

Local Government  
Association of NSW



Shires Association  
of NSW

**The Impact of Cost Shifting on  
Local Government in NSW:  
A Survey of Councils  
(Financial Years 2005/06 and 2006/07)**

*Report by*

**Local Government and Shires Associations of NSW**

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## INTRODUCTION – WHAT IS COST SHIFTING?

In order to measure “cost shifting” one must first understand what cost shifting actually means.

Cost shifting describes a situation where the responsibility for or merely the costs of providing a certain service, concession, asset or regulatory function itself are “shifted” from a higher level of government (Commonwealth or State Government) onto local government without the provision of corresponding funding or the conferral of corresponding and adequate revenue raising capacity.<sup>1</sup> This description includes:

- “Devolution” - where another sphere of government gives Local Government responsibility for new functions or responsibility for funding functions of other levels of government;<sup>2</sup>
- “Raising the bar” - where another sphere of government, through legislative or other changes, increases the complexity of or standard at which a Local Government service must be provided, and hence increases its cost;<sup>3</sup>
- “Cost shifting” in a narrow sense - where there are two types of behaviour. The first is where Local Government agrees to provide a service on behalf of another sphere of government but funding is subsequently reduced or stopped, and Local Government is unable to withdraw because of community demand for the service. The second is where, for whatever reason, another sphere of government ceases to provide a service and Local Government steps in;<sup>4</sup> and
- Other issues as identified by the Independent Inquiry into the Financial Sustainability of NSW Local Government such as:<sup>5</sup>
  - The requirement to provide concessions and rebates without compensation payments;
  - The transfer of assets without appropriate funding support; and
  - Failure to provide for indexation of fees and charges for services prescribed under state legislation or regulation.

Despite these useful attempts, a precise definition of cost shifting does not exist. Therefore every effort to measure the true extent of cost shifting is extremely complex and its methodology somewhat arguable as the identification of cost shifting examples is not based on an agreed sound definition.<sup>6</sup>

The definition adopted for this survey is based on the definition used in the survey undertaken for the Independent Inquiry into the Financial Sustainability of NSW Local Government in 2006.<sup>7</sup> Accordingly, the term cost shifting describes the following scenarios:

- (The cost related to) the imposition of responsibility for providing a certain service, asset or regulatory function upon Local Government by other levels of government (Commonwealth or State Government) without the provision of corresponding funding or compensation or the conferral of corresponding and adequate revenue raising capacity.
- (The cost related to) the transfer of responsibility upon Local Government for funding of a service/function (including concessions and rebates) responsibility for funding of which lies with other levels of government.

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<sup>1</sup> This description does not address the question of which level of government should be assigned a particular expenditure function.

<sup>2</sup> The Parliament of the Commonwealth of Australia, House of Representatives Standing Committee on Economics, Finance and Public Administration, *Rates and Taxes: A Fair Share for Responsible Local Government*, (Hawker Report), (2003), page 11.

<sup>3</sup> Ibid.

<sup>4</sup> Ibid.

<sup>5</sup> Independent Inquiry into the Financial Sustainability of NSW Local Government, *Final Report: Findings and Recommendations*, (2006), page 66.

<sup>6</sup> See for a discussion: Hawker Report, op cit, page 26-28.

<sup>7</sup> Independent Inquiry, op cit, pages 67 to 70; Moege S, *The Impact of Cost Shifting on Local Government in NSW - A Survey of Councils*, (2006).

- (The cost related to) the situation where Local Government agrees to provide a service/function on behalf of another sphere of government but funding is subsequently reduced or stopped, and local government is unable to withdraw because of community demand for the service/function.
- (The cost related to) the situation where, for whatever reason, another sphere of government ceases to provide or provides insufficient levels of a service/function and Local Government steps in because of community demand for the service/function.

## THE ASSIGNMENT

This survey continued the cost shifting survey for the financial year 2004/05 undertaken for the Independent Inquiry into the Financial Sustainability of NSW Local Government in 2006. The 2006 Inquiry survey confirmed that both State Government and Commonwealth Government often transfer responsibilities onto Local Government in this way and recognised that more "hard data" about cost shifting was required. The 2006 Inquiry found that the total burden of cost shifting may be costing NSW local government approximately \$430 million per annum.

