



BOOROWA COUNCIL

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COUNCIL CHAMBERS
MARKET STREET, BOOROWA



CONTACT

David Philpott

The Secretary
Standing committee of Economics, Finance & Public Administration
House of representatives
Parliament House
Canberra ACT 2600

2nd July, 2002
House of representatives Standing Committee on
Economics, Finance and Public Administration

Submission No: 11

Date Received: 7/7/02

Secretary: *Burdell*

Dear Sir / Madam

Re: Inquiry into Local Government & Cost Shifting

I am writing to you on behalf of Boorowa Council to lodge a submission to the inquiry.

For a number of years Councils have been asked to more and more by the State Government but unfortunately no more funding has come with the directive. Some time there may be small grant funds that have to be subsidies by the Council or a cost imposed on the ratepayer to reimburse the Council in providing such services.

Either way the community has to pick up the costs. This not to say that the legislation is wrong but the fact that Councils do not receive funding to assist them with the many changes that are continually being imposed on Local government to deal with

1. **Environmental Planning & Assessment legislation standards** have had to be enforced and regulated by Local Government such as:-
 - **Sewerage works effluent** - that has had to be kept out of the water ways and reused on recreation areas to primary production activities is Lucerne, trees etc.

The requirement that this has to be kept out of waterways by reuse such as watering recreation grounds or growing Lucerne or trees, etc, is causing a large economic burden on Councils when the cost should be borne by the whole of the state as the environment affects the whole of the population.

- **Storm water runoff** control programs unfunded by relevant authorities.

The government started this scheme by providing assistance to come up with a Stormwater Plan, but Councils have no further funding to implement the plan. The grants made to date have been for large-scale visible programs or educational programs rather than helping place structures on the ground that will assist small rural communities.



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This program is a cost to Local government and again minimum grant funding was received and the community has had to pick up the additional cost a Council had to pass on the associated costs.

Again funding was provided to implement the program but no ongoing funding provided for the actual running of the program. The cost of continuing with the program has had to be raised by Council charging each owner a fee or by Council absorbing the cost or a combination of both as in the case of this Council. The rural economic situation is such that Council is loath to charge full cost recovery to the landholder for inspecting systems that were legal when installed.

2. **Regional Development of Local Government** areas is unfunded i.e. Employment of Development officers to attract new development and industry to Council areas again funding is short term and at the expiration of the term Council is expected to retain this officer and fully fund the position. You do this enough times and the economic cost born by council rapidly rises.
3. **Local Government expected to be partner** in service delivery with state and commonwealth without constitutional recognition, and proper and fair sharing of tax revenue.
4. **Environmental issues** – State Government makes the legislation and Local Government is expected to accommodate the changes – noise act and enforcement by Council with Council expected to enforce this legislation without the necessary training or equipment in the area. Boorowa had such a case that caused a lot of hardship at the time and Council floundered very much do to the lack of resources to adequately police the legislation requirements.

The State Government makes the legislation and Local Government is expected to accommodate the changes – For example the Noise Act. Council is expected to enforce this legislation without the necessary training or equipment in the area. Staff have been trained but the rate of complaints does not warrant the expense of having equipment on hand. Boorowa had such a case that caused a lot of hardship at the time and Council floundered very much do to the lack of resources to adequately police the legislation requirements. The training of staff to enforce Noise legislation is contentious, as they would be placing themselves in situations where they could be in physical danger. It is felt that this issue is one for the Police.



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5. **Salinity** – there are major problems in the area that is of a state and national concern but it is the Council that will have to attempt to clean up the area of salinity on its roads and infrastructure. The community is involved and Council assists where it can, but again no funding is directed to Local Government to provide assistance in stopping the spread of salinity.
6. Water quality - *See item 1 Sewerage Effluent.*

Many councils in the Sydney catchment are restricted in what they can do in order to preserve the Sydney water supply, however no compensation is paid to these councils for this restriction.

