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Secretary: Phone #03-56780745

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Due to the time factor, meetings of the executive, it has been decided that I should reply to the Questionnaire on Local Government and cost shifting.

Having read the Questionnaire, I have decided to point out some of the realities, as I perceive them, from the perspective of Pensioners.

Option 1d FAG,s to be delivered as a tied grant. YES.

Firstly.

Rate revenue pays for a third TIER OF GOVERNMENT, a hidden TAX, estimated to be in the Billions of Dollars, This is cost shifting in the extreme

This is compounded by the fact, in November 2000 the Victorian State Government decided to give more autonomy to state councils, resulting in abrogating, responsibility, cost shifting, without it appears due financial input to compensate for the extra responsibilities councils now have.

State Governments must resume, the responsibilities it was elected to do !

This cost shifting is now borne by rate payers, with devastating effect on pensioners.

For example FULL COST RECOVERY for roads and INFRASTRUCTURE, resulting in Debt on pensioners only asset, the home, irrespective of having paid rates over many years, this is cost shifting to rate payers, so rate revenue can pay the salaries of bureaucrats, who control us.

Councils have come a long way, when rate revenue paid for garbage, roads and infrastructure, rate revenue, at the expense of infrastructure, now pays for the promotion of Tourism, Business, overseas travel, sport & recreation, social services, even education services for council employees, networking, economic development, international trade, diplomatic relations.

What ever happened to Entrepreneurs?

This is cost shifting by Federal and State Governments, Consensus by state & federal governments on financial input into Councils, must be addressed to avoid the decline into POVERTY.

ON GRANTS.

Grants not only need to be tied, but there appears to be a need for a mechanism to be put in place, for financial accountability, and equity in distribution. Grants in some cases appear to be distributed to selective groups, while other groups receive nothing.

Maybe the concept of grants could be replaced, if adequate finances were injected to councils, from the G.S.T. FUEL TAX. REVENUE FROM INCOME TAX etc, if we have to have councils

IS THERE A PROBLEM WITH COUNCILS?

Elected councillors are part time, often lack the knowledge on issues they are required to make decisions on, having to rely on C.E.O.s and bureaucrats who are not elected, which can result in cost shifting, due to the priorities of bureaucrats, who have a vested interest in using rate revenue to pay their salaries and superannuation, often councils are over managed.

To have to contend with the above, it appears to me cost shifting is out of control

A classic example of the disadvantage that pensioners contend with is, concessions on council and water rates have been fixed for more than 20 years in Victoria, the lowest in Australia.

Another method of cost shifting used, is to reduce the unit rate on the capital improved value, C.I.V. on rates, as Bass Coast Council has by 26% resulting in a rate reduction at the top end of the market [to appease ?] increasing rates at the bottom end to those who can least afford it PENSIONERS. WHY?

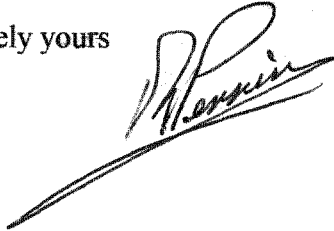
To emphasize the devastating effect of cost shifting on roads and infrastructure.

Note, pensioners who live on a basic pension ,often find they are not able,[through no fault of there own,]to pay the thousands of dollars required

The fact is a debt of \$4589:00 with a compound interest of 12,3% doubles in 6 years ,to keep the interest at bay, it would cost a pensioner, between \$10 to \$11per week creating hardship, compounded by the stress, knowing the debt is on there home, note this policy is counter productive, and all political parties state pensioners,should remain in there homes as long as possible[.forced to sell could be the result of cost shifting]

Although the above does not meet your actual requirments,I hope it gives some insight into the reality of cost shifting, and its consequence,and the requirments to remedy the situation as I see it

sincerely yours

A handwritten signature in black ink, appearing to read "R. Harris", written over a horizontal line.