



Maclean Shire Council

GENERAL MANAGER

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24 July 2002

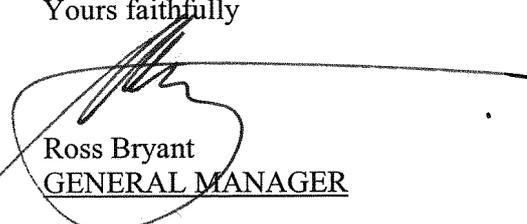
The Secretary
House of Representatives Economics, Finance and Public Administration Committee
Parliament House
CANBERRA ACT 2601

Dear Sir/Madam,

Re: Parliamentary Inquiry Into Cost Shifting to Local Government.

Attached is Councils submission in relation to the abovementioned Inquiry.

Yours faithfully


Ross Bryant
GENERAL MANAGER

House of representatives Standing Committee on Economics, Finance and Public Administration	
Submission No:	97
Date Received:	28/7/02
Secretary:	Burdell

NAME: Maclean Shire Council

POPULATION SIZE: 18,000

GEOGRAPHIC SIZE: 1049 Sq. Km.

CURRENT BUDGET: 2002/3 BUDGET - \$34M. (A copy of the 2000/2001 Financial Statements is attached.)

RELEVANT DEMOGRAPHIC INFORMATION:

Growth Rate (1996-2001) 1.77% p.a.

This is higher than the State average of 1.08% pa and one of the highest in the region.

Age Structure

Maclean Shire has an extremely high proportion of aged people, 24% over the age of 65, almost double the State and Australian average of 13%.

Young and middle aged groupings, those who are in their income and asset building stage of life, are significantly under represented, with 7.9% in the 15-24, and 21% in the 25-44 age groups also significantly lower than State averages of 13% and 30% respectively.

Income

Medium income for Shire residents aged 15 and over in 2001 was \$200-\$299 per week, compared to the National median of \$300-\$399 per week.

Summary

In short, Maclean Shire's population is characterised by a high growth rate, driven by in migration of retirees, a significant drift of younger people out of the area in search of work and education, and low income levels. These factors place Maclean Shire Council at a significant disadvantage in providing services for a growing population with little capacity to pay.

HISTORICAL DEVELOPMENT OF THE COUNCIL:

The Maclean Shire Council was formed on 1 January 1957, following an amalgamation of the Maclean Municipal Council, the Harwood Shire Council and part of the Orara Shire Council.

MEMBERSHIP OF REGIONAL ORGANISATION OF COUNCILS:

Maclean Shire Council is a member of the Northern Rivers Regional Organisation of Councils. (NOROC)

COST SHIFTING TO LOCAL GOVERNMENT

Council contends that the devolution of responsibilities from State and Federal Governments to Local Government over the past 10 years has significantly impacted on Local Government's ability to provide traditional services.

LISTED BELOW ARE EXAMPLES OF COUNCIL EXPENDITURE, AND THE IMPACT ON COUNCIL'S FINANCIAL CAPACITY, AS A RESULT OF CHANGES IN THE POWERS, FUNCTIONS AND RESPONSIBILITIES STATE AND LOCAL GOVERNMENT.

Sewerage Services Planning

Provision of new sewerage infrastructure is undertaken in a partnership between Local Government and State Government, in NSW, by the subsidy arrangements under the Country Towns Water Supply and Sewerage Scheme. To meet the requirements for subsidy under this Scheme, Councils must be able to demonstrate broad community support for future sewerage infrastructure projects. Because of the nature and scale of such projects, the development of such schemes raises a number of sensitive issues, particularly regarding the disposal options. Hence, to demonstrate broad community support, Councils need to actively engage the community in the development of their sewerage strategies. This understandably leads to a community desire for a strategy that meets high environmental and social standards.

However, the State Government has indicated that it will only subsidise the cost of a scheme based on the "least cost sustainable option". This is normally somewhat less than the community expectation that has arisen as a result of having involved the community in the preparation of a preferred strategy. Therefore, Council has little choice but to adopt a scheme that is somewhat higher in terms of environmental and social outcomes than the Governments minimalist option. The cost differential is borne 100% by Council.

For example, in Council's adopted strategy for Iluka, the community preferred option is for dual release – aquifer injection and River discharge. Under this arrangement, the Government subsidy would apply to one, but not both forms of discharge. This would result in Council being responsible for up to \$1.0M for the "additional" cost of the dual release option required by the community.

In a similar manner, the Governments "least cost sustainable option" subsidy is based on the lowest capital cost and not net present value. Hence, options being accepted on this basis but which have higher operating costs shift the full cost impact of those on-going costs to Council.

