

Submission

South Australian Productivity Commission

Inquiry into Local Government Costs and Efficiency

Councillor Ruth Trigg (elected November 2018)

[REDACTED]

12 July 2019

This submission is being written at the last minute. It is in a minimal form. As a newly elected member of the Yankalilla District Council I am finding the workload much higher than anticipated.

My platform was a zero rate rise for at least the year 2019/20 to reflect on and review the rates structure for this community. My platform is also to communicate directly with the community.

To that end I am available at Normanville and Yankalilla for two sessions a month, from 11 am-1 pm.

I place a paid item (\$200/month) in the local monthly Yankalilla Regional News, to convey news from the Council to the community.

I have run two community consultation sessions before the budget deliberations, to carry to council resolutions from the community.

As a full-time unpaid community worker with communities on environmental issues (retired university lecturer on analysis of science and environment, and public advocacy) I have worked with many communities and have observed the workings of SA regional councils at close range for the past 15 years.

The main points I want to present to the SA Productivity Commission firstly draw on this experience but relate most specifically to the Yankalilla District Council.

The main point for this submission is a general point relating to the actions of all councils, (and interfacing with state government departments) and for all communities requiring protection against environmental damage caused by vested interest decisions and lack of scientific understanding.

- 1 There is no law in SA to charge professional people (engineers, CEOs) with maladministration or malfeasance. I have had this researched by a lawyer. I would be delighted to find that this is not the case.
Maladministration may be found by ICAC, but the person usually resigns and retires, or moves to other employment, and there is no public accountability.

Why is it that an engineer can put forward a plan for a boat ramp, claiming that the costs of dredging for sand ingress will only be \$50 000 after five years, when the real cost to the community is \$367 000 in the first year, with a repeat every following year.

Why is that situation not treated in a professional context of failure – the failure being examined in law, and then penalties applied if it is found that professional competency has not been delivered to the public. That is what ‘professional’ means – it is what differentiates it from ‘amateur’ – a guarantee of reliability to the public, (as in proper engineering design) and if that is not delivered - then liability ensues.

When the second step of failure does not happen, the engineer keeps being given tenders for more failed work around the SA coast, and each community keeps picking up the tab, not once, but continuously as the project keeps delivering failed outcomes.

I have prepared an extensive report on such a case study and can make it available to the Commission.

- 2 The changing demographics of councils – see attachment, presented to a public meeting at Normanville 23 May 2019.
This analysis based on recent census data shows that the ratepayer base in this Council cannot afford its Council.
Just over 3,500 ratepayers, with over 5 000 rateable properties, is supplying just over \$5m for a salaries budget for 55 FTE staff.
- 3 Several of us have looked at proposing boundary reform – which is not the same as amalgamation with another Council. Each time we have been ready to initiate this under the guidelines of the Boundary Commission – there has been a federal government review of boundaries, then a state review of boundaries, then an adjacent Council looked at a review of boundaries. We have felt each time that it would be prudent to wait until each of these actions had completed their cycle. Then we see in the Messenger newspaper Wed 19 June p5, an article referring to Marion Council withdrawing from a possible boundary change – when faced with a potential \$250 000 consultancy fee, and being charged for assets that may ‘fall’ within a redistributed boundary. The view that these assets are ‘owned’ by a council as a body and not already by the ratepayers, in whichever local government jurisdiction they pay rates within, is a bizarre and ludicrous notion.
- 4 The culture of consultants within the local government field of service.
I am a highly awarded tertiary educator. I have participated in several ‘training’ consultancies within the last six months. Only one came anywhere near competent. The two others were so out of date in their material and

presentation process it was painful to sit through, whether it was a day or an hour.

- 5 Knowledge and competency of elected members. Local governance and the interface between local and state government is highly complex and always changing. Having strategies for fully listening to the community as a priority (that is not about personality but about professional communication practices), relaying that to the business of the council, is a complex process. My observation is that most elected members in this district submit immediately and entirely to a top-down power structure run by the CEO, in collusion with the mayor. This is not a critique of the people involved, but of the way already established patterns of power and roles are adopted by councilors as the polite way to keep the peace, rather than fulfilling their role of representing the community who have real issues that are often not aligned with the culture of the organisation to keep reproducing its power structures.
I propose that before standing for local government every nominee should undertake a (yet to be developed) six-month TAFE (or equivalent) course to prepare them for the complexity of the role.

- 6 This community cannot afford this council. This council does not hear this – it is continuing to reproduce actions and behaviours from the past – rather than undertake serious review of limiting its projects and salaries.
I am of the view that an integration with other council territory to increase the base population for just over 5 000 to around 20-25 000 is essential.

