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26 July 2002

THE SECRETARY
HOUSE OF REPRESENTATIVE STANDING COMMITTEE ON
ECONOMICS, FINANCE AND PUBLIC ADMINISTRATION
PARLIAMENT HOUSE
CANBERRA ACT 2600

House of representatives Standing Committee on Economics, Finance and Public Administration	
Submission No:	82
Date Received:	26/7/02
Secretary:	Burdell

Via fax - 02 6277 ⁴⁷⁷⁴ ~~4587~~

Re: Noosa Council's submission into Cost shifting by State Government to Local Government

The Noosa Shire Council would like to take the opportunity to make this submission to the Standing Committee in relation to its current enquiry into cost shifting by State Government to Local Government. Noosa Council is pleased that this issue is being considered by the Standing Committee and would welcome an opportunity to discuss any aspects of this submission with members of the Committee if required.

Noosa Council wishes to raise the following matters for the consideration of the Committee:-

A. The effectiveness and efficiency of service delivery to the community -
If the Committee is serious about examining the roles and responsibilities in service delivery to the community, then as part of its review it must also undertake a study as to which level of government delivers the most efficient and effective service to the community for each type of service. This would entail the Committee reviewing the levels of administrative overheads at the three levels of government to see which can best and most efficiently provide the different types of service which governments provide to the community. This information would provide the basis for a reasonable debate as to which is the most appropriate level of government to deliver each type of service in the most efficient and effective manner to communities.

Examples already exist where direct service delivery is provided by one level of government although it is fully funded by another level of government. As an example, Noosa Council provides a Home Assist service which helps elderly residents remain in their homes by providing maintenance and support. That program is fully funded by the State Government and has been very successful and is a good example of what can happen when a program is properly funded and delivered by Local Government. Having said that, the risk remains that if the State

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Government should ever reduce or stop the funding for that program, then the community would expect that Local Government would continue the service at its expense.

Another example also exists for Noosa Council as it operates a Respite Centre which is fully funded by other levels of Government.

Part of this review should include a review as to what the State Government is currently allocating in terms of its resources to each function of the State compared to what should actually be spent on each function.

B. Management of rivers –

There is no logical reason why river management is not undertaken by Local Government. Activities such as boat ramps, boating on rivers, jet skis, water-skiing etc could be managed by Local Government and the resources currently allocated to those functions by the State Government could be reallocated to Local Government.

C. Control of local roads and traffic –

Local Government currently controls all aspects of local roads other than controls on speeding. Local Government could be provided with the resources and power to control speeds on local roads. As the Committee would also be aware, different levels of roads exist eg local roads, main roads etc. This can create uncertainty as to future roadwork programs within an area and Noosa Council has taken an innovative approach to try and address this situation. In April 2000, the Council entered into a demanding agreement with the State Government in order to obtain more certainty about the future construction and operation of roads that are important to our local community that were previously designated as main roads. In doing so, the Council has created more certainty in terms of its traffic planning and development of the road network and the State Government has agreed to fund certain roadworks.

D. Vegetation Management –

The local community should have the capacity to determine the appropriate level of vegetation control and management for its area. All powers in relation to this matter could be devolved to Local Government, together with the necessary resources to manage it. This proposal should be made with the acknowledgement that the State Government should retain the power to set minimum standards for environmental protection.

E. Property based services –

Local Government has historically been a property based delivery service. It has traditionally dealt with roads, rates and rubbish which all related to property. Whilst the breadth of services provided by Local Government has grown (without necessarily receiving additional resources) there are clearly some other property based services provided by other levels of government which would equally be at home being delivered by Local Government.

For example, Local Government in Queensland is already required to collect fire service levies as part of its rate notice and remit those funds to the State Government. However, fire services are about protecting both residents and property in a community. Councils also collect rural fire levies in order to assist rural fire boards raise funds. The rural fire boards are also primarily about helping to protect property in a community. Local Government could be empowered to undertake those functions. Local Government could also be given a role in other aspects of property management within their local communities. For example, Local Government could be more involved in the management of National Parks.

F. Management of Crown Land -

Confusion currently exists in relation to the duality of roles between the State Government and Local Government over Crown land. For example, land dedicated by developers for public purposes is effectively transferred to the State Government as Crown land with the Council being appointed as trustee. As such, the State Government ends up with the asset and controls the land but the Council is obliged to maintain it.

Noosa Council has also experienced inflexibility when dealing with the State Government in relation to land tenure. For example, Noosa Council has purchased freehold land for environmental reasons and donated that land to the State Government for National Park. However, the State Government has, on occasions, required the Council to purchase land in return if the Council requires to use any State Government land.

G. Examples of Cost Shifting -

Clearly, the State Government has been undertaking cost shifting for some time and this has been occurring during a period when Local Governments have been facing a decline in real dollar terms of their federal assistance grants.

Rather than prolonging this submission with each and every possible example of cost shifting, Noosa Council will simply highlight some examples where there has been a continued devolution of powers without the supporting resources by the State Government. The following are some examples:-

1) Security/Policing -

The Council currently raises \$90,00 per year from its ratepayers via levies to undertake security patrols in and around the Hastings Street area of Noosa Heads. This is, of course, a function of the State Government via its police force but the State do not simply allocated sufficient resources to meet the community need. Once the security force has been introduced by the Council, the police will not step back into that role but will allocate their resources elsewhere.

Another example is resourcing of policing of the Noosa River. The State Government simply does not provide sufficient resources for the police to properly manage the Noosa River and so the Council has funded from ratepayers money the purchase of jet skis. This is funding which should have been provided by State Government to meet the real need of the community but has instead been met from the Council.

2) Environmental Health –

The State Government has consistently been devolving additional powers and responsibilities to Local Government in the Environmental Health field over a number of years without adequate resources. Just some examples are:-

- a) Requirement to licence under the Environmental Protection Act where fees that could be collected do not cover the implementation expenditure (Costs approx \$60,000p.a.)
- b) Immunisation of children (\$3,000)
- c) Food hygiene inspections for schools and private nursing homes previously done by the State Government DPI.
- d) Requirements to inspect boarding houses for fire safety etc.
- e) Management of new nuisance standards etc previously managed by the State (costs extra \$3,000 pa)

3) Community Development –

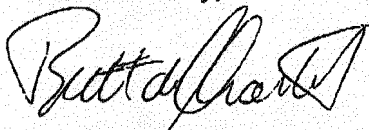
Traditionally, community development functions have been undertaken by the State Government but Local Governments have been having to undertake an increased role in this area. As Local Governments have undertaken more and more activities in the community development of their areas, the State Government appears to be content to let Local Governments take such a role without providing resources.

4) Landcare and Catchment Groups –

Many communities establish Landcare and/or Catchment Groups arising from NHT funding. The majority of these programs have been very successful and have raised community expectations about ongoing roles and responsibilities for Landcare/Catchment Groups. As funding support for such groups is withdrawn or runs out over time, these groups are turning to their Local Council for ongoing community support, putting pressure on Local Councils to find scarce resources to maintain the good work being done.

We trust that this submission will assist your Committee's deliberations.

Yours faithfully,



Brett de Chastel

DIRECTOR CORPORATE SERVICES