

Anthony Fitzpatrick

13 November 2000

Mrs Helen Owens  
Presiding Commissioner  
Cost Recovery Inquiry  
Productivity Commission  
LB2 Collins Street East  
MELBOURN VIC 8003

Dear Mrs Owens,

**Re: Submission to Cost Recovery Inquiry**

Mosman Municipal Council wishes to make a submission to the Cost Recovery Inquiry in regard to cost recovery arrangements by Commonwealth Government regulatory, administrative and information agencies and the fees charged by those agencies for the provision of goods and services.

Mosman Council is a member Council of the SHOROC regional organisation of Council, which is supportive of a submission to the Inquiry. SHOROC members also include Manly, Pittwater and Warringah Councils.

Council's submission involves broader issues centred around the effect of full cost recovery by Commonwealth Government agencies on those areas of the community which use or are exposed to the Government's regulatory, administrative and information services.

Prior to the Government embarking on a full cost recovery exercise for all of its departments and agencies, the Inquiry is encouraged to consider the following issues and questions:-

- What will be the implications of a tickle down effect on local government where 100% cost recovery by the Commonwealth is passed on by other governments and agencies and by business through higher costs? It would be inequitable that any increased government costs are passed onto local government, whereas in New South Wales, local governments cost recovery abilities are in part hindered by rate pegging legislation.
- Should other levels of government have full cost recovery passed on from higher levels, in exercising their regulatory, administrative and information functions for the community?
- The Commonwealth Government should be mindful of achieving a balance between financial and community responsibilities, whilst considering the cost versus community benefit analysis.

- The adverse implications for competition by the implementation of 100% cost recovery arrangements, given that some sectors of the community may not be regulated or subject to administrative procedures by the Commonwealth whereas others are. Some sections of the community may have a choice in where they receive their information from, whereas that information may be limited to a Commonwealth Government source for other sections of the community.
- Implications of a lessened regulatory role by the Commonwealth should be considered.
- Cost recovery by the Commonwealth should not be looked at in isolation. The cost efficiencies of Government departments and agencies in providing a good or service should be examined in the first instance to ensure the community is getting value or could be better provided by the non-Government sector. A general arrangement that the cost of providing a good or service will be recovered regardless of its level and any inherent inefficiencies should be avoided.

Should you require any further information please contact Anthony Fitzpatrick on 9978 4010.

Yours faithfully,

V H R MAY  
GENERAL MANAGER

Per:

(Anthony Fitzpatrick, Manager Governance)