

Report on CRRA Meeting 20th July, Pakenham.

Ratepayers Victoria President Jack Davis, guest speaker at the CRRA meeting, advised members that RPV receives many requests from groups and individuals for advice regarding the ever increasing rates and charges of their local councils. He believes these problems are largely due to cost shifting that is occurring onto local government and the consequent financial liabilities that have to be carried by Councils and ratepayers.

“Here in Pakenham you have a prime example” said Jack Davis. “Twelve hundred new homes in 12 months predicted to continue until the population doubles, and the Council cannot keep up with the cost of the infrastructure needs. Land developer contributions are not high enough and Council says they cannot change the current charges without the Minister’s approval”.

Jack Davis referred to a submission by Manningham City Council to the Commonwealth Inquiry into Cost Shifting: “Local Governments collectively receive an average of 3% of national tax revenues generally through the collection of rates. Local governments are experiencing a steady decline in funding from the State and Federal Government at a time when the State Government has experienced a windfall from GST revenues and has increasingly introduced compliance requirements.

“Current cost shifting by State Government to Local Government has been characterized by intrusion into local affairs, introduction of more and more compliance requirements and lack of indexation of the funding that does exist. The combined impact of increasing state requirements and decreasing state support is having a devastating effect on local communities.”

Jack Davis further advised that according to the Hawker Cost-shifting Inquiry report, Commonwealth Grants and transfer payments to local governments via State government have increased by an average of 4.5% per annum while State government to local government has only increased by 0.4% per annum over the past 25 years. This year the State government will receive \$8.5 billion in GST from the Commonwealth, expected to rise to approximately \$10 billion next year.

The four key outcomes sought by Manningham Council and also Ratepayers Victoria include requests for Federal Government to recognise the impact of cost shifting, consider significant structural change in the way the tax base is dealt with, and redirect some of the States GST revenue by passing it directly to local government.

In concluding, Jack Davis told CRRA members he has endeavoured to present the facts as to why rates are becoming unaffordable and he urged ratepayers to use their voice and support their local ratepayer groups in order to achieve the recommended key outcomes.

CRRA President Gloria O’Connor, who is a committee member of Ratepayers Victoria, thanked Jack Davis on behalf of CRRA for his attendance at the meeting and advised that she would distribute copies of the Manningham Council submission to interested ratepayers and residents, Cardinia Shire Council and local members of Parliament.

Note:-

Copies of the Submission by Manningham City Council to the Commonwealth Government Inquiry into Cost Shifting are available from CRRA.
