

HOUSE OF REPRESENTATIVES
STANDING COMMITTEE ON ECONOMICS, FINANCE
AND PUBLIC ADMINISTRATION

LOCAL GOVERNMENT AND COST SHIFTING

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DISTRICT COUNCIL OF GRANT – SOUTH AUSTRALIA

District Council of

Grant



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

Submission No:296.....

Date Received:9/10/02.....

Secretary:

- The District Council of Grant is situated in the south east corner of South Australia.
- The Council has a population of 8,500 and an area of 2,000 square kilometres.
- Total road length is 1,583 kilometres (sealed 423 kms and unsealed 1,160 kms) (Source South Australian Local Government Commission, June 2001 GIS database)
- Significant industries are dairying, forestry, fishing (rock lobster and abalone) and horticulture.
- Estimated gross value of production in 1999/2000 was \$664 M – excluding an additional \$300 M export income.

LOCAL GOVERNMENT AND COST SHIFTING

LOCAL GOVERNMENT'S CURRENT ROLES AND RESPONSIBILITIES

District Council of Grant's primary roles and responsibilities (as determined by recent annual community survey)

- Road maintenance / traffic control
- Fire prevention services
- Aged housing & accommodation services
- Roadside slashing & clearing
- Waste collection services
- Building & planning controls & approvals
- Waste disposal sites
- Economic development services
- Effluent drainage schemes
- Youth services
- Sport & recreation facilities
- Dog control
- Tourism services
- Library services

LOCAL GOVERNMENT AND COST SHIFTING

ROAD FUNDING

- Timber Industry expansion and harvesting will take place additional demands for upgrading of roads in the Region.
- The Timber Industry Roads Evaluation (TIRE) Study (October 1999, PPK Environment & Infrastructure) – Investment cost for the South East Region estimated at \$7.8M for period 1999 – 2008.
- Total investment cost in District Council of Grant is \$5.67 M or 73%.
- “By 2020, the total area under plantation will be around 180,000 hectares of which approximately 110,000 hectares will be under pinus radiata and 70,000 hectares will be under Blue Gums” (TIRE Study).
- Cost to **MAINTAIN** sealed road infrastructure for 2001/2002 in the District Council of Grant is \$666,000 increasing to \$923,000 in 2003/2004. (Road Transport Services - Five Year Management Plan 2000)
- Council only able to afford to allocate \$350,000 in 2001/2002 for resealing of existing roads.
- The State Government Regional Road Program was cut by \$1.5 M resulting in a total allocation for South Australia of \$700,000 for 2002/2003.
- The State Government Tourism Road Grant Program (\$545,000) was abolished in 2002/2003 budget.

LOCAL GOVERNMENT AND COST SHIFTING

ROAD FUNDING

- The Federal Government decreased the Roads to Recovery Program in 2002/2003 (reduction of \$75,000).
- The “Wealth of Opportunities Report” on Local Government Infrastructure Asset Management concluded that South Australian Councils need to increase expenditure on maintaining Road Assets from \$42 M to \$147 M per annum.
- The Federal Government collects 38.1 cents per litre from petrol and diesel and only 6 cents of every litre is spent nationally on Roads (\$1.8 B out of \$12 B). (Australian Automobile Association)

LOCAL GOVERNMENT AND COST SHIFTING

South Australia has the lowest identified Road Grant per capita or per kilometre due to the existing Financial Assistance Grants methodology for road funding.

- Identified Local Roads Grants are distributed on 'historical' not fiscal equalisation basis.
- In 2002/2003 the District Council of Grant was allocated \$763,868 General Purpose Grant and \$214,978 Local Road Grant (Total \$978,846).
- **TOTAL SOUTH EAST** Local Road Grant for 2002/2003 was \$1.709 M (estimated population around 62,000, estimated area 21,500 square kilometres).

GLENELG SHIRE COUNCIL, VICTORIA– FINANCIAL ASSISTANCE GRANT – 2002/2003 (Adjoining Victorian Council)

General Purpose Grant	\$2.633 Million
Local Road Grant	\$2.285 Million
Total	\$4.918 Million

Road Length	2,664 kilometres
Population	20,312
Area	6,201 kilometres

LOCAL GOVERNMENT AND COST SHIFTING

South Australia has the lowest identified Road Grant per capita or per kilometre due to the existing Financial Assistance Grants methodology for road funding.

- Council allocated \$2.1 M out of \$3.2 M General Rate Revenue in its 2002/2003 budget for Road Construction and Maintenance.

THIS CLEARLY HIGHLIGHTS THE IMPACT ON THE DISTRICT COUNCIL OF GRANT'S FINANCIAL CAPACITY TO MEET THE DEMANDS OF INDUSTRY AND COMMUNITY FOR ROAD FUNDING AND COST SHIFTING TO LOCAL GOVERNMENT.

LOCAL GOVERNMENT AND COST SHIFTING

PROVISION OF AGED CARE SERVICES

Recognition of an increasing aging population and need for provision of capital funding for high and low care places.

- Estimated demand for high care places in Mount Gambier and District 30.
- Estimated demand for low care places in Mount Gambier and District 70.
- The District Council of Grant and City of Mount Gambier have provided in excess of \$1.15 M since 1995 for capital funding for Aged Care (City of Mount Gambier \$925,000 District Council of Grant \$225,000).

LOCAL GOVERNMENT AND COST SHIFTING

Provision of Aged Care Services

	NSW	VIC	QLD	WA	SA	TAS	NT	TOTAL
Aged Care Services Current (\$000)	18,731	29,460	6,428	11,918	8,676	2,553	73	77,839
Aged Care Services Capital (\$000)	539	889	75	510	0	662	0	2,675

Australian Local Government Association Press Release on 2002/2003 Federal Budget by Cr John Ross.

LOCAL COUNCILS CANNOT AFFORD THE CAPITAL FUNDING NECESSARY TO MAINTAIN AND PROVIDE EXISTING AND NEW AGED CARE ACCOMMODATION FOR RESIDENTS.

LOCAL GOVERNMENT AND COST SHIFTING

Rationalisation of Roles and Responsibilities between levels of Government

Port MacDonnell is a small township of 700 people.

- Rural Transaction Centre, Service SA Rural Agent program and Local Government.
- Rural Transaction Centre officially opened on 25 July 2001 with funding from the Federal Government \$122,370.
- The following services provided Medicare EasyClaim, Centrelink, ANZ Bank Local Link, Internet access and Australian Electoral Commission enrolments.
- Patronage Figures :-

- ANZ Local Link	598 people
- Centrelink	315
- Internet	1,794
- Mary Lattin Memorial Library	10,191
- Tourism Assistance	1,239
- Council Administration	1,160

- Service SA State Launch of the Rural Agent Program at Port MacDonnell on 21 August 2002. Services provided :-
 - Transport SA services, including :
 - Drivers Licence Theory testing
 - Boat Operators Theory testing
 - Dept of Human Services
 - PIRSA Services
 - Recreational Fishing Information
 - Aquaculture Information
 - Dept of Environment and Heritage Services
 - Office of Coast and Marine - information
 - Dept for Administrative Services

LOCAL GOVERNMENT AND COST SHIFTING

Rationalisation of Roles and Responsibilities between levels of Government

- Local Government Services :- Building and Development Applications, Rate payments, Dog Registrations, etc.
 - Provision of photocopying, fax machine for public use
 - Tourist Information Centre

GOOD EXAMPLE OF 'ONE STOP SHOP' FOR ALL GOVERNMENT SERVICES WHICH CAN BE PROVIDED BY STAFF OR ELECTRONICALLY.

Regional Co-operation and Utilisation of Resources