

SUBMISSION FROM AUSTRALIAN SERVICES UNION

TO

**AUSTRALIAN PARLIAMENT HOUSE OF
REPRESENTATIVES STANDING COMMITTEE
ON ECONOMIC AND PUBLIC ADMINISTRATION**

**INQUIRY INTO LOCAL GOVERNMENT
AND COST SHIFTING**

PREPARED BY

AUSTRALIAN SERVICES UNION, NATIONAL OFFICE

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Cost Shifting - An Opening Quotation

"As far as Local Government employees are concerned, the Federal Government is culpable of cost shifting, not just the States. Employees and the communities they work in don't care who is doing the cost shifting they just know Local Government is being given more responsibility and not enough funding".

- a quote from a Local Government Worker

SUBMISSION FROM AUSTRALIAN SERVICES UNION

TO: FEDERAL GOVERNMENT HOUSE OF REPRESENTATIVES

INQUIRY INTO LOCAL GOVERNMENT AND COST SHIFTING

Dear Sir,

I am writing to you and your fellow members of the House of Representatives Committee of Inquiry to put forward views of the ASU (Australian Services Union).

In doing so I would point out the ASU, Australia's largest Local Government Union Representing 7 Local Government Branches of the Union throughout Australia who represent a myriad of Council employees, ranging from traditional outdoor Local Government workers through to administrative, para-professional, supervisory, recreation and so many more.

Local Government Branches of the Australian Services Union include:

- ★ Queensland Services Branch
Ground Floor
32 Peel Street
South Brisbane QLD 4101

David Smith - Branch Secretary

- ★ MEU - NSW Branch
7th Floor
321 Pitt Street SYDNEY 2000

Brian Harris - General Secretary

- ★ Victorian MEU/PS Branch
2nd Floor
116-124 Queensberry Street
Carlton South VIC 3053

Darrell Cochrane - Branch Secretary

- ★ Victorian Services Branch
1st Floor
116-124 Queensberry Street
Carlton South VIC 3053

Russell Atwood - Branch Secretary

- ★ South Australian/Northern Territory Branch
5-9 Rundle Street
Kent Town SA 5071

Anne McEwen - Branch Secretary

- ★ West Australian Branch
102 East Parade
East Perth WA 6004

Paul Burlinson - Branch Secretary

- ★ Tasmanian Branch
265 Macquarie Street
Hobart TAS 7000

Sean Kelly - Branch Secretary

Paul Slape - National Secretary
Ground Floor
116 Queensberry Street
Carlton South VIC 3053

Greg McLean - Assistant National Secretary
- Convenor of ASU Local Government Division
Level 8
321 Pitt Street
Sydney NSW 2000

Many of the above Branches also enjoy separate State Industrial registration, however at a National level there is only one Union, the Australian Services Union, representing all the above Branches.

Further information on the ASU can be located at website www.asu.asn.au - links to all Branches of the ASU throughout the Commonwealth can be found at that website.

Who are the ASU!

The Australian Services Union, represents over 80,000 workers throughout Australia in the Local Government Industry and related Sectors, our classifications include council road gangs, child care workers, road construction and maintenance employees, engineers, architects, draughtsmen, council ordinance inspectors, beach inspectors, senior managers of council, cattle yard sales managers, roads and measures weights inspectors on country roads, Council Rangers and so many more classifications.

We are Australia's largest Local Government Union and best suited to comment on behalf of not only Local Government employees, but also their communities in which they live. The ASU has 19 Regional Offices and 8 Capital City Local Government Branches throughout Australia. We consider ourselves to be a truly community based Union committed to Regional jobs growth, suburban city growth and improvements in safe and secure communities throughout Australia.

We are committed to regional jobs growth in additional to city services.

As our society grows, our communities grow in population and demands upon and for additional services, ASU members provide these services and stand ready to assist the community, growth occurring in their local areas where the Australian population is growing. We are indeed a community service Union.

The ASU believes that there are a number of issues that must be considered by any committee considering financial arrangements and issues for Local Government.