The assignment was to measure the amount of cost shifting in the financial years 2005/06 and 2006/07 for a representative cross section of councils, establish a cost shifting ratio for each council as well as the whole sample, and extrapolate an estimate of the amount of cost shifting onto the whole of NSW Local Government.

The survey results will help quantify the extent of cost shifting onto NSW Local Government and support Local Government's argument for that practice to end. It will also assist in monitoring compliance with the national *Intergovernmental Agreement Establishing Principles Guiding Intergovernmental Relations on Local Government Matters, (2006)* as well as any potential intergovernmental agreement between Local Government and the NSW Government.

## PARTICIPATION

The survey was provided online and was accessible to all 152 NSW councils during a period of about six weeks during November and December 2007.<sup>8</sup> 91 councils returned the survey.

During January and February 2008, returned surveys were assessed and issues clarified with councils. Seven returned surveys were rejected from the sample. Rejection took place in the following circumstances:

- Returned surveys were incomplete;
- Doubtful data could not be satisfactorily clarified with council; or
- Cost estimates could not be provided in more than 25 per cent of the 22 functional areas.

Of the 84 councils included in the final sample, 20 are classified metropolitan; 35 urban regional and 29 rural, according to the Australian Classification of Local Government.<sup>9</sup>

<sup>8</sup> See: [www.StrengtheningLG.lgsa.org.au](http://www.StrengtheningLG.lgsa.org.au) under "Cost shifting survey".

<sup>9</sup> The classification metropolitan councils includes the sub-classifications 'metropolitan developed' and 'capital city'; the type urban regional includes the sub-classifications 'regional town/city' and 'fringe'; and the type rural includes all rural sub-classifications (see Independent Inquiry into the Financial Sustainability of NSW Local Government, *Background and Issues Paper*, (2005), Appendix B).

## **METHODOLOGY**

The survey established the following data for the financial years 2005/06 and 2006/07:

### **Establishment of cost shifting amount for each council**

The survey established the total amount of cost shifting based on the estimates of net ongoing cost (excluding capital expenditure) for each of the 22 functional areas provided by council. Councils were invited to add further financially significant examples of cost shifting. These additional examples were accepted where they were considered consistent with the survey's approach towards cost shifting. A list of the 22 functional areas can be found as appendix A to this report.

Net ongoing cost generally refer to the total annual cost of providing the service/function (operational and administrative, excluding capital expenditure) less any annual revenue related to the provision of the service/function, e.g. grants or subsidies from state or commonwealth government, fees or contributions collected by councils.

For consistency purposes, councils were asked to exclude corporate overheads and base their estimate of the direct net ongoing costs only.

In the instance that councils were unable to provide an actual estimate they were given two following options which both received a cost value of "zero":

- "n/a" (not applicable) if the functional area does not apply; or
- "unable" (unable to reliably estimate) if the functional area applies to council but council is unable to reliably estimate the cost.

### **Establishment of cost shifting ratio for each council**

As a second step, the survey established the cost shifting ratio for each individual council based on the total cost shifting amount and using total income from operations before capital amounts<sup>10</sup> as denominator.

### **Establishment of cost shifting ratio for sample**

As a third step, the survey established the cost shifting ratio for the whole sample of 85 councils based on the total cost shifting amount for the sample and using total income from operations before capital amounts of the sample as denominator.

### **Establishment of cost shifting ratio and amount for all councils in NSW**

Finally, the survey extrapolated the total amount of cost shifting onto Local Government in NSW by applying the established cost shifting ratio for the sample to the total income from operations before capital amounts for all NSW councils.

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<sup>10</sup> Total income from continuing operations before grants and contributions provided for capital purposes, profit from disposal of assets, and profit from interests in joint ventures & associates as shown in the income statement of councils financial statements.

## FINDINGS

Table 1 below shows the survey findings for each council for the financial years 2005/06 and 2006/07.

