

NOTICE OF COUNCIL MEETING

Pursuant to the provisions of section 83 (2) of the
Local Government Act 1999

The Special Meeting of the



**Adelaide
Plains
Council**

will be held in

**Council Chambers
Redbanks Road
Mallala**

on

Monday 23 July 2018 at 7:00pm



Rajith Udugampola

ACTING CHIEF EXECUTIVE OFFICER

AGENDA

Page
Number

1 ATTENDANCE RECORD

1.1 Present

1.2 Apologies

1.3 Not Present/Leave of Absence

2 ADJOURNED BUSINESS

Nil

3 DECLARATION OF MEMBERS' INTEREST (material, actual, perceived)

4 REPORT

4.1 Local Government (Rate Oversight) Amendment Bill 2018

1

5 CLOSURE

 Adelaide Plains Council	4.1	Local Government (Rate Oversight) Amendment Bill 2018
	Department: Report Author:	Finance and Economic Development General Manager – Finance and Economic Development
Date: 23 July 2018	Document Ref:	D18/32587

EXECUTIVE SUMMARY

- The State Government has introduced the Local Government (Rate Oversight) Amendment Bill 2018 (the Bill) to the Parliament. The purpose of the Bill is to cap Council rates, starting from 1 July 2019.
- The Bill intends to:
 - Amend Chapter 10 of the *Local Government Act 1999* to establish an independent regulator, the capping and calculation method;
 - Create a system to seek variation to the cap;
 - Introduce new monitoring and reporting requirements;
 - Set the rate cap (called the primary rate cap determination) by December each year to apply to the following rating year;
 - Receive and assess applications from Councils for variations to the rate cap which need to be made by March prior to the following rating year;
- The Bill can apply to all, a class of or a single Council.
- The changes proposed by the Bill would apply only to general rates, not service charges/rates, separate rate, fees and charges.
- Rates for the relevant year cannot exceed the “capped standard rate”.
- Growth under the Bill only includes additional properties. There is no allowance under the Bill for change of land uses or development of land to high and better use (and the subsequent demands that this can place on resourcing / cost).
- As a result of the Bill, budgeting timeframes will need to change - effectively budgets will need to be practically complete at least six (6) weeks earlier.

RECOMMENDATION

“that Council, having considered Item 4.1 – *Local Government (Rate Oversight) Amendment Bill 2018*, 23 July 2018, receives and notes the report and in doing so:-

1. Advises the Local Government Association of South Australia (LGA) that it **[supports/opposes]** the Local Government (Rate Oversight) Amendment Bill 2018; and
2. Advises the LGA that the priority issues, amendments and concessions Council would seek the LGA to use best endeavours to address in discussions with political parties about the Local Government (Rate Oversight) Amendment Bill 2018 include the following:
 - a. Should the legislation provide an obligation for the regulator to consult with councils, the LGA and other interested stakeholders each year on the factors that should be taken into account when setting the cap?
 - b. Should the methodology for the rate cap be a more simple mechanism to give revenue certainty to councils and account for development growth during the period? Would a LGPI/WPI + growth be suitable?
 - c. Should all powers for Ministerial direction be removed from the legislation to ensure independence and avoid politicisation of the rate capping scheme?
 - d. Should the reference to councils paying a fee for a variation application be removed from the legislation?
 - e. Should the reference to councils paying a fee for a variation application be removed from the legislation?
 - f. Solid Waste Levy.
 - g. Rubble Royalties.
 - h. NRM Levy.
 - i. Development contributions
 - j. Benchmarking and data sharing.”

BUDGET IMPACT

Estimated Cost:	Not yet estimated
Future ongoing operating costs:	Potential costs of variation application and process
Is this Budgeted?	No

RISK ASSESSMENT

Council will generate approximately 71% of its total income from general rates in the 2018/2019 Financial Year. Long-term financial plan projections are based on 3.00% increase in general rates in order to achieve a breakeven budget in 2022/2023. Any reduction in general rates income due to rate capping has to be matched with increased revenue from other sources such as user fees and statutory charges, or by reducing Council expenditures, which may impact the level and the extent of services offered by the Council.

Attachments

1. List of potential amendments to the Bill, drawn from LGA analysis, the Special Meeting on 13 July, and feedback and questions from councils.
2. List of possible concessions that the State Government should address if the Bill were to be passed.
3. Local Government (Rate Oversight) Amendment Bill 2018.
4. Rate Capping Information Pack.

DETAILED REPORT

Purpose

The purpose of this report is to seek Council endorsement to either support or not support the State Government's Local Government (Rate Oversight) Amendment Bill 2018 (the Bill).

Background/History

Rate capping was first proposed by the Liberal Party prior to the 2014 State Election. On the basis of evidence that rate capping results in negative impacts on communities, and the absence of any evidence that it results in more efficient councils, the LGA and the majority of South Australian councils have consistently voted to oppose the introduction of rate capping in South Australia.

The State Government introduced the Bill to the House of Assembly on 20 June 2018 following a Liberal Party election commitment to introduce rate capping legislation in the Parliament within their first 100 days of government.

At the LGA Special General Meeting, members voted that South Australian councils should review the Local Government (Rate Oversight) Amendment Bill 2018 and advise the LGA by Friday 3 August 2018 of the council's endorsed position based on the following options:

- 1) Council supports the Local Government (Rate Oversight) Amendment Bill 2018; or
- 2) Council opposes the Local Government (Rate Oversight) Amendment Bill 2018.

The LGA has requested that Council provides advice on an endorsed position by Friday 3 August to enable the LGA Board to finalise a position and advise political parties of the sector's response in preparation for the spring session of Parliament.

Discussion

Rate capping is promoted by the government as a measure to ease the cost of living pressures on households and businesses.

The Bill establishes a framework for a rate cap policy that gives the Essential Services Commission of South Australia (ESCOSA) responsibility for setting an annual rate cap, assessing applications from councils for variations to the rate cap and monitoring and reporting on council compliance with the rate cap.

Summary of the Local Government (Rates Oversight) Amendment Bill 2018

The rate capping system outlined in the State Government's proposed legislation comprises the key elements summarised below.

- The Essential Services Commission of South Australia (ESCOSA) will be responsible for making rate cap determinations, assessing applications from councils for variations to the rate cap, and reporting on the outcomes of the system;
- ESCOSA will determine the basis of the rate cap, for example, whether it will relate to a price or particular index (CPI, LGPI etc) and whether the cap will include any efficiency or productivity component. The details of how the rate cap will be determined will be subject to ESCOSA guidelines that are yet to be developed;
- A cap may be determined for councils generally, a class of councils or individual councils. The Bill does not provide a definition of a 'class' of councils.
- The cap will be applied to a 'base standard rate', which is a nominal rate arrived at by dividing the total annualized general rate revenue for a council area by the number of rateable properties in that area at the end of a base year (30 June).
- A council may apply to ESCOSA for a variation from the rate cap for a maximum period of up to five years. In applying for a variation, councils will need to provide the reasons for the variation application, evidence of community consultation, and an assessment of the likely impact on ratepayers.
- Councils will be expected to make efficiencies across their operations before applying for a rate cap, and will need to demonstrate they have considered funding priorities and alternative sources of revenue and the willingness and capacity of their ratepayers to pay higher rates.
- Consistency with long term financial plans and infrastructure and asset management plans will be a critical component of an application for a variation.
- ESCOSA may charge councils a fee to recover the costs of assessing a variation application and applications will need to be lodged by 31 March.
- Further details of the variation process will be provided through ESCOSA guidelines that are yet to be developed.
- Separate rates and service rates and charges are excluded from the rate cap calculation, but a council must inform ESCOSA if they propose to introduce a separate rate or service rate or charge as this will be taken into consideration when they set the primary rate cap for that council.
- ESCOSA must monitor and review councils' compliance with the system and prepare reports on the effects of rate capping on councils and any trends that may arise as a result of the rate capping scheme.
- The Minister may take action in relation to a council under Section 273 of the *Local Government Act 1999* on the basis of a report by ESCOSA. Currently this provision includes ICAC, the Auditor-General and/or the Ombudsman.