Appendix

Analysis of demographic presented at a public meeting 23 May 2019

Please see attachment

Ratepayers' Survey Results

District Council of Yankalilla
23 May 2019

2016 Census results for DCY

► population

5,149

median age DCY

54

► age:(2,777) - 57%

people over 50 yrs

median age SA

40

2016 Census results: income

- ▶ 46% on less than \$500 pw
- ▶ 72% on less than \$999 pw, compared to 66% for SA
- ▶ median personal income DCY 2016 \$496 pw
- ▶ median personal income SA 2016 \$662 pw

Total private residential dwellings

- ▶ 3,690 total dwellings
- ▶ occupied 2,115 (57%)
- ▶ unoccupied 1,575 (43%)

DCY Ratepayers' survey results

- ▶ 127 people participated in the survey
- ▶ from 14 townships in the DCY
- ▶ greatest number were from Normanville, Yankalilla and Carrickalinga

The survey respondents

- ▶ aged between 29 and 87 years
- ▶ 63% were over 50 years
- ▶ had lived here between 1 and 87 years
- ▶ 71% lived here 20 years or less

Home ownership and difficulty paying rates

- ▶ 78% owned their homes
- ▶ 22% were paying a mortgage
- ▶ about 50% of people surveyed said they had difficulty paying the rates
- ▶ about 80% of respondents said rates are too high

Contributing factors to difficulty paying rates

- ▶ pension
- ▶ CWMS levy
- ▶ mortgage

Pensioners - non-pensioners

- ▶ 65% were pensioners
- ▶ 35% were not pensioners
- ▶ 54% had difficulty paying rates
- ▶ 52% had difficulty paying rates

Contributing factors

Paying a mortgage

- ▶ of people paying a mortgage 70% had rates stress

Paying CWMS levy

- ▶ 76 people paid the CWMS levy as well as rates.
- ▶ 58% had rates stress

Themes

- ▶ the second part of the survey asked for people's opinions and feelings on the Council's activities in general
- ▶ the responses were analysed to identify 6 main themes

Theme 1: reduce rates

- ▶ *why do we have the highest rates in the state?*
- ▶ *have to go without due to council rates*
- ▶ *rates are double my property in Blackwood with the same value*
- ▶ *reintroduce the rebate for concession card holders*

Theme 2: Council should budget better, reduce staff, and stop wasting money

- ▶ *extravagance on non-essentials*
- ▶ *cut back on staff, salaries incredibly high*
- ▶ *7 men sent to do a 2 man job*
- ▶ *be more accountable for expenditure*
- ▶ *stop spending more than WE can afford*
- ▶ *Jetty Rd sign - \$10,000 - ridiculous*

Theme 3: Listen to, and communicate with ratepayers

- ▶ *it would be nice if we really had some input*
- ▶ *important that consultation is not token*
- ▶ *listen more to ratepayers and be open*
- ▶ *they don't listen to local people, go to consultation but the process is questionable*

Theme 4: spend less on tourism

- ▶ *too much spent on tourism, not enough on roads and maintenance*
- ▶ *they look after the visitors instead of actual ratepayers*
- ▶ *stop wasting money on tourism, start spending money on locals as well*

Theme 5: what Council does well

- ▶ *Bungala park - excellent*
- ▶ *Plant trees, nice playgrounds*
- ▶ *keep reserves in good repair*
- ▶ *foreshore at Normi is well done*
- ▶ *garbage collection, beautification of area*

Theme 6: what could Council do better?

- ▶ *the roads have potholes, not maintained, no improvement in all the 12 years I've been here*
- ▶ *don't know what they even do. Not enough road maintenance*
- ▶ *roads and footpaths. Gravel roads put first*

Overall rating of Council's performance

- ▶ survey participants were asked to rate Council's performance on a scale of 0 -10
- ▶ zero being very dissatisfied, 10 being very satisfied
- ▶ overall rating 5.2

