



City of
Onkaparinga

House of representatives Standing Committee on Economics, Finance and Public Administration	
Submission No:	287
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Secretary:	<i>Bardell</i>

**Submission on the
Federal Inquiry into
Local Government and Cost Shifting**

September 2002



City of
Onkaparinga

Name: City of Onkaparinga

Population: 150,000

Geographic Size: 518 sq km

Current Budget: \$70m

History: Formed as a result of an amalgamation of the Cities of Happy Valley and Noarlunga, and part of the District Council of Willunga.

Relevant Information: See attached brochure.

Regional Membership: Metropolitan Mayors and CEO's Group

Devolved Services & Associated Costings and Issues: Please see Attachment 1.

Suggested services better provided by other Government or Private Sector:

- Development Assessment – private certification and building rules.
- Health – food safety audits.
- Septic Tank inspections.
- STEDS – upgrading works, operations and maintenance.

Suggested services to be transferred from other Government or Private Sector:

- Tax collection – eg. Emergency Services Levy.
- Increased collaboration in economic development.
- Local traffic management and speed regulation.

Functions and Costs Transferred to South Australian Council's by other Governments

FUNCTION	DESCRIPTION	ESTIMATED ANNUAL COST	APPROX FTE's	Contract/ Non-Core/ Compliance/ Devolved
TRANSPORT & COMMUNICATIONS				
Roads / Bridges	Decisions by other Governments have reduced the viability of rail as a transport mode, approvals for B-double transport changes in standards and road widths, traffic management issues and the general increase in vehicle ownership and usage have dramatically increased the cost of road construction and maintenance. Wine Industry = 10% of jetpatching & 50% of Road Repair budget. Also includes bridge reconstruction.	\$105,000	3	Devolved
Sealed Roads	Sealed roads transferred to Councils 20 years ago now reached end of life. Council's capacity to fund reconstruction limited. Includes Seaford Road and roads that should have been transferred to TAS as volumes etc have increased ie States Road, Blewitt Springs Road etc.			Non - Core
State Controlled Roads	<p>The responsibility for installation, maintenance and renewal work along the shoulders of state controlled roads is a major issue for Council. For example, Councils provide and maintain kerbs, storm drains, parking bays and bus shelters along roads that are under the care and control of TSA. However, TSA does not provide and</p> <ul style="list-style-type: none"> Footpaths & Kerbs eg Maintenance of roads such as South Road Cost of kerbing on Black Road etc Provision of drainage from TSA Roads Half Cost of Street Lighting on TSA Roads Streetsweeping of TSA Roads Maintenance of pedestrian crossings? Roadside litter 	<p>\$10,000 \$100,000 \$50,000 \$75,000 \$4,000 \$10,000</p>	<p>Approx \$360,000</p>	Non - Core
Bike Paths	<p>Bike paths were often installed with State funding – with the Adelaide network not complete the funding has been reduced and the demand for completion focuses on Councils.</p> <p>I contacted TransportSA (BikeSouth) who advise that there has been a partnership with local govt since the late 70's in relation to funding the provision of bicycle infrastructure. The arrangement is on \$ for \$ basis. Where an on-road bike lane is identified as being required on a TSA road they fund it 100%</p> <p>This sounds like a reasonable arrangement (better than nothing I suppose) and has been in place for some time and is expected to continue.</p> <p>I also asked what is the arrangement when it comes to maintenance, renewal and upgrades. TSA do not contribute to routine maintenance.</p> <p>Although they have not been asked before, following our discussion they believe it appropriate that the partnership should extend to renewal and upgrades which was good to hear. This also gives me some confidence that the partnership will continue for some time.</p> <p>In closing, it appears that there has been no off-loading of state govt responsibilities in respect to cycling.</p>	\$0		

