



PARLIAMENT OF AUSTRALIA
HOUSE OF REPRESENTATIVES

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MEDIA RELEASE

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Federal Minister – Bulldust To Varden Inquiry Statements Regarding Guyra

The Independent Member for New England, Mr Tony Windsor has held discussions with the Federal Minister for Local Government Ian Campbell regarding concerns raised by Guyra Council and other concerned individuals over statements indicating that Federal funding to smaller Local Government areas may be cutback.

Mr Windsor said, “ I spoke with Ian Campbell today and he was emphatic in stating that the size of a Local Government area would have no bearing on Federal funding levels”.

“I was delighted to hear the Minister directly refute statements attributed to a member of the Chris Vardon led NSW Local Government Review Panel indicating that smaller councils would be at a disadvantage in the Federal funding process compared to larger councils”.

“This is simply not the case, in fact the Minister has stated that ‘size should not be seen as an indicator of efficiency and that there are clear cut examples of efficient small councils and inefficient larger councils’. Minister Campbell also stated ‘the Commonwealth has no intention of determining funding allocation based on local government area size’,” Mr Windsor said.

Minister Campbell’s comments coincide with the release of the report from the Inquiry into Local Government and Cost Shifting released from the Committee chaired by David Hawker; this report is another stark reminder of the pressures that all local government areas are under.

Mr Windsor said the report warns that restrictions placed on revenues combined with higher expectations from other levels of government and the community had led to five main areas of cost shifting:

- (1) Withdrawal or reduction of financial support once a program is established
- (2) Transfer of Assets without appropriate funding support
- (3) The requirement to provide concessions and rebates without compensation
- (4) Increased regulatory compliance requirements
- (5) Failure to provide for indexation of fees and charges for services prescribed under State legislation or regulation

Mr Windsor continued, “The report contains many positive recommendations, one being the need for a new tripartite agreement between the Commonwealth, State and Local Governments to help remove the current pressure local government experiences due to the tactics employed by the State and Commonwealth Governments as they argue over funding processes”.

“The risk I see is that Local Government will become a ‘virtual agency’ of State Governments unless a meaningful tripartite agreement is reached acknowledging the value of direct local representation, as well as agreeing to continue support for small representative local government”.

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