

LGNSW COST SHIFTING SURVEY FOR THE FINANCIAL YEAR 2023/24

Introduction and Rules

Thank you for taking part in LGNSW's cost shifting survey.

What are you asked to do?

Please provide cost estimates and/or data for the given cost shifting examples you might want to add for the financial year 2023/24 subject to the rules outlined below.

Accurate data is critical to producing quality analysis and strong advocacy on the issue of cost shifting to NSW councils

Please read and/or make sure that the relevant officer reads the entire survey question when calculating your estimate. Some questions require complex calculations. Many errors occur because questions are not fully understood. Please contact **Shaun McBride** for clarification on **02 9242 4072**, or at costshifting@lgnsw.org.au.

Estimate the net direct annual cost to council including depreciation, do not include overhead allocations or capital costs

Please estimate/calculate the annual ongoing net operational cost for your council of the cost shifting examples. Net ongoing cost generally refers to the total annual cost of providing the service/function (operational and administrative) 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).

Your estimate should include any depreciation expense on assets directly used in the provision of the service or function outline in the cost shifting example.

Do not apportion corporate overheads to any items when determining your estimate.

Unless otherwise stated, do not include any capital expenditure in your estimate.

Complete all the questions

Please ensure that all the survey questions are answered, either by placing an estimate (in dollars NOT thousands) in estimate cell or selecting a reason for not providing an estimate.

Please provide any comments in the comments section of the survey.

Attach Financial Data Return (FDR) file

Please ensure that when you submit the survey questionnaire you also provide the Financial Data Return file (as submitted to Office of Local Government NSW).

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Council and Completing Officer Information

Council	Please select: Randwick City Council
Name of completing officer	Mr Stephen Wong
Position	CFO
Direct telephone number	0401 710 985
Email address	stephen.wong@randwick.nsw.gov.au

