

July 25, 2002

Our Ref: RJW:VROC 25/7/02
Enquiries: Roderick Wallis.

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

Dear Sir / Madam,

INQUIRY INTO LOCAL GOVERNMENT AND COST SHIFTING

This submission has been prepared on behalf of the North Midlands Voluntary Regional Organisation of Councils, incorporating the Shires of Carnamah, Coorow, Mingenew, Morawa, Mullewa, Perenjori, and Three Springs.

The areas of concern have been listed in point form with a brief description highlighting the concerns raised.

➤ **On-line Licensing and Vehicle Inspections.**

Drivers License Application
Firearms Licensing
Vehicle Registration

Number Plate Renewal
Motor Vehicle License Renewal
Eye Testing.

The concerns raised here don't necessarily relate to the shift of responsibility to perform the transactions yet the necessity to be compensated adequately for carrying out the tasks which have been allocated to Local Government. Attached is a summary of a recent survey on Traffic Licensing completed by 8 Councils, Carnamah, Chapman Valley, Coorow, Irwin, Mingenew, Morawa, Mullewa, & Three Springs. Along with the questionnaire completed by the 8 Shires listed above, information was gathered on the actual time taken by the Shires to perform various licensing related on line transactions. This was averaged on the second summary provided to show actual times versus the time allocated as per contracts which determines the amount paid for performing the task.

➤ **Provision of Australia Post Services.**

With today's challenging economic times regional communities are often being placed into the position of providing in some circumstances significant financial support in order to retain the provision of Australia Post Services. An example being the Shire of Mingenew which in order to retain the Australia Post Agency within the town is faced with having to contribute \$17,000.00 per year. Concerns are raised in relation to the Community Service Obligations of the State Government.

➤ **Requirement for Inspections of Public Buildings.**

The responsibility for the inspection of Public Buildings has been allocated to Local Governments since 1993. This task is usually carried out by the Environmental Health Officer with the frequency of inspections based on a risk scale.

High risk buildings are required to be inspected 6 times per year with a minimum time frame of 30 minutes to perform the inspection. Examples of high risk premises would be Hospitals, and Town Halls.

Low risk buildings are required to be inspected once per year with a minimum time frame of 15 minutes to perform the inspection

The minimum cost to carry out an inspection of 1 hospital and 1 town hall along with 1 low risk category building would be as follows.

6 high risk inspections (Hospital) = 3 hours @ \$27.50 / hour	=	\$82.50
6 high risk inspections (Town Hall) = 3 hours @ \$27.50 / hour	=	\$82.50
1 low risk inspection = 15 minutes @ \$27.50 / hour	=	\$6.87

Total unsubsidized cost to Local Government \$171.87

➤ **Control of Noise and Other Pollutants.**

Since the reallocation of the responsibility relating to noise control and other pollutants from the former Department of Environmental Protection, now known as the Department of Environment Waterways and Catchment Protection, Local Government Officers are called upon to determine, and if appropriate confiscate in the instance of Noise Pollution the equipment responsible for the noise pollution and where appropriate issue infringement notices.

Often Local Government Officers are called to attend to situations relating to pollution based on complaints received, with no form of compensation or payment received by the Local Government Authority unless the matter is pursued through the court system, whereby expenses can be sought as a result of prosecution.

If no infringement is issued then no compensation or payment to the Local Government Authority is available.

➤ **Agricultural Protection Service.**

Local Governments in order to gain a presence from this Department, are required to provide 50% of the costs associated with the provision of this service. This service is inclusive of emu barrier fencing, Dingo fencing, Rabbit and other forms of vermin barriers and or protection.

Local Governments are also responsible for the regular provision of information to the Agricultural Protection Service relating to the condition of the fencing with no form of remuneration available.

➤ **Provision of Rural or Remote Medical Services.**

In recent years within rural Western Australia Local Government Authorities are steadily becoming increasingly more relied upon to provide or heavily subsidise the provision of reasonable access to General Practitioners.

An example of this scenario is the provision of a General Practitioner within the Shire of Morawa located in Western Australia. In order to provide a regular service to the local and surrounding residents, an Over Seas Trained Doctor was sourced. The provision of this service to the community has been funded by the Shire of Morawa with an estimate of the associated costs listed below.

Doctors Salary	\$165,000.00
Residential Housing	\$250,000.00
Provision of Medical Centre	\$300,000.00
Lump Sum Provision	<u>\$715,000.00</u>
Shire operating contribution (Salary Guarantee)	\$60,000.00
Vehicle	\$20,000.00 / year
Annual Contribution	<u>\$80,000.00</u>

This Doctors service is provided for the community yet the Western Australian Health Department contributes \$0.00.

