

# Rate Capping

Make Local Government responsible.

## Support Rate Capping but make Councils responsible.

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If the State Government sets the rate cap across all Councils, then Councils can blame the State Government for poor services due to a perceived lack of money. Councils may also over borrow, leaving future

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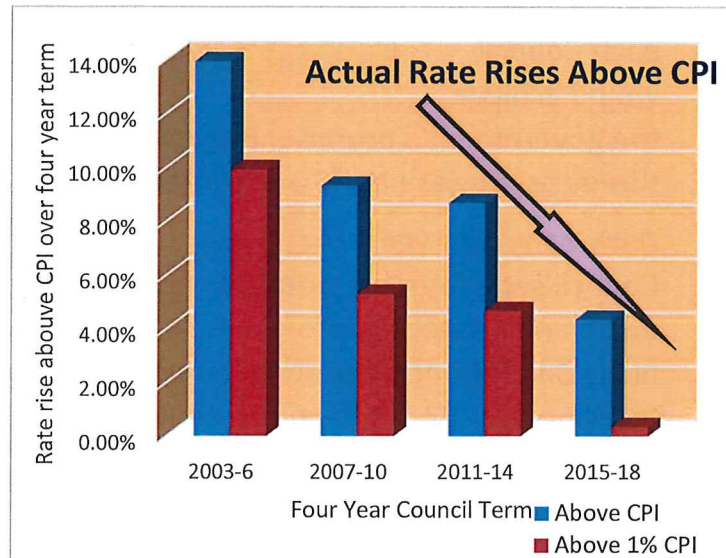
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### **Recommendation:**

**That the regulations in the Local Government<sup>ii</sup> Act be altered to include rate capping as one of the financial ratios Councils are required to include in their financial plans and budgets.**

To ensure Councils are responsible and accountable to their electorate, they may be required to set their own rate cap for three years ahead to support their long term financial plan.

- i. Councils would then face each election with a publicly known rate cap for the first two years of the new Council's budget.
- ii. Because Councils set their own rates they are not able to blame the State Government for poor services or financial mismanagement.



# Rate Capping

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Unley Council

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Rate capping by each Council

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the government's promise. However this decision was nearly overturned. <sup>iii</sup>

During the four years that Unley Council set a rate cap, debt was paid down and services improved. Real financial efficiencies were found now totalling over \$3.5 million per annum.

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## ii Target Financial Indicators

Under the requirements of Regulation 5(c) of the Local Government (Financial Management) Regulations 2011, there is a requirement for Council's LTFP (Long Term Financial Plan) as well as the Annual Financial Statements and Budget to include:

- 1 An Operating Surplus ratio State Target >5%
- 2 A Net Financial Liabilities ratio, Target <80%
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## iii From June 2016 Council Minutes

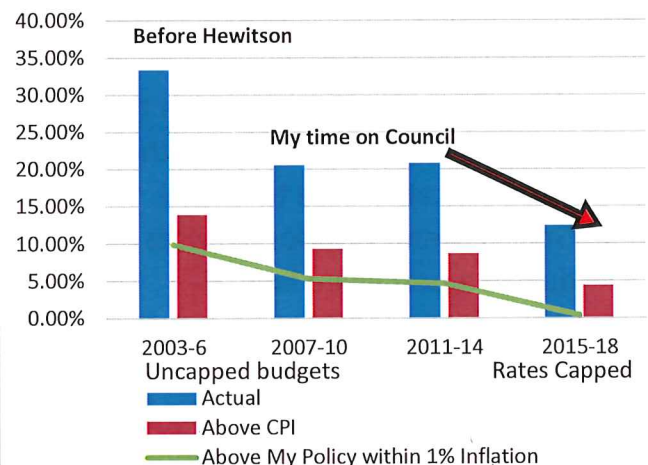
Without a regulation Rate Capping in Unley could cease. Only two more councillors supporting the motion would have ended rate capping in Unley.

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Cr Schnell seconds Cr Boisvert amendment to raise the rate by 0.5% from a 2.2% increase to 2.7% for the 2016-7 rates and the vote is lost.

