

THANK YOU HADLEY

(MR HADLEY SIDES, CEO STONNINGTON CITY COUNCIL)

Introduction and background to the Melbourne Hearing

DISTINGUISHED GUESTS, LADIES AND GENTLEMEN. I WOULD LIKE TO THANK YOU FOR THE INVITATION TO ADDRESS THE LG PRO CONFERENCE THIS YEAR TO REPORT ON THE WORK OF THE INQUIRY INTO COST SHIFTING AND LOCAL GOVERNMENT UNDERTAKEN BY THE HOUSE OF REPRESENTATIVES COMMITTEE ON ECONOMICS, FINANCE AND PUBLIC ADMINISTRATION WHICH I CHAIR.

AS MANY OF YOU KNOW, A HEARING WAS HELD YESTERDAY AT THE BOX HILL TOWN HALL IN THE FORM OF A ROUNDTABLE DISCUSSION IN THE MORNING AND AN OPEN SESSION IN THE AFTERNOON.

ON THE BASIS OF THEIR SUBMISSIONS, A NUMBER OF COUNCILS WERE INVITED TO ATTEND THE ROUNDTABLE TO LOOK AT SOME OF THE MAJOR ISSUES SURROUNDING COST SHIFTING.

THE ISSUES ARE IDENTIFIED IN A DISCUSSION PAPER WHICH HAS BEEN SENT TO ALL COUNCILS AND OTHERS WHO MADE SUBMISSIONS TO THE COMMITTEE.

WHY DISTRIBUTE A DISCUSSION PAPER?

THIS PAPER IS DESIGNED TO STIMULATE DEBATE AND RESPONSES. COMMENTS CONTAINED IN THE PAPER ARE BASED ON SUBMISSIONS BUT INCLUDE OTHER INFORMATION CURRENTLY AVAILABLE AND WE ARE SEEKING RESPONSES, SO DON'T HOLD BACK.

I ADD THE QUALIFICATION THAT THE DISCUSSION PAPER IS NOT NECESSARILY AN AGREED STATEMENT OF THE COMMITTEE'S VIEWS. NOR SHOULD IT BE TAKEN AS AN INDICATION OF LIKELY RECOMMENDATIONS TO BE PRESENTED TO PARLIAMENT.

THE DISCUSSION PAPER ESTABLISHES A CONTEXT FOR ANALYSING KEY ISSUES AND OPTIONS, FOCUSING IN PARTICULAR ON WHY THE COMMONWEALTH MIGHT TAKE A STRONGER INTEREST IN THE FUTURE OF LOCAL GOVERNMENT AND THE PRACTICAL SCOPE FOR ITS INVOLVEMENT.

IT ALSO INCLUDES A NUMBER OF QUESTIONS DESIGNED TO PROMPT FURTHER DEBATE ON LINES OF INVESTIGATION THAT THE COMMITTEE WOULD LIKE TO PURSUE OVER THE NEXT FEW MONTHS.

OPTIONS FOR ACTION ARE PRESENTED. SOME ARE DELIBERATELY CONTROVERSIAL. WE ARE ANXIOUS TO PROVOKE FRESH THINKING

ON EFFECTIVE SOLUTIONS TO COST SHIFTING ONTO LOCAL GOVERNMENT AND, MORE BROADLY, THE PLACE OF LOCAL GOVERNMENT IN THE SYSTEM OF AUSTRALIAN GOVERNANCE.

ATTACHED TO THE DISCUSSION PAPER IS A QUESTIONNAIRE SEEKING RESPONSES TO OPTIONS. THE COMMITTEE ENCOURAGES EVERYONE INTERESTED TO RESPOND TO THE QUESTIONNAIRE.

I BELIEVE IT IS IMPORTANT TO KEEP ALL STAKEHOLDERS ABREAST OF THE IMPORTANT ISSUES RAISED ACROSS THE COUNTRY DURING THE INQUIRY AND THE PROGRESS TO DATE. THIS INQUIRY IS NOT A CLOSED SHOP. HENCE THE DISCUSSION PAPER.