**Table: Proportion of cost shifting in relation to total ordinary revenue for the sample of 84 NSW councils, 2005/06 and 2006/07**

Council	ACLG Cl.	Financial Year 2005/06			Financial Year 2006/07		
		Total income from operations before capital amounts in \$	Total amount of cost shifting (excluding corporate overheads) in \$	Proportion of cost shifting in relation to total income figure in %	Total income from operations before capital amounts in \$	Total amount of cost shifting (excluding corporate overheads) in \$	Proportion of cost shifting in relation to total income figure in %
<b>METRO</b>							
Ashfield Municipal Council	UDM	21,565,000	2,441,284	11.32%	22,756,000	2,630,495	11.56%
Bankstown City Council	UDV	108,386,000	10,432,074	9.62%	111,617,000	11,383,730	10.20%
Blacktown City Council	UDV	168,816,000	7,362,751	4.36%	177,044,000	8,568,025	4.84%
Burwood Council	UDM	21,406,000	1,710,965	7.99%	22,205,000	1,782,662	8.03%
City of Canterbury	UDV	75,669,000	5,132,078	6.78%	79,226,000	5,319,902	6.71%
City of Sydney Council	UCC	374,670,000	11,079,634	2.96%	386,760,000	11,738,374	3.04%
Fairfield City Council	UDV	111,612,000	7,757,381	6.95%	117,490,000	8,056,944	6.86%
Hurstville City Council	UDL	44,927,000	3,397,033	7.56%	48,697,000	3,566,696	7.32%
Kogarah Council	UDM	30,287,000	2,867,440	9.47%	33,687,000	3,156,059	9.37%
Ku-ring-gai Council	UDL	73,754,000	8,112,218	11.00%	75,380,000	8,694,357	11.53%
Lane Cove Council	UDM	24,888,000	2,229,923	8.96%	27,188,000	2,355,421	8.66%
Leichhardt Council	UDM	56,310,000	3,257,700	5.79%	60,233,000	3,448,200	5.72%
Mosman Council	UDS	25,998,000	2,615,252	10.06%	26,928,000	2,963,425	11.00%
North Sydney City Council	UDM	70,827,000	3,888,000	5.49%	68,951,000	4,057,000	5.88%
Parramatta City Council	UDV	118,991,000	7,812,549	6.57%	132,919,000	7,850,849	5.91%
Pittwater Council	UDM	49,868,000	3,900,577	7.82%	52,498,000	3,812,758	7.26%
Randwick City Council	UDV	83,239,000	5,388,183	6.47%	90,296,000	5,910,848	6.55%
Sutherland Shire Council	UDV	148,193,000	8,127,039	5.48%	155,555,000	8,164,784	5.25%
Warringah Council	UDV	102,551,000	6,134,962	5.98%	109,824,000	8,801,938	8.01%
Willoughby City Council	UDM	61,832,000	5,205,451	8.42%	64,875,000	5,518,133	8.51%
<b>URBAN REGIONAL</b>							
Albury City Council	URM	67,476,000	3,290,896	4.88%	70,363,000	3,046,034	4.33%
Ballina Shire Council	URM	45,842,000	1,581,000	3.45%	46,696,000	1,702,000	3.64%
Bathurst Regional Council	URM	49,109,000	1,713,023	3.49%	56,116,000	1,489,724	2.65%
Baulkham Hills Shire Council	UFV	81,478,000	6,167,134	7.57%	89,549,000	6,688,975	7.47%
Blue Mountains City Council	UFL	67,666,000	3,143,811	4.65%	72,122,000	3,473,469	4.82%
Broken Hill City Council	URS	23,532,000	1,306,383	5.55%	24,177,000	1,450,677	6.00%

