

I should like to offer two public comments on the Draft Report:

1. My main comment concerns the objective of the Report which was to determine the 'revenue-raising capacity' of local government in Australia.

While there is little the Team can do about this objective, it strikes me as an odd question to ask.

After all, the same question is never raised concerning state governments, even though their dependency on fiscal transfers is much greater than local government.

A better question is: Does Australian local government have adequate sources of finance to fulfill its basic responsibilities?

This question would look at the totality of revenue available to local councils, including grants, relative to expenditure.

It would also have to make judgements on the appropriate role of local councils in terms of service provision.

2. A subsidiary (and related) concern is the discussion in the Draft Report on the changing role of local government.

This is addressed inter alia in Chapter 2 (15/16) and again in Chapter 8 (149/151).

My concern here is that the Draft Report does not give readers an appropriate idea of the controversy underlying the shift from 'services to property' to 'services to people'.

This involves debates over 'maximilist', and 'minimalist' approaches to local government and the appropriate role of local government.

It also involves the comparative advantages of different levels of government, which embraces the notion of 'local government failure'.

I thus suggest the Team consult the following published material and add a few paragraphs along these lines.

Dollery, B. E., Wallis, J. L. and Allan, P. (2006), "The Debate That Had to Happen But Never Did: The Changing Role of Australian Local Government", *Australian Journal of Political Science*, November, 41(4), 553-567.

Dollery, B. E., Crase, L. and Byrnes, J. L. (2006), "Local Government Failure: Why Does Australian Local Government Experience Permanent Financial Austerity?", *Australian Journal of Political Science*, 41(3), 395-409.

Byrnes, J. L. and Dollery, B. E. (2002), "Local Government Failure in Australia: An Empirical Analysis of New South Wales", *Australian Journal of Public Administration*, 61(3), 54-64