

## **INQUIRY INTO COST SHIFTING ONTO LOCAL GOVERNMENT**

**The following submission to the inquiry relating to cost shifting onto Local Government and utilisation of alternative funding sources by Local Government has been prepared on behalf of the City of Albany and the Shires of Denmark and Plantagenet.**

**The shifting of financial burdens onto Local Government has been recognised by Local Government practitioners, at least anecdotally, for many years. The opportunity to address this issue should be welcomed by the Local Government industry and the communities represented by individual authorities.**

**The shifting burden referred to can occur in several ways, including:**

- Unilateral State legislation conferring extra or new responsibility;**
- Threat of withdrawal of services unless Local Government provides that service;**
- Provision of initial or seed funding and subsequent withdrawal by funding body;**
- Downsizing of Government Departments;**
- Abrogation of Government Responsibility.**

**Following is a list of areas that the three Councils have identified as affecting one or all of the jurisdictions.**

### **Unilateral State Legislation Conferring Extra or New Responsibility**

New legislation will often be enacted without sufficient consultation with Local Government, either at a local level or with a peak body. Possibly the consultation may occur but the concerns of Local Government can be ignored. Such concerns often relate to financial burden, existing infrastructure, and availability of local expertise. Legislation will apply equally to the biggest city authority and to the smallest rural/remote authority.

In many cases the legislation will apply to other sectors of the community as well, but there is an expectation that Local Government will have the expertise at a local level to comply in all respects with that legislation.

### **Heritage Act**

Local Councils are required to compile Heritage Registers of significant buildings in their jurisdiction and keep such registers up to date. Funding *may* be available via grants, which in itself creates an extra burden on Local Government to be aware of grant availability and to have the local expertise to prepare successful applications. The need for grant funding is becoming a necessity to undertake ongoing programmes. As the compilation of such registers requires specific expertise, it would be normal to engage an outside consultant to undertake this work.

### **Occupational Safety and Health Act**

New Legislation came into effect on 1 July 2002. The new legislation has implications upon Local Government through the legislation not being enforced and therefore can incur financial penalties through litigation. The changes have created the need for Local Government to employ specialised persons to maintain the services and procedures set by the State legislation. This is not always possible in smaller local authorities.

### **Smoking in Restaurants**

The State Government quite rightly made a decision to ban smoking in restaurants however made no resource allocation whatsoever as to policing of the issue and this has been left to Local Government to undertake in terms of their own environmental health operations. It is a very interesting relationship between the Health Department and the Local Government Department where the Health Department can actually direct Local Governments to employ Health Surveyors without having actually to provide resources. This is totally inequitable and not within the spirit of relationships between tiers of government.

### **Food Regulations**

Several changes are occurring in legislation that will increase the number of food premises in certain areas. These premises will require monitoring and registration. Hence additional resources will be required by Local Government Authorities to implement the changes. For example, bed and breakfast establishments, previously exempt under the Food Regulations, are expected to be classed as food outlets, requiring inspections where none was required before.

### **FESA**

The recent introduction of the Fire and Emergency Services Levy requires all councils in WA to act as a collection agent on behalf of the State Government relating to the above levy. This is an additional burden for local government to absorb, whether or not there is a fee for service. This extra burden for local government was presented to local government as a *fait accompli*.

The Shire of Plantagenet services an area of nearly 5 000 square kilometres. Within this area there are 13 Brigades. Additional responsibility has been placed upon those Volunteer Fire Brigades and the Local Government representatives to provide specific compilations of costing for the new FESA Levy. Local Government will further service, manage and oversee the management of fire strategies for servicing their localities. As the compilation of such strategies requires specific expertise, this places strain on existing employee workloads and at considerable cost to Local Government

### **Builders Registration Board**

Local Government authorities are now required to collect a fee on the behalf of the Builders Registration Board to fund that organisation. The commission on the fee paid does not cover the cost of the collection.

### **Disability Services Legislation**

The legislation requires Local Authorities to have a formalised Committee and Group to advise Council on the needs of the community with regard to disability access and services but does not provide funding for the resources required.