BUT TO RETURN TO THE ROUNDTABLE YESTERDAY, THE EXERCISE WAS STIMULATING AND PRODUCTIVE. IT IS IMPORTANT FOR THE COMMITTEE TO HEAR THE RANGE OF VIEWS ABOUT BOTH “HERE AND NOW” AND “WHERE TO FROM HERE”.

Commonwealth's Role

IT IS NOT THE RESPONSIBILITY OF THE COMMONWEALTH GOVERNMENT ALONE TO SOLVE THE CURRENT PREDICAMENT OF LOCAL GOVERNMENT. IT IS ALSO VERY MUCH UP TO STATE GOVERNMENTS AND LOCAL GOVERNMENTS IN LARGE PART TO RESOLVE THE CRISIS DESCRIBED IN MANY SUBMISSIONS.

BUT WE ALL KNOW THIS SITUATION IS NOT NEW AND HAS BEEN BUILDING FOR MANY YEARS UNDER SUCCESSIVE GOVERNMENTS. CLEARLY IT IS TIME FOR THREE LEVELS OF GOVERNMENT TO WORK TOGETHER ON THIS.

A FEW EXAMPLES OF COST SHIFTING TELL THE STORY

VICTORIA

IN VICTORIA, MAROONDAH CITY COUNCIL, WHICH IS CLASSIFIED AS URBAN, METROPOLITAN DEVELOPED AND LARGE, ESTIMATES THAT IN THE LAST FINANCIAL YEAR, \$4.5 MILLION WAS DIVERTED FROM SERVICE PROGRAMS AND INFRASTRUCTURE WORKS TO COVER THE COSTS OF EXTRA RESPONSIBILITIES HANDED OVER BY THE STATE GOVERNMENT.

THIS IS OVER 8% OF COUNCIL'S ANNUAL BUDGET. FURTHER, WE LEARN THAT A 1999 STATE GOVERNMENT REVIEW ESTIMATED MAROONDAH'S UNDERFUNDING OF ANNUAL CAPITAL RENEWAL AT 42%. THIS IS NOT AN UNUSUAL STORY.

NEW SOUTH WALES

IN NSW, NEWCASTLE CITY COUNCIL, CLASSIFIED AS URBAN, REGIONAL CITY AND VERY LARGE, HAS IDENTIFIED 19 NEW RESPONSIBILITIES PLACED ON IT PARTICULARLY AS A RESULT OF

**STATE GOVERNMENT DECISIONS COSTING \$2MILLION PER ANNUM,
(THAT AMOUNTS TO 4% OF ITS RATE INCOME.)**

**NO DOUBT NEWCASTLE'S LIST OF EXTRA DEMANDS AFFECTS ALL
NSW COUNCILS EITHER FULLY OR IN PART. OTHERS TALK OF THE
LOSS OF RATES AND INCREASED ROAD COSTS ASSOCIATED WITH
STATE RESUMPTION OF LAND FOR NATIONAL PARKS. (MAYBE I
SHOULD SAY NATIONAL SPARKS.)**

TASMANIA

**TWO LARGE RURAL COUNCILS IN TASMANIA TELL A SIMILAR
STORY. DORSET COUNCIL BUDGETED \$1,302,000 IN 2000/01 FOR THE
DEVOLUTION OF RESPONSIBILITIES WHICH INCLUDED \$630,000 FOR
BRIDGES ALONE AND \$548,000 FOR THE INCREASED COMPLIANCE
AND ADMINISTRATION COSTS. THIS REPRESENTS 19.6% OF THE
TOTAL BUDGET FOR DORSET.**

**BREAK O'DAY COUNCIL BUDGETED \$660,100 IN 2000/01 FOR
RESPONSIBILITIES SUCH AS ANIMAL CONTROL AND ENFORCEMENT,
ENVIRONMENTAL MANAGEMENT, PUBLIC HEALTH AND
EMERGENCY SERVICES AND PLANNING. THIS REPRESENTS MORE
THAN 11 % OF THE COUNCILS TOTAL EXPENDITURE BUDGET.**

