

REDCLIFFE CITY COUNCIL

SUBMISSION

FEDERAL INQUIRY INTO COST SHIFTING

As previous indicated the Council fully supports the preliminary submission from the Local Government Association of Queensland (LGAQ) and the following comments are more specific to Redcliffe City Council than the LGAQ's submission.

Terms of Reference

1. Local government's current roles and responsibilities

Local government no longer is seen as merely the provider of the traditional services "rates, roads and rubbish". As the community becomes better informed it places higher expectations on all levels of government especially local government as that is the closest level of government to the community, thus more accessible and therefore assumed to be more likely to meet the demands of that community.

There is also a greater expectation from the community for the Council to provide leadership not only for the local community but also on a regional basis.

The following table outlines a plethora of services required by the community.

<u>General Function</u>	<u>Range of Services which may be performed</u>
General Public Services	Council office, Council transactions, governance, leadership, advocacy, information, pensioner rebate scheme, meeting rooms, public halls, showgrounds, community consultation, agency arrangements, collection of Fire Service Levy for State
Public Order & Safety	Animal control, night patrols, public nuisances, street lighting, public space control, litter control, lifeguards, general public safety, control of declared pests/plants, natural disaster relief and mitigation, SES
Education	Public awareness campaigns, community education
Health	Inspection/licensing of food and other premises, control of vermin, vector control, refuse services/waste management, community health, immunisation, vector control on crown land
Social Security & Welfare	Youth services, disability access, counselling, community development, support of community organisations
Housing & Community Amenities	Land development, town planning, building control/certification, public conveniences, picnic areas, barbecues, environment protection, natural resource management, acquisition/management of areas of environmental importance, beach control, licensing environmentally relevant activities, recycling, erosion control, cemeteries
Recreation & Culture	Parks, playgrounds, sporting fields and venues, swimming pools, libraries, public internet, galleries, museums, heritage, festivals

<u>General Function</u>	<u>Range of Services which may be performed</u>
Transport and Communications	Roads, footpaths, traffic control, parking, public transport, ferries, jetties, airports, internet services
Other Economic Affairs	Economic development, tourism promotion, industrial estates, residential land, tourist facilities/venues, hotels, caravan parks, camping areas, other business activities
Essential Services	Water supplies, waste water systems, drainage, flood mitigation

2. *Current funding arrangements for local government, including allocation of funding from other levels of government and utilisation of alternative funding sources by local government.*

It is noted that over the last two decades, Commonwealth funding for local governments in Queensland has decreased by approximately 25% per capita and whilst the level of dollars may be relatively static with the population growth experienced, this has resulted in a significant decline in per capita funding support. However, it is noted that Commonwealth funding has not been included in this inquiry and that matter is of some concern to Redcliffe City Council and it may result in some bias in the enquiry's findings.

The Commonwealth can investigate this matter and lay blame towards state governments for its devolution of its responsibilities and lack of increased funding support; however, over that same period of time there has been a minor increase in state government funding per capita. Whilst there has been that minor increase in per capita funding it does not recompense local government for the additional services it is providing that were previously provided by the state government which have not been provided to the community's satisfaction by the state government.

In respect of Redcliffe City Council; 62% of its revenue is generated by rates and utility charges, 5.4% from user charges, with grants and subsidies at 4.5%. Also the Financial Assistance Grant has been declining over recent times and any further decline in that will have economic ramifications for the city's ratepayers. Local government does not have a similar capacity to raise funds as does the Federal and State Governments and any increase in expenditure is to be met by those ratepayers. In Redcliffe's situation 1% of the Council's general rates is equivalent to approximately \$150,000. It is suggested that this additional burden on ratepayers is double-dipping by Federal and State Governments and those levels of government are already applying a range of taxes, charges and fees they have previously utilised to provide services now being provided by local government.

Also of concern to this Council is the diminishing state subsidies and grants and also the stringent criteria applied to applications for such funding which it can only be assumed is a move by the State Government to eventually remove such subsidies and grants.

There is very limited opportunity for Councils in Queensland to generate additional own source revenues.

To meet increasing community expectations and to respond to Commonwealth and State initiatives and changing requirements, Local Government needs not only increased financial support but also greater certainty and predictability in the financial arrangements with the other spheres of government.

3. *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.*

This Council is currently involved in a number of regional organisations in an effort to gain benefits for it's community and it fully recognises that quite often the achievement of beneficial regional outcomes will provide benefits for the Redcliffe community. That involvement includes:

- Local Government Association of Queensland (LGAQ);
- Urban Local Government Association of Queensland (ULGA);
- South East Queensland Regional Organisation of Councils (SEQROC);
- Northern Sub-Regional Organisation of Councils (NORSROC);
- Moreton Bay Coast & Country Councils; and
- Moreton Bay Coast & Country Tourism.