These types of issues include the following points:

Constitutional Recognition of Local Government

For Local Government to grow and continue to increase the services that it provides to the local community it must:

Be provided with the opportunity of security, and a future in the region/s it currently serves. To this end recognition within the Australian constitution of Local Government is desperately needed.

It seems a little ironic that Local Government was the first Government in Australia democratically elected, being Sydney City Council and closely followed by a Municipal Council in the Suburbs of what is now Sydney, before the creation of State democratically elected Parliaments.

Local Government has a history in Australia stretching back beyond NSW, Victorian, Queensland and all other States and Territories, Governments, not to mention the Australian Commonwealth. It therefore seems wrong that Local Government that has proven its worth to the Australian Community and Society is denied recognition within the Australian Constitution and therefore an opportunity to operate on a level of respect with State Governments and if necessary argue with State Governments with impunity from dismissal by a Minister of the Crown/or a State Government.

Local Government Councils and/or their elected representatives can be dismissed without a vote of a Parliament, and in some cases not even a Parliamentary advice or debate prior to dismissal, nor even State Ministers answerable to Parliament as to why they have dismissed Councillors, or amalgamated Councils or altered their boundaries.

It is imperative that State Governments when they consider an alteration to the structure of Councils, or consider action against any Councils, know that they as a Government will be answerable to a third party the Honest umpire as provided for in the separation of powers in the Australian Constitution, that is the legal system and the Courts.

Nothing would dissuade a State Government more or ask them to consider most carefully their actions if they were answerable to a joint sitting of their Parliaments or at least the possibility of being called upon to justify their actions to a Court where the Courts can consider both the views of the Council, its constituency and the State Government.

The absurdity of this situation is that Local Government can object or reject an application for building expansion, new housing developments or even industrial complexes and have these objections taken to the relative State environment Courts or similar bodies where their decisions are final in an argument between a Private Sector development and a Local Government, however the constitution and State laws play scant regard to the opportunity for Local Government to be able to seek legal action against a State Government with impunity from action by that State Government.

Both Political sides of Australian Politics are guilty at one time or another of actions against Local Government and thus the communities that they serve.

To this point the ASU notes that there will always be a necessary for Local Government to seek the co-operation or for the Local Government Authorities to be bound by decisions of State Governments when addressing issues such as bush fire control, flood mitigation or other emergencies and crisis.

Local Government seems to get much of the work but little of the recognition.

Council Mergers

The comparisons with Private Sector businesses where shareholders decide upon a recommendation to merge with another company to provide a new commercial entity, and do so by way of a vote of shareholders as recommended by a Board of Directors. The opportunity for Councils to merge does not always provide an opportunity for Local Government voters to be able to have the same rights as shareholders in a private company when considering whether two adjoining Councils should merge.

Constitutional recognition by the Australian Government would allow State Governments to be answerable to the Courts in actions that they consider or take against Local Government that may not be in the best interests of the communities.

Council Rates and Council Rate Pegging

The ASU notes that Local Government and some hundreds of Councils throughout Australia are faced with Rate Pegging by some State Governments in one manner or another.

This was seen as an historical means of an anti-inflationary "guidance" by State Governments and is left over from the late 70's and early 80's period. Now well and truly out of date, when considering Local Government. The ASU however notes that the citizens throughout Australia in local communities, managed by Local Government should not be subject to unilateral and unsubstantiated rate increases by Councils for short term political agendas or the possibility of mismanagement, it is noted that a degree of rate pegging helps Councils focus more clearly on their financial position and management as opposed to the simple "printing of dollars that could occur if Local Government does not have some degree of management or justification for rate increases.

To this end the ASU notes that State Governments are now developing independent regularity frameworks, that require Governments and Government Authorities to justify increases in their charges.

An example of this would be the Independent Pricing Advisory Regulation Tribunal in States such as Victoria and NSW where rate increases could be justified to a relatively independent Authority. Examples of this include in NSW (along with Victoria), increases in electricity charges, water rates or public transport fares are undertaken only after submissions are considered by the Independent Pricing Advisory Regulation Tribunals (or similar).