WESTERN AUSTRALIA

TO THE REMOTE SHIRE OF LAVERTON COST SHIFTING OCCURS BY HAVING TO PROVIDE MONEY FOR SERVICES TRADITIONALLY PROVIDED BY STATE AND FEDERAL GOVERNMENT. TO SECURE MEDICAL SERVICES, THE SHIRE PAYS \$110,000 FOR A DOCTOR AND ANOTHER \$80,000 FOR HOUSING, CAR, ROYAL FLYING DOCTOR SERVICE ASSISTANCE AND INCENTIVE PAYMENTS FOR NURSES AT THE HOSPITAL.

\$190,000 IS NEARLY 20% OF THE SHIRE'S RATE INCOME.

Nature of Cost Shifting

IN TERMS OF THE NATURE AND EXTENT OF COST-SHIFTING AND CONSIDERING LOCAL GOVERNMENT'S REVENUE BASE, AT THIS STAGE OF THE INQUIRY IT SEEMS REASONABLE TO CONCLUDE THAT:

- **UNLESS LOCAL GOVERNMENT FINANCES ARE IMPROVED IT CANNOT MAKE THE CONTRIBUTION TO AUSTRALIA'S SYSTEM OF GOVERNMENT THAT IS DESIRABLE - ITS ROLE MAY EVEN HAVE TO BE SIGNIFICANTLY CURTAILED, ESPECIALLY IN RURAL AND REMOTE AREAS WHERE THE VIABILITY OF SOME COUNCILS APPEARS DOUBTFUL;**
- **APPARENT DEFICIENCIES IN LOCAL GOVERNMENT'S REVENUE BASE RELATIVE TO ITS ROLES AND**

RESPONSIBILITIES WARRANT FURTHER REVIEW BY THE COMMONWEALTH AND STATES;

- **COST SHIFTING, IN PARTICULAR BUT NOT ONLY BY STATE GOVERNMENTS, IS A MAJOR PART OF THE REASON FOR THIS PROBLEM.**

CLEARLY, FURTHER CONSIDERATION NEEDS TO BE GIVEN TO THE IMPACT OF COST SHIFTING AND STATE-IMPOSED RESTRICTIONS ON COUNCIL REVENUE, AND TO THE BENEFITS THAT MIGHT FLOW IF THESE BURDENS WERE ALLEVIATED.

NOT SURPRISINGLY, THERE ARE CALLS FOR AN INCREASE IN THE QUANTUM OF COMMONWEALTH FUNDING ALTHOUGH OUR TERMS OF REFERENCE FOR THE INQUIRY SPECIFICALLY STATE REVENUE NEUTRAL FOR THE COMMONWEALTH.

CONSEQUENTLY, THE COMMITTEE WOULD NEED TO BE CONVINCED THAT THE BEST POSSIBLE USE IS BEING MADE OF LOCAL GOVERNMENT'S EXISTING REVENUE BASE BEFORE IT COULD RECOMMEND INCREASED COMMONWEALTH SUPPORT OR MAJOR NEW SOURCES OF REVENUE. BUT THE COMMITTEE HAS HEARD THE CALLS FOR ASSISTANCE BY COUNCILS ACROSS AUSTRALIA.

WE CONTINUE TO HEAR INSTANCES WHERE LOCAL GOVERNMENT TAKES UP NEW PROGRAM MONEY, ON A CONDITIONAL OR COST SHARING BASIS, AND FEELS PRESSURED BY THE COMMUNITY TO CONTINUE TO FUND THE PROGRAM AFTER SEEDING MONEY HAS EXPIRED.

FUNDS ARE THEN MOVED FROM OTHER PROGRAMS TO COVER THE SHORTFALL. THE QUESTION HAS TO BE ASKED IS THIS A COST SHIFT OR A MANAGEMENT ISSUE? IT APPEARS LOCAL GOVERNMENT IS TRYING TO BE ALL THINGS TO ALL PEOPLE AT A PRICE IT CAN NOT PAY.

