

# Tenterfield Shire Council



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Our Ref: RG0620:MA:NB:498

Staff Contact: Mark Arnold

28 August 2002



*Sir Henry Parkes*

The Secretary  
House of Representatives Economics,  
Finance & Public Administrations Committee  
Parliament House  
CANBERRA ACT 2601

By email: [EFPA.reps@aph.gov.au](mailto:EFPA.reps@aph.gov.au)



*Autumn in Tenterfield*

Dear Sir/Madam,

**Re: Parliamentary Inquiry into Cost-Shifting to Local Government**

I write on behalf of Council in response to the Parliamentary Inquiry into Cost-Shifting to Local Government.

**Background:**

Tenterfield Shire Council is set astride the Great Dividing Range at the northern end of the New England Highlands.

The major centre of population in the Shire is the town of Tenterfield with an approximate population of 3,200.

The town of Tenterfield is located 770km north of Sydney and 270km south of Brisbane.

Other centres within the Shire include Drake, Jennings, Legume, Liston, Mingoola, Torrington & Urbenville.

The Shire covers an area of 713,439 hectares with a total population of approximately 6,500.

Council's General Purpose Financial Reports for the year ended 30 June 2001 report operating expenses including depreciation of \$12.342 M, with capital purchases of \$4.466 M. .../2



*Bald Rock National Park*



*The Tenterfield Saddlery*



*Tenterfield School of Arts*

Birthplace Of Our Nation

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**House of Representatives Economics, Finance & Public Administrations Committee**

Council's revenues for the period were sourced as follows.

	\$M
Rates & Annual Charges	2.725
User Charges	1.386
Interest Received	.489
Grants & Contributions – Operating	5.387
Other Revenue	.042
Profit from Disposed Assets	.103
Grants & Contributions – Capital	1.630
<b>Total</b>	<b>\$11.740</b>

**Comment**

Council, due to the limited size of its rating base & the capacity to pay of ratepayers, has little opportunity to raise additional revenues to meet the increasing costs imposed on the day to day operations resulting from.

- Legislation Changes
- Regulatory Changes
- Contractual Obligations with State Government
- Various other sources

The impact of additional cost impacts have to date been absorbed primarily from the reductions in capital expenditure programs and operating expenditure budgets for services.

A reduction in funding for capital expenditure programs and operational expenditure budgets for asset maintenance is not sustainable and is only creating a intergenerational liability, by deferring works.

In relation to the capacity of ratepayers to meet additional costs it should be noted from the 1996 ABS statistics that 33.1% of householders earnings in the Local Government Area were less than \$300.00 per week.

The real cost of many of the impacts felt from cost-shifting or unfunded mandates is not easily measured but can be best described as an opportunity cost. Every time staff & other Council resources are consumed in administrating State or Federal Government Policy, the local community is deprived of that resource for the implementation of local projects or to respond to a local need.

The outlet for community frustration in respect to unresolved issues or incomplete projects being both Councillors and Council staff. The potential future cost to the local communities being the unwillingness of people to stand for elected office or for staff to work in an environment that is under resourced by State & Federal Governments but is over regulated by the same levels of Government.

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**House of Representatives Economics, Finance & Public Administrations Committee**

The main issues submitted by Council for consideration by Council for consideration by the inquiry are:-

- Funding of Projects directly to Local Government authorities from the Federal Government (including Roadworks Projects).  
Example – Tenterfield School of Arts Project.
- National Resource Management responsibilities being delegated from the Federal Government to State Governments to Local Government Areas without the provision of funding.
- Impact of State Government Departments and Authorities on Planning of Projects. The approach to projects and Natural Resource Management is not integrated.
- Health Services – direct funding of local Health Services.
- Allocation of a proportion of GST Revenue provided to the States to Local Government Authorities to assist with future Planning with Council's.
- Roads to Recovery commitment to the Program for a further period.

Example – Council through the program is able to address some backlog works on local roads.

In response to the issue of National Resource Management Council is particularly concerned that the current thrust of Legislation and associated regulatory plans is to usurp Local Government of a planning role within the rural area and therefore the ability to determine the future of their respective communities in the consent process for developments. Local Government and their respective communities are expected to meet the cost of compliance even though the same legislation has reduced the earning capacity and the value of their land.

Should there be a need for Council to respond upon the above information, please do not hesitate to contact myself on (02) 6736 1744.

Yours faithfully,



Mark Arnold  
General Manager

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# SHIRE OF TENTERFIELD