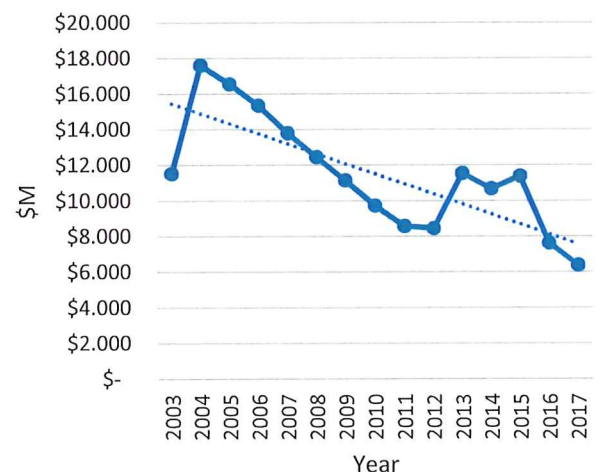
4/7 "Those voting in the negative: Councillors Smolucha, Hewitson, Palmer, Hughes, Lapidge, Sangster and Rabbitt The AMENDMENT was declared LOST "

Total % Rate rise per Council term



Unley 2019 budget =5.1%  
Unley = 48%

Total Borrowings (financial year ending)





## Proposition

“All Politics is Local”

The SA Government and Local Government, “We can do better” by empowering local governments to be accountable.

Councils are under the control of the State Government. Councils could be empowered to achieve State objectives and at the same time be empowered to meet local needs. To achieve local outcomes, there would be statewide rules with a variety of optional rules for Councils to consider.

This would improve the accountability of Councils to their community and reduce the cost of achieving State objectives.

Unley Council is being held responsible for State matters for which it has no powers to act. This is unhelpful to State Government when Councils highlight problems beyond their control.

The recommendations to strengthen the optional powers of Unley Council to enable it to meet its local government responsibilities and accountabilities and to ensure meaningful local decisions are made to address local issues. The win for State Government is the achievement of State goals with local communities and their Councils owning locally difficult decisions.

Some opportunities for State Government wins.

### Summary

#### 1. Rate Capping

- SA Govt requires Councils to set a rate cap three years ahead

#### 2. Planning Rules

- Allow developers to work with Councils to develop local DAPs
  - i. Thank you for Minister’s approval of the Statement of Intent for the Norman Tce EP DPA (Privately Funded) submitted in June 2019. A win/win.

#### 3. Tree Canopy cover

- Allow Unley Council to trial a planning rule to enable the State tree canopy target for Unley to be met.

- (15% deep soil and tree canopy when fully grown.)

#### 4. Heritage

- Allow Councils to take responsibility for applications in existing Heritage Zones.

#### 5. Population

- State sets targets – Councils make it work.

#### 6. Environmental rules

- State sets targets empower councils to enact and enforce compliance. E.g. recycling storm water.

#### 7. Commercial and car parking

- Empower Councils
  - To apply penalties for not removing fences between neighbouring car and public parking with time limits set by property owners.
  - To encourage the tenanting of empty shops in shopping strips

#### 8. Governance

- Code of conduct
  - i. \$500 resolving conflict - To empower Councils to minimise conduct complaints with all costs being borne by ratepayers.
  - ii. \$270 complaints - Give Councils the power to resolve this by requiring the complainant to pay a small fee.<sup>i</sup>

#### 9. Waste Management

- Recycling Green - Empower Councils to make their own waste management rules... e.g. which bins are weekly and for what.
- Landfill can be reduced if Councils have the power to determine how rubbish is handled within their Council area. Metro Councils may wish to be able to follow Yankalilla Council's procedures or, like Yankalilla, be able to tailor solutions for their Council area.

## 1. Rate Capping

State government objective was to require Councils to cap rates to control the taxation of citizens to fund local government initiatives.

