

## **LGA'S INDEPENDENT INQUIRY INTO THE FINANCIAL SUSTAINABILITY OF LOCAL GOVERNMENT**

### **1. Background**

In August 2004 the LGA State Executive Committee consulted with Councils on a range of proposals to address:

- the impact of community concerns regarding rising property valuations and its impact on rates,
- the performance of Local Government in utilising the current rating provisions in the Local Government; and
- approaches to long term financial and asset/infrastructure planning.

Nine proposals were developed and information regarding these were provided to the Forum meeting in December. Attached is a document which provides an update of progress against the 9 proposals and included as an agenda item in the LGA's General Meeting to be held on 1 April 2005.

One of the LGA's proposals was to conduct an Independent Inquiry into the Financial Sustainability of Local Government which was supported by Councils. The terms of reference finally agreed for the Inquiry is included as Attachment 1.

The LGA formed its independent Board in early March comprising:

- Bill Cossey (Chairperson)
- Juliet Brown (Member)
- Wayne Jackson (Member)

The Board will present its finding in August 2005 and released in March a discussion paper highlighting key issues it has identified to date and seeking submissions. Submissions close on 15 April.

It is proposed that the Board conduct hearings in regional centres and release an initial report for feedback prior to releasing its final report.

### **2. Actions**

The LGA President has kept the Premier and Minister for State/Local Relations informed about the progress of the development and implementation of the Inquiry, selection of Board members and other related matters. At an officer level discussions have occurred with key State Government officers from the OLG and Treasury.

The LGA will be submitting to the Inquiry and has encouraged the State Government and a range of other peak organisations and groups to also submit.

Mr. Cossey has been invited to meet with the Forum at its April meeting to outline the approach the Board will be taking to the Inquiry and key opportunities for input by the Forum and other groups.

It will be appropriate for the Forum to be kept informed about the progress of the Board's deliberations and to consider responding to recommendations resulting from it that fit within the Terms of Reference for the Forum and enhance State/Local financial and other relationships. In considering this matter the Forum should also give due regard to the matters raised in the State/Local Relations Agreement relevant to enhancing State/Local relationships, particularly financial relationships.

The Forum should also take reasonable steps to ensure that State Agencies are informed of the conduct of the Inquiry and encouraged to participate in areas of interest.

### **3. Recommendations**

#### **That the Minister's Local Government Forum:**

- 3.1 Receive and note the presentation by the Chairperson of the Board, Mr. Bill Cossey;**
- 3.2 Note that the LGA will be submitting to the Inquiry;**
- 3.3 Note that the LGA encourages the preparation of a submission by the State Government to the Inquiry;**
- 3.4 Receive update reports on the progress of the Inquiry;**
- 3.5 Consider the final recommendations resulting from the Inquiry with particular emphasis on addressing matters relevant to the Terms of Reference for the Forum and matters addressed in the State/Local Relations Agreement.**