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FUNCTION	DESCRIPTION	ESTIMATED ANNUAL COST	APPROX FTE's	Contract/ Non-Core/ Compliance/ Devolved
Bus Shelters	Bus shelters were originally a State responsibility. In the 1980s a joint funding program saw Councils involved in contributing to the costs. Now the funding has all but evaporated and Councils respond to community demand and in most circumstances are left with full costs.	\$100,000	1	Devolved
Traffic Management & Law Enforcement in local streets	Council constructs physical devices to help manage local road traffic. This increases community expectations of Council, even though it does not have a direct responsibility to police traffic laws. Such works would include roundabouts, slow points, driveway links, flat top humps and 40km precincts to control speeds. 99% of this work is all council funded as to get a spot marked as a 'black spot' there must be 3 personal accidents in 5 years at that one point.	\$433,000	3	Devolved
Road Safety Program	Road Safety Program - Council constructs physical devices to help achieve road safety objectives for the community encompassing cats eyes, new shoulders, new line marking, pedestrian crossings and guide posts. Some of these have been addressed by council due to the bringing in of the road safety audits. It should also be noted that TSA expect council to pay for indented parking bays to be constructed on Black Road. This is a TSA road and this cost is likely to be \$830,000 to council.	\$100,000	2	Devolved
Streetlighting	Council is responsible for installation of on all local roads (roads maintained by Council). This is an ongoing cost incorporating maintenance costs and electricity costs involved with running the streetlights. This is estimated at \$179,000 plus ongoing maintenance.	\$179,000	-	Devolved
Aerodromes	Twenty-three local aerodromes were transferred to country Councils in the early 1990s. The Federal Government provided funding to upgrade them initially but now provides no ongoing support.	N/A		
Community Transport	In some country areas seed funding was given but no funding for long term sustainability of community transport facilities or transport schemes. Initiates were give to help set-up the program and now this service is expected from the community.	\$166,000	1.5	Devolved
Television Transmission	The Commonwealth is seeking Local Government funding to support capital and operational costs under the Federal TV Black spots program.	N/A		
Heavy Vehicle Registration Fees	In 1996 a national heavy vehicle registration strategy saw registration fees paid by Councils to the State Government increase significantly. The state chose not to apply any concession to Local Government as was the case with primary producers etc.	N/A		
HOUSING & COMMUNITY SERVICES				

Functions and Costs Transferred to South Australian Council's by other Governments

FUNCTION	DESCRIPTION	ESTIMATED ANNUAL COST	APPROX FTE's	Contract/ Non-Core/ Compliance/ Devolved
Town Planning	<p>In the late 1960s Councils picked up Town Planning responsibilities - this was largely negotiated and application fees provided some limited additional resourcing – the complexity, volume of issues and particularly the strategic functions continue to expand, however the application fees do not cover the approval processing.</p> <p>Progressive councils are required to initiate PARs (Plan Amendment Reports) now, that in the past might have been undertaken by the State Government.</p> <p>Via PSA, Council's are now required to complete a larger portion of PARs, eg electronic mapping & text preparation.</p> <p>High-level Strategic Planning functions continue to expand for Councils, requiring specialist Departments.</p>	<p>\$650,000</p> <p>\$30,000</p> <p>\$20,000</p> <p>\$150,000</p>	<p>20</p> <p>-</p> <p>-</p> <p>-</p>	<p>Compliance / Devolved</p> <p>Devolved</p> <p>Devolved</p> <p>Devolved</p>
Development Act	<p>Councils now must review their Development Plans every 3 years instead of every 7 years. (section 30 Development Plan Review)</p> <p>The roles, responsibilities and administrative duties of Council have increased, for example:</p> <ul style="list-style-type: none"> * The introduction of mandatory notification and inspections of building works. * Reduction in the type and range of applications determined by the Development Assessment Commission. * Significant tree legislation. This is an example where Councils have embraced legislation as apposed to responsibilities being specifically given to it or as a result of Governments "stepping back" from providing a service. Funds from application fees insufficient to recover Council costs. 	\$15,000	-	Compliance
				***these costs are incorporated in the costs above.
Environmental Management	<p>The new Local Government Act 1999 requires Councils to now undertake a greater range of policy, strategy, reporting, and operational activities regarding environmental and natural resource management. This requires newly developed and resourced programs and projects regarding both new issues of general consideration such as energy and water conservation, or wetland and coastal management - as well as greatly expanded or refined versions of traditional activities. It is not just a case of Local Government taking on roles or responsibilities that have been previously State Government but that this devolution has also been occurring in the context of a dramatic expansion in the scope, awareness and community expectations regarding these activities.</p> <p>Commonwealth Environmental Funding - Security of funding for local government on environmental and resource management issues has decreased over recent years, particularly since the establishment of the Natural Heritage Trust in 1997. The focus of NHT has been on community based projects and on ground works. While such expenditure is positive, it has resulted in a significant part of national environmental expenditure removed from the normal realm of public sector finance to a peculiar short-term arrangement (Dovers 2001).</p>	<p>\$300,000 (salary)</p> <p>\$50,000 (operating)</p> <p>\$100,000 (project)</p>	5.5	Devolved

