

## **DARWIN CITY COUNCIL SUBMISSION TO FEDERAL INQUIRY INTO COST SHIFTING ONTO LOCAL GOVERNMENT**

### **Synopsis**

This submission comments on the shifting of costs from the State and Territory Governments to Local Government, the relationship between Territories and Local Government and the emerging role of local government in issues which were once regarded as solely Commonwealth, or State and Territory Government's responsibilities.

### **Role of Local Government**

Local Councils have traditionally focussed on the three "R's", roads, rates and rubbish. However, its role in the community has continued to evolve and expand and functions which were considered solely the domain of state and territory governments are now routine local government activities such as local planning, community services and economic development.

A number of states have changed their local government legislation in relation to the functions of Council from being prescriptive to general competency to govern. In NSW LG Act Section 8 part of the Council's charter is to provide directly or on behalf of other levels of government, appropriate services and facilities for the community. Section 120 of the NT LG Act charges Council with the peace, order and good government of that area and has the control and management of that good government.

This shift has allowed Councils to expand into new areas that were once considered the domain of other levels of Government.

### **Impact of Shift in Responsibilities to Local Government**

For some number of years Councils have become involved in joint initiatives with other levels of Government without proper long term funding arrangements being in place. This has resulted in some cases with Councils being left to carry the major proportion or all of the costs.

When a new service proves to be popular there is pressure on the Council to continue or even expand the service after the State or Commonwealth Government involvement has ceased.

The Commonwealth, State, Territory and Local Governments need to consider new or expanded functions for local government in the broader context of local government finances.

Darwin City Council has seen a gradual increase in its share contribution to such services as libraries, fun bus and Recreation Officer.

In addition legislation which was once enforced by the Territory Government has been transferred to Local Government, an example being the Places of Public Entertainment Act. There are a number of Territory Acts and regulations under review, which could see responsibility being transferred to local government e.g. Public Health Act review, Noise Regulations and Swimming Pools. As the Territory Government improves standards and increases accountability requirements across a range of services there is a resultant increase in financial cost to Councils. An example is increased standards for Child Care Centres where Council is the facility provider. Another example is increased compliance costs for waste management operations. The corporatisation of the Power and Water Authority has seen it re-evaluate its cost structure and significantly increase street lighting costs.

A number of public structures such as tourist viewing platforms, information shelters, bike racks and bike paths are constructed by the NT Government and then passed onto Council to maintain without any financial contribution.

There appears to be a general sometimes subtle shift of responsibilities from Territory to Local Government which quite often goes unnoticed but over a period of time creates a financial burden for Local Government. As stated earlier any expanded functions for Local Government need to take into account local government financial capacity.

A number of partnership arrangements with the Territory government in the areas of youth, crime prevention and environmental design have the capacity to shift some of the financial burden from the Territory to Local Government.

The involvement of Local Government in new or expanded services can enhance the success of a new initiative but there needs to be adequate consultation and debate with all stakeholders prior to commencement.

### **Emerging Role of Local Government**

The community appears to be more comfortable dealing with their local Council than other levels of government. The community wants them to provide essential services and advocate on their behalf. Local Government now has a crucial role in local planning, natural resource management, economic development and community services.



Local Government's role in the community continues to evolve and expand. There is the need for consultation with Local Government Associations by other levels of government when new programs or legislation is introduced to assess the role local government will play and ensure satisfactory financial arrangements are put in place.

Quite often there is a lack of consistency by State and Territory Departments in their dealings with Council and this sometimes results in less than optimal service delivery.

Regional Organisations of Councils (ROCS) have an important role to play in many states. Local Government's role in regional issues such as natural resource management, infrastructure, economic development, transport and waste management can be well addressed through these groups.

### **Conclusion**

Communities will continue to pressure local government to expand its services and be involved in issues where the community believe other levels of governments have failed to adequately address their concerns, e.g. law, order and public safety.

Local Government's role in issues which were once solely the domain of other levels of government needs to be recognised and a consistent approach by Federal, State and Territory Government departments and agencies to dealing with local government needs to be adopted. This should also include Regional Organisations of Councils (ROC's).

Unless appropriate financial arrangements are negotiated, Councils involvement with new or expanded services may be less than optimal resulting in the success of the initiative being compromised.

There is an urgent need for more timely consultation between State and Local Government on issues of major significance for local communities and particularly to avoid an adhoc approach to policy proposals likely to have wide-ranging implications.