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4 March 2003 TJP:kg File CC/52	RECEIVED
Mr D Hawker MP Chairperson – Cost Shifting Enquiry Standing Committee on Economics,	10 APR 2003 Ansd
Finance & Public Administration Parliament House Canberra ACT 2600	House of representatives Standing Committee on Economics, Finance and Public Administration
RE: Response to 'At the Crossroads"	Submission No: 364 Date Received: 16/4/03

Dear Sir,

To avoid retracing old ground, I will address the questions in chapter three in numerical order than the option in Chapter Four.

 Local government has 'core' responsibilities (roads, sanitation, governance, recreation etc) and it has 'non-core' responsibilities. There would be debate about where the dividing line might be. If you look at non-core responsibilities, you will find they are largely in local governments hands because of the cost-shifting by state government.

There is a need for local government to identify what is core and what in non-core.

There is a need for two different forms of rationale for allocation of grants and noncore grants.

Councils who volunteer for non-core responsibilities should not be draining funds from needier councils.

Hence Councils answer to option 16, 1d, 2

2. Coomalie Council has a small population and limited revenue but does not wish to join queues of councils bashing the large councils. Many services (other than roads) are provided on a per head basis and larger councils have a large population.

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Large councils generally function as a regional centre for smaller councils. Council favours the retention of the minium payment of FAG to larger councils.

3. Maybe some of us have been in local government too long. This demon pops out of his box about weary fifteen years.

Council disputes the automatic assumption restructuring is an economic solution. Some states have in the past under taken significant council amalgamation. Not once to my knowledge has a case study been done five years later to see if economics were truly achieved.

If you consider the core responsibilities of local government, eg a swimming pool, how can regionalisation make the pool more cost effective? Because of the distance involved. Sharing physical assets is difficult. Regionalisation may have benefits in the sharing of expertise, electronic technology, common software and other readily moveable assets.

- Yes. Also governments are becoming more subtle in how they do it. A survey of the conditions applicable to grants would reveal the guidelines for the grants are becoming more and more demanding.
- 5. Not to my knowledge. Some offer a capital or establishment grant but not an adequate ongoing grant.
- The reason government engage is coat shifting is for the very reason that the activity is a less making one. It will go on.
- 7. Aboriginal land should pay rates and recovery of unpaid rates is by garnishee over any incoming of the land trust or traditional owner.

National Parks should pay a rate equivalent to the cost to maintain council roads giving access to the park for tourist.

- 8. A betterment and tax may stifle the growth that is to be accommodated. Capital Infrastructure additional occurs in 'lumps'. A betterment tax will only produce a small amount per year. Consequently a betterment tax will only work if it is to finance loan repayments for the capital work undertaken.
- 9. State governments are requiring councils to prepare three year forward financial plans. If those governments did the same, then council could plan ahead.
- 10. No. See answer to (2)

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11. Yes. Provisions of roads to minimum standard is not a per capital need, it is a basic right of a property owner to have year round access.

Councils in remote areas need to be allowed 'disability factors' for rural roads independent of population.

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- 12. See answer (4). It may be this 'clearer statement' amounts to a tying of the FAG's grant.
- 13. Mining leases should pay rates to off set the damage to roads.
- 14. Reduce overseas aid. Our own backyard is in crises.
- Reduce requirements to depreciate existing assets, only fully deprecate assets constructed after a specified date.
- 16.1 refer to your paragraph 3.2 det permits 2 & 4. The Commonwealth must take a lead role (despite political unacceptability) and not build up the hopes of the individual that a particular service will be provided.

Rising expectations by members of the public should not be encouraged.

- 17-Membership of ROC's should be voluntary and there should be an ongoing grant for secretarial services and an establishment grant for meeting expenses (travel etc) for the first two years. After that, savings generated should compensate for the cost of the ROC.
 - 18. Environmental health particular long term effects of the wast disposal sites.
 - 19. Yes. More meetings will only cost money.
 - 20. It is too early to assume Austlink will be a success. It should not be used as a model just yet. See answer to option (8).

21, 22,23. It may be appropriate to examine the role of the state Local Government Association and the federal Local Government Associations. Perhaps they should play the proactive role played be IDeA. We do not need another echelon.

See answer to question (9).

Yours sincerely

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Terry Pailthorpe Chief Executive Officer

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