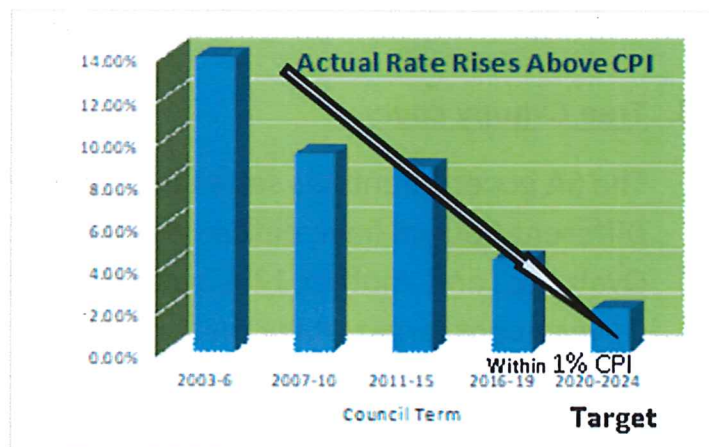
The failed proposition: The State would set rate caps.

A solution that is a win for the SA Govt and Councils would be a rate cap by the State Govt but Councils are responsible to set their own rate cap for three years ahead.

**Solution: That the regulations in the Local Government<sup>ii</sup> Act be altered to include rate capping as one of the financial ratios Councils are required to include in their financial plans and budgets.**

To ensure Councils are responsible and accountable to their electorate, they may be required to set their own rate cap for three years ahead to support their long-term financial plan.

- i. Councils would then face each election with a publicly known rate cap for the first two years of the new Council's budget.
- ii. Because Councils set their own rates, they are not able to blame the State Government for poor services or financial mismanagement.
- iii. It worked in Unley.



## 2. Planning Rules

The State sets the overall general rules and the specific planning targets for each Council. The SA Government then in its statewide rules should allow Council in those rules to have a range of options that Councils may vote to adopt. Some options that some Councils might take up if councils have the power to do so include:

- **Recommendation: Retain existing powers to allow developers to work with Councils to develop local DAPs**



Local Government is empowered to prepare local development plans for consideration of the Minister. By a unanimous vote, elected members supported the Development Plan Amendment (DPA) for the re-zoning of the Parkrose Village site at 28-36 Norman Terrace with unique local rules requiring a minimum of 15% deep soil and tree canopy cover.



The DPA demonstrates a good quality high-density development for our city providing aged care, community resources and a local library in a cool sunlit Unley.

The power to undertake this is work about to be removed, but needs to be retained.

### 3. Tree Canopy cover

The SA government has set a target of 31% in the case of Unley Council. Different Council have different resources. Unley has only 4% Parks Ovals etc...and another 12% in roads and buildings. To achieve the SA Government target Unley must require new developments to have trees. Other Councils may not.

**Recommendation:** Councils be allowed but not required in the new planning rules

1. To require new developments to show plans, which will achieve 15%, tree canopy when fully grown
2. To require new development plans to have 15% minimum deep soil zone
3. To charge 15% higher rates until the owner of the property is able to claim 15% actual tree canopy cover.<sup>iii</sup>
4. To place the funds gathered into a tree fund to achieve the State Government's overall target for the Council. (In Unley, we

could use it to both plant trees and buy small pieces of land to plant trees in.)

#### 4. Heritage

Councils **be allowed but not required** in the new planning rules

- a. Take responsibility for applications in existing Heritage Zones
  - i. Currently Local Heritage Places and Areas/Zones are pursued via the substantial, long and complex Development Plan Amendment process entirely at the discretion of the Minister for Planning (with State Planning Commission and DPTI advice).
  - ii. Greater local self-determination and associated community accountability is warranted. This can be achieved while respecting the balance with broader local and state strategic needs for the economy, housing and population growth and diversity.
  - iii. The City of Unley especially is in a positive position. The city currently exceeds the 30-Year Plan for Greater Adelaide targets for housing/population density/diversity, smart travel and walkable neighbourhoods. Further, it has demonstrated it is progressive with a sensitive growth plan focussing on suitable strategic precincts, corridors and centres, while maintaining the majority of its desirable historic and character neighbourhoods, which will deliver significant further development opportunity for the future.
- b. Local Heritage Places should have their own specific listing mechanism that facilitates a prompt and responsive listing process, e.g. like State Heritage Places. The local Council can be responsible for administering this within their community, balancing both the benefits and implications in the context of owners, community and future development strategy obligations.
- c. Local Heritage Areas should similarly involve much greater autonomy for local Council to identify and determine for its area.