- A review of the legislation will be required before 31 December 2023 (five years from the proposed commencement).

This policy should not be confused with a cap a council might itself apply to amounts payable by an individual ratepayer in any year under section 153(3) of the *Local Government Act 1999*. Approximately 50 per cent of councils within South Australia restrict increases on individual properties to no more than a nominated percentage every year. However, these council decisions do not constrain total rate revenue generated.

Many of the details of the rate cap model are not defined or included in the Bill and are yet to be established by ESCOSA. For example, there is currently no detail provided on the final methodology/formula to be used in determining how a price index will be determined, and whether the cap will include any efficiency or productivity component. Further, full details of the variation process, including potential application fees to councils, and the community consultation guidelines have yet to be determined by ESCOSA.

ESCOSA has indicated that an Issues Paper will be released in August 2018 on these additional details. However, the Bill is expected to be debated in Parliament's Legislative Council in early September 2018, creating a time pressure for consultation on this additional detail before the Parliament makes a decision on the Bill.

Rate Capping Research

Rate capping was first proposed by the Liberal Party prior to the 2014 State Election. On the basis of evidence that rate capping results in negative impacts on communities, and the absence of any evidence that it results in more efficient councils, the LGA and the majority of South Australian councils have consistently voted to oppose the introduction of rate capping in South Australia.

The LGA has undertaken a range of advocacy, policy and reform activities to highlight the risks of rate capping while developing alternative local government reforms that will deliver benefits and value for communities. A summary of the extensive research the LGA has undertaken on council rate capping policies and their impacts in other jurisdictions was presented in the report to the LGA Special General Meeting held on 13 July 2018, which is available here: <https://www.lga.sa.gov.au/page.aspx?u=6918>

As reported by Professor Roberta Ryan from the University of Technology Sydney at the LGA Special General Meeting, there is little Australian empirical evidence available to back up the claims about the purported advantages on rate capping. The research that is available provides evidence that rate capping is associated with:

- 1) Higher levels of debt;
- 2) Lower level of infrastructure maintenance; and
- 3) Lower levels of inter-jurisdictional revenue effort equity (creating inequity in individual councils' ability to raise revenue).

The research does not provide any evidence of higher levels of efficiency being associated with rate capping.

Videos of the presentations on the New South Wales and Victorian experiences of rate capping and expert academic analysis at the LGA Special General Meeting can be accessed by clicking [this link](#).

Process to resolve a sector position

At the LGA Special General Meeting, members voted that South Australian councils should review the Local Government (Rate Oversight) Amendment Bill 2018 and advise the LGA by Friday 3 August 2018 of the council's endorsed position based on the following options:

- 3) Council supports the Local Government (Rate Oversight) Amendment Bill 2018; or
- 4) Council opposes the Local Government (Rate Oversight) Amendment Bill 2018.

Following the receipt of responses from councils by 3 August, a special meeting of the LGA Board will be called to consider the endorsed positions of member councils. As rate capping would impact on councils differently depending on size, services, budget and rate base; the LGA Board will consider the endorsed positions of member councils on the basis of both a 'one vote, one value' counting method and a weighted voting method (using the same weighting system applied at LGA General Meetings).

- The Board will also use the following criteria to inform and resolve a position:
- A merits-based assessment of the proposed legislation;
- The best interests of the communities of South Australia and their confidence in the local government sector;
- Current LGA policy positions and whether there is a mandate from members for an amended policy to be adopted;
- Potential impacts on the long-term financial sustainability of the local government sector, and how any negative impacts could be mitigated;
- Potential amendments and concessions that are in the best interest of councils and the community they serve;
- Positions of political parties in the Legislative Council and the impact this would have on the outcomes that can feasibly be achieved through the parliamentary process; and
- The number of responses received and the number of councils that did not participate in the voting process.

The LGA has requested that Council provides advice on an endorsed position by Friday 3 August to enable the LGA Board to finalise a position and advise political parties of the sector's response in preparation for the spring session of Parliament.

It is critical for the LGA Board's decision making process that councils indicate whether they support or oppose the Bill irrespective of potential amendments and concessions.

Once the Board has resolved a position on behalf of the sector, the LGA will use best endeavours in the Parliament to secure an outcome reflective of the sector's position and in the interests of the communities they serve.

Parliamentary Process

The Local Government (Rate Oversight) Amendment Bill has been introduced in the House of Assembly by the Minister for Transport, Infrastructure and Local Government, Hon Stephan Knoll MP.

The Government holds the majority in the House of Assembly (lower house), so it is likely the Bill will progress through the House of Assembly (lower house) to the Legislative Council (upper house) despite independent MPs in the lower house - Frances Bedford MP, Geoff Brock MP and Troy Bell MP (and potentially SA Labor) - all publicly stating that they will vote against the legislation. The Bill is expected to be passed in the House of Assembly in July 2018, before the winter recess of Parliament.

However, the Bill must pass in both Houses of Parliament to become law and the Government does not hold a majority in the Legislative Council.

If the Labor Party (ALP) honours its pre-election commitment to oppose rate capping, the government must secure support from three out of five crossbench members in order for the Bill to pass. The crossbench currently comprises two members from SA-BEST, two members from the Greens, and one member from Advance SA.

The ALP is considering the detail of the Bill and is yet to confirm a position. However, the Shadow Minister for Local Government, Hon Tony Piccolo MP told the LGA's Special Meeting that he has a number of concerns about rate capping and is reluctant to recommend it to the Shadow Cabinet. SA-BEST and Greens are both on record post-election opposing rate capping based on the detrimental impacts it has had interstate and its lack of policy merit. Therefore, the possibility of successfully opposing rate capping in the upper house remains available if this is ultimately the decision of councils.

The Government has indicated that the Bill will be scheduled for debate in the Legislative Council in the first or second sitting week of Parliament, following the winter recess.

Despite any position that Council or the LGA resolves to take on the proposed legislation, ultimately the Parliament will make the decision about whether the legislation is passed, and in what form.

As discussions and negotiations with the government, opposition and other parties may be required, The LGA has also asked councils to clearly specify the priority amendments and

concessions they would ask the LGA to use best endeavours to achieve in any negotiations with political parties about the legislation.

Based on the information presented to the LGA Special General Meeting, the Greens and the ALP do not seem inclined to accept amendments. SA-BEST – while stating their opposition to the Bill – has suggested the government’s proposed productivity commission could examine the Bill as part of its remit. This would potentially mean that only the government would sponsor and support amendments.

Attachment 1 provides an outline of the potential amendments to the Bill, drawn from LGA analysis, the Special Meeting on 13 July, and feedback and questions from councils.

Council has been asked to nominate the top five amendment priorities for the LGA to pursue in its best endeavours with the political parties. Council management recommends that council nominate the following priorities:

- 1) Should the legislation provide an obligation for the regulator to consult with councils, the LGA and other interested stakeholders each year on the factors that should be taken into account when setting the cap?
- 2) Should the methodology for the rate cap be a more simple mechanism to give revenue certainty to councils and account for development growth during the period? Would a LGPI/WPI + growth be suitable?
- 3) Should all powers for Ministerial direction be removed from the legislation to ensure independence and avoid politicisation of the rate capping scheme?
- 4) Should the reference to councils paying a fee for a variation application be removed from the legislation?
Should the reference to councils paying a fee for a variation application be removed from the legislation?

Should the legislation include a provision that requires the legislation to be publically reviewed every two years, with input from councils and the LGA?

Attachment 2 provides a list of possible concessions as that the State Government should address if the Bill were to be passed.

