

SUBMISSION MADE BY THE CITY OF COCKBURN (WESTERN AUSTRALIA) TO THE COMMONWEALTH GOVERNMENT INQUIRY INTO LOCAL GOVERNMENT AND COST SHIFTING

Introduction

The City of Cockburn takes pleasure in making this submission.

In making this submission it advises that it is submitting four in house submissions received from those service areas most impacted on by cost shifting and it believes each of those submissions is worthy of presentation to the Standing Committee: they being from the following Service Areas:

- Environmental Health
- Social Services
- Road Design
- Safer Cities

As such, the City of Cockburn has provided some corporate data while at the same time allowing the submissions made by the above services to be read as City of Cockburn endorsed, 'stand alone' submissions.

In making this submission, the City of Cockburn advises that it has used a reporting template that was constructed by the Western Australian Local Government Association, wherein they sought particular information from member councils, so as to collect their own data for the Inquiry. Consequently, much of our submission is made using the WALGA template, as we believe it provides the Committee with worthwhile and easy to understand data.

At the end of the service unit reports are some other comments made by the City of Cockburn, which we also believe are worthy of representation to the Committee.

Should there be any questions about our submission, then they can be directed to the Contact Officer shown below.

CORPORATE DATA

COUNCIL NAME	City of Cockburn
MAYOR	Mayor Stephen Lee
CEO	Rod Brown
CONTACT OFFICER	Allen Graham - Manager - Corporate Development (08) 9411 3533
POPULATION SIZE	72,000
GEOGRAPHIC SIZE	148 sq kms
CURRENT BUDGET	\$48 million per annum

Q.1 REGIONAL ARRANGEMENTS

Is your Council a member of a Regional Organisation of Councils?

Yes - South West Group (VROC)

- Southern Metropolitan Regional Council (Regional Waste Council)

Could you please provide details of your financial contribution to activities carried out through regional arrangements (including annual subscriptions, if any).

Type of Regional arrangement (specify)	2000/01	2001/02	2002/03
VROC (South West Group)	\$47,500	\$48,700	\$50,000
Regional Waste Council (SMRC)	\$125,000	\$135,000	\$1.7m

Submission of the Environmental Health Services of the City of Cockburn - Prepared by John Hardy - Contact number (08) 9411 3443

OVERVIEW

In Western Australia Section 26 of the Health Act 1911 directs every local government “...to carry out within its district the provisions of this Act and the regulations, local laws and orders made thereunder...”.

Further, section 27 of the Health Act 1911 states that “(1) Every local government may, and when directed by the Executive Director, Public Health shall, appoint a medical practitioner as medical officer of health, and also such environmental health officers and analysts as may be deemed necessary by the Executive Director, Public Health.

(2) Such medical officer of health, environmental health officers, and analysts shall perform such duties as the local government from time to time directs, and also such as are specially prescribed by any order addressed by the Executive Director, Public Health to the local government.”

Part XIV and other provisions of the Health Act 1911 (the Act) provide the Governor with significant and wide-ranging regulation making powers. There are approximately twenty-five sets of regulations made under the Act, which local governments in Western Australia are expected to enforce.

It can be seen that these mechanisms of State Government have a significant influence on local government activity under the Act and hence impact on local government resources.

While the provisions of the Act give the Executive Director, Public Health (EDPH) wide ranging powers to direct local government activity in public health, the reality is that more subtle methods are used to delegate or devolve responsibility to local governments.

In 1998 the EDPH published a Model Environmental Health Plan, which sets out minimum and desirable inspection frequencies and a guide as to the time allocation for inspections for the various program areas enforced by local governments. There has been no strict directive to local governments to meet these targets. However, assessments of individual local governments’ environmental health services are carried out by the Department of Health from time to time. These assessments measure the local governments’ performance against those targets and Department of Health recommendations are based upon them. There is an expectation that local government services will meet these targets.

The primary method of delegation of Health Act responsibilities to local government is through the enactment of regulations. Section 26 of the Act places a clear onus on local governments to enforce the provisions of any regulations made there under. During the past 10 years (Since 1 January 1992) there have been at least six new regulations enacted to regulate activities not previously controlled. Some of these have had a minor impact on local government resources (eg. *Health (Temporary Sanitary Conveniences) Regulations 1997*) whilst others have a significant impact on local government resources and capabilities (eg. *Health (Air Handling and Water Systems) Regulations 1994*). Consultation with local government officers on the content of proposed regulations has improved over the past few years, but inadequate attention is paid to local government resource issues and economic costs to affected industries. There is no formalised regulatory impact assessment process in place.