Council	ACLG Cl.	Financial Year 2005/06			Financial Year 2006/07		
		Total income from operations before capital amounts in \$	Total amount of cost shifting (excluding corporate overheads) in \$	Proportion of cost shifting in relation to total income figure in %	Total income from operations before capital amounts in \$	Total amount of cost shifting (excluding corporate overheads) in \$	Proportion of cost shifting in relation to total income figure in %
Byron Shire Council	URM	43,547,000	2,424,391	5.57%	45,165,000	3,180,414	7.04%
Camden Council	UFM	36,063,000	3,175,557	8.81%	37,919,000	3,359,925	8.86%
Campbelltown City Council	UFV	94,694,000	4,953,057	5.23%	99,271,000	5,609,698	5.65%
Coffs Harbour City Council	URM	85,087,000	2,538,564	2.98%	93,163,000	2,783,822	2.99%
Dubbo City Council	URM	56,061,000	1,529,622	2.73%	60,927,000	1,585,666	2.60%
Eurobodalla Shire Council	URM	62,500,000	2,834,614	4.54%	66,864,000	3,214,424	4.81%
Gosford City Council	UFV	168,896,000	10,819,442	6.41%	178,215,000	12,263,973	6.88%
Goulburn Mulwaree Council	URS	35,616,000	1,327,600	3.73%	39,000,000	1,166,600	2.99%
Great Lakes Council	URM	44,576,000	1,894,125	4.25%	48,260,000	1,985,065	4.11%
Greater Taree City Council	URM	32,863,000	2,594,132	7.89%	36,128,000	2,612,788	7.23%
Hornsby Shire Council	UFV	89,636,000	6,468,565	7.22%	93,220,000	7,419,446	7.96%
Kiama Council	URS	32,808,000	1,217,334	3.71%	33,849,000	1,361,419	4.02%
Lake Macquarie City Council	URV	121,056,000	9,962,679	8.23%	132,482,000	10,370,207	7.83%
Lithgow City Council	URS	22,110,000	1,674,659	7.57%	24,428,000	2,887,741	11.82%
Liverpool City Council	UFV	96,920,000	5,974,813	6.16%	101,012,000	6,200,171	6.14%
Maitland City Council	URM	42,700,000	3,527,181	8.26%	48,451,000	4,041,102	8.34%
Newcastle City Council	URV	146,029,000	11,784,505	8.07%	157,577,000	12,391,530	7.86%
Orange City Council	URM	59,727,000	2,481,189	4.15%	62,938,000	2,556,927	4.06%
Penrith City Council	UFV	120,062,000	7,424,957	6.18%	130,377,000	8,511,235	6.53%
Port Macquarie Hastings Council	URM	83,433,000	4,036,934	4.84%	90,366,000	4,258,439	4.71%
Shellharbour City Council	URM	41,866,000	4,253,823	10.16%	48,808,000	4,953,311	10.15%
Shoalhaven City Council	URL	131,245,000	6,011,682	4.58%	138,397,000	6,429,328	4.65%
Singleton Council	URS	27,490,000	1,458,343	5.30%	31,901,000	1,564,193	4.90%
Tamworth Regional Council	URM	71,515,000	4,199,207	5.87%	78,071,000	4,419,020	5.66%
Tweed Shire Council	URL	91,519,000	4,792,466	5.24%	98,782,000	4,974,132	5.04%
Wagga Wagga City Council	URM	62,989,000	2,016,448	3.20%	74,602,000	2,254,312	3.02%
Wingecarribee Shire Council	URM	53,904,000	2,681,004	4.97%	60,497,000	2,812,614	4.65%
Wollondilly Shire Council	UFM	25,841,000	3,026,061	11.71%	28,162,000	3,534,574	12.55%
Wollongong City Council	URV	150,293,000	10,702,119	7.12%	160,393,000	12,533,655	7.81%
<b>RURAL</b>							
Blayney Shire Council	RAL	8,936,000	493,000	5.52%	8,846,000	534,500	6.04%
Boorowa Shire Council	RAM	6,490,000	486,892	7.50%	7,370,000	370,956	5.03%