Council best understands and is most accountable to its local community and is responsible, as already demonstrated, to appreciate the overall development context and tailor the best way to deliver the strategic outcomes.

**5. Population**

- a. Target to be set by State Government with Councils required to demonstrate under their planning that these can be achieved.

**6. Environmental rules**

- a. To enable councils to set prospective rates to achieve local environmental objectives.

**7. Commercial and car parking**

- a. Power to be able if decided upon by the council, to apply penalties for not removing fences between neighbouring car parks
- b. Power to apply higher rate rules for long term empty shops
- c. Retail shop car parks for public parking

Existing and small commercial sites development opportunities are often compromised by their limited size and small, hidden and inefficient car parking provision. Larger or amalgamated sites, or sharing of access and parking facilities, can afford better overall development potential, function and efficiency, e.g. building scale and effective carparking provision.

The reinforcement of beneficial site amalgamation and/or carpark sharing is a balance of policy enforcement and incentives - a commercial development has limitations, principally dictated by car parking provision relative to floor area/number of units;

Rigorous enforcement of required parking provision may restrict individual development but avoids inequity and compounding precinct parking shortages;



Whilst may restrict individual development, the larger development benefits of sharing parking areas and/or larger amalgamated sites can conversely be incentivised;

The improved function and flexibility optimises potential building scale and the carparks larger size and efficiency (eg accessibility, useability and turnover) can reasonably afford discounts on normal standards.

Empty shops degrade a street and an empty shop beyond 12 months needs to be encouraged to have a “pop up “ low cost temporary lease to bring life into the street or to lower the rent sought.

Individual site owners collectively, or through larger amalgamated developments, can benefit by creation of more potential and a greater overall (and individual) outcome.

## **9. Governance**

Councils be provided with additional powers at their discretion to enable accountability and to encourage good governance. In some Councils too much money is spent on legal disputes with elected members, residents and Council billing ratepayers. For example Councils should be given the power to be able to set their own rules in the following examples.

- **Code of conduct**

- **\$500 resolving conflict** To minimise conduct complaints with all costs being borne by ratepayers, Councils would be helped by being able to legislate charges should they chose to do so. At this time this is not legally allowed<sup>iv</sup>.

“The complainant could be liable for a monetary contribution of an agreed amount, for example \$500, should the complaint be found baseless, or in the alternate if supported, the person complained about be liable for the agreed amount as a contribution to costs of ratepayers.”

- **\$270 complaints** are expensive and drive rates up

- To minimise conduct complaints with all costs being borne by ratepayers. Council lack the power to resolve this by requiring the complainant to pay a small fee.<sup>v</sup>

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baseless, or in the alternate if supported, the person complained about be liable for the agreed amount as a contribution to costs of ratepayers.”?

## 10. Waste Management

- **Recycling Green** To allow Councils to control their own waste management practices. Councils cannot decide to have the landfill bin fortnightly and the Green recycled bin weekly.

### Organics

Recycling Green - Empower Councils to make their own waste management rules e.g. which bins are weekly and for what. Landfill can be reduced if Councils have the power to determine how rubbish is handled within their Council area. Metro Councils may wish to be able to follow Yankalilla Council's procedures or like Yankalilla be able to tailor solutions for their Council area.

Increase of organics collection to weekly could encourage more diversion of food waste away from landfill for those residents currently concerned about odour. Also, would be welcomed by residents who struggle with large gardens / seasonal leaf fall.

- **Recycling**
  - Education to reduce contamination rates and resident confusion is a big challenge. The new “Which Bin” state campaign is excellent.
  - Increasing the market for recycled products - Any targets/incentives/actions to support sustainable procurement in the recycled content of material bought. Over time, this should support local recycled material markets and increase the value of the recycling resources collected by Councils.
- **Landfill**
  - Relaxing the requirement for weekly waste collection service would increase flexibility for Local Government.
  - 2008/9 - The trial of only 1,500 residents in Campbelltown and NPSP via a State Government grant going to fortnightly landfill collection triggered reaction. The State Government

of the time, rather than insisting that this was a local problem for the Campbelltown Council to fix, introduced the 2010 regulation amendment that metropolitan Councils must provide a weekly general waste collection service. Regional Councils were excluded because Mallala already had fortnightly collection in place.

