

From: Dianne Schultz
To: ["greg_hoffman@lgaq.asn.au"](mailto:greg_hoffman@lgaq.asn.au)
Subject: Submission to LGAQ on tax reform discussion paper.
Date: Wednesday, 13 May 2015 12:12:12 PM



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FROM THE OFFICE OF THE MAYOR

Mr. Greg Hoffman,
General Manager – Advocacy,
Local Government Association of Queensland,
LGAQ House,
25 Evelyn Street,
Newstead, Qld., 4006.

Dear Greg,

Re: SUBMISSION TO LGAQ ON TAX REFORM DISCUSSION PAPER

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In response to LGAQ's request for comments on the Commonwealth's Tax Discussion Paper, Burdekin Shire Council (BSC) is pleased to offer the following views:

1. The LGAQ discussion on community attitudes gives no mandate for major change, however more emphasis could be placed on the LGAQ survey result which shows 75% of respondents supporting local government having access to a set share of Federal taxation rather than relying on rates and charges.
2. There appears to be no conclusive evidence to support a small increase in GST to support local government. BSC therefore respectfully suggests that this measure not be pursued.
3. It may be preferable for LGAQ to strongly argue for a set share of funding and then leave the precise choice of instrument (eg set share of state GST or set share of Commonwealth taxation), to the State and Commonwealth Governments to decide.
4. BSC supports LGAQ in raising the issue of the potential integration of State land tax with rates. This is strongly opposed for the reasons outlined in the LGAQ Discussion Paper.
5. The BSC is of the view that local government is primarily a creature of the states. This view is backed up by doubts regarding the capacity of the Commonwealth to directly fund local governments. As demonstrated by LGAQ, Australian local governments are relatively insignificant compared to counterparts in the USA and Europe. We do not see a drastic change in this situation. The issue therefore is adequate resourcing of current roles, not a major expansion in health, education or housing, for example.
6. LGAQ correctly points out that an intrusion by State Government on a local council's rate base would be extremely unwise, especially if fixed percentages of land valuation were used to determine liability. The calculation that for small rural remote councils, a uniform state-wide rate would result in rate levies reducing by more than 50%, is most alarming and should be highlighted in the LGAQ submission.
7. The LGAQ's discussion of road user charges and consideration of hypothecation of revenues is unlikely to gain traction. The hypothecation debate has been around for decades but the Commonwealth has never

relinquished its power to control the revenue stream away from roads.

8. LGAQ correctly focuses on the constant cost-shifting from the Commonwealth to the states and local government. The latest Productivity Commission's draft report on NDRRA is just the latest in a long line of cost shifting techniques. We strongly support efforts by LGA to resist these latest attempts and are encouraged by recent information that the Commonwealth may reject this recommendation.
9. The major issue for local government is the adequacy and certainty of funding. We would request LGAQ to make this issue "front and centre" in their submission to the Commonwealth. In summary, efforts to secure a guaranteed share of taxation revenue should be at the heart of the LGAQ's response to the Commonwealth's Tax Discussion Paper and Burdekin Shire Council is pleased to be able to support LGAQ in their submission.

On behalf of Burdekin Shire Council, I thank you and LGAQ for making representations on behalf of local government.

I look forward to a positive outcome from the discussion paper.

Thanks.

Regards,

Bill

Bill Lewis

Mayor

Burdekin Shire Council

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