



The Barossa Council

SUBMISSION

INQUIRY INTO LOCAL GOVERNMENT AND COST SHIFTING

Current Roles and Responsibilities

The current roles and responsibilities of Local Government have increased over the last ten years at least. This has occurred mainly because of two things:

- expectations of the community
- subtle changes and shifts in responsibilities between the spheres of government and more particularly between State and Local Government.

Modern communities require modern up to date services and facilities. No longer is the provision of waste services and road in return for payment of rates acceptable. Communities require state of the art recreational services, aged care facilities, public accessible transport, recycling of rubbish, more care taken of the environment, better roads, footpaths and drainage and effluent disposal of some type. No longer are libraries providing just books acceptable – they must have videos, tapes, on line computer services, email and Internet services as well as being a friendly and comfortable place to be in.

Economically sustainable development and the triple bottom line are catchcries, however the bottom line is additional expenditure, and where should the responsibility lie for the many and varied demands on government.

Current Funding Arrangements

Over many years Local Government has continually increased its own funding base. In 1974-75 Local Government throughout Australian Provided 74.7% of its own revenue. In 1997/98 this had increased to 80.8%. During that same time period Commonwealth funding had increased from 10.5% to 12.1% and State funding had reduced from 14.8% to 7.1%.

It is evident from this the State Government's financial commitment has reduced, however the devolvement of responsibilities from State to Local has increased.

Local Government has also increased its revenue base by bringing in user pay services and using the private sector to help fund infrastructure.

Capacity of Local Government

Local Government barely has the capacity to meet its existing obligations, but certainly not these additional responsibilities being devolved to it from the State, unless funding is included when the responsibility is devolved We have found that even in the responsibilities which have been shared for many years that the State's

contribution financially has decreased, eg pest and plant control. This responsibility was originally 50% each it is now two thirds Local Government and one third State Government with the State's funding capped. Another example is that only a few years ago the libraries were 50% Local Government and 50% State Government and it is now recognised that it is now 80% Local Government and 20% State Government.

There are numerous opportunities for Local Government to take on increased responsibilities, either as individual Councils or together with other Councils or within Regional arrangements. By doing this many economies of scale can be achieved.

Local Government Financial Capacity

Although Local Government does have the capacity to take on many more responsibilities. Services driven at the local level are more cost effective and in many cases more efficient than those provided by other levels of Government. They can also be tailored for the specific area – not one size fitting all. If this however was to occur the funding to provide the services must go with the responsibility.

Rationalisation of Roles

A full detailed inquiry into the rationalisation of roles needs to be carried out so that better services can be provided to our communities and we make better use of resources available.

Conclusion

Council is fully supportive of this Inquiry into Cost Shifting as it is evident that it is occurring more and more. Any devolution of responsibility must include adequate financial resourcing. The transfer of funds from Commonwealth Government directly to Local Government in lieu of it going via the States would also have a direct impact on the finance available for Local Government.

Judith G Jones
Chief Executive Officer
The Barossa Council