

EJB:SA G50/14000  
Mr E J Burgess

November 18 2002

The Secretary  
House of Representatives  
Standing Committee on Economics  
Parliament House  
CANBERRA ACT 2600

e-mail: [susan.cardell.reps@aph.gov.au](mailto:susan.cardell.reps@aph.gov.au)

**Attention: Ms Susan Cardell**

Dear Susan

I refer to the inquiry into the Cost Shifting onto Local Government and appreciate the opportunity for this Council to comment on the matter. Please accept Council's apologies for the late submission of this document.

The Local Government Association of New South Wales has suggested a template to assist Councils wishing to make individual submissions and the following is provided:

- **Name:** Wyong Shire Council
- **Population Size:** Approximately 145,000
- **Geographical Size:** 829 square kilometres
- **Current Budget:** As Council is a Water Authority as well as a general purpose Council, its budget is in the order of \$160 million per annum.

➤ **Any relevant demographic Information**

Overview of historical development of the Council.

Wyong Council has been in existence for a considerable number of years, having been formed in 1947. The Shire has been one of the fastest growing areas in Australia for a number of years and this trend will continue into the future with an estimated population of 180,000 by 2020.

➤ **Is Council a member of a Regional Organisation of Councils:**

Yes, Council has an association with its neighbouring Council, Gosford City Council.

## **LOCAL GOVERNMENT'S CURRENT ROLES AND RESPONSIBILITIES.**

Local Government throughout Australia and particularly in New South Wales has developed strongly in the latter part of the 20<sup>th</sup> Century. Its functions have expanded enormously to embrace activities such as local and regional planning, environmental health, pollution control, natural resource management, community services and economic development.

Fundamental changes over the past decade have seen Council respond to these changes by:

- Internal restructuring
- Introduction of strategic and corporate planning
- Embracing benchmarking and performance indicators
- Introducing long term financial planning.

The Local Government Act introduced in 1993 provides a framework to manage ongoing change and improvement. This framework needs to be complemented by a vision, shared primarily by Local and State Governments, but also involving the Commonwealth, of how Local Government should continue to develop. Central to ensuring the achievement of community goals is the development and implementation of financial and other intergovernmental arrangements to bring about desired outcomes.

Since 1993 there have been some important additions, notably the Waste Minimisation and Management Act, The Protection of the Environment Operations Act, The Rural Fires Act and the Companion animals Act. At the same time, further and more complex responsibilities have been inserted into existing legislation, such as the Environmental Planning and Assessment Act and the Local Government Act itself.

Whilst by law Local Government is planning for its future through State of Environment Reports and Community Plans the same cannot be said for State Government with little planning made beyond four (4) years with the majority of planning undertaken over a two (2) year horizon.

It seems clear that New South Wales State agencies will continue to respond to pressures on their own resources through lack of planning and to community demands for action on issues of concern, by devolving responsibilities to Local Government. The key issue for Councils is whether this trend will proceed ad hoc or through coordinated, consultative process. In particular, there is a pressing need to address the cost implications for Councils when functions are transferred without corresponding financial support or revenue mechanisms.

**THE CAPACITY OF LOCAL GOVERNMENT TO MEET EXISTING OBLIGATIONS AND TO TAKE ON AN ENHANCED ROLE IN DEVELOPING OPPORTUNITIES AT A REGIONAL LEVEL INCLUDING OPPORTUNITIES FOR COUNCILS TO WORK WITH OTHER COUNCILS AND POOL FUNDING TO ACHIEVE REGIONAL OUTCOMES.**

Local Government in New South Wales can demonstrate there have been improvements in management, functions and structures in recent years. As part of the public sector Local Government cannot escape the changes in performance and accountability demanded by the State and National governments.

The expanded range and increased complexity of the tasks required of Local Government means that Councils need to have greater technical expertise to adequately perform. There may also be the opportunity to generate savings through economies of scale and greater utilisation of plant and equipment.