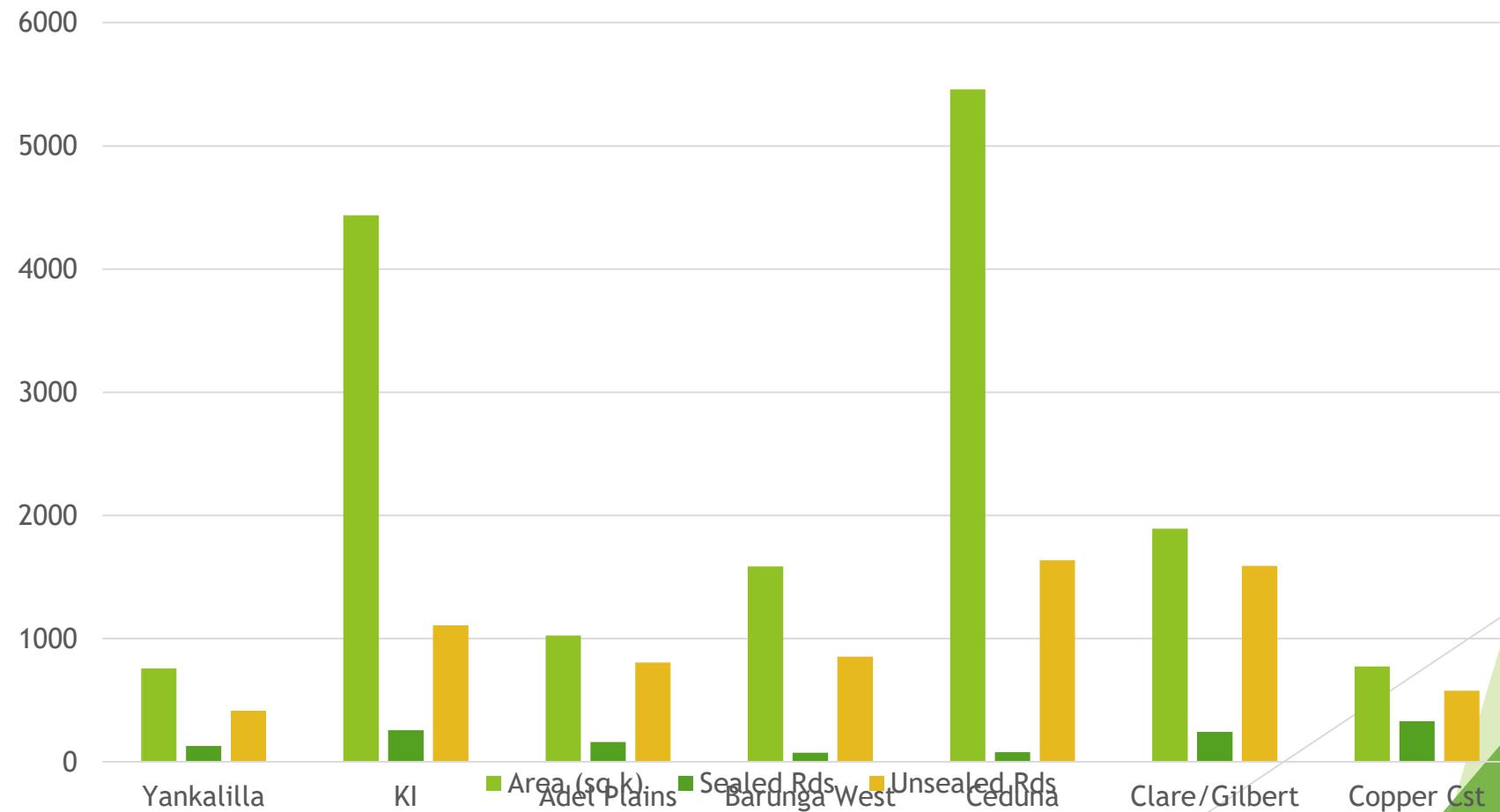
Looking at the operations of the District Council of Yankalilla

Source of data and information:

