



Appendix C: Cost Shifting Examples

Description	State	Source	Approximate cost to local government
<i>Withdrawal or reduction of financial support</i>			
• Health and Welfare			
Many councils financially support the housing, travel, residential accommodation and salary of both doctors and dentists	WA	WALGA, Sub No. 310	between \$60 000 and \$100 000 p.a. to WA councils
Support for rural doctor/hospital funding.	QLD	Caboolture Shire Council, Sub No. 255	No figures provided
HACC – the State and Commonwealth governments have failed to keep funding apace with service costs and increases in demand.	VIC	Shire of Campaspe, Sub No. 64	\$556,318 (or 27% of total costs in 2001/02)
Maternal and child health – unit cost per hour is grossly under funded by the State government.	VIC	City of Casey, Sub No. 74	\$290,000 p.a.
Aged and disability services – significant funding cuts by the State government have impacted considerably on local government budgets.	VIC	City of Stonnington, Sub No.238	Funding reduced by 21% between 1994 and 1999
Long day and occasional childcare - State and Federal government funding has been reduced or withdrawn.	NSW	Gosford City Council, Sub No. 259	\$40,000 p.a. towards a full-time Childcare Coordinator
		Wyong Shire Council, Sub No. 321	\$400,000.00 operating loss.
Senior Citizen Centre were transferred to local government in the 1960's/70's with heavy State and Federal government funding, however, this has reduced leaving councils to fill the fiscal gap.	SA	City of Unley, Sub No.233	\$258,900 p.a.
Childcare centres have costly compliance standards.	NT	Darwin City Council, Sub No. 125	No figures provided

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Aged care – compliance costs have increased significantly due to increased requirements on data collection and administration.	NT	Tenant Creek Town Council, Sub No. 198	No figures provided
• Valuations			
Legislation requires local government to use the Valuer General's Office to obtain its valuations for rating purposes. As of July 2003, the State government withdrew from its previous provision of a 50% subsidy towards the cost of this service.	WA	Letter from Director Policy, WALGA to Chairman, House Economics Committee, dated 19 June 2003.	\$3 million state wide. \$100 000 for one council per revaluation undertaken every three years.
• Education			
Council provides premises free of charge to the Nannup Pre-School and other services that operate in the town. The State Education Department has refused to contribute to the upkeep and maintenance of the premises, yet provides an educational service from the facility.	WA	Shire of Nannup, Sub No. 183	No figures provided
Car park construction at education facility		Shire of Manjimup, Sub No. 219	\$10,000 in 2001-02
School parking facilities - Council is increasingly being held responsible for carrying out works to increase parking facilities around state schools in response to community concern over safety and amenity.	VIC	City of Whittlesea Council, Sub No. 190	\$150,000 one-off
School crossing supervisors - continued community expectations and decreased state government funding.	VIC	City of Whittlesea Council, Sub No. 190	\$198,416 in 2001-02
• Security and Safety			
Video surveillance, security patrols	WA	City of City of Perth, Sub No. 48	\$922,000 p.a.
		City of Wanneroo, Sub No. 70	\$750,000 p.a.
Night patrols as well as the installation of surveillance devices due to dissatisfaction with police services.	QLD	Ipswich Shire Council, Sub No. 221	\$342,151 p.a.
Crime Prevention Program	SA	City of Whyalla, Sub No.114	\$1.4 million budget for council's crime prevention program was cut by \$800,000 to \$600,000.
Crime and safety programs and officers	NSW	City of Albury, Sub No.94	\$50,000 p.a.
Aboriginal Community Police Officers Program including the provision of vehicles as well as in some cases office space and accommodation.	NT	Coomalie Community Government Council, Sub No. 76 and ALGA letter of 22 July 2003	Local government in the NT contributes an estimated at \$850,000 to this program at \$34,000 per council.