Through resource sharing on a regional basis Councils can improve the efficiency, effectiveness and quality of services and functions. Importantly, they provide the opportunity for Councils to maintain but also to improve service delivery to their communities in response to increasing external pressure resulting from other levels of government and to increasing regulatory, compliance and reporting requirements imposed on them.

Resource sharing can be implemented in a number of ways including:

- Resource sharing through service agreements where Councils as a group agree to allocate functions between themselves – one Council does a function on behalf of the group. Here a Council outsources a function to another Council.

- Resource sharing through a joint enterprise where Councils form a joint business to achieve economies of scale across a functional area of core business.

There are other variations of resource sharing through service agreements. These include agency agreements, where one Council performs operations on behalf of other Councils as their agent. As well there could be a range of formal and informal arrangements to jointly fund, operate or provide services and share staff, facilities and assets. Examples of these include the sharing of building inspectors and joint library services.

There are opportunities to rationalise and achieve better utilisation of major operational assets such as plant and equipment, depots, workshops, administration centres and office technology, such as IT systems.

Through the regional structure with Gosford City Council continues to achieve benefits of scale through shared Water Supply Headworks, regional planning initiatives and common policy formulation.

**OUTLINE ANY CONTRACT WORKS COUNCIL HAS UNDERTAKEN FOR ANY STATE, FEDERAL OR OTHER AGENCY DURING 2001/2002 AND ITS VALUE:**

The following examples are provided:

**GRANTS**

<i>Bushfire Brigade Construction 2001/2002</i>	\$ 98,051.03
<i>Bushfire Work Wise</i>	\$ 25,101.00
<i>Bushfire Vehicles</i>	\$ 15,157.64
<i>Bushfire Prevention</i>	\$314,477.52
<i>Department of Land and Water Conservation –</i>	
<i>Coastal Management Study</i>	\$ 700.00
<i>National Landcare, Employment Scheme</i>	\$ 60,750.00

<i>EPA – Hydroponics and Horticulture Industry Training Grant</i>	\$ 5,000.00
<i>Department of Agriculture – Noxious Weeds</i>	\$ 30,184.00
<i>NSW Health Department – Immunisation Subsidy</i>	\$ 42,429.85
<i>NSW Premiers Department – Warnervale Humans Services</i>	\$100,000.00
<i>NSW Attorney Generals Department Building Social Capital</i>	\$ 22,244.89
<i>Companion Animals Community Education Program</i>	\$ 6,210.00
<i>Taxi Stand Infrastructure Program</i>	\$ 48,000.00
<i>Department of Local Government On Site Sewage Management Program</i>	\$ 7,424.00
<i>On Site Sewer Management – Info Package</i>	\$ 692.12
<i>Estuary Program – Process Study</i>	\$ 41,515.00
<i>NHT Coast and Clean Seas Grant 01/02</i>	\$ 25,100.00
<i>EPA – McCull Park Wetlands</i>	\$ 42,600.00
<i>Stormwater Trust – Low Cost Treatments</i>	\$ 36,938.37
<i>DLWC – Cabbage Tree Harbour Norah Head Drainage</i>	\$ 19,500.00
<i>Bungary Road – Norah Head Emergency</i>	\$ 81,000.00
<i>RTA Seed Funds</i>	\$ 2,500.00
<i>Safety Seat Belt Day</i>	\$ 3,000.00
<i>Olympics Roads Safety Project</i>	\$ 316.00
<i>Is Your Child Really Safe</i>	\$ 2,400.00
<i>Central Coast Motor Show</i>	\$ 1,170.00
<i>Helping Drivers become better drivers</i>	\$ 1,800.00
<i>Drive Home Safely</i>	\$ 1,875.00
<i>Are you within 5km of home</i>	\$ 3,950.00
<i>School zone installation</i>	\$ 2,000.00
<i>Drinks without dramas</i>	\$ 5,515.000
<i>RTA Stay safe over Christmas/Easter</i>	\$ 1,800.00
<i>Road Safety Officer salary subsidy</i>	\$ 32,242.84
<i>IPWEA Women and Drink Driving</i>	\$ 1,250.00
<i>Cycleway Lake Haven Drive</i>	\$ 69,039.00
<i>Cycleway Elizabeth Bay Drive</i>	\$ 79,750.00
<i>Cycleway Pacific Highway, Ourimbah</i>	\$ 42,828.00
<i>Street Lighting Subsidy</i>	\$179,000.00