7. Endangered species - *Council is restricted in the removal of roadside vegetation under the various commonwealth and state acts. These acts make no provision for "clear zones" along roadways to allow vehicles to come to a safe stop on leaving the road in an emergency situation. No funds are available to make the roadsides safe by providing a barrier between the trees and the vehicles. If Council wishes to remove trees vegetation studies and habitat studies cost more than the actual work projected. The net result is that nothing is done.*
8. **Waste management** - it would appear that state legislation will be enforced on a number of town waste disposal centres and again no funding provided to assist or to find other means of disposal.
 - recycling is a big cost – Council is expected to pick up the cost but State Governments do not provide incentives for the community to recycle.
 - Recycling is extremely important for future generations but with no incentives to recycle this worthy project will only flounder. No co-ordinated process to recycle and have markets to take the materials for recycling

Other areas include employment where the State government departments provide partial funding and again councils are expected to take up this offer of a position and then fund the position after receiving an initial subsidy. *For example:-*

Road safety officer – grant fund to start the scheme then council expected to continue funding of the position. *Again, funding is only provided for proposals and education, not for implementation of assets on the ground.*



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Main street officer- State Government provides seeding grant which council would be crazy not to accept but Council usually after a given time period of 2 years is expected to continue with the position if it wishes to retain the officer for there are benefits but it comes down to affordability and what service is dropped by council to the community.

Community Health issues again council working in partnership but when the funding ceases then Council is expected to continue with the position as an ongoing position so councils has expenses in being a member of this committee for the community.

Establishment of Technology Centres with grant funds as seeding grants to provide education facilities to the community. This is wonderful but if the CTC centre cannot financially support a full time offer when the funding runs out the pressure will be on Council to continue with this centre. Every one is aware of what will happen should it not succeed but this will not extinguish the community's expectation should it close in the future that Council will take over the running of the service.

Community and Social services – Councils are expected to become more and more involved in the provision of such services and small councils are unable to provide such services.

Community social plan - development of such a plan with community consultation where existing staff are expected to be involved in the development of such plans but no resources are proved to Council to assist.

Food inspections - Up until recently the Department of Health inspected certain type of food premises but this requirement has been handed over to Councils to administer with no funds provided for the continual ongoing inspection required to be carried out by the Council health and building inspector. The government has assumed that council has such an officer to police the food standards in the local community. This is not always the case.

Rural Fire Service – A restructured government department was created and a levy is placed on all councils. In the past Council have provided interest free loans for up to 18 months to this service.

Council has lost control of this area and the administrative committee is a toothless tiger but Council is still expected to pay for the administration of the service and ever increasing charges, above the rate-pegging limit that Council has to comply with, is charged to Council for the running of the service.

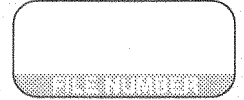


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The service treats councils as an endless supply of funds to finance the Rural Fire Service. Councils may only contribute 13.3% of the funds to run the rural fire service **but the government contributes only 12.3% of the running costs with the insurance companies. (only 38% of house holds have insurance cover)**

The sooner that Councils are fully out of the Rural Fire Service then councils will be financially be better off. Council is expected to pay up but not have any say in the running of the service.

All property should be insured or else the owners should have to pay a fire levy equivalent to that part of the insurance cost which is the fire levy. Ratepayers who pay insurance and then have to pay rates to support the Rural Fire Service are carrying those who do not insure.

NSW Fire Brigades – they also have levied Council 13.3% increase on last years funding levy and Council is restricted to only 3.3% . There is no ceiling on this state government department and councils are expected to contribute more & more.

The same reasoning applies here :- All property should be insured or else the owners should have to pay a fire levy equivalent to that part of the insurance cost which is the fire levy. Ratepayers who pay insurance and then have to pay rates to support the Rural Fire Service are carrying those who do not insure

Child Care - Family Day Care – Provide seed funding and council expected to contribute in the establishment and on going running cost of the unit. If the unit was to collapse due to the cost then there would be pressure applied to Council to take up the running of the childcare service. At the moment it is self-funding but Council does not charge any cost associated in the administration of the service by the Management committee which incurs costs of staff time and travel expenses.

Companion Animals Act – State Government legislation changes to the registration of dogs and cats. There was no training, the time and effort expect to be put into a system that had teething problems in the implementation from day one was a burden in the amount of time that was lost and wasted on the processes involved.