Description	State	Source	Approximate cost to local government
Crime, safety, graffiti and drug programs	VIC	City of Greater Geelong, Sub No. 285	\$500,000.
• Tourist Bureaus The withdrawal of State support for tourist bureaus has required local government to provide direct and indirect support to help ensure their continued existence.			
	WA	Shire of Manjimup, Sub No. 219	\$20,000 outlay in 2001-02
• Mobile Telephone Towers Councils were requested to contribute \$20 000 per site for mobile towers. Where councils were unable to contribute, they were not built.			
	WA	City of Wanneroo, Sub No. 70, Shire of Nannup, Sub No. 183	\$42,000. outlay in 2001-02
• Black Spot Funding Ongoing State and Federal funding is reducing.			
	VIC	Moonee Valley City Council, Sub No. 263	\$145,000
• Housing New State government housing initiatives such as the Social Housing Innovation Project are costing local government considerably in relation to land provision, rezoning as well as the preparation of legal documentation.			
	VIC	Boroondara City Council, Sub No. 153	No figures provided.
All housing and maintenance on Indigenous Deed of Grant In-Trust Communities is undertaken by councils despite the fact that it is not funded in any grant methodologies.	QLD	Torres Strait Regional Authority/ Bamaga Community Council, Sub No. 362	No figures provided.
• Library Funding State government has increasingly reduced its level of funding to libraries.			
	NSW	Deniliquin Shire Council, Sub No. 126	Library subsidy decreased from \$26,200 in 1994 to 22,800 in 2002.
	VIC	Moonee Valley City Council, Sub No. 263	\$1,000,000 p.a.
	SA	City of Whyalla, Sub No.114	Funding has moved from a 50/50 partnership to 25/75, with the greater share being carried by local government.
	WA	City of Belmont, Sub No. 12	Council now contributes 75% of library running costs whilst the State currently only provides 25% of total costs.
	NT	Darwin City Council, Official Hansard, 8 October 2002, Darwin, p.233.	Funding reduced by \$350,000 in the last three years.

Description	State	Source	Approximate cost to local government
• Bus Shelters			
A joint funding program in the 1980s. Now some councils contribute 100% of the costs.	SA	City of Salisbury, Sub No.192	\$40,000 p.a.
• Flood Mitigation			
Ratio of funding has changed from 2:2:1 to 1:1:1 (Cth:SG:LG)	NSW	Shire of Gunnedah, Sub No. 217; Parramatta City Council, Email dated 4 September 2003.	No figures provided.
• Power, Electricity and Water Provision			
Councils in the NT provide water, sewerage and electricity on behalf of the Power and Water Authority. However, the contractual arrangement which compensates councils does not take into account costs such as recruitment and housing of staff.	NT	Local Government Association of the Northern Territory, Sub No. 133 and ALGA letter of 22 July 2003	ALGA estimated that the cost to NT councils, is somewhere in the order of \$125,000 every two years (50 councils at \$5,000)
• Centrelink and Postal Services			
Local government provides staff and shop fronts.	NT	Tiwi Islands Council, Sub No.50, Mataranka Council, Sub No. 343, and ALGA letter of 22 July 2003	50 councils at \$20,000, making overall contributions \$1m
• Environmental Programs			
A number of programs such as Coast Care, Water Works and River Watch are only funded in the short term leaving the fiscal burden to local government.	TAS	Central Coast Council, Sub No. 154	No figures provided.
Transfer of assets			
• Roads			
State government handed over responsibility for regional roads to local government. The State subsequently provided on an annual basis, funding to councils to undertake maintenance. However, the funding has become inadequate.	NSW	Guyra Shire Council, Sub No. 27	\$50,000 p.a. in addition to a once off cost of \$1,000,000.
State government has no obligation to notify, seek the agreement of, or compensate councils when transferring a crown road to local government.		Singleton Council, Sub No. 84; Dalrymple Shire Council, Sub No. 269; Riverina Eastern Regional Organisation of Councils, Sub No. 166	No figures provided
• Airports			
Commonwealth aerodromes were transferred to local government with initial financial incentives. The choice for councils was one of either accepting the opportunity or losing the service to the community.	QLD	Diamantina Shire Council, Sub No. 145.	\$300,000 p.a. in annual depreciation + \$1 million upgrade

