

**COMBINED PENSIONERS & SUPERANNUANTS ASSOCIATION
OF VICTORIA INC. A0025922X**

ABN 87 432 625 109

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

Submission No: **258**

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**THE SECRETARY,
STANDING COMMITTEE ON ECONOMICS, FINANCE AND PUBLIC
ADMINISTRATION,
HOUSE OF REPRESENTATIVES,
PARLIAMENT HOUSE,
CANBERRA, ACT 2600**

**SUBMISSION TO INQUIRY INTO LOCAL GOVERNMENT
AND COST SHIFTING**

Having read Bass Coasts Shire Council's submission, I wish to point out the following:-

THE REASON

Cost shifting does not stop at Council level. Cost shifting is passed down to rate payers with little if any effect on the bureaucrats who run us. This is due to State and Federal Governments abrogating its' responsibility to local councils.

THE EFFECT

Debt on the most vulnerable in our society, pensioners who live on a basic pension, self funded retirees, resulting in more and more people living in poverty.

We pay a tax to finance councils, a third tier of governments which in fact cost many millions of dollars.

As share holders in councils we should receive an equitable return on our dividend, rates, we do not!

We have little, if any say on how rate revenue on grants are spent, due to Councillors being part time amateurs, and easily manipulated by the bureaucrats

State government increased Councillors allowances by 25% on the 1st July 2001. This is paid from rate revenue. We have no say on the issue but could be seen as a cost shift. It could also be seen as good economics by State Government to pay a few hundred dollars to councillors, rather than meet their obligations in the way of grants and use of rate revenue. This is of course to maintain a triple A rating.

To make a point re councillors as stated above:-

Seven councillors of Bass Coast Shire are responsible for 70 pensioners having a debt put on their only asset – their home – and having to apply to councils for financial assistance. They are being cajoled into signing to accept the debt.

What they are not being made aware is that they are paying more than their fair share, and council will not sign a declaration to that effect. This is due to council dividing cost of a special change scheme for roads and infrastructure to appease some by cost shifting. The purpose to reduce the number who may appeal to V.C.A.T.

Councillors could have used the Victorian Local Government act to prevent this situation.

Councillors could also have used the determination from V.C.A.T. to insist council apportion cost fairly, but chose not to. See V.C.A.T. reference no P50439/2001 Coronet Bay special charges.

Website www.vcat.vic.gov.au recent update list function on AUS.L11

Note pages 14 and 15 item 28 – I quote – “The Tribunal does not have jurisdiction to review the overall fairness of the charge” unquote. NOTE, calculations I submitted to V.C.A.T proved the distribution of costs were unfair, but were rejected in favour of expediency.

The value of this “special change” scheme is over 3 million dollars. Councils are putting in \$65,000 and rate payers are paying for years of neglect, while council has collected millions of dollars in rates,

This is cost shifting to rate payers. This is blatant discrimination against pensioners.

PLEASE NOTE

The equal opportunity act 1995 Victoria makes it unlawful to discriminate on the bases of age. Since council amalgamations, Bass Coast Shire has received 13.6 million dollars from the Victorian Grants Commission. What has it been used for? And what accountability is there?

This being an untied grant, it appears what is required is legislation by the Federal parliament to make it a tied grant and be implemented for specific purposes.

There appears to be little relation to productivity and revenue raised by council.

More cost shifting.

Thompsons Avenue, Cowes, Phillip Island

\$500,000 from community grant

\$500,000 from rate revenue

Those who benefited were the owners of the “freehold” shops.

COUNCIL MEMBERSHIP WITH OTHER ORGANISATIONS

Year 2000 annual report stated five (5) organisations

The following year, 2001 – nine (9) organisations.

M.A.V. of Victoria a few years ago was \$12,000, now \$19,800. This was financed by the State Government cost now being shifted to councils. Point to note – If all 78 councils contribute \$19,800 = \$1.544 million.

V.L.G.A \$5,500 per annum

Gippsland Regional Information Services Inc.

\$11,000.

Victorian Employers Chamber of Commerce and Industry

\$2,806.

Civil Contractors Federation

\$2,310

Phillip Island Prom Country Tourism

\$825

Gippsland Development Ltd

\$25,000

South Eastern Aust Transport Strategy Group

\$1,100

Local Government Managers Australia

\$1,500

TOTAL \$69,841

The money could be better spent on roads and infrastructure.

Senior Officers Renumeration – see general report 2001
The year 1999-00 there were six (6) exceeded \$70,000 per annum.
The year 2000-01 there were 14 exceeded \$70,000 per annum
Cost 1999-00 \$487, year 2000-01 \$1,112,315 (million)

Why do rate payers have to subsidise the Grand Prix on Phillip Island? \$80,000 per annum.
In 1997 \$480,000 was spent on a road to the G.P. from the V.G.C.
Why \$80,000 to Phillip Island Promontory Coast Tourism.

The 2000 Getaway Holiday and Travel Show has been manned by council staff in Adelaide. Melbourne 5 day and 10 days in Sydney. Although subsidised by Tourism Victoria will have cost thousands of dollars. What happened to entrepreneurs? What benefit to ordinary rate payers?, but we bore the cost.

Councils have moved from road construction, rubbish collecting into sports, recreation, social services, education services, diplomatic networking, promotion of tourism etc.
It appears this cost shifting does not affect the bureaucrats who govern us as the cost is shifted down to rate payer at the expense of rate revenue, paying for roads and infrastructure.
A new revelation now is the auditor required roads etc to classes as an asset, the reality being rate payers pay for roads irrespective of rates paid, then as an asset, council can borrow which equals more debt which we service. How unfair can it get.

I wrote to Bob Cameron and asked if he would implement section 171 (4a) of the local government act. This refers to a waiver of cost. His reply was to put the onus back on councils. A blatant cost shifting. See section 171.(3) Councils lame excuse – they would have to put up rates. They are being increased by 12.5% this year in any case

Looking forward to your response

**R. PERRIN
EXECUTIVE MEMBER CPSAV**