Council has been asked to nominate the top five concession priorities for the LGA to pursue in its best endeavours with the political parties. Administration recommends that council nominate the following priorities:

- 1) Solid Waste Levy.
- 2) Rubble Royalties.
- 3) NRM Levy.
- 4) Development contributions
- 5) Benchmarking and data sharing.

Impacts of Rate Capping

The LGA's research confirms that there is overwhelming evidence that shows rate capping is not an effective public policy. The New South Wales and Victorian experience show that rate capping:

- undermines local democracy, centralises decision making about council rate revenue and shifts accountability from community representatives to an unelected bureaucracy;
- limits councils' ability to provide local services – putting discretionary services at risk;
- leads to higher user pays fees, charges and fines;
- creates asset renewal and infrastructure backlogs; and
- does not make councils more efficient or financially sustainable – in fact council debt increases as councils struggle to meet community expectations.

The lack of detail in the Local Government (Rate Oversight) Amendment Bill 2018 means that it is challenging to forecast and model the specific impacts on council services and the long-term financial sustainability of the local government sector and Adelaide Plains Council.

LGA modelling that assumes a rate cap aligned with LGPI the previous year, shows the potential loss of rates revenue across the local government sector would have been:

- \$65.2 million in 2014-15;
- \$42.7 million in 2015-16; and
- \$15.8 million in 2016-17

A copy of the Local Government (Rate Oversight) Amendment Bill 2018 is provided at **Attachment 3** and a Rate Capping Information Pack prepared by the Local Government Association of South Australia is contained under **Attachment 4**.

Conclusion

While the exact details of the implementation of the rate capping regime are not yet known, Councils in South Australia are expected to experience reduction in income should the rates capping bill is passed by the Parliament based on similar rate capping regulations in place in NSW and Victoria.

References

Legislation

Local Government Act 1999 (SA)

Council Policies/Plans

2018/2019 Annual Business Plan, Budget and Long Term Financial Plan

Attachment 1

Potential Amendments to the Rate Oversight Bill

Note: The analysis of the LGA is that only the government may be willing to sponsor and support amendments, and amendments would still need the support of the ALP or the majority of the cross bench in the Legislative Council.

Issue		Council priority
Theme 1: ESCOSA's role		
1.1	Should ESCOSA's proposed regulatory role be replaced with another independent body to administer the system? Should this be the Local Government Grants Commission?	
1.2	If ESCOSA retains a regulatory role, should there be a local government nominee or appointee on the Commission to bring local government skills and knowledge?	
1.3	Should the regulator be given powers to cap state government taxes, levies, fees and charges to create consistency with any scheme applied to local government?	
1.4	Should the regulator be required to consult with local government and other interested stakeholders prior to the development and adoption of guidelines and regulations that support the Rate Oversight Bill?	
Theme 2: Rate cap methodology (formula)		
2.1	Should the legislation provide an obligation for the regulator to consult with councils, the LGA and other interested stakeholders each year on the factors that should be taken into account when setting the cap?	
2.2	Should the methodology for the rate cap be a more simple mechanism to give revenue certainty to councils and account for development growth during the period? Would a LGPI/WPI + growth be suitable?	
2.3	Should the definition of "Annualised revenue recoverable from general rates" exclude discretionary & mandatory rebates, objections, write offs / bad debts, interest & fines, and other recovered costs? Does the legislation need to be clearer about what is included/excluded?	
2.4	Should all powers for Ministerial direction be removed from the legislation to ensure independence and avoid politicisation of the rate capping scheme?	
2.5	Should the regulator be restricted from determining an efficiency dividend as part of setting the annual cap?	
2.6	Should the regulator be required to determine the primary rate cap on or before 31 December in all circumstances? Or should the legislation retain the flexibility for the regulator to extend this timeframe?	

2.7	Should the legislation include a provision to ensure that the financial impact of state government cost shifting is not included in the calculation of the base standard rate? For example, if the cost to a council is \$1 million per year to provide the 75% mandatory rebate to community housing providers, this amount should be deducted from the calculation of the base standard rate.	
Theme 3: Rate cap variation – applications and assessments		
3.1	Should the reference to councils paying a fee for a variation application be removed from the legislation?	
3.2	Should the impacts of emergency and disaster response and recovery be included in the legislation as a factor in making cap determinations?	
3.3	Should the legislation include a deadline by which the regulator must determine and advise councils on the outcome of their variation applications?	
3.4	Should the legislation provide an administrative appeal process for councils that have a variation application rejected by the regulator?	
Theme 4: Property valuations and objections		
4.1	Should the legislation include a provision to ensure that a Rate Oversight system factors in annual losses through objections and falling property valuations?	
Theme 5: Monitoring compliance		
5.1	Should provisions for financially penalising councils that inadvertently breach the cap be removed given there are already broad powers available in the Act for investigation and review of council decision making?	
5.2	Should the legislation require consultation with local government before determining the administrative requirements at Section 187K to ensure there is agreement about how the performance/impacts of the rate capping scheme will be measured, how the data will be collected and analysed?	
Theme 6: Review of the Rate Oversight legislation		
6.1	Should the legislation include a provision that requires the legislation to be publically reviewed every two years, with input from councils and the LGA?	

Possible Concessions – issues the State Government needs to address should the Rate Oversight Bill be passed

	Issue	\$ (impact/ funds sought)	Comment	Council priority
1. Cost Shifting				
1.1	Community Housing Rebates	Impact on councils is \$10.7 million per year for 12,000 properties	<p>The previous State Government commenced the transfer of management of SA Housing Trust (SAHT) properties to Community Housing Providers (CHPs). However, under the Local Government Act 1999 councils must provide a mandatory 75% rate rebate on council rates to community housing properties.</p> <p>Local government in South Australia supports the provision of affordable and sustainable public housing. However, as this is a State Government responsibility the LGA continues to oppose costs for community housing being shifted to councils through State Government policy decisions.</p>	
1.2	Solid Waste Levy	Impact on councils is \$34 million dollars in 2018/19	<p>Councils provide waste depot services in their local communities. Through their contracts with waste collection agencies, councils and their rate-payers pay the State Government's Solid Waste Levy.</p> <p>There is currently around \$118 million that has been collected via the Solid Waste Levy sitting in the Green Industry Fund.</p> <p>The funds collected through the Levy are meant to be spent on waste programs to improve recycling and help the environment. However, only a small proportion of money raised is being invested back into the sector.</p> <p>Since 2001, the State Government's waste levy has increased by nearly 1450%.</p>	
1.3	Rubble Royalties	Impact on councils is approx. \$1 million per year.	As part of the 2014-15 budget, the previous State Government introduced a requirement for regional councils to pay royalties (currently 52c per tonne) to them on rubble raised from borrow pits they own and manage for the purpose of road construction.	
1.4	NRM Levy	Impact on councils is approx. \$690,000	Councils are currently required by the State Parliament to collect the NRM Levy on behalf of the State Government. The levy appears as a separate line on council rates notice, and	

