



WEST WIMMERA SHIRE COUNCIL

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RRM:SMK

25th July 2002

The Secretary
Chair

Standing Committee on Economics, finance and Public Administration
House of Representatives Parliament House
CANBERRA ACT 2600

House of representatives Standing Committee on Economics, Finance and Public Administration	
Submission No:	131
Date Received:	26/7/02
Secretary:	Burdell

Dear Sir or Madam,

Inquiry into Local Government and Cost Shifting

West Wimmera Shire Council is being placed under an ongoing increasing financial burden due to cost shifting from State to local government. Council is expected to continue to provide services to its communities with decreasing funding support from the State.

Council has only been able to maintain the level of these services to its ratepayers by diverting funds from other areas, and by the imposition of rate increases. Neither of these strategies provides a satisfactory solution to the problem.

- Reduction in the standard of any of its services is unacceptable to Council and to its ratepayers, and has longer term implications.
- West Wimmera Shire is small in population, and is therefore limited in the finance which can be raised through rate increases.

The State Government has certain funding obligations to local government which it must be prepared to fulfil.

West Wimmera Shire Council:

Examples of affected services:

Government grants in the following areas have remained static over at least the past three years – with the result that cost increases have been shifted to Council:

- Meals on Wheels
- Senior Citizens Maintenance
- School Crossing Supervision
- State responsibility for control of corellas

Over the past three years:

- Council's contribution to HACC funding has increased by 15%
- Council's contribution to Library Services has increased by 42%

As a general comment, the financial burden imposed on Councils in operating State Government programs of Home and Community Care, libraries, Maternal and Child Health, and Kindergartens is increasing.

Current funding formulas do not adequately recognise cost disabilities of scale, service dispersion, distance and remoteness. The funding gap adversely impacts on the ability to deliver other services to the community.

The West Wimmera Shire Council supports the Municipal Association (MAV) in its submission to the Inquiry.

Yours sincerely,



REX MOONEY
CHIEF EXECUTIVE OFFICER