Therefore the question needs to be asked why can Local Government rate increases not be considered in a similar manner.

On the subject of rate increases, it is noted that some Councils have for political reasons in the past determined not to increase their rates and charges to the full level allowed by State Governments, only to see subsequent Elected Councillors constrained by their ability not to be able to "catch up" with income that previous Councillors chose not to exercise. The sins of previous Councils are no doubt carried on to newer elected Councillors.

It is also noted that some States do not have rate pegging at the moment and the ASU believes that such should not be introduced, but rather that common practices continue to work where they are seen by Local Government communities as being more advantageous and more responsible than Submissions to an Independent Pricing Advisory Regulation Tribunal.

National Competition Policy

Local Government serves many communities throughout Australia, and often receive the buzz words of "National Competition Policy", along with advice from so called external Auditors of some Councils that they must embrace National Competition Policy or see the Councillors prosecuted under the Trade Practices Act.

Nothing could be further from the truth, however Councillors often find themselves accepting these reasons without questioning further.

The introduction of National Competition Policy has also been a disaster in some regional communities throughout Australia. Where the introduction of Competitive Tendering has often been seen as the panacea to cure all, only to see the contractors that "win" the contract moved their profit out of the communities, that they "win" their contract in, or base their equipment, jobs, personnel and service equipment outside the town depriving the town of emergency services in time of bush fires, flood management and other issues faced by isolated communities.

Local Government Councillors often believe this needs to be done to accept National Competition Policy.

The ASU believes that a more balanced approach needs to be undertaken and that the issues of Competitive Tendering for services should not be veiled by excuses of National Competition Policy, but should be considered debates within local Communities free from external intervention and threats by State Governments of dismissal unless they proceed to do so.

The ASU believes that Local Government must be forced to look at real workplace reform, improved services and the maintenance of these jobs in rural communities and suburban cities rather than simply contracting the services out. An approach in favour of jobs and communities must be undertaken at all times.

Quality Local Government, needs Quality and well trained, experienced staff - not just the cheapest service.

Grants and Long Term Funding

The ASU notes that as State, National Governments and the Private Sector become more cautious in their exposure to services at regional suburban and country locations that often Local Government is the one left to pick up the services or that Local Government is the one encouraged to provide the services to the community.

The provision of these services is often undertaken by Local Government with no long term commitment of specific funding by State or Federal Governments, this can see either one of two effects take place that -

1. Local Government may reluctantly or otherwise take on a service for the community and receive some short term funding only to find a year or two down the track that funding has been abandoned and that the Council must make a decision to discontinue this service now used by the community, or decrease another service also used by the community - this is not an easy choice for Councillors whose sole ambition is to serve the community they live in.
2. The other alternative is for the Council to make a decision to say **NO WE JUST CAN'T DO IT** unless there is a commitment to long term funding.

To have Local Government undertake services to the community Local Government must be assured of long term funding which the ASU acknowledges may require a bi-partisan approach by both sides of politics for the good of the Australian community.

Examples of this include:

"Short term, inconsistent and variable funding models that apply (both Federal & State) mean that Councils employ people in funded positions particularly in the community services areas on contracts. Often these are short term (even if the funding is triennial Councils will still only employ on 1 year contracts in some States) and employees have no security of employment. This leads to situations where staff turnover is high (employees are always looking for something more secure) and essential projects that really need a long term commitment to produce quality results are not delivering the results. For example, in crime prevention projects or projects with the indigenous community, if someone is put on contract for only one year because of funding, they do not have the time to establish themselves in the community and get anything good up and running. The situation is worse in country areas - trying to get someone to move to a regional area for a one year contract with no guarantees of ongoing employment is very difficult. Initiatives in areas like crime prevention, youth worker projects, environmental projects, IT development projects (eg in libraries) all suffer because of it".

Cost shifting for some States can mean Local Government managing more contracts (as in contracts with the other tiers of Government, with other organisations, and some Local Governments need assistance with this - again, they can do it but they need the resources to manage it as well. So for example if a medium sized regional Council gets funding to engage a crime prevention officer, an environmental regeneration project officer and a HACC program, etc that's all good and well but they need someone able to manage the project officers. In regional areas, there might not be a pool of people with this skill, training etc would be required, money is needed to manage the project, to ensure its success.