Council	ACLG Cl.	Financial Year 2005/06			Financial Year 2006/07		
		Total income from operations before capital amounts in \$	Total amount of cost shifting (excluding corporate overheads) in \$	Proportion of cost shifting in relation to total income figure in %	Total income from operations before capital amounts in \$	Total amount of cost shifting (excluding corporate overheads) in \$	Proportion of cost shifting in relation to total income figure in %
Carrathool Shire Council	RAM	11,447,000	797,047	6.96%	10,746,000	659,674	6.14%
Clarence Valley Council	RAV	69,561,000	3,572,307	5.14%	74,309,000	3,179,551	4.28%
Coolamon Shire Council	RAM	6,998,000	308,085	4.40%	7,620,000	349,764	4.59%
Cooma-Monaro Shire Council	RAL	16,792,000	876,994	5.22%	18,561,000	838,923	4.52%
Corowa Shire Council	RAV	15,954,000	481,751	3.02%	16,613,000	502,947	3.03%
Dungog Shire Council	RAL	9,055,000	797,022	8.80%	9,813,000	698,160	7.11%
Gilgandra Shire Council	RAM	15,118,000	628,000	4.15%	16,110,000	726,000	4.51%
Gloucester Shire Council	RAM	14,716,000	574,682	3.91%	14,986,000	786,201	5.25%
Gunnedah Shire Council	RAV	22,650,000	639,865	2.83%	25,852,000	700,289	2.71%
Inverell Shire Council	RAV	23,885,000	1,483,500	6.21%	25,523,000	1,548,000	6.07%
Junee Shire Council	RAL	9,979,000	497,658	4.99%	9,641,000	601,996	6.24%
Lockhart Shire Council	RAM	6,419,000	292,740	4.56%	6,656,000	315,230	4.74%
Mid-Western Regional Council	RAV	36,608,000	1,632,490	4.46%	40,480,000	1,672,242	4.13%
Moree Plains Shire Council	RAV	42,515,000	904,640	2.13%	36,505,000	1,070,700	2.93%
Murray Shire Council	RAL	12,624,000	454,063	3.60%	13,269,000	513,743	3.87%
Muswellbrook Shire Council	RAV	20,238,000	846,607	4.18%	28,854,000	911,931	3.16%
Parkes Shire Council	RAV	28,157,000	930,886	3.31%	27,999,000	1,094,162	3.91%
Temora Shire Council	RAL	9,850,000	487,956	4.95%	11,003,000	653,963	5.94%
Tenterfield Shire Council	RAL	11,909,000	489,573	4.11%	11,342,000	585,207	5.16%
Tumbarumba Shire Council	RAM	9,145,000	385,314	4.21%	12,594,000	403,159	3.20%
Tumut Shire Council	RAV	18,913,000	833,362	4.41%	23,994,000	851,030	3.55%
Upper Hunter Shire Council	RAV	25,521,000	1,037,679	4.07%	25,188,000	1,102,794	4.38%
Uralla Shire Council	RAL	11,947,000	786,572	6.58%	11,875,000	1,039,253	8.75%
Urana Shire Council	RAS	4,691,000	325,334	6.94%	4,743,000	372,827	7.86%
Walcha Council	RAM	8,541,000	262,622	3.07%	9,257,000	284,207	3.07%
Weddin Shire Council	RAM	7,465,000	461,153	6.18%	6,958,000	473,671	6.81%
Wentworth Shire Council	RAL	12,684,000	914,661	7.21%	14,682,000	901,028	6.14%
<b>Total Sample</b>		<b>4,738,746,000</b>	<b>276,522,269</b>	<b>5.84%</b>	<b>5,053,765,000</b>	<b>300,609,318</b>	<b>5.95%</b>

## RESULTS AND DISCUSSION

The cost shifting ratio for the complete survey sample is 5.8% cent of total income before capital amounts for the financial year 2005/06 and 6.0% for 2006/07. The ratio for individual councils ranges from about 3% to about 12%.

The findings are reasonably consistent among the three groups of councils (metropolitan, urban regional and rural). The cost shifting ratio for the sample of metropolitan councils is 6.1% for 2005/06 and 6.3% for 2006/07; for urban regional councils 5.9% for 2005/06 and 6.0% for 2006/07 and for rural councils 4.5% for 2005/06 and 4.5% for 2006/07.

Table 2 provides the final results of the survey extrapolating the total amount of cost shifting onto Local Government in NSW by applying the established cost shifting ratios for 2005/06 and 2006/07 to total income from operations before capital amounts for all NSW councils.

**Table 2: Total amount of cost shifting onto NSW Local Government**

Survey of financial year	Sample size (councils)	Cost shifting ratio in %	Total income from operations before capital amounts for all NSW councils in \$ <sup>11</sup>	Total amount of cost shifting onto NSW Local Government in \$
2006/07	84	5.95	6,928,487,164	412,244,986
2005/06	84	5.84	6,502,482,000	379,744,949

From the financial year 2005/06 to 2006/07 cost shifting slightly increased relative to total income before capital amounts (from 5.8% to 6.0%). In absolute terms, cost shifting increased significantly from about \$380 million to about \$412 million. This represents an increase of 8.7%.

The cost shifting ratios established from the findings can be regarded as conservative for several reasons.

Firstly, although councils were encouraged to add financially significant examples, councils basically worked within the 22 functional areas identified in the survey. The only additional areas accepted for a small number of councils refer to local emergency management (contribution to state emergency services) and maintenance of crown reserve land.

