Public Administration, for briefing the Local Government and Planning Ministers' Council on the progress of your Committee's Inquiry into Local Government and Cost Shifting.

Your briefing on the Committee's Inquiry was most helpful to Council members. Members noted that the terms of reference for the Inquiry require that the Committee also consider the findings of the Commonwealth Grants Commission report of June 2001.

Members agreed that it is important that the next meeting of the Council consider the Inquiry's report. Importantly, the Federal Minister responsible for local government matters, the Hon Wilson Tuckey MP, has undertaken to ensure that the Government would not table its response until that meeting has taken place. Given your advice that the Committee's report will be tabled in the later part of 2003, Council has tentatively scheduled its next meeting for December this year.

The Council has requested that the Cost Shifting Inquiry and officials consider a change to the Financial Assistance Grants legislation and principles to provide a basis for removing any financial penalties that operate as obstacles to local government amalgamations and boundary reforms.

As you will be aware from the discussion during the meeting, this request arose from concerns regarding the unanticipated costs of amalgamation combined with the simultaneous reductions in funding which are often experienced by councils when they amalgamate.



Thank you both again for a most interesting presentation and for taking the time to travel to Darwin to brief the Council.

Yours sincerely

  
JOHN AH KIT  
Chairman  
Local Government and Planning Ministers' Council

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