<i>Roads to Recovery – Dept Transport and Regional Services</i>	\$996,135.88
<i>Department of Sport and Recreation</i>	
<i>San Remo Hardcourt Youthplay Area</i>	\$ 10,000.00
<i>Warnervale athletics oval amenities</i>	\$ 15,000.00
<i>RTA</i>	
<i>Cycleway Widening of Bridges, Berkeley Vale</i>	\$ 30,269.83
<i>Chain Valley Bay Cycleway Stage 4</i>	\$ 60,096.00
<i>DLWC – Tumbi Creek Dredging</i>	\$ 15,000.00
<i>Department of Community Services – Community Worker</i>	\$ 10,742.00
<i>NSW Premiers Department –</i>	
<i>Aboriginal Employ in Practice Support Strategy</i>	\$ 6,000.00
<i>Department of Education and Training</i>	
<i>Incentives for New Apprentices (Trainees)</i>	\$ 21,500.00
<i>Department of Community Services</i>	
<i>Child Care Capital</i>	\$ 1,169.36
<i>Child Care Operational</i>	\$2,612,834.39
<i>Work for the Dole</i>	\$ 16,906.00
<i>Department of Community Services</i>	
<i>Vacation Care Centres Operational</i>	\$218,090.48
<i>NSW Health Department – Speech Therapist</i>	\$ 41,700.00
<i>Department of Education and Training</i>	
<i>– Youth Worker</i>	\$ 10,742.00
<i>- Youth Week 2001/2002</i>	\$ 2,000.00
<i>NSW Attorney General's Department</i>	
<i>Graf Art Project 2001</i>	\$ 4,150.00
<i>HACC Services Worker</i>	\$ 57,485.36
<i>International Year of the Volunteer</i>	\$ 4,018.18
<i>Lake Haven Youth Centre</i>	\$ 6,000.00
<i>Landcom – Welcoming Officer</i>	\$ 32,625.00
<i>Department of Local Government</i>	
<i>Pensioner Rate Subsidy – Garbage</i>	\$584,836.65
<i>NSW Department of Housing</i>	
<i>Maple Circuit Fire and Art Festival</i>	\$ 4,200.00

<i>Library Development Grant</i>	\$ 17,000.00
<i>Library Public Collections</i>	\$ 1,420.00
<i>Library Local Special Projects 2001/2002 Technology</i>	\$ 4,594.00
<i>Library Per Capita Subsidy</i>	\$250,472.00

**Government Grants – Water Fund**

<i>Department of Land and Water – Joint Scheme</i>	\$ 8,818.00
--	-------------

<i>EPA – Stormwater Trust – Steambank Restoration Gorokan</i>	\$ 35,000.00
---	--------------

**Government Grants – Sewer Fund**

<i>Department of Land and Water – Joint Scheme</i>	\$ 46,116.00
--	--------------

**CURRENT FUNDING ARRANGEMENTS FOR LOCAL GOVERNMENT, INCLUDING ALLOCATION OF FUNDING FROM OTHER LEVELS OF GOVERNMENT AND UTILISATION OF ALTERNATIVE FUNDING SOURCES BY LOCAL GOVERNMENT.**

Local Government finances are under increasing stress, Local Governments capacity to deliver services and to develop and maintain infrastructure are under genuine threat. This is the combined result of restricted revenue raising capacity, increasing responsibilities and rising community expectations.