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FUNCTION	DESCRIPTION	ESTIMATED ANNUAL COST	APPROX FTE's	Contract/ Non-Core/ Compliance/ Devolved
Native Vegetation	Councils have been requested to assist the Native Vegetation Council with local investigations. Council has been approached by State Government to be authorised and delegated to undertake evidence collection in relation to native vegetation clearance investigations under Native Vegetation Act. To date this has not been accepted. Council staff are however involved in reporting instances of clearance to State Government and investigations of Clearance on Council Land under Local Government Act. This is included in Environmental Management (see above).	included in above figures		
Environmental Protection and Noise	The EPA does not provide resources for low-level environmental harm or nuisance issues, including noise complaints. This places pressure on Councils to undertake this role, without resources or with only short term funding arrangements. Undertaking adhoc inspections related to EPA complaints such as woodfire complaints & occasional environmental nuisance complaints. Councils required by new State Legislation to apply environmental conditions against Development Act approvals. monitoring of these conditions now generally undertaken by Councils as EPA have insufficient resources.	\$3,000 \$20,000	- -	Non - Core Devolved
DrumMUSTER	DrumMUSTER was somewhat forced upon Councils by the Federal Government and not all costs can be recovered.	\$1,200	-	Devolved
Waste Management and Resource Recovery	Increased responsibilities and higher standards imposed by the EPA on waste management and land fill sites incur significant capital and operational expenditure.	\$214,958	-	Devolved
Stormwater - CMSS	State funding for the Catchment Management Subsidy Scheme (CMSS) has been cut back requiring a greater contribution from Councils towards stormwater mitigation. Is this IG'S responsibility? (on average receiving \$300,000 - \$500,000 per year)	\$200,000	1	Devolved