Description	State	Source	Approximate cost to local government
Infrastructure was handed over to local government without adequate commensurate funding being provided for its maintenance/upkeep.	TAS	Flinders Island Council, Official Hansard, 18 February 2003, Hobart.	Council is forced to spend 20% of its rates on maintaining its airport.
Airstrip maintenance responsibility has been devolving to local government. About 30 councils pay for maintenance and reporting. For six months of year, during flooding, airstrips are the only form of access ins some parts of the NT.	NT	Tiwi Islands, Official Hansard, 8 October 2002, Darwin and Barunga Manyallaluk Community Government Council, Sub No: 295	Tiwi Islands council is supervising 4 airstrips. Landing charges recover some costs.
<i>Concessions and rebates provided without compensation</i>			
• Pensioner Rebate Scheme			
The scheme was originally fully funded by the NSW government, however, Lgov NSW claimed this was cut back with the introduction of FAGs. Local government pays approximately 50%.	NSW	Tamworth Shire Council, Official Hansard, Barraba, 29 April 2003, p. 773;	\$700,000 pa of an total council income of \$13 million.
		Campbelltown City Council, Sub No. 188;	\$1-2 million p.a.
		Tweed Shire Council, Sub No. 124	\$725,000 or 3.5% of rate revenue.
Councils are forced to administer the scheme for the Queensland government, with no commission paid to local government for undertaking this service.	QLD	Caboolture Shire Council, Sub No. 255	\$1,650,000 outlay in 2001-02
'... a nightmare for small councils to administer. ... where a staff member covers many jobs'	WA	Wheatbelt Area Consultative Committee, Sub No. 319.	No figures provided
• Non-Rateable Land			
There is a considerable amount of Federal and State government owned land which is exempt from local government rates.	NSW	NSROC, Official Hansard, Sydney, 28 April, 2003, p.713.	In North Sydney there are 75 blocks of State owned land, with a total rateable value in excess of \$65 million as well as 17 Federal government owned properties worth in excess of \$58 million which are currently exempt from local government rates.
Rate exemption provisions of the Local Government Act in WA, particularly in the case of housing stocks being placed in the control and management of charitable bodies such as incorporated community housing groups.	WA	City of Armadale, Sub. No. 102	In this council's case, rate exemptions total about \$60,000 p.a. or 0.4% of its total rate income.
Rate exemptions on State and Federal land, particularly in the case of national parks.	QLD	Diamantina Shire Council, Official Hansard, Longreach, 12 March 2003.	Council notes that 11,000 sq. km of land has been declared national park since 1991, which has reduced council revenues by 12%.

Description	State	Source	Approximate cost to local government
<i>Increased regulatory and compliance requirements</i>			
• Food Regulation – inspection requirements	NSW	Newcastle City Council, Sub No.77	\$60,000 p.a.
• State of the Environment Reports - requiring data gathering and mapping	NSW	Eurobodalla Shire Council, Sub No. 394	\$37,000 p.a.
• Threatened Species Conservation Act 1995 (State) and The Environment Protection and Biodiversity Protection Act 2000 (Federal) – surveys and studies	NSW	Blacktown City Council, Sub No. 96	No figures provided
		Eurobodalla Shire Council, Sub No. 394	\$5,000 p.a.
• Privacy Legislation – Compliance costs associated with the implementation of this Act are considerable for local government as many councils are required to develop audit, policy and compliance statements	NSW	City of Albury, Sub No.94	\$5,000.p.a.
• Companion Animals Act – Registration fees provided for by this legislation are frequently far from sufficient to cover the cost of enforcement and control of companion animals in the community	NSW	Comma-Monaro Shire Council, Sub No. 132	\$50,000 p.a.
• NSW Fire Brigade Contribution – required to contribute towards the cost of bush fire services in the council area together with the costs associated with supporting the Sydney based bureaucracy of the Rural Fire Service	NSW	Guyra Shire Council, Sub No. 27	\$30,000 p.a.
• Biodiversity policy and regulation	NSW	Eurobodalla Shire Council, Sub No. 394	NRM planning \$25,000 p.a.
• Coastal management to deal with nation's population growth over next 20 years to coastal zones, NSW Coastal Protection Package	NSW	Eurobodalla Shire Council, Sub No. 394	\$60,000 p.a.
• Accounting Requirements – required to comply with new accounting/ auditing regulations, including funded depreciation	QLD	Sarina Shire Council, Sub No. 264	\$32,000 p.a.
• Environmental legislation – statutory requirement on local government that closed landfills are remediated such that no environmental harm is caused	QLD	Caboolture Shire Council, Sub No. 255	\$1,000,000 for 15 years.
• Integrated Planning Act – to develop IPA compliant Planning Schemes and adopt planning assessment practices	QLD	Maroochy Shire Council, Sub No. 139	\$150,000 p.a.