Rating is the only taxation measure available to Local Government and accounts for approximately 50% of total revenue. This narrow taxation base places a severe restriction on a Council capacity to raise revenue generally. Further, the rating base varies significantly between Local Government areas, an aspect only partially addressed by the Horizontal Fiscal Equalisation principles of the Local Government grants process. Unlike the Commonwealth and State Governments, Local Government does not have the flexibility to spread its taxation effort over a suite of taxation tools. The situation is further exacerbated by the rage pegging system in New South Wales.

The restricted taxation base has led to a growing reliance on fees and charges. User charges are the second largest source of revenue and already represent 27% of Local Government operating expenditure in New South Wales. Through the application of user fees and charges Local Government already achieves a much higher cost recovery ratio than any other spheres of government. On a national basis, the cost recovery ratio for Local Government is 36.8% compared to ratios of 4.3% for the Commonwealth and 12.2% for the States.

This partly reflects the type of services provided by Local Government. However, it also suggests that Local Government is already maximising its use of user fees and charges.

Grants are the third major source of revenue for Local Government, with Commonwealth Financial Assistance Grants representing 8.6% of total operating revenue for Councils in New South Wales.

Grants to Local Government have continued to decline as a share of GDP over the past 20 years and currently represent around only 0.4% of GDP. Financial Assistance Grants are currently being maintained in real terms per capita with no foreseeable prospect of an increase. The current Commonwealth Government is more likely to argue that State Governments should meet the additional needs of Local Government, particularly considering the revised Commonwealth/State funding arrangements since the introduction of the GST.

State Government grants to Councils in New South Wales have fallen significantly over the past two decades. Until 1982 the State Government distributed some \$15 million per annum to Council's in general purpose grants through the Local Government Assistance Fund. However this was terminated on the grounds that the Federal Government had accepted responsibility for general purpose assistance.

The level of special purpose grants has also declined, notably in key areas such as roads, water supply and sewerage. Also of concern is that arrangements for pensioner rebates have not been reviewed since 1989, despite the growing cost to Councils resulting from an ageing population. Furthermore, unlike its counterparts in Queensland and Victoria, the New South Wales Government has not passed on to Councils a share of the National Competition Policy payments it receives from the Commonwealth, even though Local Government reforms are an integral part of the justification of these payments.

The cost of compulsory pensioner rate concessions is placing an increasing strain on Local Government finances and is threatening the level and range of services that Councils are able to provide. While the level of the compulsory concession has remained unchanged since 1989, an ageing population has ensured that the cost has escalated substantially, rising from \$41 million in 1992-93 to over \$75 million in 2000-2001. The cost to Wyong Council is \$2 million and rising.



Pensioner rate concessions are in essence a form of welfare payment. Given the limited tax base of Local Government any welfare scheme that aims at income equalisation should be funded by the Commonwealth Government.

**OUTLINE ANY ACTIVITY COUNCIL HAS UNDERTAKEN DURING 2001/2002 WHICH WOULD NOT NORMALLY BE PART OF COUNCIL'S ACTIVITIES, OR TRADITIONALLY HAS BEEN PROVIDED BY THE FEDERAL OR STATE GOVERNMENT, AND ITS VALUE:**

The Community Support and Human Services Plan for Warnervale/Wadalba is in response to the Shire's population growth to ensure the timely provision of human services and facilities and to foster social capital in a new community.

The RCMG (Central Coast Regional Co-ordination Management) is the sponsor for the project and to day, the Community Support and Human Services Plan for Warnervale/Wadalba has been managed by a Steering Committee that has representation from all the core human services State Government agencies including:

- Central Coast Health
- Department of Community Services
- Department of Urban Affairs and Planning.
- Department of Education and Training
- NSW Police Service
- Department of Sport and Recreation.
- Premiers Department.
- Department of Transport.
- State and Regional Development Board.
- Wyong Shire Council.

The role of the Steering Committee has been to develop the Community Support and Human Services Plan for Warnervale/Wadalba which includes an Implementation Plan that commits agencies to the delivery of services and infrastructure and identifies opportunities for integrated service delivery.