- Fortnightly landfill collection would improve diversion rates – the challenge is the public resistance to change, particularly anything with perception of service reduction. Any problems with the details should be clearly a Local Government problem to solve or to decide to have NO change.

## **Appendix and end note references**

### **Support Rate Capping but make Councils responsible.** Written 17/08/2018

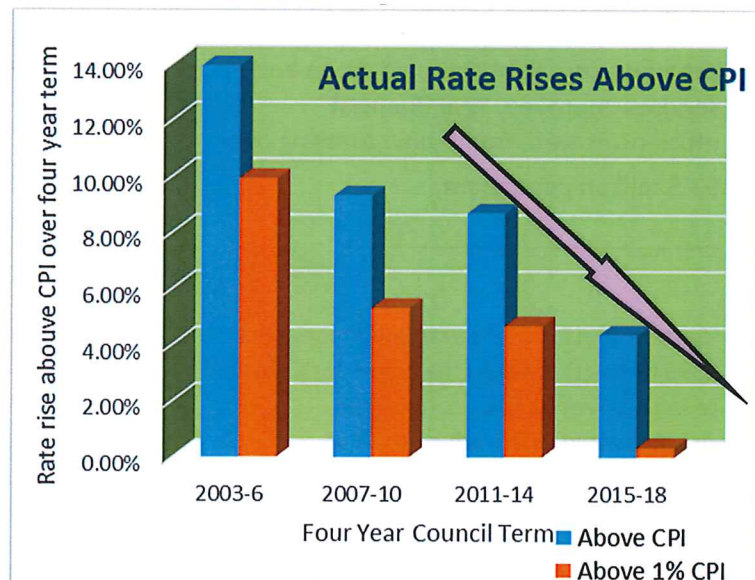
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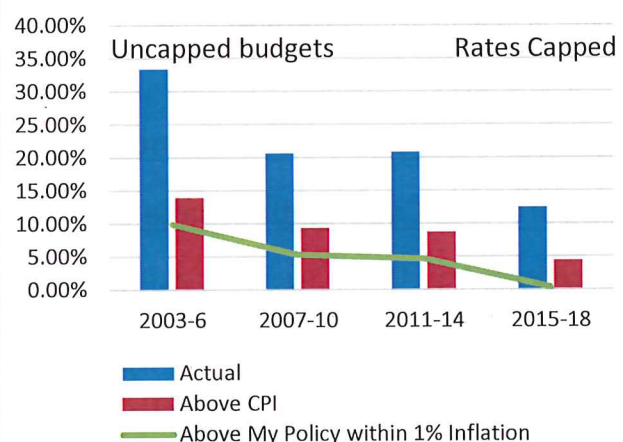
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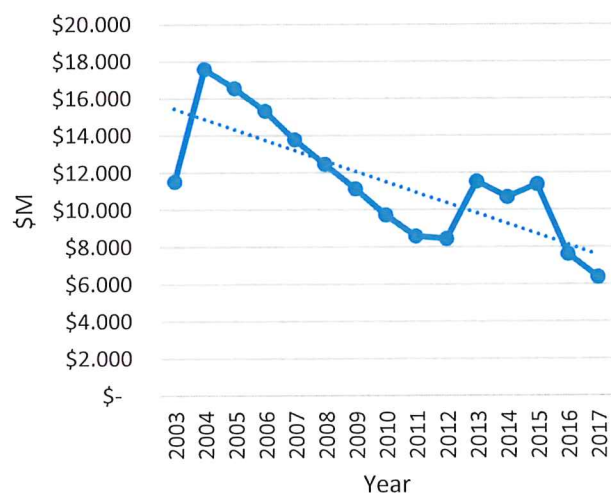
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**Total % Rate rise per Council term**



**Total Borrowings (financial year ending)**



Whilst it could be argued, that in lodging a complaint alleging a breach of the Code of Conduct the person is requesting 'investigatory services' this is unlikely to withstand a challenge that lodging a Code of Conduct complaint equates to a request for service. It follows that any fee imposed on this basis would equally not withstand a challenge as to its validity.