Description	State	Source	Approximate cost to local government
• Environmental Protection legislation - imposed conditions on landfill sites, for instance, councils forced to employ a waste management officer	WA	Shire of Manjimup, Sub No. 219	\$105,000 p.a.
• Health (Air Handling and Water Systems) Regulations 1994	WA	City of Cockburn, Sub No. 45	\$15,250 p.a.
• Fire and Emergency Services Levy - local governments must collect the levy on behalf of the State. While a minor commission is intended to be paid, the amount will not cover the additional costs incurred by local governments	WA	Shire of Manjimup, Sub No. 219	\$47,000 p.a.
• Town Planning – must now review their development plans every 3 years instead of every 7 years	SA	City of Unley, Sub No.233	\$80,000 p.a.
• Environmental Protection Act - higher standards imposed on waste management and landfill sites	SA	City of Unley, Sub No.233	Cost has doubled over the past 10 years – now at \$2,200,000
• Disability Discrimination Act – public buildings must comply with Federal DDA standards	SA	City of Unley, Sub No.233	\$50,000 p.a.
• GST Implementation Costs – set-up and compliance costs.	SA	City of Whyalla, Sub No.114	No figures provided
• GST Implementation Costs – Set-up and compliance costs	VIC	Maroondah City Council, Sub No. 88	\$18,000 initial set up cost in addition to \$30,000pa ongoing cost.
• Disability Discrimination Act – implementation and compliance costs	VIC	Maroondah City Council, Sub No. 88	\$50,000 p.a.
• Planning Regulation – policy, regulatory and advisory roles on land use planning. However, prior to the introduction of this levy, the total cost was met by the State consolidated revenue	TAS	Local Government Association of Tasmania, Sub No. 279	\$2,700,000 total TAS local government outlay in 2000-01.
• Water Monitoring – sampling and testing of water was previously undertaken by the State government however this role and its associated costs have been devolved onto local government	TAS	Local Government Association of Tasmania, Sub No. 279	No figures provided
Failure to provide for indexation of fees and charges			
• Swimming pool inspections – fee set at \$50 per inspection when introduced 10 years ago	WA	WALGA, Sub No. 310	\$5000 to \$20 000 per council
• Transport and motor vehicle licensing – commission does not cover cost	WA	WALGA, Sub No. 310	Approx. \$20 000 p.a.

Description	State	Source	Approximate cost to local government
Building licensing fees – fee structure is based on a percentage of the value of works but there have been significant cost increases	WA	City of Belmont, Sub No. 12	Capped at \$40 since 1995
Building – demolition report fee	VIC	Boroondara City Council, Sub No. 153.	Capped at \$50 which is insufficient
Statutory Planning Fee –does not cover real costs	VIC	Boroondara City Council, Official Hansard, Alice Springs, 5 Nov 2002.	No figures provided
Town Planning – fees council may levy are inadequate	SA	Mitcham Council. Sub No.245	Currently the council's income in this area is \$235,000 whilst costs are \$819,000.
Development Application – fees do not take account of the real costs associated with the processing of applications	NSW	Leichardt Council, Sub No. 104	Rockdale City Council, increased cost to council at around \$200,000 p.a.
Environmental Protection Functions – fee structure does not represent the real cost	NSW	Goulburn City Council, Sub No. 203	No figures provided