

RNL:CLD:L6-1:2002/622  
Mr Robert Langford

26<sup>th</sup> July, 2002.

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

Dear Sir

Council wishes to submit the following for consideration in the Inquiry Into Local Government and Cost Shifting.

### **Council Background**

Severn Shire is a rural Shire of 5,827 square kilometres, has a population of approximately 3,000, with an expenditure in 2001/2002 of \$9.05 m and maintains over 1,040 km of roads.

Council is a member of New England Local Government Group which consists of nine Local Government authorities from the New England area.

Council is concerned about the increasing burden of providing and partly funding services and responsibility of State and Federal Governments when Councils (in New South Wales) have their ability to raise revenue restricted, eg. Through ratepegging. Council has had to expand its service base to the community through community expectations in areas such as health, social welfare, information collection for Governments and agencies and roads without receiving funding for the services which Council considers are State and Federal responsibility.

### **Health**

Council has had to provide a house and surgery for a Doctor in Emmaville. The Doctor services the Vegetable Creek Hospital, Emmaville and Ashford communities. The expensive recruitment process of obtaining a Doctor, providing facilities and maintaining the Doctor initially cost over \$220,000 with ongoing costs of equipment replacement, guarantee Doctor's income and administrative costs of securing the Doctor to provide a Doctor for the community.

This should be funded by the State and Federal Governments.

## **Social Welfare**

Council employs a Rural Youth Information Officer to provide help, guidance and advice to the youth of the Glen Innes and Severn Shire. The cost to Council in 2001/2002 was \$68,900, of which Council only received a grant of \$30,000 from the Federal Government. Youth services are vital for the development in our youth in rural areas and provides information and guidance on education, State and Federal program opportunities.

## **Information Collection**

There has been an increased burden on Councils to provide duplicate information to different Government agencies in varying formats. For example, council completes its Annual Report and then has to provide information found in the report to other Government agencies, eg. Councils have to provide statistical information to Australian Bureau of Statistics - Annual Collection of Local Government finances, Department of Land & Water Conservation and Department of Local Government Financial Data Collection, etc.

## **Road Funding**

Regional Road funding was, prior to 1995, borne by State Government, now it is \$ for \$ projects on Regional Roads with Local Government. Regional Roads should be solely State Government responsibility.

## **Gradual Cost Shifting**

The process of shifting costs can be seen by State and Federal Governments commencing a project or scheme in partnership with Local Government and then gradually withdrawing their percentage of funding or increasing Local Government's share of the funding. Some examples of this are funding for public libraries, Rural Fire Services, inspection of septic systems in New South Wales and now State Emergency Services where additional expenses are to be met by local Councils.

As the burden on Local Government to find additional resources to fund projects and services as stated above, become greater, Council's local services have had to be curtailed as Council's revenue base is restricted by Government policies.

Council requests that the above items be considered and would welcome the opportunity to expand on the issues raised.

For further information please contact the undersigned on ☎ (02) 6732 2555.

Yours faithfully

**R N LANGFORD**  
**GENERAL MANAGER**