➤ **Government Employee Housing Authority.**

At present very little money is being made available or provided for new regional capital investments, with only leasing arrangements being considered for the provision of residential accommodation for Government Employees. It is worth while noting Government agencies rarely enter into leasing arrangements paying the current market rental value.

The provision of capital investment in housing is being passed onto Local Government. Should Local Governments not provide such financial assistance in order to provide good quality housing, certainly within regional Western Australia, it is considered an almost impossible task to attract and retain suitably qualified personnel.

➤ **Provision of Funding for Business Enterprise Centres.**

The provision of funding for the running of Business Enterprise Centres should remain with the Small Business Development Corporation, rather than Local Government being forced into contributing 50% of the operating costs associated with the centres, with many Shires being dissatisfied with the level of service received.

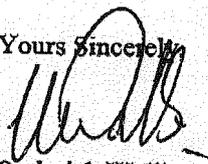
➤ **Undertaking of Various Regulatory Roles for State Government.**

Local Government is currently undertaking various regulatory roles for the State Government previously undertaken by various State Government Departments with examples being;

Liquor Licensing Regulations
Environmental Protection Act
Conservation and Land Management
Provision of Community Security Services
Builders Registration Act
Painters Registration Act
Provision of In-fill / Deep Sewerage Systems

It would appear that a Responsibility Shift = a Cost Shift.

Yours Sincerely,



Roderick Wallis,
Executive Officer, NMVROC

TRAFFIC LICENSING QUESTIONNAIRE

The following Eight Councils responded to the survey:

**MULLEWA, MINGENEW, MORAWA, CHAPMAN VALLEY, CARNAMAH, COOROW,
IRWIN AND THREESPRINGS**

1. ON LINE LICENSING
2. VEHICLE INSPECTIONS

ON LINE LICENSING

1.1	DOES YOUR COUNCIL HAVE A CURRENT LICENSING AGREEMENT?
	All councils do
	IF YES: A) WHAT IS THE CONTRACT PERIOD?
	Four councils have five year contracts One council has a one year contract One council has an 18 month contract One council has a three year contract One council didn't answer
	B) PLEASE PROVIDE CURRENT SCHEDULE OF RATES OFFERED.
	All similar as per agreements
1.2	WAS YOUR COUNCIL SUPPLIED WITH CAPITAL EQUIPMENT TO CARRY OUT THE LICENSING FUNCTION?
	All councils were
	IF YES, WHAT EQUIPMENT WAS SUPPLIED?
	Most council have been supplied with a digital camera. Other items supplied varied from shire to shire including a pc upgrade and modem, a front till, manuals, stationery, a fax and printer.
1.3	WHAT EQUIPMENT DID YOUR COUNCIL SUPPLY AND AT WHAT COST?
	Six councils supplied computers and modems Four supplied printers One desk Approximate cost per Council was \$2500

1.4	WHAT TRAINING COST DID YOUR COUNCIL ORIGINALLY INCUR, INCLUDING STAFF HOURS?
	<p>ALL COUNCILS INCURRED BETWEEN ONE AND THREE WEEKS INITIAL TRAINING DEPENDING ON STAFF NUMBERS ATTENDING. ALSO TRAVEL AND ACCOMODATION EXPENSES WERE INCURRED.</p> <p>Costs of between \$1000 and \$3500 were reported.</p>
1.5	DOES YOUR CONTRACT PROVIDE FOR AN ANNUAL REVIEW?
	All do except one council
	IF SO, HAVE ANY BEEN CARRIED OUT?
	Two Councils have had a review
1.6	IS YOUR COUNCIL SATISFIED WITH THE CURRENT COMMISSION RATES AND BASIS OF CALCULATION? PLEASE COMMENT.
	<p>No council is satisfied. Time taken for most transactions far exceeds allocated time as per contracts.</p> <p>STD phone costs not compensated for.</p> <p>Training costs not compensated for.</p> <p>Enquiry times with no registered transactions not compensated for.</p>
1.7	WOULD YOUR COUNCIL BE INTERESTED IN RECEIVING A BETTER RETURN? PLEASE COMMENT.
	A unanimous yes. Compensation to be based on a cost recovery calculation.
1.8	ON WHAT BASIS DO YOU SUGGEST COMMISSIONS SHOULD BE PAID? I.E. PER TRANSACTION, PER TIME SPENT OR A COMBINATION OF BOTH.
	<p>Mixed response. Some Councils prefer per transaction and some according to time.</p> <p>It needs to be noted that the current contracts don't compensate for general enquiry times where no transactions are recorded, STD costs and training costs.</p>
1.9	DOES YOUR COUNCIL OFFER CREDIT CARD FACILITIES FOR LICENCING TRANSACTIONS?
	Two councils currently offer this facility while some others are considering to do so.
	IF YES, DO YOU CHARGE A FEE?
	<p>Charge based on merchant cost percentage.</p> <p>[PLEASE PROVIDE DETAILS OF COSTINGS AND INCOME RELATING TO THE LICENSING FUNCTION]</p>