			<p>many people mistake this for council revenue.</p> <p>In 2016/17, the State Government collected over \$44 million for NRM levy through council rates. This was a 25 percent increase on the previous year.</p> <p>There are hidden administrative costs to councils in collecting the levy on behalf of the state, particularly in relation to non-payment and rebates. There is over \$690,000 in unpaid NRM levies across the local government sector in South Australia.</p>	
2. Funding, Roles and Responsibilities				
2.1	State Government grants	\$ TBD	<p>South Australian councils historically receive the lowest per-capita share of state government funding in the country.</p> <p>State Government grants/funding to local government should be no less than the average in other states. Priority areas for increased long-term state funding to councils may include:</p> <ul style="list-style-type: none"> • Stormwater infrastructure • Coastal management • Community infrastructure • Libraries • Roads • Community services <p>To reduce council costs to meet any rate cap, the State Government should fulfil their resource and funding obligations that have been handed over to councils.</p>	
2.2	Review of services provided on behalf of the state government	\$ TBD	<p>There are a number of discretionary services and programs that local government provides on behalf of the State Government under individual or sector-wide agreements. For example, services such as immunisations, food safety inspections and maintenance of state-owned jetties. A review of these agreements and the functions being undertaken by councils on behalf of the State Government may be required in a revenue constrained environment.</p>	
2.3	Development contributions	\$TBD	<p>Councils In South Australia, particularly those experiencing high levels of growth, are making significant upfront investments in infrastructure and facilities that support new developments. Councils in New South Wales and Victoria have the benefit of a legislated development contributions system to support this investment; and for some councils this is a significant source of additional revenue, which reduces pressure on council rates. The introduction of rate capping in South Australia will require consideration of an appropriate development</p>	

			contributions system to ensure growth areas in South Australia are not disadvantaged.	
2.4	Review of statutory fees and charges	\$ TBD	<p>Councils provide services to the community that are subject to a fee set by statute. Examples include planning and building assessments under the Development Act (PDI Act) and food inspections under the Food Act. The cost of the delivering these services far exceeds the fee councils are permitted to charge. LGA data analysis shows that the councils are subsidising the costs of providing these services by up to 70-80%.</p> <p>A commitment is required to review all relevant statutory fees and charges and implement a cross-government policy to reset these fees at a cost recovery level.</p>	
2.5	Litter and Nuisance	\$TBD	<p>Councils have faced significant cost increases in recent years to manage and administer new responsibilities and obligations related to litter and nuisance control. These costs are not recovered or offset by additional revenue and must be subsidised by general rates.</p> <p>To reduce council costs to meet any rate cap, the State Government should take back the responsibilities that have been handed over to councils.</p>	
3. Local Government Reform				
3.1	Benchmarking and data sharing	\$3 million in 2018/19, and \$1 million a year for the following 3 years	<p>Establishment of a sophisticated database of performance measures administered by the LGA to support council planning and community consultation to enable local government to continually improve.</p> <p>While there is a considerable amount of information already available to communities about what their council is doing; this information is often spread across multiple documents and platforms, can be difficult to find, and is not easy to compare with other councils.</p> <p>The LGA is working towards developing a more sophisticated performance measurement and reporting framework as a consistent way to promote transparency and accountability.</p>	
3.2	Mandatory Rebates and Exemptions	<p>Impact on councils (rebates only):</p> <p>Metro council average = approx. \$970,000 annually</p> <p>Regional council average= approx.</p>	<p>Councils are required by the Local Government Act to provide a range of mandatory rate rebates to properties used for health, community, religious and education purposes. These mandatory rebates should be reviewed in the context of rate capping to ensure that the wider community is not unfairly subsidising the costs of services delivered to other properties.</p> <p>The rating exemptions that apply to state government owned land should also be reviewed in the context of rate capping to reduce fiscal illusion.</p>	

		\$122,000 annually		
3.3	Local Government elections	\$TBD	Support participation in local democracy and decision making by investing in the development and implementation of a cost effective and reliable electronic voting system for local government elections to, in time, replace the current postal ballot voting system. Legislative change would be required to implement this reform.	

Advance

South Australia

**Local Government (Rate Oversight) Amendment
Bill 2018**

A BILL FOR

An Act to amend the *Local Government Act 1999*.

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The Parliament of South Australia enacts as follows:

Part 1—Preliminary

1—Short title

- 5 This Act may be cited as the *Local Government (Rate Oversight) Amendment Act 2018*.

2—Commencement

This Act will come into operation on a day to be fixed by proclamation.

3—Amendment provisions

- 10 In this Act, a provision under a heading referring to the amendment of a specified Act amends the Act so specified.

Part 2—Amendment of *Local Government Act 1999*

4—Amendment of section 3—Objects

Section 3(f)—after "communities" insert:

- 15 and to provide for appropriate financial contributions by ratepayers to those services and facilities

5—Amendment of section 123—Annual business plans and budgets

Section 123—after subsection (2) insert:

- (2a) A council must ensure that, if relevant, an annual business plan also contains a statement—
- (a) that the council intends to apply for a rate cap variation determination to increase the primary rate cap determination applying to the council for the financial year under Chapter 10 Part 1A; or
- (b) that the council has made an application to ESCOSA for a rate cap variation determination but that a determination has not been made in relation to the application; or
- (c) that a rate cap variation determination made by ESCOSA for the financial year applies to the council.

6—Insertion of Chapter 10 Part 1A

Chapter 10—after Part 1 insert:

Part 1A—Rate oversight

187C—Objects of Part

The objects of this Part are to ensure—

- (a) that the financial contribution of ratepayers to the provision of services and infrastructure by local government to meet the present and future needs of local communities is subject to appropriate oversight; and
- (b) that a council has the financial capacity to perform its duties and functions and exercise its powers.

187D—Interpretation

- (1) In this Part—

base standard rate—see subsection (2);

base year means the financial year before the capped year;

capped standard rate see subsection (3);

capped year means the financial year specified in a primary rate cap determination;

ESCOSA means the Essential Services Commission established under the *Essential Services Commission Act 2002*;

primary rate cap means the primary rate cap (expressed as a percentage) specified by ESCOSA in a primary rate cap determination;

primary rate cap determination—see section 187E(1);

rate cap variation determination—see section 187F(1);

varied rate cap means the varied rate cap (expressed as a percentage) specified by ESCOSA in a rate cap variation determination.

- (2) The *base standard rate*, in relation to a council, means the rate calculated in accordance with the following formula:

$$BSR = \frac{Rb}{N}$$

Where—

BSR is the base standard rate;

Rb is the total annualised revenue recoverable from general rates on rateable properties within the area of the council as at 30 June in the base year;

N is the number of rateable properties within the area of the council as at 30 June in the base year.

- (3) The *capped standard rate*, in relation to a council, means the rate calculated in accordance with the following formula:

$$CSR = \frac{Rc}{N}$$

Where—

CSR is the capped standard rate;

Rc is the total annualised revenue recoverable from general rates on rateable properties within the area of the council as at 1 July in the capped year;

N is the number of rateable properties within the area of the council as at 1 July in the capped year.

187E—Primary rate cap determinations

- (1) ESCOSA may, on its own initiative or at the request of the Minister, by notice in the Gazette, determine that the capped standard rate for a specified financial year must not exceed the base standard rate by more than the primary rate cap specified in the notice (a *primary rate cap determination*).
- (2) A primary rate cap determination may apply to—
- councils generally; or
 - a class of councils; or
 - a particular council.
- (3) Before making a primary rate cap determination that is to apply to councils generally or a class of councils, ESCOSA must consider the following:
- the basis of the primary rate cap (for example, a relevant price or cost index);

- 5
- (b) whether the primary rate cap should include an efficiency or productivity component;
 - (c) the amount of the primary rate cap (including, if relevant, any efficiency or productivity component);
 - (d) any matter that the Minister directs ESCOSA to consider;
 - (e) any other matter considered relevant by ESCOSA.
- (4) The following provisions apply to the making of a primary rate cap determination that is to apply to a particular council:
- 10
- (a) ESCOSA may only make a primary rate cap determination that is to apply to a particular council if ESCOSA considers it appropriate to do so taking into account—
 - 15 (i) the council's record of compliance with 1 or more previous primary rate cap determinations or rate cap variation determinations; or
 - (ii) a proposal by the council to—
 - (A) change the basis on which rates are assessed against land under section 148; or
 - (B) declare a separate rate under section 154 or impose a service rate or an annual service charge under section 155 in relation to a financial year; or
 - 20 (iii) the level of other fees or charges imposed or proposed to be imposed by the council other than under Part 1; or
 - 25 (iv) any other matter that ESCOSA thinks fit;
 - (b) before making a primary rate cap determination that is to apply to a particular council, ESCOSA must—
 - 30 (i) consider the following:
 - (A) the matter or matters set out in subsection (4)(a)(i) to (iv) based on which ESCOSA considers it appropriate to make the determination;
 - 35 (B) if ESCOSA proposes to make a primary rate cap determination that is to apply to councils generally for the relevant financial year, the amount of the primary rate cap (including, if relevant, any efficiency or productivity component);
 - 40 (C) any matter that the Minister directs ESCOSA to consider;
 - (D) any other matter considered relevant by ESCOSA; and

- (ii) give the council a reasonable opportunity to make submissions in relation to the proposed determination.