Cost Shifting Examples

Question number	Estimate of Annual Net Ongoing Operational Cost (\$)	Select a reason when an estimate is not provided (Please select)	Comments (A comment is required when an estimate is not provided)
Emergency Services Levy: Fire & Rescue NSW, Rural Fire Service NSW and State Emergency Service			
In this section, it is expected to include the amount of the emergency services levy as invoiced from Revenue NSW.			
Q1	\$3,947,875		
Emergency services levy: as invoiced from Revenue NSW.			
Pensioner Rebates			
This section captures the costs to councils of the pensioner concession rebates, both through the net cost to council of the mandatory pensioner rate rebate and the other voluntary pensioner rate rebates that Council have voluntarily implemented.			
Mandatory pensioner rate rebate: Net cost incurred by Council due to the mandatory pensioner rebates for rates and charges. That is the total amount of the mandatory concession minus the State reimbursement. Do not include any additional rebate that Council has resolved to apply to rates in addition to the mandatory amount.			
Q2	\$428,083		
Voluntary pensioner rate rebate: Net cost incurred by Council for voluntarily increasing the pensioner rate rebate above the mandatory amount. Council's Financial Data Return (FDR) provides the total amount of the total cost of the pension rate rebate to Council and the amount of the subsidy received. Please provide only the amount of the rebate for pensioners on rate only that Council has determined to provide to pensioners in excess of the mandatory amount.			
Q3	\$390,991		
Funding Programs			
This section captures the net additional cost to councils of programs that commenced with partial or full funding from State or Federal Government. Over time these funding commitment have reduced or ceased, but the expectation for councils to continue to deliver the associated service have remained.			
Public library operations:			
Q4	\$11,428,374		
Total operational expenditure for libraries (include annual depreciation on assets used directly in the provision of the service, do not include capital expenditure).			
Q5	\$444,490		
State Government subsidy received for library services.			
Flood mitigation program: Cost representing the proportion of expenditure that was not funded by other levels of government but would have been funded had the original funding arrangement been applied (originally the Australian Government and State Government provided 80% of the required funds; whereas now the Australian Government provides one third and the State Government is required to provide another one third, and the rest has to be made up by council). Please estimate shortfall in actual funding from other levels of government in comparison with what council would have obtained under the original funding arrangement. Please only include activities that are eligible for or receive funding from other levels of government under the flood mitigation program. Please include in your calculation funding for infrastructure projects. Do not include the costs and funding associated with any flood recovery programs.			
Q6	\$770,000		
Road safety: Net cost of road safety officer/road safety program incurred due to the NSW Government's (TfNSW) withdrawal of funding or cost of net contribution to other authorities that provide such officer/program.			
Q7		Unable to reliably estimate	No reduction in funding of any significance
Regulatory Functions			
This section captures the costs to councils of being restricted in seeking full cost recovery on regulatory functions imposed by State legislation, either through the absence of a fee, inability to increase ordinary rates (except through a Special Rate Variation			
Rural fire service obligations: Operating cost of services/functions under the Rural Fires Act (NSW) 1997 less any revenue related to them (fees, state government payments/subsidies). Only includes necessary costs that cannot be recovered as a result of regulatory constraints. Includes net cost of assistance provided to the Rural Fire Service to fight bushfires declared under s44 of the Rural Fires Act (NSW) 1997 on any land within the council area. Do not include Emergency Services Levy (already covered in question above). Do not include depreciation expense on red fleet assets (the question will be covered below). Note: 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).			
Q8		Not applicable	
Rural fire service depreciation: Please include depreciation expenses on red fleet assets.			
Q9		Not applicable	
Companion animals: Operating cost of services/functions under the Companion Animals Act (NSW) 1998 less any revenue related to them (fees, state government payments/subsidies). Only includes necessary costs that cannot be recovered as a result of regulatory constraints. Include annual depreciation on assets used directly in the provision of the service, do not include capital expenditure. Note: 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 Office of Local Government which returns only a small proportion of those fees to Local Government.			
Q11	\$150,000		
Contaminated land management: Operating cost of services/functions under the Contaminated Land Management Act (NSW) 1997 less any revenue related to them (fees, state government payments/subsidies). Only includes necessary costs that cannot be recovered as a result of regulatory constraints. Note: 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.			
Q12	\$40,000		
Protection of environment operations: Cost of services/functions under the Protection of the Environment Operations Act (NSW) 1997 less any revenue related to them (fees, state government payments/subsidies). Only includes necessary costs that cannot be recovered as a result of regulatory constraints. Note: 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.			
Q13	\$120,000		
Noxious weeds: Operating cost of services/functions as the control authority for noxious weeds less any revenue related to them (fees, state government payments/subsidies) or cost of net contributions to other authorities for reasonably necessary regulation of noxious weeds on land other than council land and council managed Crown land. Only includes necessary costs that cannot be recovered as a result of regulatory constraints. For Councils who are a member of a County Council please include contribution cost amounts. Does not include cost of other environmental weeds control or general bushland care. Note: Councils are required to regulate and control noxious weeds pursuant to the Noxious Weeds Act (NSW) 1993 and s183 of the Local Government Act (NSW) 1993.			
Q14	\$560,000		From FDR - cannot break down further into noxious plants
Development applications: Cost of processing development applications under the Environmental Planning and Assessment Act (NSW) 1979 and associated regulations less any revenue related to this function (e.g. development application fees, state government payments/subsidies). Please estimate the amount of costs of processing development applications that cannot be recovered through development application fees or any other related income. Please include costs associated with services by other agencies (e.g. initial fire safety reports from the NSW Fire Brigades, s144 of the Environmental Planning and Assessment Regulation (NSW) 2000).			
Q15	\$1,645,041		