Whilst this Council readily involves itself in those state and regional groups there is a significant cost, not only in direct subscription but also staff time, which does place a burden on the Council's finances.

4. *Local government expenditure and the impact on local government's financial capacity as a result of changes in the powers, functions and responsibilities between State and local governments.*

Changes in local government roles and responsibilities over the past decade include the following:

<u>General Function</u>	<u>New Requirements</u>	<u>Expanded Responsibility</u>	<u>Devolved Function</u>
General Public Services	Corporate/Operational Plans, Annual reports, Pecuniary Interest Register, Delegation Register, Gifts/Donations Register, Public Benefit Test, Competitive Neutrality, FBT, GST, Accrual Accounting, Internal Audit Committee, EEO, FOI, Privacy Act, Enterprise Bargaining, Quality Assurance, Public Records Act 2002	Local Law Review, Electoral Powers of Entry, Workplace Health and Safety	
Public Order and Safety	Speed Limits Residential Areas, Swimming Pool Fencing, Pest Management Plans, Dangerous Dogs, Nuisance Wildlife, Pest Fish, Public Space Management including security systems and services, Recreation Vehicles	Management Plans for Reserves, Stock Route Management Plan Coordination, Pest Management non- Council Land, Wild Dog Control, NDRA Flood Mitigation, Rural Fire Protection, Counter Disaster Management, Community Organisation Indemnity	Clean up of spills (proposed), Nuisance Regulation, Fire Safety for Budget Accommodation, Dangerous Goods Regulation
Health & Education, Social Security and Welfare	Child Care Accreditation, Disability Action Plans, Anti-Discrimination	Drug/Alcohol Programs, Immunisation, Mosquito Control on Crown Land	
Housing, Community Amenities, Planning, Protection of Environment, Recreation and Culture	Annual EPA Reporting, Waste Management Reporting, Waste Management Strategy, Waste Tracking, Regulated Waste, Stormwater Management Plans, Native Title, Cultural Heritage, Private Certification, Vegetation Management, Residential Services Accreditation, Coastal Management Plans, Land for Wildlife, Environmental Protection and Biodiversity Conservation Act, Migratory Birds, Natural Heritage Trust, NAPSWQ, Road Corridor Management, Prostitution Act, Gaming	Planning Scheme Process, Consultation Requirements, Regional & State Interests, RPAC's, IDAS Process, Infrastructure Charges Plans, Rate Rebates for Conservation, Covenants for Conservation, Acquisition of Land for Environmental Purposes, Affordable Housing, Heritage Beach Protection, Erosion Control	Licensing ERA's
Transport and Communication	Damage to Roads Policy, Mass Limits Review, Telecommunication Approvals	Road Maintenance Performance Contracts, Boat Ramps, School Parking/Set down, Other infrastructure external to State Government sites	

<u>General Function</u>	<u>New Requirements</u>	<u>Expanded Responsibility</u>	<u>Devolved Function</u>
Essential Services	Licensing Requirements, Customer Service Standards (water), NCP Requirements	Environmental Standards, Asset Management Plans, Water Allocations	

This Council fully recognises that many of those are the basis of good management of its local government area; however, there is a significant increase in expenditure to meet those obligations which have been largely prescribed by the State Government.

It is also of interest to note that there has been significant increases in expenditure by local government in general (Redcliffe City Council would be a typical Queensland local government in this regard) in the areas of:

- transport and communications;
- recreation and culture;
- business support;
- general governance services; and
- public safety

5. *The scope for achieving a rationalisation of roles and responsibilities between the levels of government, better use of resources and better quality services to local communities.*

It should be noted that over the past decade with these additional services being either blatantly or overtly shifted to local government, the community's satisfaction with the service provided by the local government has been maintained at relatively high levels. It can be assumed from the latter that local government is perceived by the community to be well placed and in fact more efficient in the delivery of a number of services as opposed to the State Government.

Those issues include:

- Sport, Parks and Recreation
- Management of Residential and Commercial Development
- Infrastructure Development and Management
- Traffic Planning and Control
- Community Development and Human Services
- Generation of Local Economic Development and Employment
- Public Transport
- Environmental Management and Protection
- and to a lesser degree Community Safety, Law and Order and Emergency Services.

This Council considers that services that would be better addressed by local government either on a community basis or a wider regional basis, would be Hospitals and Police. In regards to the Police it is considered that there would still be a requirement for a State Police function and this would include Main Roads areas, criminal investigation and similar functions.

6. *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.*

This Council is of the strong opinion that Queensland is being disadvantaged by the current per capita distribution of general purposes funding in the Commonwealth grant / local government (Financial Assistance) Act and whilst there has been much debate recently regarding the methodology of the Queensland Grants Commission there needs to be a fairer distribution of the Federal funding across local governments in Australia.

The current method of distribution does not take into account the environment nor circumstances of local government in the more sparsely populated areas and until that is done there will be the inequitable situation that currently prevails.