



DISTRICT COUNCIL OF KAROONDA EAST MURRAY

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24 July 2002

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

House of representatives Standing Committee on Economics, Finance and Public Administration	
Submission No:.....	43.....
Date Received:.....	24/7/02.....
Secretary:.....	Gardell.....

Dear Sir or Madam:

Inquiry into Local Government and Cost Shifting By Other Governments

On behalf of Council I wish to make a submission concerning the above inquiry. Functions and Costs have been separated out into various functions.

Transport & Communications

Roads – It is very difficult to put a monetary value on the impact of the closure of rural railway lines in our area. However, we have felt the impact with the transference from rail to road being particularly felt during the grain season when grain is transported to a regional point or out of the area. Maintenance on Council roads during this increases in an endeavour to cater for the increased traffic. Further to that is the impact of increased b doubles on our roads. Quite clearly closure of railway lines has meant that landowners in the area seek another means of transport of their produce and b doubles in the area have increased. Construction and maintenance costs have also increased with roads having to be constructed and maintained to a level that can cater for these larger tonnage vehicles. Transport & Communication represents 56.2% of Council's Operating Budget for 2002/2003

Community Transport – Our Council previously did not contribute to Community Transport. Since the inception of the Murray Mallee Community Transport Scheme Council has felt the impact of the increased call on that service. Our contribution in one year increased by 196%. Because of the lack of public transport in the area the call on that service has not waned.

Housing & Community Services

Town Planning - The legislative requirement on Councils to review their Development Plans every 3 years continues to place pressure on Councils in both time and cost. Application fees barely cover the approval processing and whilst our Council does not deal with a large number of planning applications the cost review the Development Plan is not small.

Development Act – Roles, responsibilities and administrative duties of Council continue to increase.

Environmental Management – Greater responsibility under State Local Government Act 1999 reveal the devolution of responsibilities from State to Local Government.

Environmental Protection and Noise – Resources are not provided for low-level environmental harm or nuisance issues including noise complaints. This then places pressure on Councils with members of the Community looking to Council to help deal with the issues.

DrumMUSTER – Council really was left with no alternative but to take on drumMUSTER. Not all costs can be recovered and it needs to be recognised that when this is being carried out it ties up our Council's limited resources meaning something has to be put in abeyance during this time.

Waste Management & Resource Recovery – Significant capital and operational expenditure is required as a result of increased responsibilities and higher standards. Our Council has chosen to cover the costs for recycling yet there is no financial recompense for doing this.

Septic Tanks – This was once the responsibility of the State Government via the S.A. Health Commission yet here is another example of Councils being left with the responsibility for administering septic tanks and soakage systems.

Overhead Power Cables – The cost to trim street trees around overhead power cables is funded by Councils. Whilst this is not a large expenditure item for our Council the cost is ultimately met at a local level.

Health & Welfare

Aged Care – Our Council has previously funded Retirement Units with no Commonwealth Funding assistance. We are looking at building further units in an endeavour to help and keep our aged citizens in our area.

Health Inspections – Again a case of Councils carrying out inspections.

Food Act – The new Food Act will place additional pressure on Environmental Health Officers and it is highly likely that the charges and fees will not cover this cost. Councils will be reluctant for this to happen on a full cost recovery basis as it would then make it cost prohibitive to the business.

Disability Discrimination Act – Compliance with Federal DDA standards yet no funding to assist Councils in this area.

Recreation & Culture

Recreation - Within Council's Operating Budget for 2002/2003 4.9% is spent in this area. Our Council has experienced the closure of Clubs within our area with the responsibility for those facilities being left with Council.

State Government Surplus Land Sales – Council has been involved in the purchase of Crown Land (State) which has ultimately been to the benefit of the Community. When this has occurred Council has been charged full market value for the land. Previously this has been at notional value.

Libraries – What was initially funding on 50/50 basis with the State Government has now changed to 75/25 for many Councils. Our Council has two Community Libraries and with a change of formula this financial year has had an increase in expenditure of 45.9%.

Native Title – Has placed further responsibilities upon Councils in terms of administration, consultation and protocols.

General Public Services

Postal Voting – Mandatory postal voting introduced in 2000 has increased the cost of Council Elections.

Rates – Similarly the introduction of quarterly billing in 2001 has increased the cost of rate collection.

Consultation – Community consultation is required on a broad range of matters and ties up resources of Councils. For consultation to be carried out effectively it can be very resource intensive. In some cases the consultation is carried out with no response.

Taxation – Along with the rest of Australia Council had to have in place from 1 July 2000 a system that was capable of handling GST. Regardless of the size of the Council there is a high cost of compliance and very much a case of valuable resources being used elsewhere.

FAGS – The change from annually to quarterly payments has cost Councils lost investment income.

Public Order & Safety

Dog Management – Local Government collectively does not recover the full costs to administer legislation. Our Council is fortunate in that it is not in this position but impending changes to legislation will place further pressure on Councils.

Summary

As a small Rural Council by far the biggest impact that our Council experiences is the impact on resources with cost shifting. Councils are asked to do more with less at the local level and further transference from State or Federal Governments will continue to impact on already stretched resources. It is imperative that with any transfer of functions, roles or responsibilities has no impact on a Council and this is not happening. Added to this is the basic requirement of Councils to maintain existing infrastructure and the need for funding to enable this to occur.

It is most evident from the Terms of Reference that *“the inquiry is to be conducted on the basis that the outcomes will be budget neutral for the Commonwealth”*. The same should also apply to Councils.

Yours faithfully

Peter Smithson
District Clerk