- 5
- (5) A primary rate cap determination does not have effect in relation to a capped year unless it is published in the Gazette—
 - (a) on or before 31 December in the financial year before the capped year; or
 - (b) on or before another date specified by ESCOSA by notice in the Gazette in the financial year before the capped year.
 - 10 (6) A primary rate cap under a primary rate cap determination may be a positive or negative amount.

187F—Rate cap variation determinations

- 15
- (1) ESCOSA may, on application by a council the subject of a primary rate cap determination applying to councils generally or a class of councils, make a determination specifying a varied rate cap (being a cap that is different from the primary rate cap applying to the council under the primary rate cap determination) for 1 or more specified financial years (up to a maximum of 5 years) (*rate cap variation determination*).
 - 20 (2) ESCOSA may only make a rate cap variation determination on an application under this section if satisfied that the varied rate cap is appropriate, having regard to—
 - (a) the matters set out in section 187G(2); and
 - 25 (b) the council's record of compliance with any previous primary rate cap determination or rate cap variation determination; and
 - (c) whether requirements given by ESCOSA under section 29 of the *Essential Services Commission Act 2002* relating to the council giving information relevant to the application (if any) have been complied with; and
 - 30 (d) any matter that the Minister directs ESCOSA to consider; and
 - (e) any other matter determined by ESCOSA.
 - 35 (3) If ESCOSA makes a rate cap variation determination under this section, ESCOSA must publish a notice in the Gazette specifying—
 - (a) the fact that a rate cap variation determination has been made; and
 - (b) the council to which the rate cap variation determination applies; and
 - 40 (c) the varied rate cap applying under the rate cap variation determination (which may be the varied rate cap proposed by the council or another cap set by ESCOSA); and

- (d) each financial year to which the varied rate cap applies.
- (4) A varied rate cap under a rate cap variation determination may be a positive or negative amount.

187G—Rate cap variation determination applications

- 5 (1) An application by a council for a rate cap variation determination must—
- (a) be made by—
- 10 (i) 31 March before the first capped year to which the application relates; or
- (ii) by such other date fixed by ESCOSA by notice in the Gazette; and
- (b) be made in the form and manner determined by ESCOSA; and
- 15 (c) be accompanied by the fee determined by ESCOSA, which must not exceed the reasonable costs of determining the application.
- (2) The application must specify—
- (a) the number of financial years (up to a maximum of 5 years) that the council proposes that it be subject to a rate cap variation determination; and
- 20 (b) the proposed varied rate cap for each specified financial year; and
- (c) the reasons the council seeks a varied rate cap; and
- (d) the community engagement process that has been
- 25 undertaken by the council on the proposed varied rate cap; and
- (e) the likely impact of the proposed varied rate cap on ratepayers, including their capacity and willingness to pay rates in accordance with the proposed varied rate cap; and
- 30 (f) whether consideration has been given to reprioritising proposed spending measures and alternative funding options and, if so, why those options are not adequate; and
- (g) how the varied rate cap represents value for money for the council and its ratepayers and promotes the efficient use of
- 35 council resources; and
- (h) how the proposal is consistent with the council's long term financial plan and infrastructure and asset management plan under Chapter 8 Part 1; and
- (i) any other information required by ESCOSA.

- (3) A council must, as soon as is reasonably practicable after making an application for a rate cap variation determination, publish a copy of the application (including any accompanying information and documents) on its website.

187H—Publication of Ministerial requests and directions

- (1) If the Minister makes a request under section 187E(1), ESCOSA must publish a copy of the request on its website as soon as is reasonably practicable after its receipt.

- (2) If the Minister gives—

- (a) a direction under section 187E(3)(d) or (4)(b)(i)(C); or
(b) a direction under section 187F(2)(d),

ESCOSA must publish a copy of the direction on its website as soon as is reasonably practicable after its receipt.

187I—Council must notify ESCOSA of certain matters

- (1) A council must not—

- (a) change the basis on which rates are assessed against land under section 148; or
(b) declare a separate rate under section 154 or impose a service rate or an annual service charge under section 155,

unless the council notifies ESCOSA, in the manner and form determined by ESCOSA, of the proposal before 31 October of the year before the first financial year in which the change, rate or charge (as the case may be) is to apply.

- (2) If a council notifies ESCOSA under subsection (1) of a—

- (a) proposed change of a kind referred to in subsection (1)(a); or
(b) proposed rate or charge of a kind referred to in subsection (1)(b),

the council must provide ESCOSA with any information or document required by ESCOSA in relation to the change, rate or charge (as the case requires).

- (3) A failure to comply with this section does not affect the validity of any of the following rates or charges recoverable under this Chapter (or any fine or interest relating to such rates or charges):

- (a) a rate or charge assessed against land on a changed basis of a kind referred to in subsection (1)(a); or
(b) a separate rate, service rate or annual service charge of a kind referred to in subsection (1)(b).

187J—Compliance with rate cap determinations

- (1) A council must comply with a primary rate cap determination.

- 5
- (2) If a rate cap variation determination is made in respect of a council—
- (a) the rate cap variation determination applies to the council for the financial year or years specified in the determination (instead of the primary rate cap determination applying during that year or those years); and
 - (b) the council must comply with the rate cap variation determination.
- 10
- (3) A failure to comply with a primary rate cap determination or a rate cap variation determination does not affect the validity of any rate, charge, interest or fine recoverable under this Chapter in respect of the financial year in relation to which the failure occurred.

187K—Administration

- 15
- (1) ESCOSA has such functions and powers as are necessary or expedient to give effect to this Part, including the following functions:
- (a) to monitor and review councils' compliance with this Part and, in particular, to monitor and review compliance with primary rate cap determinations and rate cap variation determinations;
 - 20 (b) to assess the effect of primary rate cap determinations and rate cap variation determinations on the provision of services and infrastructure by councils and the sustainability of the financial performance and position of councils;
 - 25 (c) to identify trends across the local government sector arising from the operation of primary rate cap determinations and rate cap variation determinations, and any other impacts arising from the operation of this Part.
- 30
- (2) ESCOSA must, in relation to each financial year, give an annual report to the Minister on the compliance of councils with any primary rate cap determination and rate cap variation determination applying in that year.
- (3) ESCOSA must prepare a biennial report on—
- (a) the matters referred to in subsection (1)(b) and (c); and
 - 35 (b) any other matter relating to the operation of this Part that ESCOSA considers appropriate.
- (4) A report under subsection (3) must be given to the Minister within 3 months after the end of the second financial year to which the report relates.
- 40
- (5) The Minister must cause a copy of a report given to the Minister under this section to be laid before both Houses of Parliament within 12 sitting days after receiving the report.

- (6) ESCOSA may, as soon as is reasonably practicable after giving a report under this section to the Minister, publish a copy of the report on its website.

7—Amendment of section 273—Action on report

5 Section 273(1)—after paragraph (c) insert:

; or

- (d) a report of ESCOSA under Chapter 10 Part 1A,

8—Amendment of section 303—Regulations

(1) Section 303(8a)—delete "additional"

10 (2) Section 303(8a)—delete "enactment of the *Statutes Amendment (Boards and Committees—Abolition and Reform) Act 2015*" and substitute:

amendment of this Act by another Act

9—Review

15 (1) The Minister responsible for the administration of the *Local Government Act 1999* must cause a review of the operation of Chapter 10 Part 1A of that Act (as to be inserted into the *Local Government Act 1999* by section 6 of this Act) to be conducted and a report on the results of the review to be prepared and submitted to the Minister.