Secondly, the survey asked councils to exclude corporate overheads from the individual cost estimates for each cost shifting area. The addition of corporate overheads could increase costs by around 10% based on the average corporate overheads ratio established by the Independent Inquiry into the Financial Sustainability of NSW Local Government in a separate survey.<sup>12</sup>

Thirdly, if councils were not able to reliably estimate the cost of individual areas of cost shifting these areas got a zero costing.<sup>13</sup>

<sup>11</sup> The NSW Department of Local Government provided data on the total income from continuing operations before grants and contributions provided for capital purposes, gains from asset sales, and gains from interests in joint ventures as shown in the statement of financial performance of all 152 NSW councils for the financial years 2005/06 and 2006/07 on 19 February 2008. Income data for the financial year 2006/07 was not available from three councils and was substituted with data from the previous financial year. Income data for the financial year 2005/06 was not available from one council and was substituted with data from the financial year 2006/07. For one small rural council (Gwydir Shire Council) data was not available at all and was included as zero value.

<sup>12</sup> DG & AB Maxwell, *Corporate Overheads of Local Government*, (2006), page 14; Local Government Inquiry, *Interim Report: Findings and Options*, table 10.2, page 201.

<sup>13</sup> Unless returned surveys were rejected because cost estimates could not be provided in more than 25 per cent of the 22 functional areas.

Lastly, and importantly, the survey excluded any capital expenditure related to the functional areas and comments were provided by many councils that the inclusion of capital expenditure would significantly increase the amount of cost shifting.

Compared to the results of the survey undertaken for the Independent Inquiry into the Financial Sustainability of NSW Local Government for the financial year 2004/05 (ratio: 6.9%, absolute about 430million),<sup>14</sup> cost shifting actually decreased in 2005/06 and then increased in 2006/07 still to be below the ratio for 2004/05. However, results for the survey undertaken for 2005/06 and 2006/07 appear to be more accurate and reliable for two reasons: firstly, the survey methodology was enhanced based on lessons from the inquiry survey; and secondly, the sample size for the 2005/06 and 2006/07 is significantly larger and therefore provides an increased precision of measurement.

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<sup>14</sup> Independent Inquiry, op cit, pages 67 to 70; Moege S, op cit.

## **APPENDIX A**

### **LGSA Cost shifting survey – Functional areas**

**Contribution to NSW Fire Brigade in \$.**

**Contribution to Rural Fire Service in \$.**

**Pensioners rates rebates.**

**Net cost in \$ incurred due to mandatory pensioners rates rebates (total amount of mandatory concession minus state reimbursement). NSW is the only state that requires councils to fund approximately half the cost of mandatory pensioner concessions (ss575-584 of the Local Government Act (NSW) 1993).**

**Public library operations.**

**Cost in \$ equivalent to the unfunded part of the original 50% State share for local public libraries funding (operational cost, not capital cost); shortfall between actual State Government subsidies (i.e. the prescribed amount pursuant to s13(4)(b) Library Act (NSW) 1939 and the regulation) and the subsidy council would have been eligible for pursuant to s13(4)(a) Library Act (NSW) 1939 (i.e. applying the original funding arrangement of a state subsidy of half the amount expended by council on the operation of libraries from rate income).**

**On-site sewerage facilities.**

**Cost in \$ of services/functions less any revenue related to them (fees, state government payments/subsidies). Councils are required to regulate the installation, approve and monitor the operation and keep a register of all on-site sewage management systems (Local Government Act (NSW) 1993).**

**Administration of the Companion Animal Act (NSW) 1998.**

**Cost in \$ of services/functions less any revenue related to them (fees, state government payments/subsidies). Councils' role was expanded from a pure enforcement role to a regulatory body with functions including preparation of companion animal management plan, operation of lifetime registration system, separation of cats and dogs, maintaining facilities, enforcement, and the collection of fees for the Department of Local Government which returns only a small proportion of those fees to Local Government.**

**Administration of Contaminated Land Management Act (NSW) 1997.**

**Cost in \$ of services/functions less any revenue related to them (fees, state government payments/subsidies). Councils are required to respond to contaminated land issues, undertake the administration, registration and mapping of contaminated sites not regulated by the NSW Environment Protection Authority, develop policies, and consider contamination in land-use planning processes.**