1.10	<p>IT IS PROPOSED TO RECORD SPECIFIC TIME SHEET DATA FOR A SPECIFIED TIME. THE INITIAL TIME PERIOD WILL BE EIGHT (8) WEEKS FOLLOWED BY A REVIEW, THEN A POSSIBLE SECOND EIGHT (8) WEEK PERIOD. DATA TO BE RECORDED IS SET OUT ON THE ATTACHED SHEET.</p> <p>PLEASE ENSURE THAT ALL STAFF INVOLVED WITH THE TRAFFIC LICENSING FUNCTION KEEP AN ACCURATE RECORD , INCLUDING TRAINING, PHONE CALLS ETC.</p>
	<p>Time Sheet Summary attached showing average time taken for various transactions.</p>
1.11	<p>RECENT DEVELOPMENTS WITHIN TRANSPORT INDICATE THAT AGENTS MAY BE REQUIRED TO CONDUCT AND SUPERVISE COMPUTER BASED EXAMINATIONS FOR LEARNER DRIVER APPLICATIONS AND FUTURE COMPUTER BASED EXAMINATIONS FOR THE SECOND PHASE OF GRADUATED LICENSING.</p> <p>INDICATIONS ARE THAT EACH SITE MAY BE REQUIRED TO PROVIDE A HIGH CAPACITY COMPUTER AND DEDICATED OFFICE SPACE SPECIFIC FOR THIS FUNCTION.</p> <p>WHAT ARE YOUR COMMENTS ON THIS PROPOSAL? DO YOU FEEL THAT THE DEPT OF TRANSPORT IS CONTINUALLY PLACING INCREASING BURDENS ON ITS AGENTS TO CARRY OUT THEIR DUTIES, WITH NO ADDITIONAL COMPENSATION BEING OFFERED FOR THE TRAINING AND TIME REQUIRED TO PERFORM THESE MORE COMPLICATED TRANSACTIONS?</p>
	<p>All Councils agreed. Most believe that there will not be adequate compensation, especially for implementation and training costs.</p>

VEHICLE INSPECTIONS

2.1	<p>DO YOU CARRY OUT VEHICLE INSPECTIONS? IF THE ANSWER IS NO, IT IS NOT NECESSARY TO COMPLETE THIS SECTION OF THE QUESTIONNAIRE. IF THE ANSWER IS YES, PROCEED TO QUESTION 2.2.</p> <p>Three councils offer this service.</p>
2.2	<p>HOW MANY VEHICLE INSPECTIONS PER MONTH DO YOU COMPLETE ON AVERAGE?</p> <p>Of the three councils, the average is just over 4 per month.</p>
2.2	<p>HOW LONG, ON AVERAGE DO YOU HAVE TO WAIT FOR A VIN VERIFICATION NUMBER TO BE FAXED BACK AFTER CARRYING OUT AN INSPECTION? DO YOU FEEL THIS AMOUNT OF TIME IS REASONABLE/UNREASONABLE? PLEASE COMMENT.</p> <p>The times varied from 10 minutes to 1 hour</p>
2.3	<p>IS YOUR COUNCIL SATISFIED WITH THE CURRENT INCOME RECEIVED FOR CARRYING OUT VEHICLE INSPECTIONS? PLEASE COMMENT.</p> <p>One council is and two aren't.</p>
2.4	<p>WOULD YOUR COUNCIL BE INTERESTED IN RECEIVING A BETTER RETURN FOR CARRYING OUT VEHICLE INSPECTIONS? PLEASE COMMENT.</p> <p>Yes, the councils would like a better deal. One suggestion is to have annual increase adjustments based on CPI.</p>

Should you have any queries with completing this questionnaire, please contact Matthew Bowen at the Shire of Mullewa on 9961 1007.

[c:\Finance\TrafficLicensingQuestionnaire]

TIME SHEET REVIEW

TRANSACTION TYPE	TIME ALLOWED (mins)	CATEGORY	AMOUNT PAID (\$)	AVERAGE TIME TAKEN (mins)
New Registration	5	2	6.40	10 to 12
Plate Renewal	2	1	5.26	7
New MDL	5	2	6.40	13.5
Firearms License	2	1	5.26	4.25
MVL Renewal	2	1	5.26	1.9
MDL Renewal	2	1	5.26	4.8
Temporary permit	3	1	5.26	6
Transfer update	0.75	n/a	1.78	1 to 3
Transfer update & payment	2.5	1	5.26	3 to 6