(2) The review and report must be completed by 31 December 2023.

20 (3) The Minister must cause a copy of the report to be laid before both Houses of Parliament within 6 sitting days after receiving the report.

Rate Capping Information Pack



What is Rate Capping?

Rate capping is an externally imposed maximum percentage that a council's total rates revenue may increase from one financial year to the next. Your local council has one tax (council rates), which nationally comprises less than four percent of total tax paid by communities. State and federal governments raise some 259 different taxes, which equate to more than 96 percent of all tax in Australia. There is no cap imposed on the total amount of tax revenue that can be collected by State and Commonwealth Governments each year.

The LGA welcomes discussion around the setting of rates, as it focusses attention on why and how council rates are raised. However, the local government sector is firmly opposed to proposals under which unelected bureaucrats would effectively take over the role of elected members chosen by communities to represent their interests and make local decisions.

Everyone wants to pay less tax and on the surface, limiting tax may sound like a good idea – especially when so many community members are concerned about cost of living. However, rate payers need to be informed of what they stand to lose if rate capping is introduced in South Australia.

The case against rate capping

- Rate capping is a flawed policy that has failed communities around Australia.
- Council rates are increasing to keep pace with inflation, community expectations, falling government grants and cost shifting.
- Councils are the only publicly elected bodies with a statutory responsibility to consult communities prior to formal consideration of their annual programs and budgets. This means that both costs, and service levels and standards are set with community feedback.
- Councils also develop long term financial plans and asset management plans to ensure responsible and equitable expenditure over the long term. These plans span political cycles and are based on what is necessary, not what is popular.
- Rate capping inevitably leads to a reduction in services, an increase in council fees and charges, and decaying public infrastructure which is left to future generations to repair.
- Across Australia councils collect less than 4% of total tax revenue, and any discussion around rate capping is an unnecessary diversion from the real issues facing our State.
- As the government which is closest to communities, we will continue working with other levels of government to develop solutions which will help drive South Australia's economy.
- The myriad of local challenges and opportunities that can impact on council expenditure is precisely why decisions concerning council rates are better informed, and the impacts better understood, when made by the respective councils in consultation with their communities.
- It is simply bad policy for local decision making to be replicated at the State level at great expense to the community.
- Rate capping is bad policy, regardless of the model used to implement it.
- Based on interstate experiences of rate capping our sector has no choice but to continue to fight its implementation in SA for the benefit of the communities we represent.
- The LGA is supportive of sensible local government reform that will drive efficiencies without hurting communities.

What are other concerns about rate capping?

It will affect services	It's an empty promise	It's undemocratic	It's unwarranted	It will affect you
<p>There is compelling evidence from interstate and overseas that demonstrates the negative impact rate capping has had on communities where it has been introduced. It has placed undue pressure on councils and affected their ability to fund services and infrastructure on behalf of the communities.</p> <p>It has affected the maintenance of public infrastructure such as roads, footpaths, sports club facilities, parks and playgrounds – shifting the burden of repair or replacement to future generations. It has meant the reduction or discontinuation of services that contribute to building strong, vibrant communities such as volunteering programs and services for senior citizens. It has resulted in increased council fees and charges, meaning that council services and facilities become more expensive to access.</p>	<p>Council rates are only a fraction of the total taxes paid by Australians – less than four percent.</p> <p>ABS figures from 2014/15 show that South Australian councils raise the lowest revenue per capita of any state in Australia. While rates per capita are higher in South Australia, council fees and charges (including developer contributions) are much lower here than they are interstate. A cap on rates would put pressure on councils to raise additional revenue through increasing fees and charges – impacting disproportionately on those who can least afford to pay.</p> <p>As the closest government to communities, councils understand many South Australians are doing it tough, and offer support to households struggling to make ends meet through mandatory and discretionary rebates, remissions and postponement of rates.</p>	<p>In contrast to both state and federal governments, councils are required under legislation to collect and consider feedback from their ratepayers before deciding what they will include in their annual business plan, and what the associated rates will be.</p> <p>There are examples where this process has led to postponement of planned programs and therefore a revised (lower) rate increase. There are also examples where communities have elected to increase rates to receive higher service levels or undertake major local infrastructure projects. The introduction of rate capping will negate the purpose of consultation, putting decision making power in the hands of a state government entity that is not accountable to local communities.</p>	<p>In 2015 the South Australian Economic and Finance Committee undertook an Inquiry into Local Government Rate Capping Policies. It concluded that rate capping should not be introduced in South Australia, and recommended that local councils retain full authority to set their rates.</p> <p>Local government in South Australia is supportive of sensible local government reform that will drive efficiencies without hurting communities.</p>	<p>Most people are surprised to learn that the vast majority of services provided by councils are discretionary, with very few services mandated under legislation. Rate capping would squeeze budgets to the point where all services that are not mandatory under legislation would be at risk of being cut, reduced, or not maintained. There is no legal requirement for councils to fund libraries, provide recreation and sporting facilities, maintain jetties, or look after parks and gardens. They don't have to collect hard waste, undertake street cleaning, plant or maintain street trees, facilitate community events and festivals, or protect the public through food inspections. Councils provide services in close consultation with their communities.</p> <p>Under rate capping, the conversation will change from what councils and communities can do together, to what councils will stop doing because of forced budget cuts.</p>

Frequently asked questions...What is rate capping?

What is rate capping?

Rate capping is an externally imposed maximum percentage that a council's total rates revenue may increase from one financial year to the next.

There is considerable evidence in NSW, the only state where rate capping has been in place for many years, to show that rate capping has resulted in significantly higher council fees and charges, and decaying infrastructure as maintenance levels decline and costs are shifted onto future generations.

It is a populist policy that has not saved communities money. Rather, rate capping has just introduced more bureaucratic processes while limiting services and shifting cost to future generations.

Why do I pay council rates?

About 70% of funding for South Australian council services comes from the only tax councils are allowed to collect – rates. The remaining 30% is made up of:

- 3% Statutory charges
- 9% User charges
- 14% Grants and subsidies from the state and federal governments
- 1% Investment income
- 3% Reimbursements & other.

This revenue is used to provide many services to the community – some of which are legislated and others which are provided to meet community needs. Councils in South Australia operate under the *Local Government Act 1999* and 67 other pieces of legislation.

Whether a service is a legislated requirement of councils or is provided by local choice, the *Local Government Act 1999* requires that a council is “responsive to the needs, interests and aspirations of individuals and groups within its community” and that it must “seek to ensure that council resources are used fairly” (section 8(b) and (h)).

Why don't councils support rate capping?

Rate capping is a populist policy that has failed communities wherever it has been introduced. In NSW and Victoria it has added unnecessary bureaucratic processes, is complex, costly and constrains communities and their councils.

An independent report into rate capping in NSW indicated that many councils have declining financial sustainability, and a declining capacity to deliver the services that their communities need.

The imposition of rate capping takes away local decision making. There is a proposal for a rate capping scheme to be run by the Essential Services Commission of SA. This places local decision making in the hands of a separate entity that is not accountable to local communities.

Furthermore, the introduction of rate capping will restrict vital service delivery to the community or, if services are maintained, postpones the financial burden of today's services onto future generations.

Rate capping does not make councils more efficient or financially sustainable – in fact council debt increases as councils struggle to meet community expectation.

Why don't councils use the Consumer Price Index (CPI)?

Sometimes council rates are compared with CPI. A CPI is a measure of the average change, over time, in the prices paid by households for a basket of goods and services in each capital city. The basket of goods includes items such as milk, bread, clothing and household furnishings.

Unlike households, councils spend a large proportion of their budgets on construction of roads, drains, environmental projects and footpaths, and salaries for staff providing services for the community. The prices for these items move in different ways to how average household prices move, and this is reflected in council budgets along with changes in standards of service and infrastructure delivery.