APART FROM THE EXAMPLES I HAVE GIVEN YOU, WE HAVE RECEIVED LITTLE HARD FINANCIAL EVIDENCE OF THE SIZE OF COST-SHIFTING. PERHAPS THAT IS A TASK FOR STATE ASSOCIATIONS.

WE HAVE NOT HEARD MUCH ABOUT WHAT YOU THINK IS YOUR RIGHTFUL ROLE AND APPROPRIATE RESPONSIBILITIES. WHAT WE WANT TO KNOW IS:

WHAT DO YOU SEE AS YOUR ROLE?

PUTTING ASIDE ALL THAT IS EXPECTED OF YOU AT PRESENT, WHAT RESPONSIBILITIES SHOULD LOCAL GOVERNMENT HAVE? THAT IS, WHAT IS LOCAL GOVERNMENT BEST PLACED AND SUITED TO DO?

WHAT IS LOCAL GOVERNMENT CAPABLE OF DELIVERING WELL?

ARE THE INCREASED RESPONSIBILITIES YOU TAKE ON, PART OF YOUR CORE BUSINESS? IF NOT, WHY TAKE THEM ON?

WHAT AREAS OF YOUR CURRENT BUSINESS SHOULD YOU GET OUT OF?

BUT TO RETURN TO THE NATIONAL PERSPECTIVE,

HOW COULD THE COMMONWEALTH EXERT GREATER INFLUENCE?

- **BY THE WAY IT ADMINISTERS FINANCIAL ASSISTANCE GRANTS**
- **THROUGH AGREEMENTS FOR OTHER SPECIAL PURPOSE GRANTS PROGRAMS**
- **THROUGH THE COMMONWEALTH-STATE FINANCIAL AGREEMENTS**

- **INVOLVING LOCAL GOVERNMENT IN RELEVANT INTERGOVERNMENT AGREEMENTS, FORUMS AND POLICY INITIATIVES SUCH AS THE AUSLINK PROPOSAL FOR A TRIPARTITE INTERGOVERNMENT AGREEMENT, LEGISLATION GUARANTEEING LOCAL GOVERNMENT INVOLVEMENT IN THE AUSTRALIAN TRANSPORT COUNCIL AND THE NATIONAL ENVIRONMENT PROTECTION COUNCIL COMMITTEE.**

IN DRAWING ATTENTION TO THESE OPPORTUNITIES THE COMMITTEE DOES NOT IMPLY THAT A CASE HAS BEEN MADE FOR WHOLESAL COMMONWEALTH INTERVENTION - THE CONSTITUTION WOULD PREVENT SUCH A MOVE. NEVERTHELESS, IN ADDRESSING THE ISSUES RAISED BY SUBMISSIONS IT IS IMPORTANT TO TAKE STOCK OF THE PRACTICAL SCOPE FOR THE COMMONWEALTH TO RESPOND, BEYOND SIMPLY PROVIDING (LARGE AMOUNTS OF) ADDITIONAL FUNDING.

Financial Assistance Grants

THE FINANCIAL ASSISTANCE GRANTS, AN ISSUE CLOSE TO YOUR HEARTS, PROVOKED BOTH PASSIONATE AND DIVERSE RESPONSES. THE COMMONWEALTH GRANTS COMMISSION RECENTLY CONDUCTED A REVIEW OF THE LOCAL GOVERNMENT (FINANCIAL ASSISTANCE) ACT AND THE COMMITTEE IS EXAMINING THAT REVIEW.

BUT THE MAJOR CONCERNS REGARDING FAGS EXPRESSED IN SUBMISSIONS RELATE TO TOTAL FUNDING AND THE INTER-STATE DISTRIBUTION. BOTH OF THESE WERE EXCLUDED FROM THE CGC REVIEW.