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FUNCTION	DESCRIPTION	ESTIMATED ANNUAL COST	APPROX FTE's	Contract/ Non-Core/ Compliance/ Devolved
Water Catchment Boards	<p>Water Catchment Boards have installed trash racks and then asked Councils to maintain them in the long term.</p> <p>Catchment Management - Over recent years catchment water management boards have been created with primary responsibility for catchment management (and revenue raising power for this purpose by way of catchment levies). Despite this the majority of the stormwater/catchment management functions which traditionally have been the responsibility of local government have remained with councils.</p> <p>In expending the funds raised via catchment levies, the boards have focussed primarily on capital and project works. While these works are to be welcomed, the ongoing maintenance activities/functions currently performed by local government have been largely overlooked. Also with many of the capital and project works commissioned by the boards there is the expectation that the ownership and maintenance of assets/projects will revert to the local council, often after a short period of time and in most cases without additional funding.</p> <p>While Councils have received significant funding from catchment boards, this is tied to a specific project or outcome. The allocation of such funding is entirely at the discretion of the boards and local government</p>	N/A		
Septic Tanks	<p>The responsibility for administering septic tanks and soakage systems was transferred to councils from the S.A. Health Commission in the mid 1990's.</p> <p>It is Council's responsibility under the Local Government Act to provide effluent disposal services to its ratepayers in areas where the State Government is unable to provide a mains sewer service. For the provision of this service, Councils can levy a service charge (STEDS annual service charge).</p> <p>Council operates 6 Septic Tank Effluent Disposal Schemes (STEDS) 3 schemes are connected to the SA Water Sewer system, * Clarendon, Morphett Vale and Maslin Beach, the remaining 3 schemes are, * McLaren Flat, McLaren Vale and Willunga and are connected and treat septic tank effluent at a bio filtration waste water treatment plant (WWTP) at Willunga. Effluent is treated to Class B standard and is used for summer irrigation on the Willunga Golf Course The total connected population serviced by the 6 STEDS is approximately 10,000 persons (3200 connections) Total STEDS asset replacement value in 2002 = \$21 million</p>	<p>Annual Operation and maintenance costs</p> <p>\$385,000 (budget) plus 4 year septic tank pump out program @ approx \$80 per tank (\$60,000)</p>	2	Devolved
PLEC	Support for the Power Line Under grounding (PLEC) scheme has been reduced with Councils required to meet increasing costs to underground power lines (PIPLUS)	\$50,000	0.5	Non - Core

Functions and Costs Transferred to South Australian Council's by other Governments

FUNCTION	DESCRIPTION	ESTIMATED ANNUAL COST	APPROX FTE's	Contract/ Non-Core/ Compliance/ Devolved
Overhead Power Cables	Councils must fund the cost to trim street trees around overhead power cables to ensure community expectations/standards are met mainly - ETSA job. We do very limited work in this area and only in emergency situations. Our workers are not yet trained to go within 3 metres of powerlines. We are going to undertake this training.	N/A		
Contaminated Land	Responsibilities upon Councils to be aware of and identify land upon which potentially contaminating activities have occurred/are occurring. Considerable resources required to research and identify site history - related to increasing "duty of care" upon Councils in the development assessment process, shifting away from buyer beware /owner or purchaser responsibility to identify and rectify.	Not recorded - primarily in house resources, budget of \$10,000		
HEALTH & WELFARE				
Supported Residential Facilities	The new Supported Residential Facilities Act introduced in 1996 has increased the roles and costs for Councils who are now responsible for resourcing the assessment, inspection, and administration often with court costs involved. Local Government was reassured that this would be cost neutral however income from license fees is insufficient.	\$1,000	-	Devolved
Aged Care	Councils are contributing resources to the cost of constructing aged care facilities due to Commonwealth funding limitations. Maintenance & Operating costs for Over 50's centers, Respite program, Home Assist & Disability careers.	\$400,000	9	Devolved
Senior citizens Centres	Were built or transferred to Councils in the 1960s and 1970s with heavy Commonwealth and State funding. Now there is virtually no funding assistance for maintenance or replacement.			
Youth Services	State Government has had a shift in their responsibilities in this area meaning they have less time to spend on Youth Services. This has meant that council has pick up a lot of these duties and a large part of this is spent on a Contractor.	\$516,000	2	Devolved
Graffiti Management	No funding from government in regard to this area. There are clear expectations that this should be done but there has been a small movement from government to help out with the costs associated.	\$400,000	3.5	