**Functions under the Protection of the Environment Operations Act (NSW) 1997.**

**Cost in \$ of services/functions less any revenue related to them (fees, state government payments/subsidies). Councils are required to administer the licensing system and enforce protective regulation (issuing of environmental notices, prosecution of environmental offences, undertaking of environmental audits) in relation to all non-scheduled activities not regulated by the NSW Environment Protection Authority.**

**Functions as local control authority for noxious weed.**

**Cost in \$ of services/functions less any revenue related to them (fees, state government payments/subsidies; e.g. grants from the NSW Department of Primary Industries) or net contributions to other authorities for reasonably necessary management and control of noxious weeds. Please do not include cost of environmental weeds control. Councils are required to manage and control noxious weeds pursuant to the Noxious Weeds Act (NSW) 1993 and s183 of the Local Government Act (NSW) 1993.**

**Functions under the Rural Fires Act (NSW) 1997**

**Cost in \$ of services/functions less any revenue related to them (fees, state government payments/subsidies). Councils are required to administer and remedy complaints about fire hazards on council property, and to map and administer bushfire prone land (e.g. asset protection work, fire trails).**

**Immigration services and citizenship ceremonies.**

**Cost in \$ of providing these services less any revenue related to them (fees, state government payments/subsidies).**

**Administering food safety regulation.**

**Cost in \$ of services/functions less any revenue related to them (fees, state government payments/subsidies). Councils are required to undertake registration and inspection of food and food premises under the Food Act (NSW) 2003.**

**Provision of educational services.**

**Net cost in \$ of providing educational services due to the State Government's withdrawal from providing such services (e.g. maintenance of sporting facilities used by public schools, education programs, classes for disadvantaged children in youth centres).**

**Community safety.**

**Net cost in \$ of community safety services necessary because of insufficient services by other levels of government (e.g. CCTV surveillance, security patrols, crime prevention programs, community safety committees).**

**Flood Mitigation program.**

**Cost in \$ of services/functions less any revenue related to them (fees, state government payments/subsidies), i.e. shortfall in actual funding in comparison with what council would have obtained had the original funding level been applied (originally Commonwealth and State Government provided 80% of the required funds; whereas now Commonwealth provides one third and State is required to provide another one third, and the rest has to be made up by council).**

**Transfer of responsibilities for roads under recent RTA road reclassification reviews.**

**Net cost (only operational) in \$ inherited due to reclassification of regionally important roads as local roads or state-important roads as regional or even local roads.**

**Medical services.**

**Net cost in \$ of providing medical services necessary because of insufficient services by other levels of government (e.g. retaining general practitioners, nurses and dentists; aboriginal and other medical services required by the community).**

**Road safety.**

**Net cost in \$ of road safety officer/road safety program or net contribution to other authority that provides that officer/program necessary due to the State Government's (RTA) withdrawal of funding.**

**Community and human services.**

**Net cost in \$ of all programs necessary to the community where the State Government has initiated the program and initially provided adequate funds but now provides inadequate funds or has withdrawn completely; e.g. State Government contribution do not increase in line with these actual costs (e.g. employment cost). Community and human services include children service program, aged and disabled care programs, community development/liaison programs, youth development programs, aboriginal community programs, cultural development programs etc.**

**Waste levy.**

**Cost in \$ of paying levy to the State Government dependant on the amount of waste produced by council less any amounts recovered through meeting waste performance criteria (Protection of the Environment Operations (Waste) Regulations (NSW) 2005) (applies only for Hunter, Central Coast, Sydney metropolitan area and Illawarra). Please provide estimate of net costs with respect to the 2005/06-scheme with a levy of \$22.70 per tonne (Sydney) and \$15.00 (other regions) and the 2006/07-scheme with a levy of \$30.40 per tonne (Sydney) and \$23.10 (other regions).**

**Sewerage treatment system license fee.**

**Cost in \$ of license fee, load based and administrative, to be paid to State Government in relation to sewer effluent discharge. Councils are required to pay this fee as polluter under the Protection of the Environment Operations Act (NSW) 1997.**

**Waste management site license fee.**

**Cost in \$ of license fee (administrative fee, no load based fee) to be paid to State Government. Councils are required to pay this fee council as polluter under the Protection of the Environment Operations Act (NSW) 1997.**