THESE CONCERNS TOGETHER WITH COMMENTS ABOUT THE METHODS OF SOME STATE GRANTS COMMISSIONS IN ALLOCATING FUNDS TO COUNCILS, SUGGEST A NEED TO QUESTION WHETHER FAGS SHOULD CONTINUE IN THEIR PRESENT FORM.

AS YOU KNOW, FAGS ARE TREATED AS SPECIAL PURPOSE PAYMENTS TO THE STATES UNDER SECTION 96 OF THE CONSTITUTION, SO THE COMMONWEALTH'S PRACTICE HAS BEEN TO SEEK THE AGREEMENT OF THE STATES BEFORE MAKING CHANGES TO THE INTER-STATE DISTRIBUTION. IN THE ABSENCE OF AGREEMENT, THE ANTIQUATED STATUS QUO HAS BEEN RETAINED.

BUT THE COMMITTEE NOTES, THAT THERE IS NO FORMAL INTERGOVERNMENTAL AGREEMENT ON THE FAGS SYSTEM, AND THAT THE PROVISIONS OF THE ACT SEEMS TO OPERATE IN SOMETHING OF A POLICY VACUUM. IN EFFECT, FAGS ARE CURRENTLY A TRANSFER SIMILAR TO GST PAYMENTS TO THE STATES.

Minimum Grant

CONCERNING THE MINIMUM GRANT, THE COMMITTEE UNDERSTANDS THE ARGUMENTS ADVANCED BY THE CGC AND IN SUBMISSIONS. HOWEVER, WITH MUCH OF THE EVIDENCE TO THE INQUIRY HIGHLIGHTING THE SEVERE FINANCIAL PROBLEMS BEING FACED BY MANY COUNCILS, IT QUESTIONS WHETHER A REDUCTION IN THE MINIMUM GRANT SHOULD BE DISMISSED WITHOUT FURTHER EXAMINATION OF OPTIONS TO ENABLE FINANCIALLY STRONGER COUNCILS TO FIND OTHER SOURCES OF INCOME, AND HENCE REDUCE THEIR RELIANCE ON FAGS.

SHOULD WE, AS SOME COUNCILS SUGGEST, ABOLISH THE MINIMUM GRANT?

INDEED, SHOULD THE CASH RESERVES OF COUNCILS BE TAKEN INTO ACCOUNT WHEN LOOKING AT THE DISTRIBUTION OF FAGS?

IN ITS APPEARANCE BEFORE THE COMMITTEE, THE COMMONWEALTH GRANTS COMMISSION STATED THAT ‘AFTER ALL, EQUALISATION IS OUR BUSINESS AND A MINIMUM GRANT ARRANGEMENT, A PER CAPITA ARRANGEMENT, IS CONTRARY TO EQUALISATION.’ GIVEN THIS, IT IS IMPORTANT TO LOOK AT THE ISSUE WITH NEW EYES.

PERHAPS WE SHOULD THINK ABOUT THE POPULARITY OF THE ROADS TO RECOVERY PROGRAM, AND DISTRIBUTE FAGS ON A SIMILAR MODEL, DOING AWAY WITH THE NEED FOR FUNDS TO BE PASSED THROUGH LOCAL GOVERNMENT GRANTS COMMISSIONS IN EACH STATE.

Infrastructure Maintenance and Improvement

OF COURSE, MANY SUBMISSIONS HIGHLIGHT SERIOUS SHORTFALLS IN LOCAL GOVERNMENT SPENDING ON INFRASTRUCTURE, ESPECIALLY ROADS.

THE NEED TO HELP LOCAL GOVERNMENT MAINTAIN AND IMPROVE ITS ROADS HAS BEEN RECOGNISED BY THE COMMONWEALTH IN FUNDING THE LOCAL ROADS COMPONENT OF FAGS, THE *ROADS TO RECOVERY* AND *BLACK SPOTS* PROGRAMS, AND OTHER PROJECTS. IT IS A KEY COMPONENT OF THE FEDERAL GOVERNMENT'S *AUSLINK* PROPOSALS.