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## iii 15% mandated tree canopy and deep soil zone matters, and it is possible!

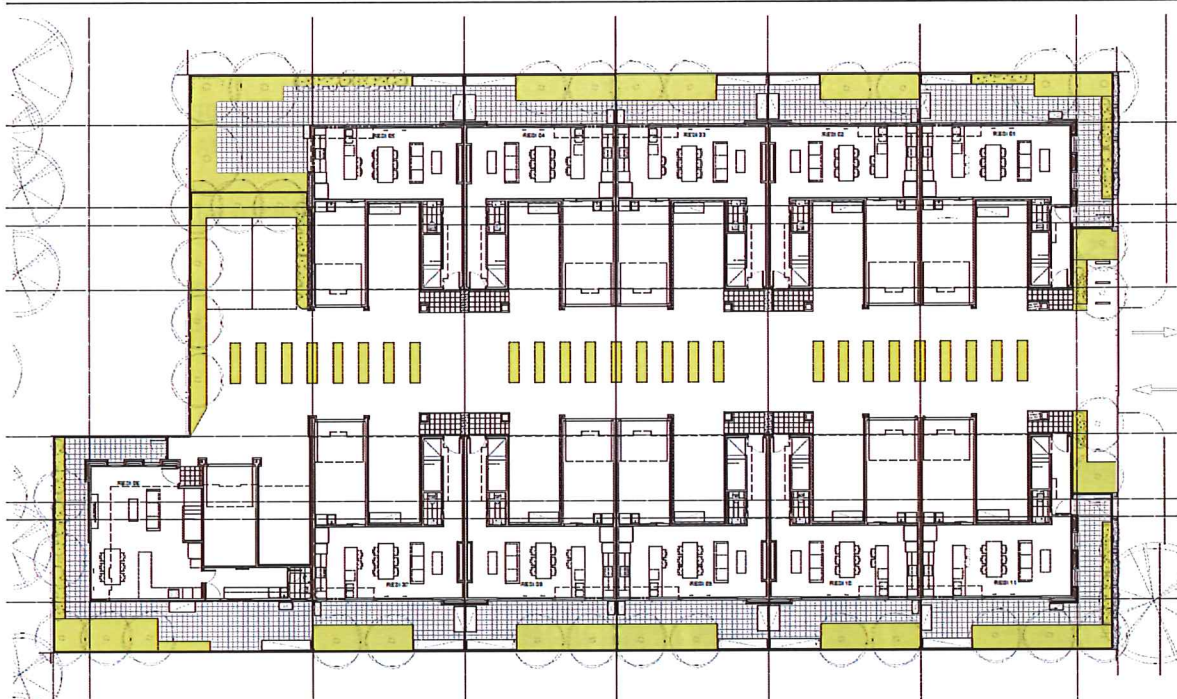


The original plan for with No trees and 12 shrubs at 392-394 Unley Road. I declined to speak and open the launch of this development on 5/6/2019.

The original plan shows the tree edges of trees that were cut down.

The new plan with 36 trees and well over 15% tree cover (30%) when fully grown and increased deep root zone was drawn up and a written commitment was received to implement this plan. I agreed to speak at the launch. See the new plan below.





I am concerned that should State Government mandate these rules for new developments in Unley, namely 15% tree canopy cover when fully grown and 15% deep root zone to enable the growth; we need a cost neutral compliance mechanism. Proposal: all new developments have a 15% higher rate until the owner demonstrates that there is 15% actual continuing tree canopy cover on the property.

iv i. **Why the Answer is NO for code of conduct cost sharing.** Section 188(1) of the Local Government Act 1999 (the Act) provides the power for Council to impose fees or charges in certain circumstances. There are no fixed or prescribed fees that are relevant to the proposal above. Consideration has been given to the applicability of the power to charge for services supplied to a person at their request, or for carrying out work at a person's request.

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