The value lies in the delivery of human services to new and existing residents. Human services have traditionally been provided after development is significantly commenced resulting in a society that is dysfunctional and without identity.

The consequences to the community of this social mismatch is incalculable but can be identified through the key social indicators of crime etc.

### **LOCAL GOVERNMENT EXPENDITURE AND THE IMPACT ON LOCAL GOVERNMENT'S FINANCIAL CAPACITY AS A RESULT OF CHANGES IN POWERS, FUNCTIONS AND RESPONSIBILITIES BETWEEN STATE AND LOCAL GOVERNMENTS.**

Of particular concern to Local Government are the growing financial pressures on Council's resulting from a combination of factors.

- Expanded responsibilities without adequate corresponding access to increased revenues – the problem of unfounded mandates.
- Increased and additional State charges on Councils.
- Restrictions on Council revenue raising.

Within the constrained financial environment Local Government has had to cope with new and increased responsibilities. The Commonwealth Grants Commission has also acknowledged this fact in its review of the Local Government Financial Assistance Act.

There has been a growth in expenditure on human services, with increases in education, welfare and public safety services. There has also been an increase in the relative importance of recreation and culture and housing and community amenities. Expenditure on roads remains a major category and continues to grow in real terms, but has declined as a proportion of overall expenditure.

The growth in responsibilities has largely resulted from:

- Devolution – new responsibilities imposed by other spheres of government.
- “Raising the Bar” – where increased standards or complexity of service provision are imposed by other spheres of government or the community itself.
- Cost Shifting – where Local Government agrees to provide a service on behalf of another sphere of government but funding is subsequently reduced or withdrawn with Local Government having to maintain the service because of community expectations or where another sphere of government ceases to provide a service and Local Government is obliged to step in.
- Increasing community expectations.

The fact that Local Government has met these increasing responsibilities while subject to severe financial constraints is evidence of a sustained increase in productivity in Local Government over the past 25 years.

Few of the additional responsibilities conferred on Local Government over the past few decades have been matched by adequate, ongoing funding or new sources of revenue.

An excellent example of this is the requirements of the Local Government Act itself. The requirements to prepare management plans, social plans and state of the environment reports impose a very considerable burden and can divert resources from other community priorities. Similarly the Protection of the Environment Operations Act has greatly expanded Councils roles in environmental regulation. In the area of stormwater Council is now required under the direction of the Environmental Protection Authority to prepare management plans, at significant cost to Council.

Environmental planning and development and building control are another case in point. Again, these are now accepted as essential Local Government activities, but over the years have become very demanding of Council resources. Council's ability to charge application fees and levy developer contributions has been constrained by the State Government at the same time as the complexities of the planning and approvals system have compounded. Moreover, Councils are now expected to play a much greater role in strategic planning with virtually no financial assistance.

Local Government is increasingly required to pay substantial charges to State agencies to meet cost of services provided to communities or for other purposes. These have been increasing at rates well above inflation and the rate-pegging limit imposed on Councils. In some cases the charges clearly subsidise agencies basic operating costs, which ought to be a State responsibility.

The levies for landfill disposal of garbage collected under the Waste Minimisation and Management Act have increased by nearly 50% in recent years and now amount to some \$60 million per annum. More than half is channelled to State Treasury as general revenue rather than being allocated for waste management and recycling. In effect Councils are collecting a tax for the New South Wales State Government.

The New South Wales Fire Brigades levy is now approaching \$50 million per annum and the recent introduction of load based licensing for sewerage operations will cost Councils in New South Wales and extra \$3.7 million per annum once fully implemented.

Insurance premiums are rising dramatically at the present time and indications are that further increases will occur. The HIH collapse, international events and natural disasters have exacerbated insurance premium increases. Councils are facing insurance premium increases of over 100%. Wyong alone has a potential claim outstanding which if successful could result in a payment of \$5 million.

These charges impact heavily on Councils capacity to allocate funds for other purposes, including other priorities of State and Commonwealth governments.

