

9 August 2002

Committee Secretary  
Standing Committee on Economics, Finance and Public Administration  
House of Representatives  
Parliament House  
CANBERRA ACT 2600

**Submission to the Standing Committee on Economic, Finance and Public Administration with regard to the "Inquiry into Local Government and Cost Shifting.**

Dear Sir/Madam,

The following is a submission to your committee from the District Council of Loxton Waikerie in South Australia.

<b>NAME:</b>	District Council of Loxton Waikerie
<b>POPULATION SIZE:</b>	12300
<b>GEOGRAPHIC SIZE:</b>	7960 sqkm
<b>CURRENT BUDGET:</b>	\$16.6 million

**HISTORICAL DEVELOPMENT:**

The District Council of Loxton Waikerie was formed in May 1997 resulting from the merger of the former District Councils of Brown's Well, Loxton and Waikerie.

The overall boundary structure did not change because it was a whole of council merger of the three former council areas.

**MEMBERSHIP OF REGIONAL ORGANISATIONS**

- Local Government of South Australia
- Murray and Mallee Local Government Assoc.
- Provisional Cities Assoc, which includes City of Mt Gambier, Rural City of Murray Bridge, City of Pt Pirie, City of Port Augusta, City of Whyalla, City of Pt Lincoln and the three Riverland Councils (Loxton Waikerie, Berri Barmera and Renmark Paringa).
- Tri-State Group – Loxton Waikerie, Renmark Paringa, Berri Barmera, Rural City of Mildura, Shire of Wentworth and City of Broken Hill.

**DEVOLUTION OF SERVICES**

**Animal and Plant Control**

Over the last 25 years Local Government has had a shared responsibility with the State Government (South Aust.) in undertaking the control of Animal and Pest Plants.

Previously State Government was providing a 50cents in the dollar subsidy plus a support subsidy which bought the overall support close to a 50/50 basis. Since 1997 Loxton Waikerie Council contribution has doubled from approx \$56,000 to \$113,000 whereas the State Government contribution is now only 50cents in the dollar subsidy. Therefore the transfer of costs has progressively shifted from a 50/50 basis to 67/33 percent, in favour of the State Government.

### **Crime Prevention**

In the recent State Budget the issue of funding Crime Prevention Programs has come under close security. The State Government has decided to cut \$800,000 from the budget, ie: from \$1.4m to \$600,000. By doing this the State Government is not honouring its agreement with those Councils who have entered into three year agreements.

If the community expectation is that the programs should still proceed, then Local Government would be pressured into additional costs.

### **Tourism Infrastructure**

State Government assistance for the development of Tourism Infrastructure has dwindled considerably in recent years especially in Tourist Road Grants. This council has not received any subsidies in this area since prior to amalgamation.

### **Libraries**

When councils first entered into the field of operating public libraries in the late 1970's, subsidies were available on a 50/50 basis. This level continued for a number of years, however, through the 1990's the level of subsidies as compared to overall expenditure has reduced to a level of approx 20% leaving Local Government to make the balance of 80%. In dollar terms this equates to a value of approximately \$86,000 per annum on current expenditure which we are missing out on.

### **Roads of Regional Significance**

The South Australian Government has seen fit to reduce the amount of money available for Roads of Regional Significance. The road network in South Australia is decreasing at a faster rate than what Local Government can currently maintain with its present expenditure levels. Therefore additional funds are required now, not a reduction in funds, to maintain the road network to a satisfactory level which will avoid major expenditures in the future.

The Loxton Waikerie Council has a road network of approx 2300km of which only 304 km are of a sealed all weather standard.

### **Roads to Recovery Program**

We spend approx \$4m per annum on construction and maintenance. In the last 18 months, additional funds have been received and spent under the Roads to Recovery Program. These extra funds have been greatly appreciated and reflect recognition by the Commonwealth Government that the steady deterioration of the road network must be halted. However a major concern has been the transfer of approx \$156,500 of our 2002/2003 Roads to Recovery Allocation to the 2004/2005 financial year.

Unfortunately the value of this money in 2004/2005 will most certainly be eroded by the rate of inflation in the intervening period.

## **COSTS IN MEETING FEDERAL & STATE COMPLIANCE/ADMINISTRATIVE REQUIREMENTS**

Some of the additional costs incurred by Local Government have come about through changes to the following legislative areas.

- Food Act
- Building Code of Australia
- Development Act
- Local Government Act 1999 ( South Australia)

This has required Council to employ or being involved in employing additional staff in the area of Health, Building, Development and also Administration. ie a total of four additional senior staff. In a full year this is estimated to cost council an estimated \$150,000 to \$200,000 per annum.

Previously Council was sharing the services of Building and Planning with our adjoining council, (Berri Barmera) now we have to employ our own Planning officer and Building officer because of the additional work load.

In respect of Food Act Administration, Council has recently entered into an agreement with two other Riverland Councils (Berri Barmera and Renmark Paringa) to appoint an additional officer on a Regional basis to ensure the councils in the Riverland area are complying with legislative requirements.

Some of these requirements cover issues such as:-

- Swimming Pool Inspections
- Cooling Towers
- Food Premises etc.

Issues within the Local Government Act 1999 which have compulsory compliance aspects are the various management plans, community land classifications etc. The additional work load created by this new legislation has created a considerable additional workload and staff resources to enable council to legislatively comply. An additional senior officer is now employed to help with this workload.

The Environment Protection Authority is currently trying to transfer responsibility for such matters as Noise Pollution, Waste Management etc.

### **Noise Pollution**

Whilst the EPA have indicated their willingness to provide initial training of officers at no charge, this in no way compensates for the ongoing cost of employing staff to undertake the responsibilities to be transferred

### **Waste Management**

In respect of waste management the EPA is proposing that all councils will be required to undertake kerbside recycling whether considered necessary or not. This will mean considerable extra expense on councils to implement such a strategy.

One of the major problems then emanating from this kerbside recycling is the disposal of the waste product for recycling. We are of the opinion that the cost benefit ratio will prove that it is not a viable option to consider. If disposal of the waste could be guaranteed and a reasonable return obtained then this would be an advantage.

**Services that could be better provided by another sphere of government or the private sector.**

This includes the collection of money for Water Catchment Management Boards through a land based levy. It is our view that the Revenue SA section within the State Government of South Australia is better equipped to undertake the levy collection role.

**Other services currently provided by other spheres of Local Government that could be better provided by Local Government.**

There are probably a number of services that could be provided better by Local Government, however, this could only be considered if and when there is guaranteed funding sources transferred to local government at the same time as transfer of the responsibility.

These funding sources would need to be indexed to CPI and be provided indefinitely whilst Local Government is undertaking these roles.

We also understand that the Local Government Association of South Australia is or has put in a submission as well. We are aware of the content of some parts of their submission and we support the comments which they have made.

Thank you for the opportunity to submit our concerns, whilst a lot of the issues raised in this submission do not directly affect the Commonwealth Government, it is considered important that you are made aware of the cost shifting which is occurring in the State Government area.

Yours sincerely

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