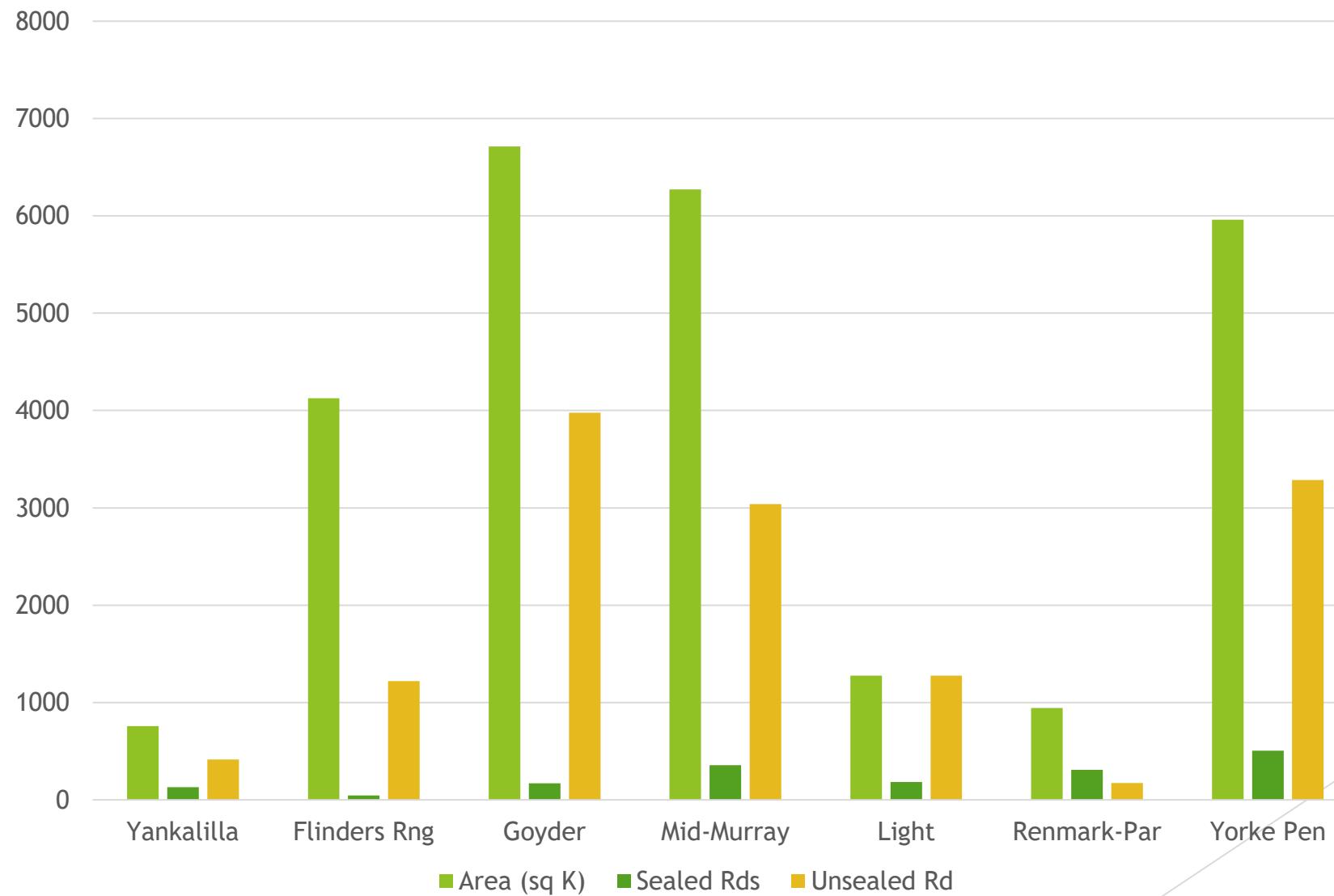
- audited financial statements- DCY and other Councils
- annual reports - DCY and other councils
- SA Local Government Grants Commission database reports 2016-2017
- Local Government Act 1999; Water Industry Act 2012; Local Government Act (General) Regulations 2013
- interview with CEO, Nigel Norris for clarification purposes

Council Statement
“ We manage a large area - including sealed and unsealed roads”