## **THE SCOPE OF ACHIEVING RATIONALISATION OF ROLES AND RESPONSIBILITIES BETWEEN THE LEVELS OF GOVERNMENT, BETTER USE OF RESOURCES AND BETTER QUALITY OF SERVICES TO LOCAL COMMUNITY.**

Currently there is no consistent basis for determining whether a particular function is best carried out by Local Government or a State agency. Nor is there an adequate policy framework to ensure productive working relationships between Councils and State agencies where functions are shared. Coordination amongst State agencies necessary to implement efficient and effective service delivery at the local and regional level is also lacking. From a Local Government and community perspective, the results can be highly unsatisfactory.

Public responsibilities shall generally be exercised, in preference, by those authorities which are closest to the citizen. Allocation of the task to another authority should weigh up the extent and nature of the task and the requirements of efficiency and economy.

In a situation of overlapping roles and responsibilities amongst governments, such as exists in Australia, it is necessary to consider not only the effectiveness of Local Government itself but also the inter-relationships between its activities and those of other agencies operating at a local level. Those inter-relationships have to be managed in a way which is responsive to the particular circumstances and needs of different communities, and which will secure the best possible outcomes between different governments or agencies. The principle of subsidiary needs to be applied within such a broader intergovernmental framework.

Such concerns underpinned the concept of Integrated Local Area Planning which promoted the potential for rationalisation of some Local, State and Commonwealth Government functions. ILAP identified problems in service delivery associated with poorly defined, overlapping responsibilities; complex and fragmented administrations; ineffective intergovernmental consultation; and hence the failure to address appropriately the particular and varying needs of different local areas.

Similar ideas can be seen at work in recent moves in Tasmania for the negotiation of State-Local Government partnership agreements. These involve joint identification by teams of State agency and Council official of key issues in a local area requiring cooperative action, and then formal agreement amongst the parties concerned on the action to be taken to address priority tasks.

## **THE FINDINGS OF THE COMMONWEALTH GRANTS COMMISSION REVIEW OF THE LOCAL GOVERNMENT (FINANCIAL ASSISTANCE) ACT 1995 OF JUNE 2001, TAKING INTO ACCOUNT THE VIEWS OF INTERESTED PARTIES AS SOUGHT BY THE COMMITTEE.**

The Local Government (Financial Assistance) Act 1995 is the principal mechanism through which the Commonwealth attempts to achieve its objectives for Local Government. These objectives include the promotion of fiscal equity and performance improvement in Local Government and the facilitation of Local Government's contribution to national economic, social and environmental performance.

The central theme underpinning the provision of financial assistance grants to Local Government has been improving the equity of grant outcomes to councils. That is, as far as practicable, bringing all Councils in a State up to the same fiscal level. The other requirement of the Act, that all Councils receive at least a minimum grant, conflicts directly with this equity objective. This requires State and Territory Grants Commissions to achieve a balance between the equity principle and the certainty of funding to all Local Councils through a minimum grant.

The review of the Act undertaken by the Commonwealth Grants Commission in 2001 has highlighted a number of areas of major concern for Local Government generally. The anomalies that have existed for the past 25 years in the methodology for the distribution of Federal Assistance Grants needs to be addressed as a matter of urgency.

- The continual real decline in Financial Assistance Grants to Local Government. The Vertical Fiscal Imbalance between tax powers and expenditure responsibilities of the Commonwealth and Local Government has worsened and will continue to do so.
- Horizontal Fiscal Equalisation is a primary objective of the Act. Sufficient funds need to be provide to achieve this objective and urgent consideration should be given to increasing the total pool of funding.
- The present formula of 30% of distribution of Federal Assistance Grants based on population is inequitable as it does not recognise efficiency, self sustainability and does not follow the philosophy of effective income tax redistribution.

**DOES THE COUNCIL BELIEVE THAT DEVOLUTION OF SERVICES OVER THE LAST 10 YEARS HAS PLACED ADDITIONAL FINANCIAL BURDENS ON COUNCIL?**

The answer to this is Yes. The additional costs to Council are substantial and the trend is continuing.