Expansion of Local Government Services

The ASU notes the recent statements by Minister Tuckey in his call for Local Government to be expanded to provide additional services to the community, the ASU believes that there is some merit in considering what services can best be provided by communities in particular, regional isolated rural communities by their Local Government Authorities and what activities should remain carried out by State Governments.

Examples of this would include the well developed education systems that are State based must continue to remain State based. However, Local Government has a decided opportunity to develop a pre-school education system that could well prepare young students for their time to primary school.

The ASU notes that Local Government has the resources already in place such as local halls, community infrastructure, civic centres, libraries and other recreation facilities that could be of significant assistance in developing a structured education system to prepare our youngest Australians for their time at primary school. Attendance at this type of education facility could be seen as an expansion of Local Government's role in Child Care and have Local Government teachers undertake preliminary and preparational work for students yet to enter primary school, some of the basics that parents teach their children before they attend school could be expended upon and constructed in a meaningful manner allowing the Australian National Government to take a National interest in education policies at the pre-primary school level.

This could be seen as a partnership for an extension of current Federal Government funding arrangements for Child Care facilities and similar, as managers, Senior Officers and staff within the Child Care Sector are trained teachers and pre-school qualified Child Care Local Government workers that have many of the skills to assist children in these formative years and assist primary school teachers in being prepared for children of special needs, and similar issues long before the children enter primary school. This would be an advantage to State Governments in looking at budgetary allocations of special needs teachers at primary school level and similar.

On issues such as Policing, the ASU sees an opportunity for the role of the traditional Local Government "law enforcement or ordinance inspector" to be expanded from the current parking duty arrangements, litter inspections and beach inspector type activities, along with cattle control officers and regional basic policing duties.

Local Government ordinance inspectors or a similar classification could provide an invaluable tool working with State Government Police Officers in a community partnership approach that would see clear understanding of the role of Local Council and State Police Officers. It is noted that the development of Policing structures and training is an incredibly expensive system and that State Governments should continue to fulfil this role, but provide some training for local community policing activities to further that partnership.

Regional Forums conducted between Federal Government representatives, State Police Force and Local Ordinance Inspectors, providing a hands on view as to what issues could be reformed and passed onto Local Government. Getting the local players involved is today seen as a sign of leadership and commitment to involving the whole community.

Consultation and partnership approaches between State Government instrumentality's and Authorities, be them Police Forces or others with Local Government would be seen as a decided advantage rather than duplication of training regimes and infrastructure already present.

To more clearly identify these needs a detailed analysis of Local Government functions in consultation with State and Regional Governments should be undertaken.

Regional & Local Development

For Local Government to develop a long term rate base and improve its financial viability it is acknowledged that a mixed economy/rate base comprising of industrial, commercial and residential rates is of substantial assistance to Local Government. Accordingly financial assistance to Local Government must include the ability and assistance to attract not only residential community growth, but commercial growth and industrial growth. By this it is noted that Local Government Services and indeed regional/local jobs growth is also dependant upon the opportunity for commercial growth in shopping centres, retail, office type workers, professional establishments, along with the necessary industrial based infrastructure such as industrial zones and areas, warehousing or specific infrastructure projects - create a long term financial feed for the local economy, through Rates and Local Charges for Services provided by Councils.

The issue of regional development and/or suburban city projects should for a purpose of Local Government Funding not only give consideration to the immediate effects being felt by the local community for job creation and similar, but also consideration of the likely income stream in the form of rates, additional revenue paid by infrastructure development projects and industrial developments that provides rateable increases to the local Council and therefore the Local Government community to be requested on future development opportunities within the local community, regional projects, town and city infrastructure and community services.

A flow on effect of their creation of industrial and/or infrastructure projects is also seen by the creation of additional employment opportunities in the local community by way of housing development, hospitals and professional services, through to the retail sector all hinged upon development of Regional projects.