SEVERAL STATE GOVERNMENTS ALSO PROVIDE FUNDING SUPPORT FOR LOCAL ROADS. IN ADDITION, THE COMMONWEALTH AND STATES PROVIDE VARIOUS FORMS OF FINANCIAL ASSISTANCE FOR OTHER ELEMENTS OF LOCAL INFRASTRUCTURE SUCH AS WATER

SUPPLY AND SEWERAGE, STORMWATER MANAGEMENT AND FLOOD CONTROL, TELECOMMUNICATIONS ETC.

DESPITE THIS ASSISTANCE, THE EVIDENCE INDICATES THAT MANY LOCAL COUNCILS CONTINUE TO STRUGGLE TO MEET INFRASTRUCTURE COMMITMENTS. FIGURES SUGGEST A NATIONAL FUNDING DEFICIENCY OF AT LEAST \$1 BILLION PER ANNUM AND PERHAPS \$2 BILLION OR MORE - EQUIVALENT TO ABOUT 30% OF RATE REVENUES AUSTRALIA-WIDE.

THE QUESTIONS TO BE ANSWERED ARE:

- 1. WHAT IS THE SCOPE FOR SPECIFIC MEASURES TO ENHANCE LOCAL GOVERNMENT'S REVENUE BASE TO MEET INFRASTRUCTURE NEEDS – FOR EXAMPLE, INFRASTRUCTURE LEVIES AND POSSIBLY INCREASED BORROWING?**
- 2. HOW COULD THE STATES ALSO PROVIDE INCREASED SUPPORT FOR LOCAL INFRASTRUCTURE?**

Rationalisation of Roles and Responsibilities

THE COMMITTEE HAS NOT RECEIVED TO DATE A GREAT DEAL OF INFORMATION ON SPECIFIC EXAMPLES OF THE SCOPE TO

RATIONALISE ROLES AND RESPONSIBILITIES BETWEEN THE LEVELS OF GOVERNMENT.

SEVERAL SUBMISSIONS DO INDICATE, HOWEVER, THAT MORE WORK NEEDS TO BE DONE IN THIS AREA TO REDUCE UNNECESSARY OVERLAPS AND DUPLICATION IN PROVIDING SERVICES, AND SUGGEST (THE SORT OF) APPROACHES THAT MIGHT BE USED TO ENHANCE COOPERATION BETWEEN GOVERNMENTS.

CONCERNS ABOUT CERTAINTY OF FUNDING ARE A RECURRING THEME. LOCAL GOVERNMENT IS WORRIED THAT PAST EXPERIENCES WITH COST SHIFTING WILL BE REPEATED IF IT OFFERS TO ACCEPT AN EVEN GREATER ROLE IN ACTING AS AN AGENT FOR THE COMMONWEALTH OR STATES.

Partnerships

IT APPEARS THAT SIGNIFICANT PROGRESS HAS BEEN MADE IN SEVERAL STATES IN TERMS OF COOPERATIVE STRATEGIC PLANNING, NEGOTIATING STATE-LOCAL GOVERNMENT PROTOCOLS COVERING AREAS OF SHARED RESPONSIBILITY, AND MORE RECENTLY THROUGH PARTNERSHIP AGREEMENTS.

A NUMBER OF SUBMISSIONS ALSO POINT TO THE SCOPE FOR IMPROVED TRIPARTITE ARRANGEMENTS BRINGING TOGETHER THE COMMONWEALTH, STATES AND LOCAL GOVERNMENT.

IN ITS SUBMISSION, DOTARS SUGGESTS THAT LOCAL GOVERNMENT MIGHT BE INVOLVED IN MORE NEGOTIATED AGREEMENTS AT A NATIONAL LEVEL WITH THE COMMONWEALTH AND STATES, OR IN SOME CASES DIRECTLY WITH THE COMMONWEALTH (EG FOR DIRECT-FUNDING PROGRAMS SUCH AS *ROADS TO RECOVERY*).

