

From: Susan.White@mpsc.nsw.gov.au
Sent: Tuesday, 30 July 2002 4:42 PM
To: efpa.reps@aph.gov.au
Subject: Enquiry into cost shifting onto Local Government

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

Subject: Cost Shifting onto Local Government

Dear Sir/Madam

Cost shifting to Local Government must also include the fact that Local Government, while providing these services does not receive a fair percentage of the taxation revenue.

An area of 12 ½ square miles was Gazetted to constitute the Municipal District of Moree on the 5th of December 1890. The Municipality of Moree held its first Council meeting on the 2nd of March 1891.

In January 1981 The Municipal District of Moree amalgamated with the shires of Boomi and Boolooroo. Today Moree Plains Shire Council covers an area of 17,500 square kilometres with a population in excess of 17,000

Moree Plains Shire Council is a member of the Northern Area Region of Councils and the Western Region of Councils and the Local Government and Shires Association.

During 2001/02 Moree Plains Shire Council has undertaken a significant amount of contract work for both State and Federal Agencies. While these monies are grant money they still require administration and a scaling up in Council's workforce. These include:

- RTA 1.3 million dollars
- Flood Restoration 12.8 million dollars
- Roads to recovery 1.2 million dollars

Over the last ten years the devolution of services has placed considerable financial burden on the Council. In 2001/02 Moree Plains Shire Council has undertaken the provision and administration of many devolved services, totalling almost 250 thousand dollars, which have traditionally been provided by State or Federal Government.

These include:

- Administration of the Protection Of Environment Act - \$25,000 per annum
- Administration of the Companion Animal Act - \$7,000 per annum
- Administration of Drummuster - \$7,000 per annum
- Community Centre administration and infrastructure - \$10,000 per

annum

- Administration of Moree Place Management - \$13,000 per annum
- Rural Fire Service - \$125,000 per annum
- NSW Fire brigade 35 thousand per year increase 2002/2003, 50 thousand in total for this year
- SES - \$10,000 per annum
- Administration of Moree Regional Airport - \$10,000 per annum

In addition Council has incurred the cost of meeting Federal and State Government compliance and administrative requirements. Changes to legislation by these bodies without the provision of additional funding has had a dramatic impact.

These include:

- Gravel Pits \$200,000
- Pool license requirements - \$5,000
- Sewerage licence requirements - \$75,000
- Storm water licence requirements
- Compliance studies - \$60,000
- Privacy legislation and Freedom of Information - \$50,000
- Environmental compliance/legal costs up \$50,000
- Environmental Impact Statements on road works - \$10,000
- GST administration, system update and stationery - \$50,000
- O H & S management system \$120,000
- O H & S training \$200,000 per year
- Pensioner rebate on rates administration \$40,000 per annum
- Pensioner rebates on dog registrations
- Medical Officer Housing administration \$10,000 per annum plus 75 % of initial purchase price of property
- Medical training ? residency - admin and system update and stationery \$3,500

Contribution to Community Services

- Aboriginal Employment strategy \$75,000
- Croc Eisteddfod \$25,000 per year
- NAIDOC
- Community Safety Boggabilla - \$15,000
- Community Development Officer \$50,000
- Economic Development Officer \$25,000

Moree Plains Shire Council has had to employ the equivalent of eight full time staff plus use the services of consultants and lawyers to meet the additional compliance and administrative requirements imposed upon it by the devolution of services.

We believe that State or Federal Government, or the private sector could better provide a number of services currently provided by the Council. These include

- Emergency services
- Specialised technical advice for engineering, environmental, information services
- Noxious weeds ? regional
- Library

We believe that Moree Plains Shire Council would be better able to serve the community if the following services were provided by the Council.

- Economic Development
- Environmental Health
- Public Health Units
- Public Housing

In conclusion cost shifting from Federal and State Governments to the Local Government sector has increased in a subtle manner over the last ten years, so that the impact of the changes are not immediately apparent but hidden from community view. Councils are being asked to provide an increased number of services without a corresponding increase in funding support. This is having a detrimental effect upon the quality of services Council is able to provide. It's time for the money to follow the provision of services.