The role of Local Government in attracting industrial development and significant infrastructure projects must be a consideration not only to provide employment but also sound financial future for Local Government industries - this must be recognised by both Federal and State Governments irrespective of their flavour.

Local and Regional Employment Delivery

Local Government as a stable regional and suburban employer has the ability to create not only employment that is needed by the community directly within the Council, but when this occurs as full time meaningful employment directly by Councils, and thus see the employees reside within the towns and cities, spins off employment. Opportunities also occur in those towns and regions, when Local Government employment directly contributes to the number of citizens that utilise schools, hospitals, retail, commercial services, doctors and related professionals.

Contract Employment or tenders issued by Councils do not have the same effect as quite often the successful tenderer will not have their business located in that town or should the business be on sold that future owners will not necessarily reside within the area.

The best guarantee to regional employment is for Local Government to be seen as a foundation stone for regional employment. The best guarantee to this is the assurance that the jobs will remain in a town long term and with Local Government as the principal employer this is seen as a decided advantage in community growth.

Long term commitment to regional jobs means long term commitment to Local Government support and structures, this is not seen as a crutch nor a basket case nor an uneconomical advantage but merely the assurance that Local Government is a key and major employer and can achieve the best possible "quality" results for the community by direct employment at a local level as opposed to the importation of services from Capital Cities, other regional centres or perhaps even Internationally.

Technology in the Future

Local Government must be assured, along with other regional counterparts, of significant contribution by way of developing its economy through support services of Telecommunications, with the new Technologies in our Communities, Local Government has some great opportunities in communication lines, personal computer development and such.

Community Services

Australian citizens, no matter where they be throughout Australia, deserve decent Community Services that all too often are Councils responsibility to provide. Not only should Councils provide these services but all Councils throughout Australia should ensure that all citizens have access to decent Community Services that improve the quality of their life and promote equality across Australia.

These services include not only the traditional services that we see as becoming even more important, such as libraries, regional art Galleries and general community services.

It seems important to the ASU that all Local Government Authorities throughout Australia provide the same high standards of services, through physical location of libraries, access to books and reference materials, and can also provide the infrastructure and access needed so necessarily on those information super highways now developing throughout the world.

The ASU also sees a necessity for a common exchange of information and a common understanding of resource material that is available within high schools, school systems and the local community. The ability to consider inter library loans across libraries and perhaps even the education system by way of incorporating common listings of resource material in all public and private education and resource institutions should well be a consideration.

A Survey and Analyse of support and community service infrastructure available for city Local Government residents followed by regional and then country residents needs to be undertaken so that a comparison of services provided to all Australians can be benchmarked and the opportunity to attempt to achieve the same high levels, without regional loss of employment or country loss of employment needs to be a consideration. The Union would welcome surveys that took steps to ensure that all Australians had improvement in libraries, community services and similar.

Sharing of Resources Amongst Councils

On the surface it appears that Local Government could offer improved efficiencies by the sharing of resources with neighbouring Councils within the similar same region.

This process has been considered by many Councils over the years and whilst there may be some seasonal opportunities and benefits it raises very very serious questions about the protection of regional communities throughout Australia. Some of the glaring examples concern the utilisation of plant and equipment, such as road scrapers, draggers, bulldozers, tractors, tip trucks and semi-trailers, which some may think could be easily shared between neighbouring Councils when not in use for specific projects.

There are some fallouses with this consideration but there are also alternatives worthwhile looking out.

One particular example concerns the use of heavy equipment that may be used by Council for its normal roads program and which is idle during peak heat times over December, January, February, or other seasonal troughs dependent upon climatic locations.

One of the great faults with the considered use of contractors in Local Government, is their inability to serve and save communities when they are being threatened. Regional and Country Cities along with some Metropolitan "Shire" Councils have additional responsibilities to protect the community against bushfires, flood control and other threats that face towns. Restoration of Council's roads and property, river banks, levees and more are also required in the aftermath of a bushfire or flooding.