Some regulatory amendments can also have a significant impact on local government resources. While most amendments do not require additional resources, some seemingly simple changes can result in a significant increase in local government responsibility and additional drain on limited resources (eg amendments to the *Health (Treatment of Sewage and Disposal of Effluent and Liquid Waste) Regulations 1974* to allow the use of ATUs in 1992).

Although section 40 of the Health Act provides that a local government may levy a General Health Rate this is rarely done in practice. Section 40 does set upper limits on the rate but these limits seem more than adequate to fund the activities of local governments in enforcing the provisions of the Act. During the past ten years there has been a developing preference by many Local governments to fund enforcement activities via application and annual registration fees levied on operators whose businesses necessitate the enforcement activities. New regulations and amendments to regulations contain a mish-mash of funding arrangements from none at all to application fees and in rare cases ongoing registration fees. The lack of ongoing registration fees relating to activities requiring ongoing monitoring and assessment is a regular omission.

A major criticism in relation to Health Act regulated fees is that they are not regularly increased in line with CPI rises. Most of these fees have not been increased since promulgation. The fees may have been adequate when set but the passage of time has eroded their appropriateness.

Local government Environmental Health services have had and continue to have a major role to play in monitoring and controlling community noise. Authority for the control of noise issues comes from the *Environmental Protection Act 1986* (EPA Act), through DEP authorisation of Environmental Health Officers and various delegations. Regulations made under the EPA Act provide for the collection of some fees for some activities in this area. Some delegated approvals do not have a fee attached to them, however the City is able to justify charging application fees under the provisions of section 6.16(2)(d) of the *Local Government Act 1995*. Although fees are chargeable for approval type activities and monitoring in some specific circumstances, ongoing monitoring and issue resolution, which makes the bulk of work in this area remains unfunded.

Q.4 DEVOLUTION OF RESPONSIBILITIES

The following question seeks to identify both costs imposed on Local Government through transfer from Federal or State Governments [**part (a)**] as well as costs resulting from increased compliance or administrative requirements of other spheres of government [**part (b)**].

(a) Do you consider that devolution of responsibilities (ie functions transferred from the Federal or State to Local Government) over the last ten years to your Council have placed an increased financial burden on your council, after allowing for any increased revenues resulting?

Yes

If “yes”, please identify below those functions or activities that you consider have been devolved from the State or Federal in the last ten years and have resulted in increased financial burdens (eg environmental responsibilities, emergency services, etc).

Activity/Function	Estimated annual cost	Estimated annual income (ie fees, user charges or specific purpose grants)
Devolution of Responsibilities under the Health (Public Buildings) Regulations 1992 in April 1992	\$13500	\$330
Health (Asbestos) Regulations 1992	\$5500	Nil
Amendments to the Health (Treatment of Sewage and Disposal of Effluent and Liquid Waste) Regulations 1974 in 1992 to permit ATUs which covertly increased LG monitoring responsibilities	\$9000	Nil
Health (Air Handling and Water Systems) Regulations 1994	\$15250	Nil

Health (Temporary Sanitary Conveniences) Regulations 1997	Negligible	Nil
Health (Smoking in Enclosed Public Places) Regulations 1999	Negligible	Nil
Health (Garden Soil) Regulations 1998	\$1500	Nil
Health (Poultry Manure) Regulations 2001	Negligible	Nil
Adoption of the national Food Safety Standards in Feb 2001 additional premises to inspect not considered in previous arrangements	\$27000	No additional funding at this stage relevant regulations are under development that may provide additional funding source

Q.6 EROSION OF INCOME

Does your Council believe that income has been eroded over the last ten years through the introduction by State/Federal Governments of limits on fees that can be charged for services provided by Local Government (eg Town Planning Fees), failure by State/Federal Governments to effectively and regularly increase fees set by statute and also the level of subsidies/grants not being increased adequately (eg Swimming Pool subsidy).

Yes

If 'yes' could you please identify the specific services/functions/charge/subsidy/grant you are referring to.

Function/Service/Charge/Subsidy/Grant	Estimated Lost Income (2001/02)
Failure to regularly update statutory fees under the provisions of the Health Act 1911	\$15900

Q.3. DISCRETIONARY ACTIVITIES

Could you please identify below, specific functions and activities (and value in 2001/02) undertaken by your council, which would not normally be regarded as an activity of local government, or would typically be provided by a State or Federal agency (including corporatised/privatised organizations) elsewhere in Australia. The reason for involvement could be inadequate or non existent services.

The City of Cockburn currently receives funding grants from the state and federal government to provide a broad range of community services. However, the funding levels often do not cover the full cost of service delivery. This is therefore an example of cost shifting particularly in relation to administrative and infrastructure costs.