**OUTLINE WHAT SERVICES HAVE BEEN DEVOLVED AND THE APPROXIMATE ANNUAL COST AND IMCOME:**

Services devolved from the States are numerous.

Recent examples are:

- Reduction in Voluntary support for community activities due to insurance, personal cost of involvement and a general lack of interest in community based activities such as surf life saving where beaches are owned by the State, Councils carry the risk and meet all costs. Estimated expenditure is \$626,370 with an estimated income of \$47,606.
- With the growth of the Shire the State does not meet its commitments with the development of infrastructure such as roads, transport and public facilities. Council is required to maintain and service some of this infrastructure. Specifically a State funded school requires student setdown points, busbays and carparking. The State provides the school with Council providing external works. Depending on the location and size of the school in relation to existing infrastructure the cost to Council of providing these services is estimated to be \$500,000 per school.
- The Tuggerah Lakes system is a State asset which the State does not maintain. The Lakes system is under stress from continued development and will continue to decline without intervention. Council has consistently provided funding for research restoration and cleaning of the system at an annual global cost in excess of \$1 million.

Any income such as fishing licences is State Income.

With respect to Child Care Services, Council now has ten (10) Long Day Care Centres. Nine are licensed to have some forty (40) children under the age of 5 years at any one time whilst the tenth is specifically for babies 0-2 years. This is a State Government responsibility which has been placed onto Local Government.

Council has provided land for the Child Care Centres and the funding for those Centres has historically been provided by the Federal Government. Although it is expected that each of the Child Care Centres should be run financially neutral, given the number of Child Care Centres, including Occasional Child Care and After School Care, Council has funded a \$400,000.00 operating loss. Given the growth of the Shire and the lack of private sector operators the extent of services provided by the Council can be expected to grow as with the potential operating losses.

## **OUTLINE COSTS INCURRED BY COUNCIL IN MEETING FEDERAL AND STATE COMPLIANCE ADMINISTRATIVE REQUIREMENTS:**

A number of examples in this regard can be provided:

- a) The Threatened Species Act – This has resulted in Council being required to engage an additional Development Application Assistant at a cost of approximately \$45,000 per annum;
- b) The recently introduced privacy legislation resulted in Council being required to engage a consultant to undertake Privacy training throughout the organisation at a cost of \$33,000. This does not include the time of the staff attending the three-hour sessions and, bearing in mind that some 800 staff members attended the sessions, the cost to the organisation was quite considerable;
- c) Environmental legislation – Wyong Shire Council is in an extremely environmentally sensitive area. With regard to the water and sewerage operations which it has undertaken, it has been necessary to ensure the highest standard of disposal takes place. The higher standard has resulted in at least one (1) full time employee being engaged to monitor the environmental aspects of Council's sewerage works in particular. The cost is in the order of \$80,000;
- d) The GST legislation introduced by the Federal Government resulted in a considerable cost of all organisations, including Local Government, in ensuring that appropriate software was developed to properly handle the GST requirements and further to this, at least .5 of a person is now allocated to the responsibility of ensuring that Council's GST requirements are being met. The cost to Council of this would be in the order of \$30,000 per annum.

### **Has Council had to employ additional staff to provide devolved services or meet additional compliance administrative requirements?**

This has been referred to above.

### **Outline any Council services that could be better provided by another sphere of Government or the private sector:**

Council engages on an irregular basis expertise from the private sector to undertake particular projects. For example, experts in flooding and drainage problems, leaching and soil analysis (in the case of proposed development on former service station sites).

### **Outline any services currently provided by other spheres of Government that could be better provided by Local Government:**

There may be a significant number of services currently provided by other spheres of Government which could be undertaken by Local Government. However, it is suggested that such would result in a thorough review of the operations of State Government and the possible development of regional Councils throughout Australia to undertake those specific services.

Yours faithfully

E J Burgess  
**DIRECTOR**  
**CORPORATE AND COMMUNITY SERVICES**



