



Shire of Quairading

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Your Ref:

**COST SHIFTING
UNC 1**

Our Ref:

8th October 2002

Secretariat
House of Representatives
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: 302

Date Received: 11/10/02

Secretary:

Dear Sir / Madam

Re: *Submission – Inquiry into Cost Shifting by State Government to Local Government*

On behalf of Council and the residents of the Shire of Quairading, I hereby submit the following comments for the Committee's consideration: -

- The Shire of Quairading is a small rural local authority located 168 kilometres East of Perth.

The community and local economy is almost exclusively based on the agricultural industry or service industries and Government infrastructure.
- Council (like all Councils) have been forced to establish or maintain services and facilities due to reduction in funding from State Government or in some cases withdrawal of actual services from our community.
- Examples of cost shifting or requirement to provide services when the State Government has withdrawn services are as follows: -
 - Direct financial impost to Council (and the community) when the State Government reviewed the motor licensing system. Direct cost shift due to reduced commissions and Local Government bearing online costs (Estimated additional cost \$25,000 p.a.).

Failure to take on service at reduced rates meant that the Motor Vehicle and Drivers Licensing facility would not be available to the Community.
 - Council currently provides extensive financial incentives to attract and retain a Medical Practitioner.

Costs incurred included the provision of modern housing, motor vehicle, modern fully fitted surgery and guaranteed salary package.

Council considers that Local Governments in the Metropolitan Areas and Major Regional Areas would not even contemplate contributing towards the provision of Medical Services.

Council considers there should be recognition of the significant financial contributions made by remote and rural Councils.

- Council has now on two occasions contributed towards the cost of mobile telephony services in the district and in the region. It is considered unreasonable that small rural local authorities are forced to financially contribute to a service that is expected to be provided in the Metropolitan areas and large Regional areas without contribution by Local Government.
- The State Government has progressively reduced the “on the ground” human resources for Agricultural Industry Protection and to retain any semblance of service to the rural landholders, Council had to take the initiative to enter into a service agreement with the Department of Agriculture to employ a person part time (job share with the Community Landcare Officer). Whereas the State Government previously provided motor vehicle, office support, accommodation for the APB Officer, Council is now expected to accept these responsibilities.

If Council had not entered the arrangement, rural agricultural producers of the District would have only had access to an Agricultural Officer (and one would say more infrequent service) possibly 60 – 100 kilometres away.

- Council also considers that there have been a fundamental centralisation of human resources in the Central Wheatbelt Region in the area of Welfare (ie Family and Children’s Services) and that many emergency / crises occurrences are not being or can not be dealt with adequately from a regional office.

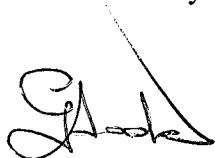
To offset the inadequacy of funding of local welfare and mental health services, volunteer community members are now taking up the role of counsellors / mediators to meet the rising demands. It is considered that there is inadequate funding from State Government in the field of expertise to ensure adequate cover of trained personnel in social work.

- This Council is concerned at the State Government’s philosophy of cost recovery at all costs in regard to the provision and expansion of infrastructure such as electricity, water and sewerage.

Council finds that the excessive headworks and service charges sought by Utility Corporations are a major barrier to providing developed land for future community growth. For example, Council’s past two residential subdivisions have been sold at well below “break even” due to the low land prices achievable and high headworks charges. Council considers that State Governments and their utilities should provide flexibility in assessing costs for high demand areas versus low land demand areas.

In conclusion, Council is seeking the Standing Committee’s consideration of the various barriers to small rural / regional Councils who are working with very limited budgets and reducing State Government assistance to ensure their communities survive and continue to grow into the future.

Yours faithfully



GRAEME A FARDON
Chief Executive Officer