



SUSTAINABLY DEVELOPING THE OUTBACK

Submission
Commonwealth review
into Cost Shifting
by
State Government
to
Local Government

House of representatives Standing Committee on
Economics, Finance and Public Administration

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**COMMONWEALTH REVIEW INTO COST SHIFTING BY STATE GOVERNMENT
TO LOCAL GOVERNMENT**

Diamantina Shire Council

The Diamantina Shire is located in remote south west Queensland bordering the South Australian and Northern Territory borders. It is the second largest Shire in Queensland covering 95,000 square kilometres and has a population of 350 people.

The Shire Administration Centre is located in Bedourie a town of 120 people. Bedourie is 500 km south of Mt Isa and 800 km east of Alice Springs. The second town in our Shire is Birdsville which is 200 km South of Bedourie, 1,200 km from Adelaide and 1,600 km from Brisbane.

The major activity in the Shire is beef production and the Channel Country which dominates our Shire, is one of the finest natural fattening grounds for beef cattle in the world. Each year 50,000 head of prime cattle depart our shire and satisfy the demands of Australia's premium export markets.

An increasingly important industry within our Shire is tourism. With the benefit of natural features such as the Channel Country, Lake Eyre and the Simpson Desert, plus the Australian icon Birdsville Hotel, visitor numbers have been increasing over the past ten years and it is currently estimated that over 50,000 people annually pass through our Shire.

As a Local Government with a population of 350, in a remote area of Australia, where the closest town of greater than 1000 people can be 700 kilometres away, we are responsible for a wide range of activities within our community.

Within this role local government is committed to providing many services that may be considered the role of Federal and State Government programs. Some of the specific issues that are affecting our Shire:

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- **Administration**

An example of the increased regulatory functions now required of Local Government is demonstrated in the significant increase in administration requirements of the Diamantina Shire Council.

In 1990 there were 3 people, a Shire Clerk, Cost Clerk and Overseer, employed in our office. Twelve years later Council employs a CEO, Deputy CEO, Director of Works, Creditors Clerk, Payroll Clerk, 2 Librarian/Receptionists (one in Birdsville office), Personal Assistant to the CEO, Workplace Health and Safety Co-Ordinator, Parks and Gardens Environmental Co-Ordinator, Tourism Co-Ordinator and a Child Care Director in each town.

In twelve years our office staff has increased by 300%. At least 40% of this increase has been the result of regulatory and reporting requirements that have been placed onto Local Governments by various State or Federal agencies while the remainder are also due to the expansion that has occurred in the shire over this time period. Contrary to much of rural Australia our population growth for the same period has been 4% pa.

- **Roads**

Our Shire believes that bitumen road access is a basic need that should be provided by Government. Within our Shire there is approximately 700 kilometres of State Government controlled roads. However, less than 70 kilometres of these roads are bitumen.

In 1996/97 the State Government made a commitment to seal the State Government highway between Boulia and Birdsville, a distance of 400 kilometres at a cost of \$50M. The commitment at that time was that this project would be completed within seven years, ie., 2003/04.

To demonstrate Council's support for this State Government initiated project the Diamantina Shire agreed to commit \$300,000 a year to assist towards the sealing of this road.

Although the funds had been reallocated from our Shire road network it was considered by Council a necessity to have proper major roads within the Shires and that residents of the Shires

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would forego poorer Shire road conditions in the view that once bitumen road access was made available to the Shire, funds could then be rediverted back into Shire roads.

Unfortunately the State Government's commitment to provide bitumen road access to the Diamantina Shire has dwindled. Six years after the original commitment, 280 km of the road remains unsealed and there is still no sealed road access to our Shire.

In the 2001/2002 financial year the State Government contributed \$450,000 towards sealing the Boulia to Birdsville Road. With the assistance of the Federal Government's Roads to Recovery money and the \$300,000 that Council had been allocating towards State Government roads, the Diamantina Shire Council contributed almost \$900,000 towards bitumening the Birdsville to Boulia Road.