COMPARISONS WITH OTHER RURAL COUNCILS

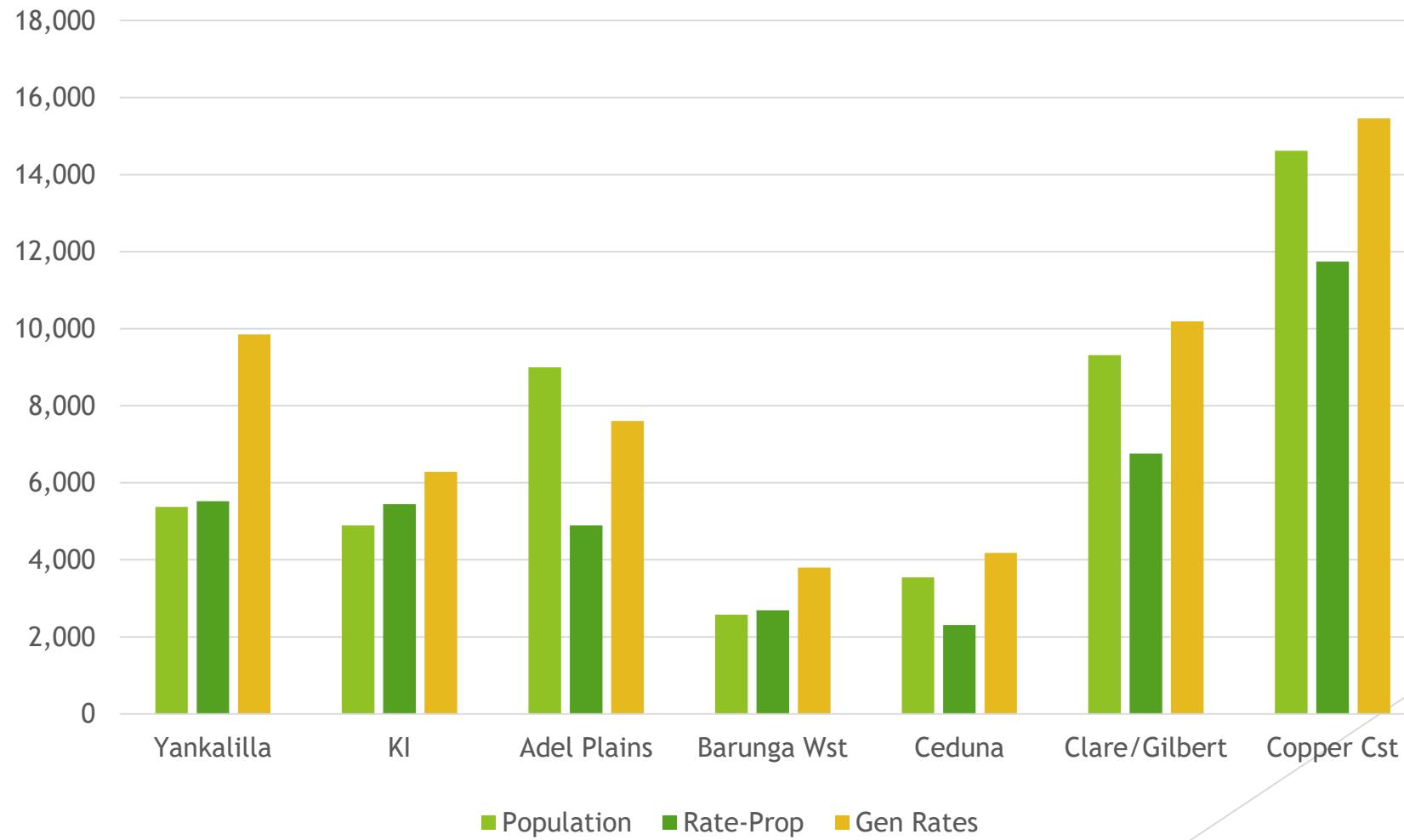


Comparisons (continued)