Council rates have increased more than CPI primarily because the price of goods and services is only one component of council expenditure. Local government rates are set in response to various factors, not necessarily tied to consumer price inflation.

Other factors accounting for council rate increases include:

- communities choosing more and better services;
- properly accounting for and maintaining important infrastructure;
- the impact of falling government grants and cost shifting;
- limits on other revenue sources including user pays fees; and
- different issues in each council area such as repairing flood damaged roads or responding to other extreme events.

Councils would be able to apply for a special rates variation, so what is the concern?

Applying and processing applications for rates increases above the rate cap (known as special rates variations) does not come without cost to both local and state government.

Research undertaken in NSW by the Independent Local Government Review Panel (the Panel) indicates that rate capping has been very costly relative to the benefits it delivers. Millions of dollars are spent each year by NSW councils and state agencies on preparing, reviewing and determining applications when the actual cost impact of the proposed rate increases on households would often have been no more than \$1 per week. The Panel concluded that, as a result of rate capping, the financial sustainability of many councils in NSW - and their capacity to deliver the services that their communities need - had declined, and a significant number were near crisis point.

In 2016/17, the cost to Victorian taxpayers for the State to administer a rate capping system was around \$3 million.

South Australian councils believe that this money is better spent on delivering services, infrastructure and jobs to our communities rather than filling out forms and ticking boxes.

Why don't councils consult their communities on rates and services?

They do. In fact, councils are legislatively required to consult with their communities on a range of matters. No other sphere of government is required to do this.

Each council in consultation with its community is required to develop publicly available plans, including long-term financial and infrastructure plans. These plans set the long-term objectives and priorities for the community. Councils also prepare Annual Business Plans, which includes income sources, infrastructure needs, service needs and what the council believes the community

can afford in rates. Unlike other levels of government, councils release their Annual Business Plan and budget for community consultation prior to being adopted.

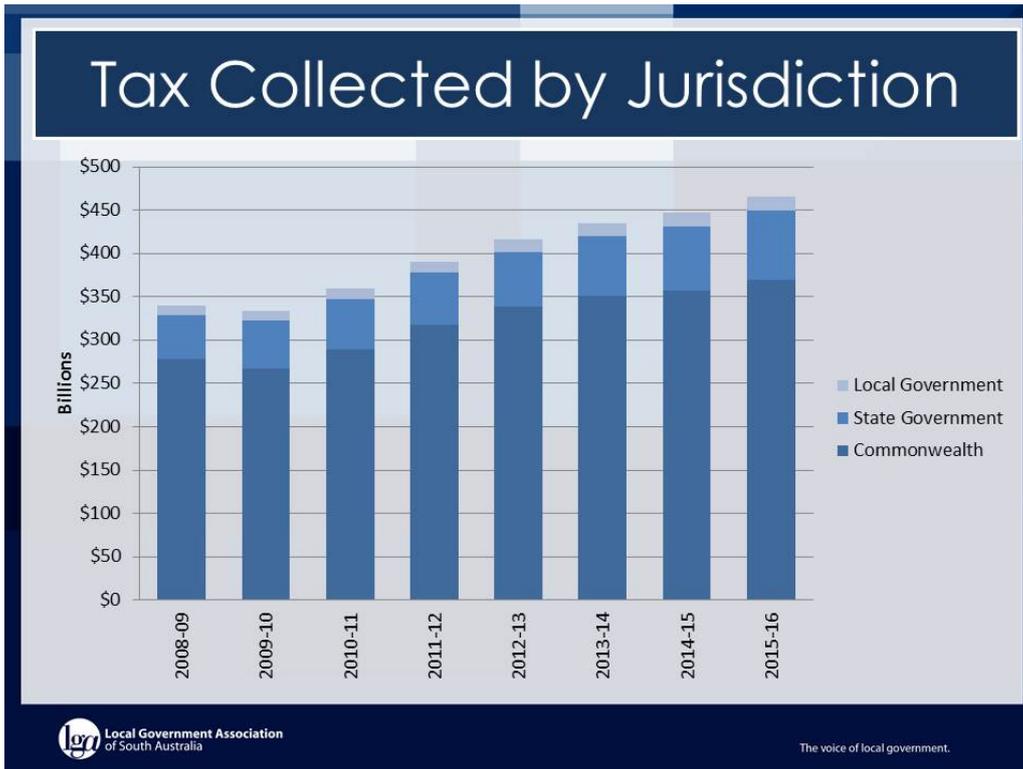
This consultation influences the annual budget that is presented to council for consideration and adoption. The budget can only be set at councils meetings, which are open to the public.

Constituents are encouraged to not only participate during the Annual Business Plan consultation, which typically occurs around April/May, but throughout the year. Consultation helps councils to understand the services their communities need. All councils have a community consultation policy that guides how they will seek and consider the views of ratepayers and residents. Contact your council to ask them about their public consultation policy.

Despite all that, rate capping will save me money. Right?

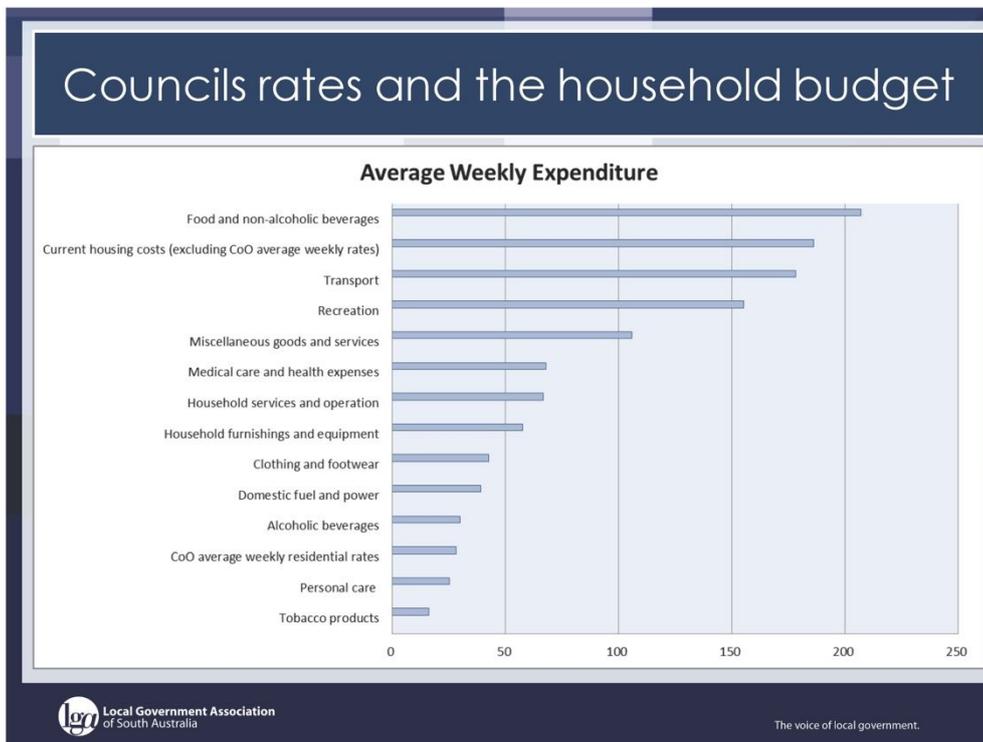
Wrong. Experience interstate has demonstrated that this is not actually the case. New South Wales councils have become increasingly dependent upon service fees and charges (eg parking fees, developer contributions, facilities rentals etc) which are not subject to rate capping. As a result, NSW residents actually pay more per capita to their councils than South Australian residents. In fact, South Australian councils have the lowest per capita revenue in the entire country.

Facts about council rates



Local Government is responsible less than 4% of the total tax collected nationally.