All of these examples show that a Council needs to be able to manage its own plant and equipment effectively for not only regular maintenance programs, bridge building and road construction, but also needs to be able to manage the bushfires, flood control and other requirements.

For instance a contractor or neighbouring Council could not afford to loan a piece of plant and equipment to a Council to be held in store just in case it was needed for flood litigation or bushfire control, however Local Government Authorities that own plant and equipment can program their maintenance, road place construction and similar, with the added benefit of availability of plant for emergency services and unexpected requirements. Often Local Government is the lender of resources for bushfires to State emergency services and other community service organisations, it is not uncommon for the army, navy, or civil defence organisations to call upon Local Government for Assistance, not to mention the call from State Government and National Governments during time of emergency.

Funding programs that allow for Local Government to own and maintain their own equipment, use on scheduled and programmed works, construction, roads or other, but then allow the flexibility to be removed from scheduled programming for community services and community protection and/or loan are fine examples of **Maximum Utilisation of Equipment**, but must be left to each Council to make their own autonomous decisions.

Currently Local Government does share equipment, by undertaking road development Project, or other infrastructure areas using heavy duty construction equipment and items of plant, by way of undertaking projects, often on a cost recovery basis for neighbouring Councils, that may not be able to undertake these projects had they been faced with substantial bills or expenses presented to them by "out of town" contractors, that would not only charge exorbitant but often and usually do move their entire profits out of the community taking spin off jobs with them (this point has already been raised).

However, there are opportunities for Councils to share resources either in the development of specific pieces of equipment that need to be styled, designed or otherwise for specific geography and/or tasks, that may not be normally considered by the makers and designers of this equipment, that sometimes reside in the Northern hemisphere. This sharing of designer requirements, can often mean companies that were not intent on designing of new equipment may see a Market where more than one or two Councils demand a product.

The sharing of resources in Council areas so as libraries and community services has been well known for sometime, examples of this include inter-library loan services, regional libraries where populations are so manageable, regional art gallery exchanges of exhibits and similar, the pooling of resources, again with regional art galleries combining together to assemble an exhibition that could be moved from one regional art gallery to another, State Governments and National Governments can have a role in providing the funding for projects where 2,3 or more Councils would come together for cultural purposes such as this. This process also allows Councils to share insurance costings and others.

The Union notes that regional organisations of Council are now commonplace and have allowed Councils to develop their own best responses to how their services can be shared and used for the constructive benefit of the community, balanced out against regional independence, local democratic structures and most importantly the continuation of regional employment.

Local Government and Australian Citizenship

Local Government is charged with great responsibility on behalf of Australians, under powers of the Australian Government and under powers of the Australian Constitution, to formally provide new Australians with their Certificates of Citizenship and public recognition that new migrants are Citizens of Australia.

When new Australians become Citizens to Australia they complete their paperwork, they make their applications, its resolved and approved, however those new Australians go to an Australian level of Government to be sworn in as new Citizens, to be acknowledged in their Communities and to be encouraged to participate in the democratic process. This great responsibility is undertaken by Local Government because it represents the communities and wants new Australians to be part of our community.

We need to ask that if we can have new Australians being given their rights to the Australian Constitution by Local Government, why can't the Australian Government work to ensure that Local Government also gets Constitutional recognition and protection.

Summary

Local Government is one of the great employers in Australia, from the inner suburbs of Brisbane, to the outstretched suburbia of Sydney and Melbourne, through to the country and regional vastness of Australia, no other industry, Government functionary or Government Department, delivers daily for the community and this Nation.

Local Government must be able to continue to develop their tasks and functions without threats of amalgamation, forced removal of services, forced intervention of contracting out laws and where appropriate reviews of National Competition Policy to ensure that if Local Government is doing well it should be encouraged not threatened, cajoled or have strings attached to funding or support services.

Local Government in summary needs perhaps two specific points:

1. Constitutional recognition for Local Government and every Council that exists in Australia.
2. The ability to develop to a position of being self supporting by way of defined Government revenue, percentage terms of the National Taxation System or ability to have its rate based measured upon services to the community rather than Politicians whims.

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