

Contact: Joseph Cullen
Telephone No: 5153 9500
Email: feedback@egipps.vic.gov.au

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

Submission No: 372

Date Received: 24/4/03

Secretary:

16 April 2003

The Secretary
House Economics Committee
Parliament House
CANBERRA ACT 2600



Dear Secretary

Re: Cost Shifting Questionnaire

I am writing to indicate this Council's broad support for the responses provided by the Municipal Association of Victoria (MAV) to the Questionnaire.

In addition, Council would like to make the following comments.

From submissions received to date, there is evidence that "cost shifting" from the States (and to a lesser extent, the Commonwealth) is occurring;

Further there is concern about the roles and responsibilities of Local Government and the need to consider new arrangements;

There are nine options presented and while there are aspects of merit throughout these, a very basic possibility seems to have been completely overlooked - that the roles and responsibilities of Local Government should be curtailed and that clear lines of responsibility for infrastructure and services be drawn between the so called "tiers of Government";

The current direction for more autonomy and constitutional recognition for Local Government seems to have been driven from bureaucracy and Council peak bodies rather than from ratepayers. Ratepayers as property owners within a wider community must carry the financial base of Local Government and are already stressed by growing rate burdens;

With the push for recognition of Local Government as a distinct third tier of Government will come the dubious benefit of "ability to raise its own revenues." There is already a proliferation of mandated requirements from higher levels of legislation and an increasing use of consultants as well as duplication of staff involvement on committees - all impacting on financial pressure to ratepayers; and

Corporate Centre
273 Main Street
(PO Box 1618)
Bairnsdale
Victoria 3875

Telephone (03) 5153 9500

TTY (03) 5153 9531

1300 555 886
East Gippsland
Residents Information Line

Facsimile (03) 5153 9576

Bairnsdale Library
Telephone (03) 5152 4225

Website:
www.egipps.vic.gov.au
Email:
feedback@egipps.vic.gov.au

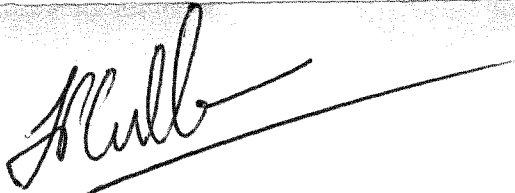
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There needs to be a serious reconsideration of Local Government's direction, its role and responsibilities. Unless there are clear lines drawn around its operation, cost shifting will inevitably escalate and the pressure on a major section of society, the struggling lower middle class, will cause political dislocation.

I trust these comments will assist the House Economics Committee in its deliberations.

Yours sincerely



JOSEPH CULLEN
Chief Executive