The City of Albany does have a Disability Services Committee and this does provide Council and staff with some valuable insight into the problems facing those people with disabilities. Problems exist however with obvious disparities between State and Federal Legislation, the complexity and subjectivity of both types of Legislation and the total lack of educational campaigns that have been undertaken by the State and Federal agencies to ensure that developers are aware of their responsibilities. Notwithstanding that Local Authorities have some role in policing these issues, when State and Federal authorities make far reaching Legislation change they should provide significant resources to educate and inform their stakeholders of their rights, responsibilities and future roles in the Legislative outcomes.

### **Records Act**

The State Records Act was significantly changed and no dispute exists as to the need for public officers to maintain transparent and retrievable public records. No thought however was given to the incredible cost that has and will be involved in terms of changing systems, particularly computer systems to accommodate the provisions of the Act. At this time in the Local Government industry no software exists at all to integrate electronic communications with standardised records management systems. Such areas will need to be subject to substantial resource allocation. With this type of major legislative change, governments should give consideration to resourcing the change so those affected can achieve the requirements within reasonable time and costs involved do not impact upon their normal asset management and service delivery requirements.

### **Town Planning and Development Act**

Many of the additional responsibilities are gradual, and reflect the increasing complexity of the tasks undertaken by Local Government and the changing community expectations. Additional resources and expertise are required to meet the increasing obligations, responsibilities and statutory requirements.

In particular:

- ✘ Requirements to refer all Town Planning Schemes and Amendments to the Environmental Protection Authority for evaluation.
- ✘ New procedures for amalgamation of crown land with adjoining freehold land and acquisition of freehold land parcels for public roads, public works and reservations. (Formerly through the Land Administration Act, now via the subdivision process under the Town Planning and Development Act).
- ✘ Subdivision Conditions. Clearance required by Local Authority (esp. road construction, vegetation protection, fire safety, drainage and effluent

disposal) but authority is still with the decision making body – Western Australian Planning Commission.

- ✘ WAPC Policy DC 3.4 and Statement of Planning Policy No 11. Requirement for rural land to be rezoned and/or identified in an appropriate Strategy prior to subdivision. Identification of areas of Agricultural significance.
- ✘ WAPC Policy DC 3.7 requires assessment of bush fire hazard and preparation of Fire Management Plans. Implications in evaluating proposals and implementing new requirements.
- ✘ Native Title – Implications for local government as land manager, regulatory body and custodian of community asset.
- ✘ Request for comment and input on draft State Policy (eg Natural Resource Management), legislation (Consolidating and Streamlining Planning Legislation), Machinery of Government Review
- ✘ Lower Great Southern Regional Strategy. Provide input and participation as a member of Technical Advisory Group, Working Groups (Agriculture, Transport, Environment, Community/Economy).
- ✘ Landcare and environmental Issues. Including awareness and appreciation of values, biodiversity, macro-corridors and the need for protection and conservation of, landscapes, vegetation, foreshore and wetland areas, flora and fauna

### **Threat of withdrawal of services unless Local Government provides that service**

Local authorities in rural areas on an agency basis often provide services provided by the State Government in city areas. Unfortunately the rates paid to local authorities may not always cover the cost of providing the service and as the rates are set by the State there is little or no opportunity to negotiate new rates on an authority-by-authority basis. The result is that authorities provide the service by subsidising the State. If the Local Authority should decide not to provide the service there is a strong possibility that the service will end up going to a regional centre, at the least an inconvenience for local people or simply an impossibility.

### **Vehicle Licensing**

The above comments relate especially to vehicle licensing. As an agent for the State, most rural councils act a vehicle licensing centres. The cost to provide this service outweighs the revenue (agency fees) received. Commissions are set at 60% of cost recovery.

### **Learners Permits**

In rural areas the police service no longer issues learners permits. The service therefore had to be provided by local government or it would go to a regional centre. This was not negotiable.

### **Provision of initial or seed funding and subsequent withdrawal by funding body**

#### **Safer WA**

The City of Albany is involved in a Safer WA Committee and this is a valid and effective community event. The bottom line however is that community security is the role of the WA Police Service and we see a constant move to shift the requirement for security at public gatherings away from the Police and onto either to the Local Authority or to the event organisers. Whilst Police input is very valid in terms of sub divisional design and major construction to ensure that no blatant security design faults emerge, actual on the ground policing is a responsibility of the Police. Local Authorities should in no way be involved in having to hire security agents to undertake this service.