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FUNCTION	DESCRIPTION	ESTIMATED ANNUAL COST	APPROX FTE's	Contract/ Non-Core/ Compliance/ Devolved
Community Development	State Government has had a shift in their responsibilities in this area meaning they have less time to spend on Community Development. This has meant that council has pick up a lot of these duties to adhere to community expectation. Council has the opportunity to work with community groups to find out their needs and to give them training and support to help reach these goals - empowering the individuals in the community.	\$748,000	12	Devolved
Health Inspections	The advent of diseases such as Legionnaires Disease has triggered a requirement for Council inspection of cooling towers – as a result of the Public and Environmental Health Act. No researching is provided to Councils for this work. This is not yet a requirement, we currently undertake these inspections as a duty of care.	\$3,000	-	
Food Act	New Food Act proclaimed without assurances for Local Government that the additional workloads for EHO's can be funded through user pays charges or like fees. Most Councils supported Annual License / registration fees for Food Businesses yet State Govt. were not supportive. Has not yet come in (December 2002) we have allowed a budget of \$30,000.	\$30,000	-	Compliance
Doctors & Health Centres	Many rural Councils are responding to the critical shortage of GP's and Allied Health Services in Country areas. This includes incentives to attract GP's and the provision of houses and health centres.	N/A		
Wasp Control	Removal of European wasps nests on public and private land by subcontractor as control operator. Concerns about possible cessation of funding.	\$27,000	sub contract	Devolved
Disability Discrimination Act	Councils are required to develop and implement a 10 year plan to ensure public buildings and facilities comply with the Federal DDA standards.	\$5,000	0.01	Devolved
RECREATION & CULTURE				
Recreation	Recreation funding from the State and Commonwealth has reduced or been focused on major sport or State/National facilities. Now approximately \$1 in every \$8 of Council funding goes on recreation or sporting facilities or venues. Often the State provides small grants to sporting groups to establish or expand clubrooms on Council property with ongoing implications, particularly in the event of club failure, falling to Councils. Grants from the Office of Recreation & Sport were paid to Clubs budget was \$12m but is now less than \$2m. This puts pressure on Council to help the clubs out.	\$436,000	4	Devolved

Functions and Costs Transferred to South Australian Council's by other Governments

FUNCTION	DESCRIPTION	ESTIMATED ANNUAL COST	APPROX FTE's	Contract/ Non-Core/ Compliance/ Devolved
State Government Surplus Land Sales	Councils are required to purchase significant/important land surplus to the needs of the State Government at full market value, eg schools, open space. Previously this was transferred to Councils for community purposes at a notional value.	N/A		

Functions and Costs Transferred to South Australian Council's by other Governments

FUNCTION	DESCRIPTION	ESTIMATED ANNUAL COST	APPROX FTE's	Contract/ Non-Core/ Compliance/ Devolved
Libraries	<p>In the 1970s Councils took on library management and development as part of a well supported Library Development Program in SA. Communities and Councils have supported it strongly. However it began with a 50/50 funding approach between Councils and State Government including capital development, now the figure is closer to 75/25 with Councils picking up all the capital costs. Country Councils received public Internet access terminals at no up front cost but there is no ongoing commitment to hardware maintenance/replacement costs.</p> <p>The State Government formed an agreement with Local Government over 20 years ago to jointly form and fund public libraries. Since then the partnership has been very successful. However there has been a significant increase in the cost of running library services over this time. The state government grant does have a degree of indexation, but this only covers CPI, not changes in service provision. Over the last 20 years this council (and its successors) have built 5 major library buildings, yet have received a small capital injection for only 2 of these libraries. Given the age of some of these building Council has recently spent approximately \$1.2M extending one of its libraries and has plans to extend renovate another. None of these capital costs are offset by the State Government.</p> <p>While the State Grant covers the major cost of providing a library collection the real value of these funds have been actively eroded by the fall in the Australian dollar. (We import significant parts of our collection) Also, the cost of books has significantly outstripped the rate of inflation. Therefore the CPI increases do not cover the real increases in the cost of books</p> <p>There has been an explosion in information available, and the range of courses and personal interests of members of the community. Unfortunately the money available to purchase books across all of the new areas of knowledge has not been made available.</p> <p>Over the last 5 years Internet access in public libraries has become the norm. Our library service has over 30 public access PC's. Apart from the 2 which were funded by a Federal Gov't grant the capital cost of these PC's has been borne by council.</p> <p>While the State currently pays the online costs for public Internet access the funds to provide this have come from reducing the grant fund for books and other library materials. Effectively the State claims to have funded Internet access, however it has really done so by cutting the grant for library resources. At present the Council's recurrent library budget is approximately \$4M, with less than \$1M coming from a State Government Grant. (This figure does not include Council overheads, building maintenance and other issues which are hidden in other council budgets) This is a significant reduction from the 50% - 50% funding originally promised. Even a return to 50% - 50% for recurrent operations would have a significantly positive impact on library services to the community.</p>	\$3,000,000	-	Devolved