Function	Nature of Activity	Expenditure (01/02)	Income 01/02 (if any)
Welfare (eg aged care)	Children's Services, Youth Services, Family Support, Financial counselling, Early Education, Aboriginal Outreach services, and Aged Care Services	3,722,628	3,487,600

Q.4 DEVOLUTION OF RESPONSIBILITIES

The following question seeks to identify both costs imposed on Local Government through transfer from Federal or State Governments [part (a)] as well as costs resulting from increased compliance or administrative requirements of other spheres of government [part (b)].

(a) Do you consider that devolution of responsibilities (ie functions transferred from the Federal or State to Local Government) over the last ten years to your Council have placed an increased financial burden on your council, after allowing for any increased revenues resulting?

Yes

If "yes", please identify below those functions or activities that you consider have been devolved from the State or Federal in the last ten years and have resulted in increased financial burdens (eg environmental responsibilities, emergency services, etc).

Over the past 10 years the state and federal government have devolved responsibility for a range of community services to the not for profit sector and Local Government Authorities. This relates to the ideological shift towards community-based care for people with disabilities and the frail aged. Even though this shift is beneficial to the community, the costs are generally not being fully covered by the state and federal government, therefore placing a financial burden on Local Government.

Activity/Function	Estimated annual cost	Estimated annual income (ie fees, user charges or specific purpose grants)
Children's Services	1,695,900	1,633,900

Youth Services	297,028	136,000
Family Support, Financial Counselling, Aboriginal outreach, early education services	531,500	524,500
Aged Care Services	1,198,200	1,193,200

- (b) Could you please identify other functions and activities where requirements of Federal or State legislation have resulted in increased compliance/administrative costs for Local Government over the last ten years. Could you also estimate the additional annual compliance costs you believe are associated with each activity identified.

Due to the provision of a broad range of community services an additional position is required to provide supervision, and to manage the overall operation of the grant funded projects. There are also additional organisational resources required in the areas of human resource management and financial management.

Activity/Function	Additional Annual Compliance cost (estimate)
Children's Services	72,150
Youth Services	72,150
Family Support, Financial Counselling, Aboriginal outreach, early education services	72,150
Aged Care Services	72,150

- (c) In relation to both the devolution of responsibilities [part (a) above] or the additional compliance and administrative costs [part (b) above], could you please estimate the number of additional staff required (if any) to meet these additional responsibilities over the last ten years.

Estimated additional staff required for (a) and (b) above and at what cost: 1.5 FTE at \$100,373 per annum.

Q.4 DEVOLUTION OF RESPONSIBILITIES

The following question seeks to identify both costs imposed on Local Government through transfer from Federal or State Governments [**part (a)**] as well as costs resulting from increased compliance or administrative requirements of other spheres of government [**part (b)**].

(a) Do you consider that devolution of responsibilities (ie functions transferred from the Federal or State to Local Government) over the last ten years to your Council have placed an increased financial burden on your council, after allowing for any increased revenues resulting?

Yes

If “yes”, please identify below those functions or activities that you consider have been devolved from the State or Federal in the last ten years and have resulted in increased financial burdens (eg environmental responsibilities, emergency services, etc).

Activity/Function	Estimated annual cost	Estimated annual income (ie fees, user charges or specific purpose grants)
Preparation of line marking and traffic signing plans (used to be Main Roads responsibility)	\$50,000 per annum.	nil
Traffic signal designs (used to be Main Roads responsibility)	\$10,000 per intersection by Engineering Consultants	nil
Investigation of Zebra road crossing or pelican light crossing (used to be Main Roads responsibility)	\$600 per investigation. No annual figure as this is on need basis.	nil
Investigation of line marking and traffic signing (used to be Main Roads responsibility)	\$100 per investigation \$500 per survey pickup & preparation of drawings for a small job.	nil
Upgrading Main Roads traffic signals	Design fee \$6,000 for each intersection.	nil
	The four shaded boxes above would collectively incur an annual cost of approximately \$20,000 pa	

(c) In relation to both the devolution of responsibilities [part (a) above] or the additional compliance and administrative costs [part (b) above], could you please estimate the number of additional staff required (if any) to meet these additional responsibilities over the last ten years.

Estimated additional staff required for (a) and (b) above and at what cost: **1.5 FTE at \$60,000 pa**

Q.5 RATIONALISATION OF ROLES (TOR 5)

(b) (a) Are there any specific roles of Local Government that you consider would be better undertaken by the State or Commonwealth Governments?

Yes

If 'yes' could you please identify the specific services or functions you are referring to.