Cost Shifting Examples

Question number	Estimate of Annual Net Ongoing Operational Cost (\$)	Select a reason when an estimate is not provided (Please select)	Comments (A comment is required when an estimate is not provided)
Filling a service gap			
This section captures costs incurred by councils in providing services as a result of insufficient service provision by another level of government or a market failure of a subsidised or privatised public service. For each cost shifting example that is relevant to your council, please provide a brief description on the service shortfall that the council is providing.			
Immigration and citizenship services: Net cost providing immigration and citizenship services necessary on behalf of other levels of government (e.g. citizenship ceremonies). Does not include cost of increase in the baseline service level provided in the rest of the state (if NSW govt service) or nation (if federal govt service).			
Q16	\$60,868		
Crime prevention / policing: Net cost providing crime and policing services necessary because of insufficient services by other levels of government (i.e. CCTV surveillance, security patrols, other crime prevention actions or strategies in place). Does not include cost of increase in the baseline service level provided in the rest of the state (if NSW govt service) or nation (if federal govt service). Include annual depreciation on assets used directly in the provision of the service, do not include capital expenditure. Note: only applies to crime prevention or policing activities that should have been undertaken by other spheres of government (e.g. police). It should not include council activities to protect community from other risks (e.g. surfer and swimmer injuries (beach patrols), safety at council events, or security of council facilities).			
Q17	\$243,500		
Q18		Not applicable	
Medical services: Net cost providing medical services necessary because of insufficient services by other levels of government or private or non-profit organisations. Does not include cost of increase in the baseline service level provided in the rest of the state (if NSW govt service) or nation (if federal govt service). Include annual depreciation on assets used directly in the provision of the service, do not include capital expenditure.			
Q19		Not applicable	
Aged care: Net cost providing aged care services necessary because of insufficient services by other levels of government or private or non-profit organisations. Does not include cost of increase in the baseline service level provided in the rest of the state (if NSW govt service) or nation (if federal govt service). Include annual depreciation on assets used directly in the provision of the service, do not include capital expenditure.			
Q20		Not applicable	
Disability care: Net cost providing disability care services necessary because of insufficient services by other levels of government or private or non-profit organisations. Does not include cost of increase in the baseline service level provided in the rest of the state (if NSW govt service) or nation (if federal govt service). Include annual depreciation on assets used directly in the provision of the service, do not include capital expenditure.			
Q21	\$684,023		
Childcare: Net cost providing childcare services necessary because of insufficient services by other levels of government or private or non-profit organisations. Does not include cost of increase in the baseline service level provided in the rest of the state (if NSW govt service) or nation (if federal govt service). Include annual depreciation on assets used directly in the provision of the service, do not include capital expenditure.			
Q22		Not applicable	
Transport services: Net cost providing transport services necessary because of insufficient services by other levels of government. Does not include cost of increase in the baseline service level provided in the rest of the state (if NSW govt service) or nation (if federal govt service). Include annual depreciation on assets used directly in the provision of the service, do not include capital expenditure. Note: only applies to transport activities that should have been undertaken by other spheres of government (e.g. Transport for NSW). It should not include council activities that are the functions of council (e.g. roads and transport infrastructure).			
Q23	\$357,000		
Q32			
Q33			
Q34			
Q35			
Q36			
Other services description:			
La Perouse Museum			
Rate exemptions			
This section captures the cost of provide rate exemptions on government and other properties.			
Government-owned property exemptions: Estimation of the rates revenue that would be applied to government owned properties within the LGA. Do not include National Parks.			
Q23	\$8,569,620		
Non-government-owned property exemptions: Estimation of the rates revenue that would be applied to non-government owned properties within the LGA (churches/religious institutions, private schools, private hospitals, private retirement villages, etc).			
Q24	\$3,201,024		
Voluntary conservation agreements: Estimation of rates revenue that would apply to rate exempted properties as a result of voluntary conservation agreements. Note: Pursuant to section 555 of the Local Government Act (NSW) 1993, land (or the proportion of the landholding) that is subject to a voluntary conservation agreement between the landowner and the relevant NSW Minister (environment portfolio) under section 69 of the National Parks and Wildlife Act (NSW) 1974 is exempt from all council rates.			
Q25		Not applicable	
Community housing: Estimation of rates revenue that would apply to rate-exempted properties managed by Community Housing Providers.			
Q26	\$45,724		
Other cost-shifting examples			
This section captures the cost shifting examples that do not fit into any of the above categories.			
TfNSW road reclassifications: Net operational cost associated with all roads transferred to council under the Transport for NSW (formerly RMS) reclassification of regionally important roads as local roads or state-important roads as regional or even local roads (since the significant reclassifications in the early 1990s). This is supposed to measure the ongoing maintenance and depreciation cost (or annualised renewal cost) associated with all roads so transferred since the 1990s – not about the cost associated with transfers in any one year. Any compensation received in association with a reclassification need to be deducted for a net operational cost.			
Q27		Unable to reliably estimate	Cost not captured on a direct basis to be able to be relied upon
Waste levy: Cost of paying levy to the NSW Government dependent on the amount of waste produced by council less any amounts recovered through "Waste Less Recycle More" program grants. The waste levy applies to the Sydney metropolitan area; the Illawarra, Hunter and Central Coast area (extended regulated area); and the area including the Blue Mountains, Wollondilly and local government areas along the coast north of Port Stephens to the Queensland border (regional regulated area).			
Q28	\$1,527,870		
Crown land reserve management: Cost associated with the NSW Government taking over allowable revenue raising activities on council managed crown reserve land (does not include national parks) or with requirements to transfer revenue from council managed crown reserve land to the State Government. This does not represent the total net cost of managing (maintaining) crown lands. Does not include in transfers associated with the caravan park levy. Under the Crown Land Act (NSW) 1989, councils have full responsibility to maintain crown reserves under council management and are expected to subsidise shortfalls in maintenance cost from general revenue. This is considered appropriate as the benefits from crown reserves under council management generally accrue to the local community. However, as a result, councils should also be entitled to any current or potential revenue from crown reserves that is required to cover maintenance and improvement cost (e.g. revenue from refreshment facilities, telecommunication facilities). Any action by the State Government to limit revenue raising capacity or require the transfer revenue to the State Government are considered cost shifting. Does not include any surplus revenue over and above the total amount of maintenance and improvement cost for all of your crown reserve land.			
Q30		Unable to reliably estimate	Cost not captured on a direct basis to be able to be relied upon