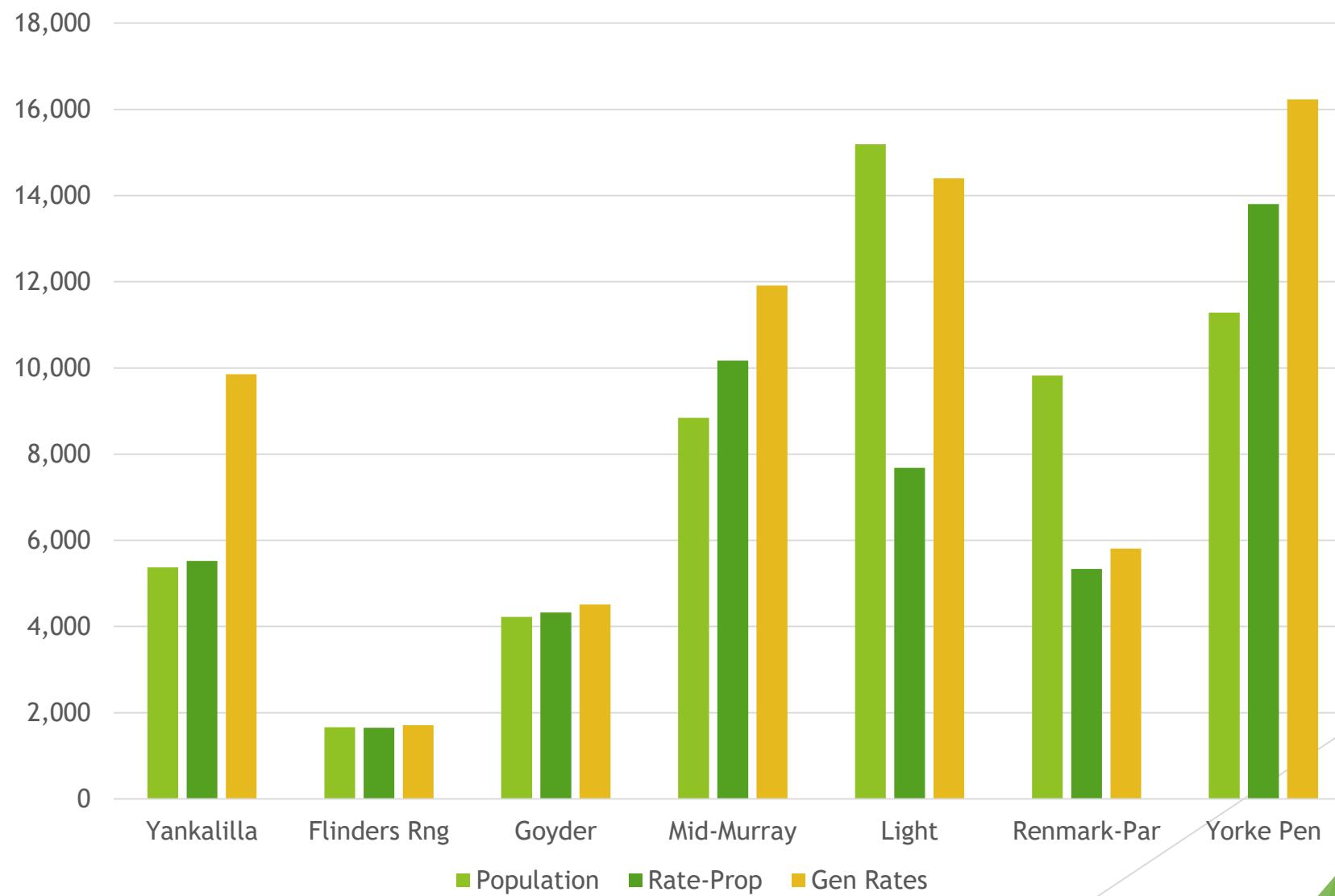


‘Our population base is small’

COMPARISON WITH OTHER RURAL COUNCILS population, no. rateable properties, general rates(\$,000)



Continued



Conclusions of comparisons

- ▶ Yankalilla District Council is the **SMALLEST**.
- ▶ Yankalilla District Council has, except for 1 other council, the **LEAST** unsealed roads to maintain.
- ▶ In relation to rateable properties, Yankalilla District Council has the **HIGHEST** general rates.

COMPARING RATE CHARGES

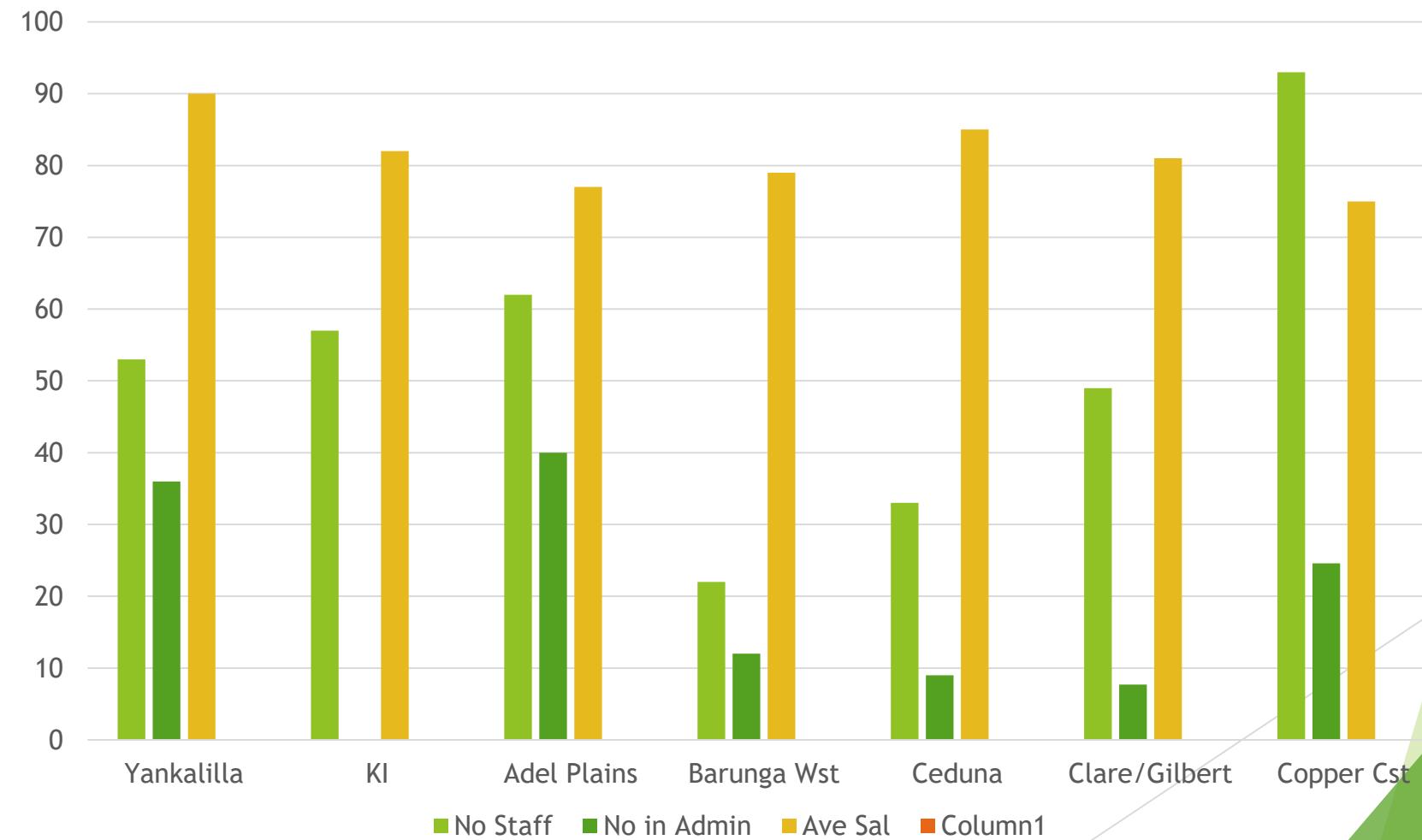
Yankalilla, Victor Harbor, Alexandrina Councils