Function/Service	Why better outcome?
As stated above in Q4 (a)	More efficient and cost effective as Main Roads is the approval authority. In addition, it is a costly exercise in keeping up with Main Roads ever changing standards.

Q.3. DISCRETIONARY ACTIVITIES

Could you please identify below, specific functions and activities (and value in 2001/02) undertaken by your council, which would not normally be regarded as an activity of local government, or would typically be provided by a State or Federal agency (including corporatised/privatised organizations) elsewhere in Australia. The reason for involvement could be inadequate or non existent services.

The City spent \$286,000 in 2001/02 on community safety crime prevention initiatives. This expenditure included support for neighbourhood watch and Community Policing all of which are State Government Initiatives that survive with a substantial Local Government commitment. Mobile security patrols for one particular locality account for \$45,000 and where the need for this has arisen because the State Government Housing Authority has placed some dysfunctional families in this locality, without providing the necessary social and police support to address the crime that has arisen. There are a limited number of programs funded by the State that provide alternative structured activities for those young people at risk of criminal behaviour. The City has funded some of these activities.

Function	Nature of Activity	Expenditure (01/02)	Income 01/02 (if any)
Law & Order	<ul style="list-style-type: none"> ➤ Mobile Security Patrols ➤ Handyman Home support for elderly with the objective of making their homes more secure ➤ Crime prevention strategies, eg support for Neighbourhood Watch programs 	\$286,000 (\$45,000 of this went to mobile suburban security patrols)	nil

OTHER COMMENTS:

Notwithstanding those concerns that have been identified within the reports of our service units, the City of Cockburn wishes to make the following comments:

Shifts in government policy and/or reduction in the staff numbers within State Government Departments.

While this is a matter that is not quantifiable, the City of Cockburn submits that there are a number of areas where shifts in State Government Policies and/or staffing levels have had such an adverse impact on State Government Departments that the City of Cockburn has had to make its own appointment to compensate for the loss of that professional service.

One example of this is in the area of stormwater drainage for the City of Cockburn has just had the experience of rezoning an environmentally sensitive package of land to urban and it was no longer able to use the professional services of the Water Corporation to assist in the development of the stormwater plans for that estate. Whereas in the past the Water Corporation would have prepared plans and overseen the development of the drainage system for the new estate, with those professional service no longer available, the City of Cockburn has had to employ a Consultant to prepare the Management Plan and oversee the implementation of the new drainage system.

Application of User Pay Principles to those services undertaken by state government departments on behalf of Local Governments

User pay principles have been introduced at a cost to local government for whereas in the past local governments may have received the following services *gratis*, the local government is now expected to pay for them, eg,

- Advertising public notices in Government Gazette
- Auditing services
- Valuation reviews
- All testing undertaken by Government Health Laboratories

New legislation and or new state or federal government policies

This is one area where a law, or a policy, may be enacted by the State or Federal Government, but where the enforcement of the Act rests with the Local Government Authority. This is particularly so in the area of environmental legislation and here the City of Cockburn would cite environmental noise legislation as one that has a considerable impact on local government.

Rationalisation of Planning Process

The City of Cockburn submits that there is still a great deal of overlapping between state and local government planning departments and where a rationalisation of the planning process would cut out much of the double handing that is presently experienced with many planning applications, and which of course incurs a cost for both the state and local government authorities, as well as the applicant.

An example of this is the Development approval, which in some instances requires both the approval of the local authority, as well as that of the Western Australian Planning Commission.

Matters that should be the responsibility of State Government Departments.

1. Fire and Emergency Services and the State Emergency Service

It is the City of Cockburn's belief that all services that fall within the above bucket should be the responsibility of the State Government.

While the State Government has responsibility for the 'paid' arm of the Fire and Emergency Services, the voluntary bush fire brigades remain the responsibility of Local Government and it is the City of Cockburn's belief that these voluntary brigades, as well as the volunteer units of the State Emergency Service, should be placed under the responsibility of the appropriate state government agency.

2. The management and maintenance of that property zoned Regional Open Space

It is the City of Cockburn's belief that responsibility for this land should be placed with a state government agency, for as the name suggests, the land has an importance and significance to more than just the local government in which it falls. As such, it should be managed on behalf of the greater community, with the cost of doing so spread across the greater community, rather than the local community in which the land is located.

An example of this is the Regional Open space committed to that chain of lakes that make up the Beeliar Wetlands. With these lakes there is a community expectation that they be maintained for the benefit of the community and as such, local government has accepted the responsibility for the management of these lakes, but the state government makes no contribution to the ongoing maintenance and management of such an environmentally important community asset.