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3rd September 2002

The Secretary
House of Representatives
Economics, Finance & Public Administration C/tee
Inquiry into Local Government & Cost Shifting
Parliament House
CANBERRA ACT 2601

Dear Sir/Madam

Re: Parliamentary Submission

Thank you for the opportunity to express an opinion on the issue of cost shifting between State and Local Government.

This Council applauds your Committee for initiating this inquiry which we believe may lead to a more equitable allocation of resources for local Government to undertake those tasks it is best suited to deliver on.

We are concerned that the practice of 'cost shifting' does seem to be on the increase with Local Government being asked to do more with the same or less resources. Gone are the days when Local Government activities were restricted to the three "Rs" (rates, roads and rubbish). A quick 'brain storm' in this Council came up with the following activities that now constitute core Council work for us:

Air strips	aged care	arts development
community development	community health	community transport
crime prevention	dog management	economic development
environment management	event management	food inspections
infrastructure	levy collection	libraries
OH&S	public housing	native title (Federal)
native vegetation	neighbour mediation	rates (quarterly compliance)
recreation facilities	roads	septic tanks
stormwater control	standards	tourism
waste management	youth support	

Just in the areas of community development, OH&S compliance, environmental compliance and waste management this Council has had to transfer \$210,000 per annum from infrastructure projects (and/or maintenance) to addressing these issues. This represents 10.5% of our revenue base. Clearly these types of cost shifting are not sustainable in the long term as capital projects (and maintenance of key infrastructure) keeps being deferred to the next year.

We have noted the incidence of cost shifting by reviewing the gradual change in policy by the South Australian Tourism Commission (SATC) over the years. During the 1980s (and before) the State Government Tourism Department (operating through a variety of names) accepted responsibility of marketing and promoting the State including marketing and

promoting the regional areas. In executing their mandate the Department produced (at their expense) a range of information brochures and posters covering regional festivals. They also promoted respective regions as part of a state wide advertising program. Over the past five (or so) years SATC have concentrated on marketing Adelaide as a premier destination and encouraging the formation of “partnerships” at the regional level to market respective regions. The major ‘players’ in the region are expected to be the local government authorities.

The (SA) Tourism Commission ran a workshop in Adelaide during 2001 under the theme of “*Developing Regional Tourism through Partnerships*”. All the speakers were divisional Managers from the Tourism Commission who took the opportunity of explaining (to local government delegates) what would be required by local government if local government wanted to access tourism funding. The clear message coming from this workshop was that the Tourism Commission wanted to develop a partnership with local government so long as local government did what it was told!!

Funding for tourism projects through SATC is based on the same formula used by all government agencies. 50/50. The more funding that local government want to access for tourism projects the greater financial contribution they have to put in themselves.

But this is not restricted to tourism. If local government wants to access funding for (example) sporting and recreation facilities, art facilities, youth projects, infrastructure development, community transport, community development and/or economic development it has to put up 50% of the project cost. With a finite budget a Council may only be able to undertake a new project at the expense of dropping something else of their list. The big issue looming for local government will be the cost of and supply of electricity to local consumers in a deregulated market. Any attempt by State Government to shift costs onto local government is going to further compound an already delicate situation.

Two years ago the State Government promoted a traineeship program whereby local government contributed \$2,000 per trainee and the State Government met the balance. Knowing the difficulties being faced by rural youth to secure employment (in the country) this Council put in \$10,000 and took on 5 trainees to give them an introduction to work. One year later the State Government announced that the program would run on a 50/50 basis. This Council still put in its \$10,000 but was only able to offer one young person a traineeship. There was no way our budget could stretch to \$50,000 to take on 5 trainees.

Local government is the ideal ‘partner’ to deliver services at the local level. More so in regional areas where local government have to have their finger on the pulse, to anticipate problems or issues that are going to affect their constituents. From my knowledge of neighbouring local government bodies, they are keen and willing to be involved in a raft of projects – but the bottom line is that they must be properly resourced (financially and with HR) to be able to undertake all the additional roles imposed upon them.

We thank you for the opportunity to present our submission and trust that this Inquiry can bring pressure to bear on state government to more equitably resource local government for those tasks it requires it to do.

Yours faithfully

Keith Hope
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Development Manager**

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