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OFFICE HOURS:
Monday to Friday
8.30am to 4.30pm

ATTRACTIONS INCLUDE:

Bicentennial Memorial
Copeton Dam
Cottage Kiya Gallery
Dejon Sapphire Centre
Fossicking
Gilgai Winery
Goonoowigall Reserve
Gwydir Ranch Park
Inverell Art Centre
Inverell Pioneer Village
Inverell Scottish Memorial Cairn
Kings Plains National Park
Kwiambal National Park
Lake Inverell Reserve
New England Estate Wines
New England Wood Turning
Olives of Beaulieu
Pindari Dam
The Draught Horse Centre
The Gem Centre
Transport Museum
Wild Water Adventures - Rafting

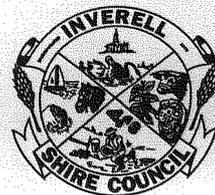
FESTIVALS INCLUDE:

Sapphire City Festival
The Great Inland Fishing
Festival

Inverell Shire Council

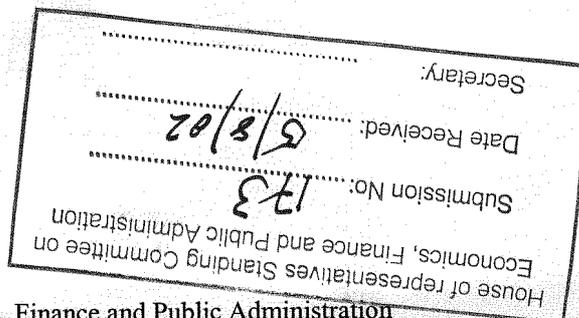
Council Chambers - 144 Otho Street, Inverell NSW 2360

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Our Ref: 12.5.1 Pt 1

1 August 2002



The Secretary
House of Representatives
Standing Committee on Economics, Finance and Public Administration
Parliament House
CANBERRA ACT 2600

Dear Sir/ Madam

On behalf of Council, I thank you for this opportunity to provide the following comments by way of submission to the Committee's "Inquiry into Cost Shifting onto Local Government."

Council, at its Ordinary Meeting held on the 23rd July 2002, resolved to adopt the recommendations of its Finance and Budget Committee, recommending that a submission be made to the inquiry, outlining Council's concerns for the increasing level of responsibility being placed on Local Government in the provision of services, without adequate funding or the ability to raise revenue and further, that it voice its concerns for the increased obligations and compliance costs imposed under State legislation.

Council previously considered this matter in August of 2001, when it resolved to support the efforts of its local member, the Member for the Northern Tablelands, Mr Richard Torbay MP, who sought the introduction of the *Local Government (Review of Legislative Proposals) Bill 2001*. Council voiced its support for the principles contained within the proposed Bill on the basis that they highlighted Council's concerns for the very issue that is the subject of the current inquiry.

The initiative proposed in the aforementioned Bill, had received widespread support from Local Government Authorities, confirmed at the Shires Association Annual Conference held in Sydney on 29-30 May 2001, when Council's Notice of Motion that "the Shires Association endorse and actively support the legislation as proposed by Richard Torbay MP and that the Conference require the Executive to convene meaningful discussions between the proponents, the Shadow Minister, the State Opposition and Cross Bench members to achieve the aims of the Bill" received full support and was carried at the meeting.

The support of councils from across NSW for this particular Bill had been prefaced by the belief that it would act as a significant step in successfully preventing the further erosion of funding and resources to Councils.

Councils have long held the view that as a direct consequence of State Government policy, (direct and indirect), Local Government Authorities have been increasingly required to carry out additional functions and roles either as a direct result of State motivated legislative requirement or through an abrogation of responsibilities by the State Government in relation to the delivery of services, particularly in regional and rural Australia. The requirement to undertake those additional functions, seldomly compensated in either monetary terms or through the allocation of additional resources by the State Government.

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"Striving for Excellence"

Local Government is increasingly faced with a growing financial burden in relation not only to the provision of services, but in meeting a variety of requirements imposed upon Local Government through legislation. The full impact of the unfunded mandates are being increasingly filled by Councils as a result of legislation including the:

- Protection of the Environment Operations Act
- Local Government Amendment (ESD) Regulation
- Stormwater Management Planning
- Local Government (Approvals) Amendment (Sewage Management) Regulation
- Waste Minimisation and Management Act
- Contaminated Land Management Act
- Environmental Objectives for NSW Waters
- Marine Parks Act
- Companion Animals Act
- Local Government (Community and Social Plans) Regulations

All of the above statutory obligations and the list is by no means exhaustive, have placed greater resourcing pressures on councils in respect of legislative compliance alone.

Increasing costs are also being incurred in areas such as planning and building regulation; street lighting charges; total catchment management; provision of public health infrastructure support (such as facilities and services to attract general practitioners to country towns); provision of community law and safety measures, (often as a result of public perceptions of increased crime and declining police numbers in country areas).

Often these increased costs can be attributed to direct and indirect State Government policy positions with respect to the framework for government service delivery and the operations of corporatised government institutions, as is the case in the electricity industry.

Not only are councils constrained by the additional costs imposed by such direct and indirect State Government initiatives and decisions, as is sought to be highlighted in this submission, but there is also an ever increasing expectation from the community, that Local Government Authorities will be proactive in areas such as community safety and environmental management. The funds are simply not there to enable councils to respond in a way that they would like. Rate pegging is a further significant constraint in this context.

Whilst the issue of rate pegging is not a focus of this submission, it should nevertheless be recognised as both an impediment to the efficient operation of Local Government and its ability to implement state government driven policy agendas.

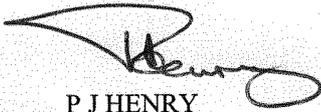
Clearly, there is a strong argument that where new or expanded functions are imposed on Local Government, there should be an agreement as to the amount of funds required to undertake that function and the source of funding clearly identified.

Whilst it is recognised that Bills, which may have a major impact on the operations of Local Government, may be referred by way of a motion in the Legislative Council to one of the General Purpose Standing Committees for examination and report in order to assess the impact of proposals contained within such Bills on the operations of Local Government, this practice, at best appears not to have been successful in avoiding an alarmingly increased incidence of unfunded mandates being imposed on Councils.

In considering this matter, it is very clear that councils are in the unenviable position of being required to fulfil increasing functions and assume ever-growing responsibilities without the necessary, adequate and appropriate level of funding.

It is the recommendation and hope of this submission that following a careful assessment of the submissions made, solutions might properly be considered, to address the concerns of local government for the growing financial burden being placed on NSW councils through the direct and indirect imposition of additional functions and responsibilities, without proper regard being given to their performance in an environment of strictly limited resources.

Yours faithfully



P J HENRY

GENERAL MANAGER