The State Government did not assist Council financially in the implementation of the legislation requirements.



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Privacy Act – Legislation changes and council was again expected to implement changes with out no resources for assistance . Training was undertaken at the Councils expense.

Single Invitation Contracts – requirement of the state government in the process of letting out contracts for the construction of their roads. Councils have had to work long and hard to raise to a particular standard of reporting as required by the government but the necessary documentation was not in place in the relevant department so it was an exercise of make and create on the run at Councils expense.

Again no financial assistance provided by the state government in the implementing the necessary process of being able to comply with the new requirement of building roads.

Records Archiving Legislation – New legislation and the implementation of requirements again no training and funds to assist in the establishment of a system that would be up and running. Council has been expected to undertake this task

Handing over of by the RTA of the area road from the edge of the table drain to the fence saying that the area is now council's responsibilities to maintain with no financial funding provided by the State Government. This area encompasses trees, access to private property and control of noxious weeds to name a few issues that Council is now responsible for.

Parking in the larger centres - parking police handed over to local councils when they were not asked for especially in the Country areas.

Rural Fires Act & Safer by Design - Town Planning changes implemented by Legislation but with no consideration for the impact costs on council complying with the changes. In particular, when it comes to town planning issues and having to consult with the Rural Fire Service and the Police on the safer communities, taking longer to process documents and applications and consuming staff time. The associated time and expenses incurred by council in forwarding these documents for consideration by other government departments is another cost burden on Council.

Statistical and other Returns – Councils are continually being asked to fill in returns by government departments dealing with the number of subdivisions, amount of gravel removed, water consumed, etc. The Dept of Local Government should make its annual returns in such a way that the information required could be accessed from the one source instead of Council having to answer the same questions in a different way for each government department.



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My submission is only on few of the issues that have impacted on this small council in New South Wales that has caused hardship by way of making demands that Councils is expected to implement with no new resources to assist.

When a small council has only limited staff to implement these legislation changes then resources become stretched. If Councils do not implement the legislation requirements as directed then the general public as inefficient will perceive them.

If legislation is not immediately implemented as required then Councils begin to fall behind giving an excuse that because the councils is inefficient it needs to be amalgamated.

Amalgamation is an issue in NSW even though the present government says that it is not. I believe that by flooding a council with legal requirements that it cannot comply with due to a lack of resources and ongoing funding the government will then amalgamate councils under the excuse that they are "inefficient".

More and more is required to be implemented with less and less resources. Obviously if you have more resources then Councils will be able to provide the required services. ***This will also provide more jobs in the bush and help stop the drift to the cities.***

Already I have had to lay off 10 employees this financial year to bring the budget into a controllable deficit with the aim of achieving a balanced budget. This in itself will have a dramatic impact on the small local community 1½ hours travel north west of Canberra.

The government is asking for more & more to be done, unfunded mandates with the local communities expecting more and more from Councils. Council is the government closest to the community and is best to provide services.

The fact that the State Government is asking Local Government to do more is proof of the oft repeated statement that "Local Government" is the closest government to the people". Local Government can provide the services and do the work efficiently if it is treated as the third partner in government and not the scapegoat for everything the State wants to get rid of. A commonwealth guaranteed share of the tax revenue would be one way to arrest the inevitable decline of Local Government in Australia.



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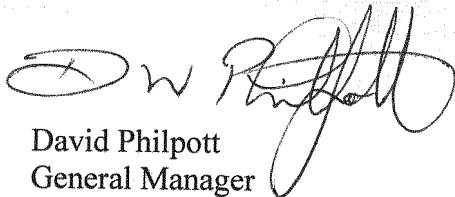


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Unfortunately council is not in the position to provide more and more services as it does not have the funds available to provide all the services. Rate pegging has restricted Council's ability to raise revenue and costs are continually increasing.

Local government needs more funding but is being starved of resources, funds to implement the legislation. There is nothing wrong with the bulk of the legislation changes indicated above, they have merit but when the cost burden is place on Council without funding to cover the cost of implementation then this is wrong.

Yours faithfully



David Philpott
General Manager