In the 2002/2003 financial year the State Government has budgeted to commit \$500,000 towards sealing the Boulia to Birdsville Road and Council has in this financial year matched that commitment and allocated its own \$500,000.

As previously mentioned bitumen road access is a basic service that should be provided by Government. As a result of the lack of commitment by Government, Local Government has burdened the responsibility of providing bitumen road access to its community.

- **Medical**

Diamantina Shire Council have two medical clinics, one located in Bedourie and one located 200 km south in Birdsville. The population of each of these towns is approximately 120 people although visitor numbers during the busy season can regularly more than double the population.

Due to our remote location and isolation from any other towns it is not uncommon that when people arrive in our town they are regularly looking for medical assistance with some medical problem that they have incurred on their trip. In addition due to the poor quality of our roads we average one rollover a week and this creates an additional burden on our medical support.

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The current situation is that the medical clinics are staffed by the Frontier Service Group and each clinic receives \$80,000 funding per annum from the State Government

- ***Bedourie***

The Bedourie Medical Centre was built by the Bedourie Aboriginal Corporation in 1996/97 at a cost of \$700,000. Soon after the construction was completed Frontier Services and Queensland Health moved into the building and commenced providing medical services to our community.

Despite being residents in the building for the past six years neither Frontier Services nor Queensland Health have paid any rent for the building which they live in. Given the cost of the building and the projected life of the building it would not be unreasonable to expect \$30,000 per annum lease rent from those that are obtaining the use of the building. In effect this has not occurred over the last six years and the Bedourie Aboriginal Corporation has effectively funded the State Government \$180,000 over the past six years in lost rent on this building.

To assist in the initial operation of the Clinic, the Council agreed to contribute towards cleaning the building, paying for electricity, gas and completing all minor repairs. Our estimated cost to carry out this work is \$30,000 per annum and this continues today.

Diamantina Shire Council like the Bedourie Aboriginal Corporation has therefore contributed \$180,000 towards the running of this medical clinic over the past six years. As can be demonstrated from the above two figures the Council and community of Bedourie contributes almost as much to the operation of the medical facilities in our Shire as to the Queensland Government.

- ***Birdsville***

Like the Bedourie Clinic the Birdsville Clinic receives funding of \$80,000 per year by the Queensland Government. Birdsville is extremely fortunate in that they have two nurses available at their clinic. This allows one nurse to be on call at all times.

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The wages of the second nurse are met by proceeds received from entry fees at the Birdsville Races. Each year the Birdsville Races Committee agree to split the entry fees 50/50 between the Birdsville Clinic and the Royal Flying Doctor Service.

Between this and other community fundraising it is estimated that approximately \$40,000 each year is contribute by the community towards the medical facilities within Birdsville.

As with Bedourie the Birdsville Clinic receives almost as much money from the community and visitors as the Queensland Government contributes towards the funding of the Birdsville Clinic.

- **Airports**

The decision to move all airports across to Local Governments in the early '90s has created a significant burden for Local Governments in remote areas. The addition of airports to our assets register has increased our annual depreciation by approximately \$300,000 per annum.

The cost of maintaining these assets and upgrading these assets is extremely expensive in our remote area however they are critical life supports for our communities in that regular floods can isolate our communities for months at a time. While our airports provide access for food during periods of flooding, they also provide opportunities for visitors to see our Shire by air. Tourism is now an important industry and the loss of income during periods of isolation due to flooding is a burden that could be relieved by visitors flying into our towns.

Our Council has submitted grant applications over the past three years to upgrade our airports. Each of these has been declined and Council is now faced with funding the \$1M to upgrade these facilities so that our community can continue to prosper.

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Conclusion

Our Council in a remote area of Australia has taken a leadership role in developing our community and increasing our population.

We consider that transportation and medical services are a basic community need that should be funded by tax payers, rather than rate payers. The re-priorisation of funding to other areas within Queensland has required our Local Government to fund activities which are outside the normal role of local government.