



Ref: 904/L 2/KD

24th July, 2002

House of representatives Standing Committee on
Economics, Finance and Public Administration

Submission No: 115

Date Received: 05/08/02

Secretary: Cardell

The Secretary
House of Representatives
Standing Committee on Economics/Finance
and Public Administration
Parliament House
CANBERRA ACT 2600

Dear Sir/Madam

Re: Inquiry into cost shifting onto Local Government

The Mid Murray Council wishes to make the following submission in relation to the Commonwealth Governments Inquiry into cost shifting onto Local Government. Before proceeding any further it is considered appropriate to provide the following statistical information on the Mid Murray Council.

Established	1 st July, 1997
Area	6, 266 square kilometres
Population	8448
Length of Council Roads	
Sealed	309 kms
Unsealed	3049 kms
Employees (FTE)	76
Assessed Capital Value 2002/2003	\$817,415,160
Number of Rateable Properties	9015
Rate Income 2002/2003	\$4,549,000
Total Income 2002/2003	\$10,985,000
Total Expenditure 2002/2003	\$10,998,000

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The following functions and costs have been transferred from other Governments to the Mid Murray Council or to the four Councils which existed prior to the amalgamation in 1997.

Roads

- Since the introduction of the Commonwealth Government's Financial Assistance grants in 1974/75 the provision of road grants to Council by the Highways Department decreased substantially.
- Due to decisions by other Governments the viability of rail as a transport mode has resulted in massive increases in the type and volume of traffic using Council controlled roads with the result being much more rapid deterioration of the road network.
- Approvals for B-Double transport, changes in many other standards and traffic management issues, together with the ever increasing number of vehicles using the road network have dramatically increased the cost of road construction and maintenance.

Community Transport

In many country areas it has been the past practice of State Government to provide seed funding for the initial capital cost of community transport facilities such as vehicles, however, when the vehicle needs to be replaced no further capital funding has been forthcoming.

Town Planning and Development Act

- In the late 1960's Councils undertook Town Planning responsibilities – this was largely negotiated and application fees provided some limited additional resourcing – the complexity, volume of issues and particularly the strategic functions continue to expand, however, the application fees, which are fixed by State Government are not adequate and do not even cover the approval processing.
- Councils must now review their Development Plans every 3 years instead of every 7 years.

Waste Management

Increased responsibilities and higher standards imposed by the State Government on waste management and land fill sites have incurred significant capital and operational expenditure.

Stormwater Control

State funding for the Catchment Management Subsidy Scheme has been cut back requiring a greater contribution from Council towards stormwater control.

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Septic Tanks

The responsibility for administering septic tanks and soakage systems was transferred to Council's from the SA Health Commission in the mid 1990's but the power to determine the fees remained with the State Government which has resulted in the fees collected not being sufficient to meet the costs.

Health Inspections

The advent of diseases such as Legionnaires Disease has triggered a requirement for Council inspection of cooling towers – as a result of the Public and Environmental Health Act. No resourcing is provided to Councils for this work.

Food Act

The new Food Act has been proclaimed without assurances for Local Government that the additional workloads for Environmental Health Officers can be funded through user pays charges. Most Councils supported Annual licence/registration fees for Food Businesses but the State Government was not supportive.

Jetties

The future maintenance of country jetties has been transferred to Councils. Prior to the transfer the State Government provided some funds for upgrade works.

Libraries

In the 1970's Councils took on library management and development as part of a well supported Library Development Program in South Australia. Communities and Councils have supported it strongly. However it began with a 50/50 funding approach between Councils and State Government including capital development, now the figure is closer to 75/25 with Councils picking up all the capital costs. Recently country Councils received public Internet access terminals at no up front cost but no ongoing commitment to hardware maintenance or replacement costs has been made.

Rates

The State Government requirement for quarterly rate billing which was introduced in 2001 has increased the cost of rate collection.

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Dog Management

Councils were led to believe that dog registration fees and other income was to cover the costs to administer the legislation. Currently registration fees and other dog control income received by this Council amounts to less than 50% of the cost incurred. The State Government has recently declined Local Governments request to increase fees.

There is no doubt that Councils are carrying out many functions today that were previously undertaken by the State Government. The major problem with this increased activity is that the revenue base has not increased to match the new responsibilities. To further compound the problem various funding sources from the State Government have actually decreased over the years. The method generally adopted by Council to overcome the problem has been to reduce the level of expenditure on capital works relating to infrastructure renewal and on road maintenance. The current situation cannot be allowed to continue.

Should any further information be required I can be contacted at the Mannum office.

Yours faithfully



Glenn Brus
CHIEF EXECUTIVE OFFICER