### **Downsizing of Government Departments**

The City of Albany has a very large area to administer and the Department of Environmental Protection has happily relied upon Council's Environmental Health Officers to undertake noise and pollution complaints of which they are not responsible for. Our Environmental Health staff are under extreme pressure to manage and control legislation that is constantly changing (as in the previously mentioned smoking in restaurants legislations) and it appears incongruous that the Department of Environmental Protection will sit back and watch our officer's having to undertake work that they are responsible for. The issue of placing Government departments in regional areas is a very good idea however these departments should be properly resourced so service delivery can be maintained at realistic levels.

### **Abrogation of Government Responsibility.**

#### **Hospitals**

Rural Councils especially need to constantly monitor their local provision of health services to ensure that services are not downgraded or removed.

#### **Doctors**

Many Rural Councils subsidise local doctors to either stay in the district or to attract medical practitioners. For example, the Shire of Plantagenet has agreed to subsidise rental accommodation for a doctor. Other Councils actually build medical facilities and pay salaries of doctors to ensure adequate health services in their district.

#### **Mobile Telephone Towers**

Many rural councils have been asked to contribute to the construction of mobile telephone towers in their areas. In the Shire of Plantagenet the Council resolved not to contribute the sought \$20 000 and the tower was removed from the capital works

programme and placed onto a programme in a local government area that was willing to make such a contribution.

### **GEHA**

Joint ventures with Local Government for housing and units eventually shift the cost of the ongoing maintenance from GEHA and Homes West to the Local Authority.

### **Child Care**

Unreasonable legislative requirements on childcare standards are applied without consideration for the practical running of a childcare centre. For example, the need to advertise an unqualified coordinator's position in a remote location, regardless of performance, is an unrealistic requirement and provides no job security.

### **Building Construction Industry Training Fund**

Although this has been in place since 1990, Local Government still acts as the collection agent for this organisation requiring additional resources for \$4.40 per collection. Also, GST is applicable on the commission but not on the levy, creating even greater administrative burden.

### **Noise**

The applicable Regulations have shifted the onus of responsibility to Local Authorities to resolve noise issues.

### **Unmet Need Declarations**

A Local Authority must research and make the necessary Unmet Need Application to enable local doctors to be issued with a provider number to be able to recruit an overseas doctor.

### **Tourism**

The State Tourism body has embarked on a programme of gradually reducing funding to local tourism bodies, thereby leaving a gap that local government is becoming increasingly under pressure to fill.

The City of Albany contributes over \$200,000 per annum to tourism, either by way of subsidy to the Tourist Bureau or maintenance of deficits from business units that generally have a tourism focus. The State Government provides absolutely no financial assistance to Local Government for tourism and is also reluctant to develop a culture within the tourism industry itself, that it should become more responsible for its own marketing and visitor servicing functions. Both Federal and State Governments really need to have look at their roles and responsibilities in the development of tourism and get back to assisting Local Governments in their visitor servicing programs which have, in the past, been very successful and now are under extreme pressure as a result of changing funding programmes.

### **Caravan Parks and Camping Regulations**

Since the enactment there is now a requirement for local authorities to license the parks for a fee that does not always cover the cost of assessing the parks for the licence.

### **Swimming Pool Fencing Legislation**

In place before 1995, the cost of assessment does not cover cost in most cases. Every pool in a local government area is required to be inspected every four years.

### **Dog Act and Regulations**

Local Councils are required, due to changes coming into effect this year from State Law under the Dog Act 1976, to service and publish information to the wider community regarding new legislation.

The Dog Act is presently under review and one of the areas to be reviewed relates to the control of dangerous dogs as defined in the legislation. Not only are there increased responsibilities relating to specific breeds of dog, enforcement and education costs will also escalate.

### **Landfill Regulations**

New Regulations and Acts have placed an additional cost on Councils to provide a safer environment i.e. Contaminated Sites Bill;

Controlled Waste Regulations;

Abattoir Regulations;

Rural Landfill Regulations;

Landfill levy Act.

### **Smoking in Restaurants**

Although this legislation is under review, the inspection of premises for smoking in restaurants is not something that can be adequately done when normal health inspections are done, requiring nighttime inspections to be introduced.