Cost Shifting Examples

Capping developer contributions and DA fees: Estimated shortfall in costs for infrastructure and community facilities that should be funded through development contributions and development application fees. Council experiences ongoing pressures from rapid population growth and the challenges of providing infrastructure, facilities, and services to new communities with limited government support.

Audit fees: Net increase in fees external financial audit incurred in 2023-24, which will relate to the external audit of 2022-23 financial statements. In the comments, please provide comments on the trend of audit fees from prior years and any changes in the service or service levels experienced.

Election Costs: Cost of general local government election in September 2024, excluding referendums and/or polls. This data is requested to understand if costs have risen due to the limited ability to source alternative providers other than the NSWEC and to understand whether the IPART estimate of costs built into the 2024-25 rate peg was accurate, even though these election costs were not in the 2023-24 financial year.

Planning Portal: Net costs incurred to build and integrate the NSW Planning Portal with council systems, as well as any licensing and operating costs incurred. This should be net of any grants or other funding received for the purpose. In the comments, please provide comment on the whether there has been or is expected to be any productivity gains from the use of the Planning Portal.

Additional committee governance: Cost of increased governance and administration associated with the requirements of council to establish and run an Audit Risk & Improvement Committee (ARIC) or other required oversight committee.

Other ideas for future consideration

VG Fees - private valuations

Question number	Estimate of Annual Net Ongoing Operational Cost (\$)	Select a reason when an estimate is not provided (Please select)	Comments (A comment is required when an estimate is not provided)
Q43		Not applicable	
Q44	\$180,000		
Q45	\$1,078,003		
Q46	\$40,000		
Q31	\$165,388	ARIC & LPP	

Q37

Q38

Q39

Flagged items for future research/inclusion in future surveys

This section captures a number of items that are flagged for future research and/or inclusion in future surveys. Please provide your feedback on these items.

Description	Data collection (Please select)	Include (Yes/No)	Comments
Other new levies: Cemeteries levy, Dam Safety Levy, Valuer General Fee Proposal, ESL land categorisations costs etc		Yes	