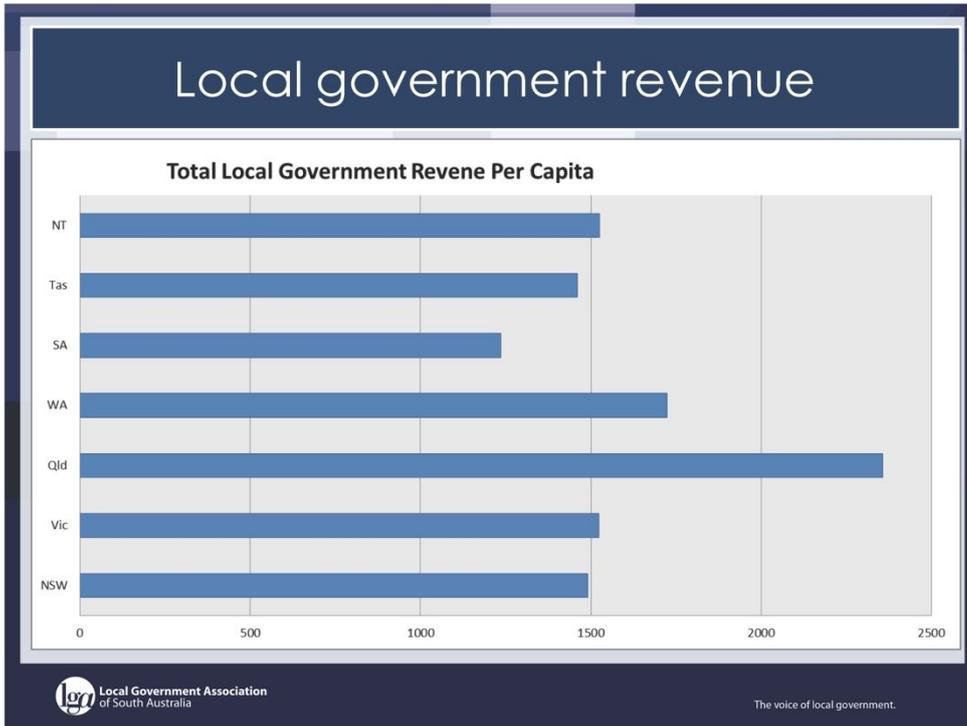
Source: Australian Bureau of Statistics abs.gov.au



This graph represents the average weekly residential rates in the City of Onkaparinga for 2016/17 compared to other household spending.

Source: Australian Bureau of Statistics abs.gov.au

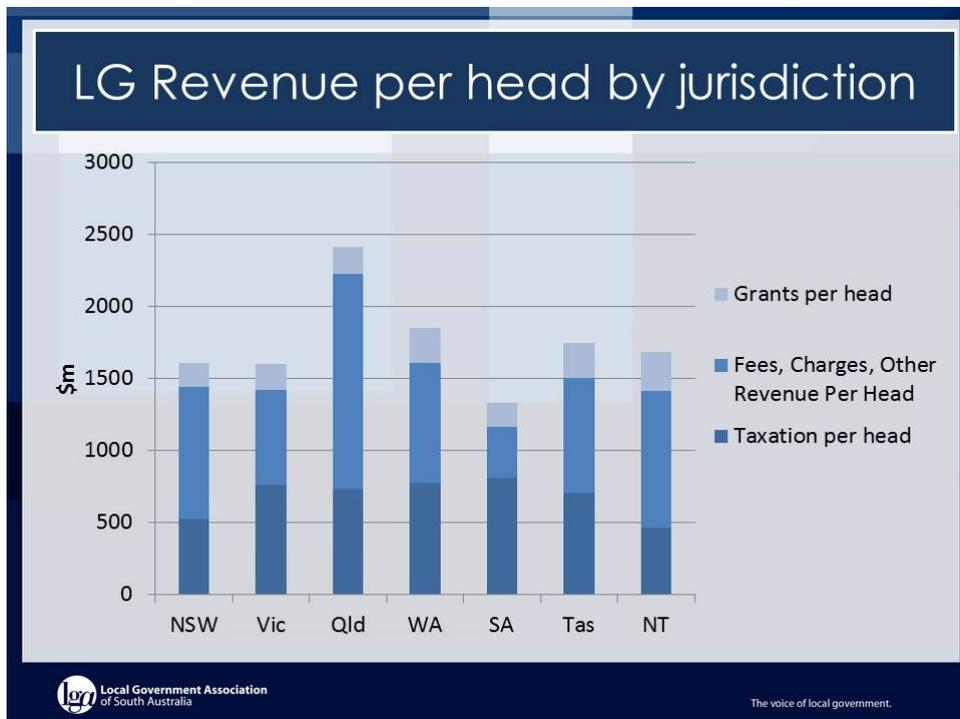
Source: City of Onkaparinga onkaparinga.sa.gov.au



Local Government in South Australia receives the lowest total revenue per capita across the nation.

Source: Australian Bureau of Statistics Dec 2014 abs.gov.au

Source: Department of Infrastructure and Regional Development, Local Government National Report 2014/15



This graph represents the revenue sources for local government in \$m per state.

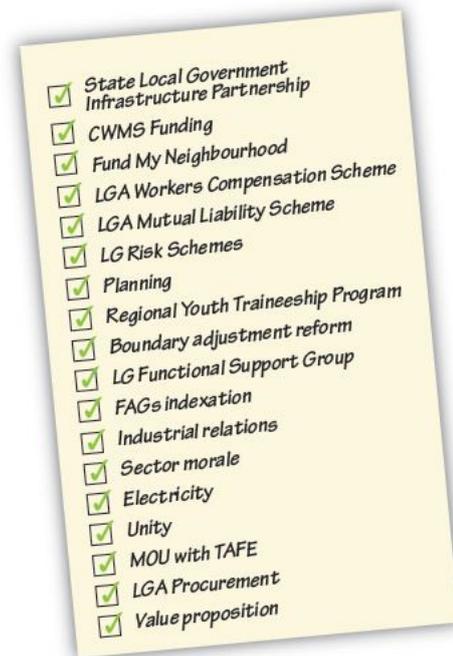
Source: Australian Bureau of Statistics Dec 2014 abs.gov.au

Source: Department of Infrastructure and Regional Development, Local Government National Report 2014/15

Local government is delivering for South Australia...

The LGA is working with councils to deliver benefits for South Australia. Examples of recent achievements are provided below.

- State Local Government Infrastructure Partnership program, bringing forward around \$120 million in infrastructure investment and creating around 190 jobs per year for three years;
- Extension of the Regional Youth Traineeship Program, which has so far provided training, skills and employment pathways to more than 100 young people;
- Development of an Economic Participation Policy for local government in partnership with the Office of the Industry Advocate to encourage SA councils to buy from South Australian businesses;
- Formation of a joint red-tape reduction taskforce to simplify regulation for business and industry;
- Alignment of China engagement activities, including the SASD Connect platform that has facilitated almost 9,000 interactions between businesses in Australia and China;
- Local government boundary reform legislation that will ensure that the interests of communities will come first when considering local government boundaries; and
- Commencement of a project to strengthen collaboration between state and local government on policy and legislation.



As the government closest to communities, councils and the LGA contribute to State Government programs and policies to deliver benefits to local communities.

Examples of these current arrangements include:

- Significant support resources provided by the LGA and councils to the Fund my Neighbourhood program;
- Public health partnership between the LGA and SA Health to support the delivery of the State's Public Health Plan;
- Agreement for the delivery of food health inspections by councils on behalf of the State Government;
- Signing partner of and contributor to the SA Volunteering Strategy to progress the State's objectives for volunteers and volunteering;
- Service agreement between the LGA and Green Industries SA to assist with the State Government's waste policy objectives;
- MOU between the LGA and EPA to support the delivery of services relating to environmental protection; and
- Council provision of Community Wastewater Management Systems in rural areas, and management of the CWMS program by the LGA.



Where can I get more information?

The LGA has developed a suite of information on rate capping - you can find it all on our website at www.lga.sa.gov.au/ratecapping

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