(Rates per \$1 of Capital Value)

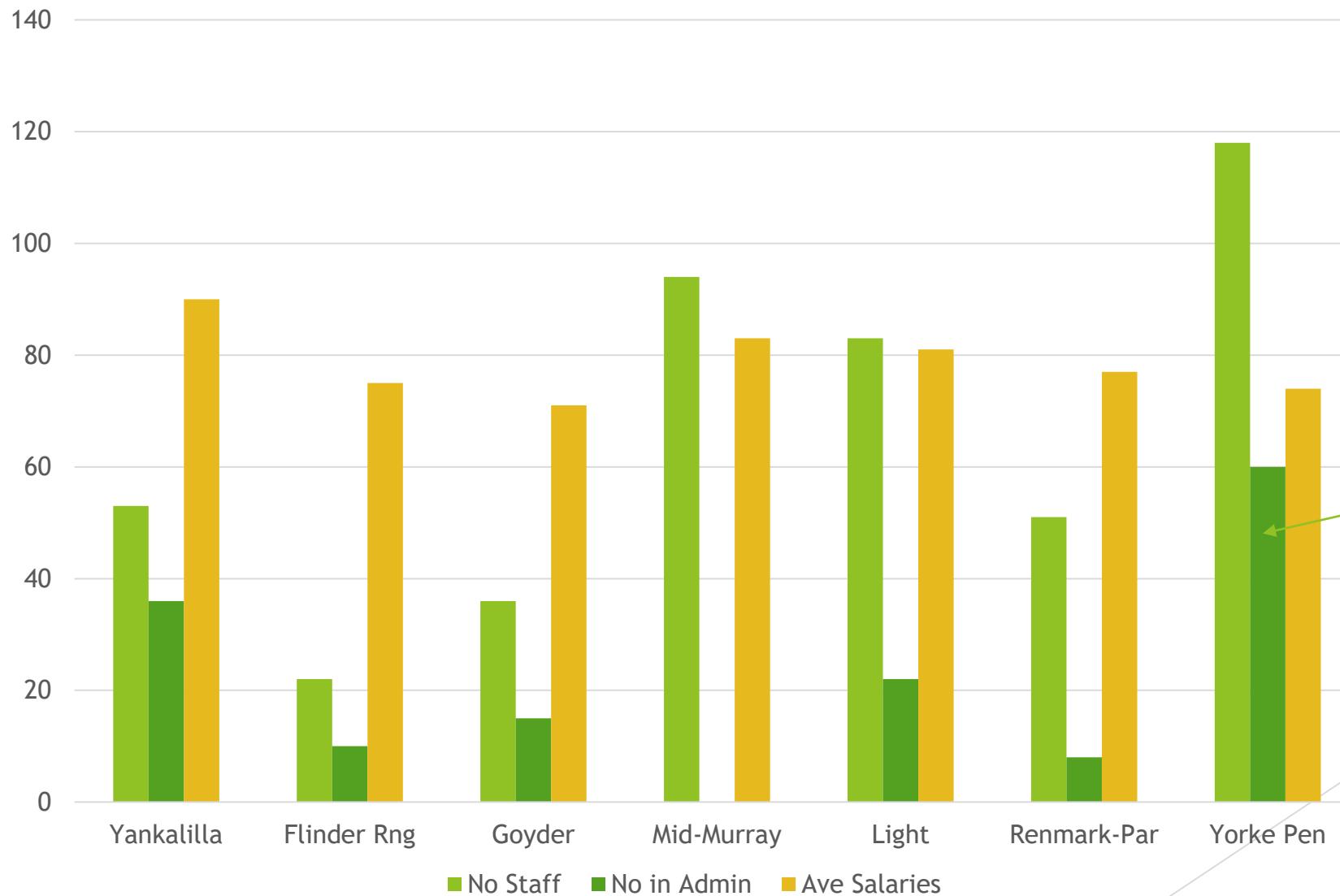
Council Area	Yankalilla	Victor Harbor	Alexandrina
Residential	.52995	.4349	.2421
Vacant Land	.715433	.6524	.2421
Industrial	.52995	.5001	.2784
Commercial	.52995	.5654	.2784
Primary Production	.52995	.3914	.2421