THE *AUSLINK* GREEN PAPER ADOPTS THIS APPROACH AND SETS OUT A FRAMEWORK FOR A TRIPARTITE INTERGOVERNMENT AGREEMENT, A NATIONAL ADVISORY BODY, COOPERATIVE STRATEGIC PLANNING AND INCREASED LOCAL GOVERNMENT INPUT TO FUNDING DECISIONS.

IT SPECIFICALLY DRAWS ATTENTION TO ESTABLISHED AND EMERGING ARRANGEMENTS IN WESTERN AUSTRALIA, SOUTH AUSTRALIA AND QUEENSLAND FOR REGIONAL PLANNING PARTNERSHIPS BETWEEN GOVERNMENTS AND OTHER KEY STAKEHOLDERS.

THE COMMITTEE ALSO NOTES THAT LOCAL GOVERNMENT HAS BEEN GUARANTEED MEMBERSHIP OF THE AUSTRALIAN TRANSPORT (MINISTERIAL) COUNCIL UNDER FEDERAL LEGISLATION, AND IS

**REPRESENTED ON VARIOUS RELATED INTERGOVERNMENT
COMMITTEES AND GROUPS OF OFFICIALS.**

**WE NEED TO HEAR SPECIFICALLY ABOUT THE AREAS IN WHICH
LOCAL GOVERNMENT SEES A NEED TO RATIONALISE ROLES AND
RESPONSIBILITIES WITH THE COMMONWEALTH AND STATES.**

QUESTION

**SHOULD THE APPROACH ADVOCATED FOR AUSLINK BE APPLIED
MORE WIDELY? IF SO, WHAT WOULD BE THE PRIORITY AREAS?**

Capacity Building and Accreditation

**IT IS CLEAR THAT LOCAL GOVERNMENT SEEKS TO STRENGTHEN
ITS POSITION IN THE AUSTRALIAN SYSTEM. IMPLICIT IN SUCH A
MOVE WOULD BE AN UNDERSTANDING THAT IT HAS THE
NECESSARY SKILLS AND RESOURCES TO PLAY AN ENHANCED ROLE
AND TO ENGAGE EFFECTIVELY WITH OTHER GOVERNMENTS.**

**IT IS ARGUED THAT THE STATES LACK THE RESOURCES TO FUND
REALLY SUBSTANTIAL PROGRAMS AIMED AT SYSTEMIC REFORM
AND IMPROVEMENT; THAT THERE IS A NEED FOR A NATIONAL
APPROACH TO AVOID FRAGMENTATION; AND THAT SOMETHING**

MORE THAN SIMPLY A FUNDING PROGRAM FOR OFTEN UNCONNECTED PROJECTS IS REQUIRED.

QUESTIONS

- 1. SO, SHOULD CAPACITY BUILDING FOR LOCAL GOVERNMENT BE APPROACHED ON A NATIONAL BASIS? IF SO, WHAT ARE THE PRIORITIES FOR A NATIONAL PROGRAM?**
- 2. WHAT SORT OF ORGANISATIONAL FRAMEWORK IS REQUIRED TO ENSURE AN EFFECTIVE CAPACITY BUILDING EFFORT?**
- 3. WOULD LOCAL GOVERNMENT SUPPORT SOME FORM OF ACCREDITATION ASSESSMENT IN RETURN FOR AN INCREASED ROLE IN THE ADMINISTRATION OF COMMONWEALTH PROGRAMS?**

Regional Cooperation

LOCAL GOVERNMENT HAS GENERALLY INDICATED STRONG SUPPORT FOR A VARIETY OF REGIONAL ARRANGEMENTS.

A NUMBER OF SUBMISSIONS SUGGEST AN EXPANDED ROLE FOR VOLUNTARY REGIONAL ORGANISATIONS OF COUNCILS (ROCS). SEVERAL SUGGEST THAT ROCS OR ANOTHER EXISTING REGIONAL BODY SUPPORTED BY LOCAL GOVERNMENT SHOULD BE USED TO

ADMINISTER NEW PROGRAMS, RATHER THAN THE STATES OR COMMONWEALTH ESTABLISHING SEPARATE ARRANGEMENTS.