Functions and Costs Transferred to South Australian Council's by other Governments

FUNCTION	DESCRIPTION	ESTIMATED ANNUAL COST	APPROX FTE's	Contract/ Non-Core/ Compliance/ Devolved
Native Title	Councils are required under the Native Title Act (Cwth) to ensure audit of properties to ascertain non-extinguishment and development of appropriate administration regimes and protocols. This also requires major consultation with the local indigenous and non-indigenous community. This includes consultation with the Native Title claimant. More work is carried out on the Aboriginal Heritage Act than on Native Title. Council has a lot of key sites in the area and we must for fill our obligations on these sites. (5 keys sites @ approx \$20,000 each). Council has applied to be a party to the Native Title Tribunal and this would increase our time spent in this area. Council is still trying to clarify our legal responsibilities.	\$100,000	1.5	Compliance
Jetties	Most country jetties have been transferred to the Councils to maintain (with significant capital costs met by the State Govt.) Maintenance & Capital expenditure (50% split)	\$10,000	0.1	Non - core
Foreshore	Cliff stability, cleaning of beaches, access etc.	\$160,000	2	Core
GENERAL PUBLIC SERVICES				
Tax collection	Councils are required to collect revenue/levy for Catchment Water Boards. This collection is not done on a fee for service or commission basis, and in addition to the administrative requirements, requires Council staff to respond to a large number of customer enquires in relation to the levies.	\$37,500		
Postal Voting	Mandatory postal voting introduced in 2000 has increased the cost of Council elections.	\$92,000		
Rates	Quarterly rate billing introduced in 2001 has increased the cost of rate collection	\$110,000	4	
Consultation	The new LG Act 1999 has introduced compulsory community consultation on a broad range of Councils functions and this is a very resource intensive exercise if it is to be useful.			
Taxation	The GST has required Local Government for the first time to implement taxation administration systems from 1 July 2000. The cost of compliance is significant, including negative cash flow implications.	\$25,000		Compliance
FAGS	Quarterly payment of FAGS and Local Road grants, which were previously paid annually up front, has cost Councils income from investment.			
PUBLIC ORDER & SAFETY				

Functions and Costs Transferred to South Australian Council's by other Governments

FUNCTION	DESCRIPTION	ESTIMATED ANNUAL COST	APPROX FTE's	Contract/ Non-Core/ Compliance/ Devolved
Crime Prevention	Increased demand and expectation placed on Council to lead this area, including management of graffiti. However, increased funding from Attorney Generals to Local Government has been inequitable. \$75,000,000 from government has been cut & is said to be picked up by local council.	\$196,000	2	Contract
Native Birds	Another cost transfer issue is the management of abundant native birds (corellas) The state government sees itself as an adviser in this matter with the problem being resolved at a regional level (code for local government) we are spending 20K this year on corella management this is direct cost only and does not include indirect costs such as supporting the Corella Management Group, and the regional research project. Indirect costs could be estimated at 50K	\$50,000	1	Devolved
Dog Management	Councils were led to believe that dog registration fees and other income was to cover the costs to administer the legislation. Collectively Councils recover only 75% of the costs. The State has recently declined Local Government's request to increase fees. We receive 350K in dog registrations. Non specific salary and operating expenditure in Ranger Services exceeds 900K. It is estimated that 80% of this activity be dog related. Shows expenditure of 720K & resultant shortfall of 370K. Proposed changes to the Dog & Cat Management Act could see extension of Council's role in this area"	\$140,000	-	Devolved