Coastline Management

The State Government strongly recommends that Councils in the coastal zone implement coastline management studies and plans to address coastal erosion processes, and in particular, address risks to private and public property. It has been announced that such studies are soon to be mandated by the Government's coastal protection policy and amendments to the Coastal Protection Act. Such studies almost inevitably identify, at times quite serious and urgent, hazards. Government assistance to implement works in accordance with adopted management plans is generally offered on a 1:1 basis, subject to compliance with the Government's Coastal Policy.

The Coastal Policy recognises that the coastline is an asset for the benefit of the whole State. However, Council has difficulty in meeting its share of the cost of addressing the identified hazards. It is argued that the State should be responsible for meeting a greater share of these costs because otherwise the Council is being required to absorb much of the costs to benefit a far wider population.

For example, at Yamba, a coastline management study has identified up to \$3.5M of immediate and long term works, of which Council would be responsible for up to \$1.75M.

Sewerage Operations.

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| Load Based Licensing | Load based licensing requires greater documentation of operations and reporting to the EPA. Annual cost \$1,000 |
| Trade Waste Licensing | Requires Council to administer trade waste dischargers individually, increasing administrative and inspection requirements. Annual cost \$20,000 |

Changes to classification of discharge receiving waters.

Designation of Clarence River at Maclean as sensitive waters has the impact of increasing the license fee applying to Maclean discharge, even though with the Woodford Island plant the quality of the effluent will be better than at present. Annual cost \$100,000 (Electricity \$30,000; chemical dosing \$40,000; sludge dewatering \$30,000)

Increasing the testing frequency.

EPA has required Council to increase the frequency of certain testing from monthly to fortnightly. Annual cost \$2,000 per annum.

Roads

3x3 program changes Council was formerly able to nominate projects on Council roads under the 3x3 program. This has been changed with this funding only able to be spent on the Regional road network, reducing funding available to local road improvements. Annual cost \$79,000.

RTA requirements RTA requires OH&S plans and Environmental Management plans for all wholly funded RTA works on State assets other than Block Grant works. Annual cost approx \$5,000.

Signage Revised standards for traffic control and road signage have increased operational costs.

AAS27

The requirements of AAS27 compliance require Council to document and value assets, requiring additional staff and resources. Annual cost in Assets Section approximately \$25,000.

Management Plan reporting Requirement to develop and prepare quarterly reports on the Management Plan take staff time and resources. Annual cost approx \$15,000.

Rural Fire Services Cost increases to be met for increased PPE, training, etc.

Reserve Management Plans of Management are required for all crown reserves in order to carry out activities.

OHS Regulation 2001 Requirements of Regulation 2001 are significant, changing workplace management practices.

ENVIRONMENT / PLANNING.

Protection of the Environment Operations Act

Council is now responsible for monitoring and regulating non-scheduled premises.

State of the Environment Report

Preparation of Reports -

1 month full time every 4 years \$4,000

1-2 weeks full time every other year. \$2,000

On-site Sewerage Management

Under Sewerage Management Approvals Regulation, increased our responsibility to manage on-site systems

Council received grant and employment of staff (P/T) on a cost recovery basis.

Contaminated Lands

EPA has placed greater responsibility on Council's to manage.

Bushfire Notices

Zoning has resulted in Council having to provide additional staff to manage notices.

Increased Referrals for DA's

Integrated development applications & proposed Coastal Council referrals will increase administration costs and assessment times.

Companion Animals Act

Required new animal pound to meet new standards – Cost \$45,000.

Required Council to provide off-leash area; staff time to consult etc; \$1500 to establish.

Reduced fees to Council because of lifetime registration (fees go to State Govt, with small refund to Council)

Purchase of scanners \$2,000

Set up and maintain new register

Establish and service Community Committee.

Records Act

Records becoming State records and the requirement for Council to comply with the State

Records legislation Cost – approx. \$100,000 & ongoing.

Privacy Act

Requirement to implement and comply with Privacy legislation. Cost – approx. \$15,000

Open Government

Requirement under s.12 LGA to produce documents free of charge Cost – approx. \$1000/yr

Preparation of Statement of Affairs and Summary of Affairs

Publication in Govt Gazette Cost – approx. \$1000/yr

Statutory Annual Reporting requirements.

As contained in the Local Government Act, Cost – approx. \$5000/yr

Requirement to prepare Stormwater Management Plans

Estimated cost \$60,000.

Implementing the Protected Disclosures legislation

Cost – approx. \$1000