IT IS ARGUED THAT THE ACTIONS OF COMMONWEALTH AND STATES AGENCIES MAY UNDERMINE THE GROWTH OF REGIONAL COOPERATION WITHIN LOCAL GOVERNMENT AND PRODUCE A RAFT OF UNNECESSARY ORGANISATIONS AND COMMITTEES.

I ASK YOU TO CONSIDER THE FOLLOWING QUESTION,

ON WHAT BASIS WOULD LOCAL GOVERNMENT BE WILLING TO RESOURCE A STRONG, EFFECTIVE SYSTEM OF ROCS AND SIGNIFICANTLY EXPAND THE LEVEL OF REGIONAL COOPERATION AND RESOURCE SHARING AMONGST COUNCILS AS A KEY ELEMENT OF SERVICE DELIVERY?

Conclusion

I WOULD LIKE TO STRESS AGAIN THAT THE COMMITTEE WOULD LIKE TO KNOW IN THE CLEAREST POSSIBLE LANGUAGE :

WHAT DO YOU SEE AS YOUR OPTIMUM ROLE?

PUTTING ASIDE YOUR CURRENT RESPONSIBILITIES, WHAT RESPONSIBILITIES SHOULD YOU HAVE?

WHAT SERVICES DO YOU THINK LOCAL GOVERNMENT CAN BEST PROVIDE?

WHAT ARE YOU HAVING TO DO THAT YOU SHOULD YOU NOT BE DOING?

I WOULD LIKE TO THANK LOCAL GOVERNMENT ON BEHALF OF MY COMMITTEE FOR THE TIME AND EFFORT THAT HAS GONE INTO SUBMISSIONS. WHAT WE NEED TO FIND ARE ACHIEVABLE SOLUTIONS TO THE PROBLEMS THAT HAVE BESET LOCAL GOVERNMENT FOR MANY YEARS.

THE INQUIRY OFFERS A RARE OPPORTUNITY TO TAKE A HARD LOOK AT AUSTRALIA'S THIRD SPHERE OF GOVERNMENT, CONSIDER ITS FUTURE PROSPECTS, AND SPELL OUT NECESSARY CHANGE - BOTH WITHIN LOCAL GOVERNMENT AND MORE BROADLY.

REAL CHANGE HOWEVER MUST BE BASED ON A GENUINE PARTNERSHIP BETWEEN THE THREE SPHERES OF GOVERNMENT

AND THAT MEANS MAXIMUM COOPERATION, UNDERSTANDING AND GOOD WILL. IT MEANS CUTTING OUT THE DUPLICATION OF ADMINISTRATION, ADDRESSING THE GAPS IN SERVICE DELIVERY, GETTING COMMONWEALTH FUNDING RIGHT AND DETERMINING THE BEST MEANS OF SERVING THOSE WHO ELECT US.

I ENCOURAGE ALL INVOLVED IN LOCAL GOVERNMENT, AND THE COMMUNITY MORE BROADLY, TO MAINTAIN THEIR COMMITMENT TO THIS INQUIRY, TO CONTINUE TO DISCUSS AND RAISE ISSUES AND SUPPORT THE WORK OF THE COMMITTEE AS TOGETHER WE WORK TO FIND PRACTICAL ANSWERS TO THE PERENNIAL PROBLEMS FACED BY LOCAL GOVERNMENT FOR MANY YEARS.

I URGE YOU ALL TO CONTINUE TO HELP THE COMMITTEE TO WORK THROUGH ALL THESE ISSUES AND THE OPTIONS PROPOSED IN THE DISCUSSION PAPER. WE WELCOME YOUR RESPONSES AND WE LOOK FORWARD TO YOUR SUPPORT TO DEVELOP A BLUE PRINT FOR THE FUTURE.