Community concerns ‘Too many staff and too high salaries’

COMPARISON WITH OTHER RURAL COUNCILS
Number of staff; Number in admin; Average salaries (\$000)



Continued



Includes a
number of
compliance/
ranges
positions

Conclusions of comparisons

- ▶ Yankalilla District Council, other than 1 larger Council, the HIGHEST number of staff in administration (Yorke Peninsula excluded as true number of administration staff unknown)
- ▶ Yankalilla District Council pays the HIGHEST average salary - \$89,773 per employee

CWMS & water supply scheme

CWMS rates included as revenue that will not be there in the future

Financial Years	CWMS Rates & Water Supply
2007-08	\$808,305
2008-09	\$920,490
2009-10	\$956,347
2010-11	\$984,618
2011-12	\$1,031,092
2012-13	\$1,088,383
2013-14	\$1,135,000
2014-15	\$1,201,200
2015-16	\$1,262,600
2016-17	\$1,378,000
2017-18	\$1,541,000

Shortfall advised due to loss of CWMS and
water supply revenue

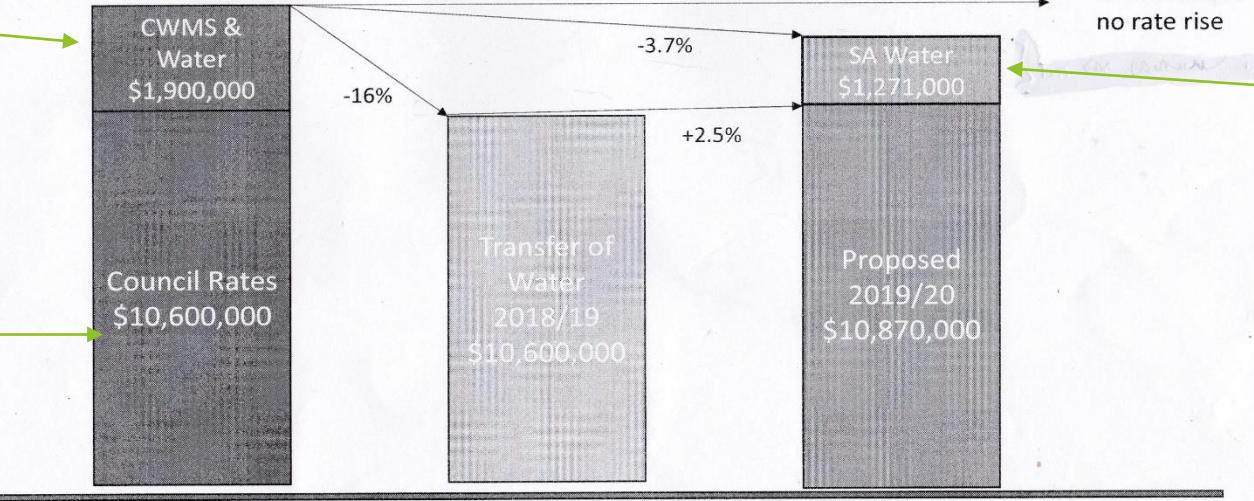
2019-2020 \$ 825,000

Council brochure



What revenue increase/decrease are we getting from our Community

CWMS Rates



**SA Water
\$1,271,000 is
NOT a
Council
income**

Options for Council to ensure ‘Business as usual’

‘

- ▶ increase debt - Council has done an exceptional job reducing debt over the past 8 years to a manageable position - this could all be undone
- ▶ increase general rates by 2.5% - causing more financial stress on ratepayers
- ▶ pursue grant funding more aggressively - Council does not have a good record in this area compared to other Councils
- ▶ prioritise spending programs on a NEEDS basis rather than a WANT basis

What does all this mean?

Has the Council FAILED to prepare for the loss of CWMS Revenue?

Has the Council been operating beyond its means?

What are reasonable options for Council now that the CWMS rates revenue is finished, without causing further financial stress on ratepayers?