



HOUSE OF ASSEMBLY

WEDNESDAY 15TH FEBRUARY 2017

LOCAL GOVERNMENT (BOUNDARY ADJUSTMENT) AMENDMENT BILL

Second Reading

Adjourned debate on second reading.

(Continued from 16 November 2016.)

Mr PEDERICK (Hammond) (16:50): I rise to speak to the Local Government (Boundary Adjustment) Amendment Bill 2016. This bill was introduced by the minister, the member for Frome, in November last year. It follows on from draft legislation and a discussion paper released in August last year on the proposal to amend the provision for boundary adjustments and amalgamations within the Local Government Act 1999.

While this has been outlined so well by the shadow minister and the member for Schubert, I think there is always room for reform. As a local member, and as probably all members in this place do, I found myself looking at a lot of local government issues coming into my office. I have always questioned why, but sometimes people just cannot get the answers they want. I know that when I instigate meetings, whether it is with mayors and CEOs together or on separate occasions on their own, you sometimes see a look of angst on their face. However, I believe that no matter what level of government action people want to take, if I am approached as the local member I will take action one way or another to see if I can resolve the issue.

As has been discussed, rates is an issue that regularly comes into my office, and I am sure it comes into every MP's office. This is where boundary reform comes into play. I know how difficult this would be in areas I have represented in the past, including the Mallee—as long as I get through the processes I will hopefully represent the Mallee again after next election—and there is around the Murraylands, the Coorong and East Murray.

The issue is that different councils, some because of a low ratepayer base, charge higher rates. Landholders either in my electorate or, at the moment, just neighbouring my electorate, get up in arms because they have land, say farmland, in one council and they pay half the rates that they pay in the adjoining council. So it will not be as simple as it seems as far as the amalgamations are concerned. There will be a lot of technical issues to take into account.

I was shown the attitude once when some constituents wanted to move from one council to another. They were saying, 'Well, our roads aren't getting looked after,' and that kind of thing. They were not getting the services out that end of the relevant council, but I knew for a fact that part of the debate was not just about that but also that if all their property had been in the adjoining council they would be paying something like half the rates.

That is significant, and it is certainly significant for farmers who have had to get bigger over time as a matter of survival. There is an old saying in agriculture that you either get big or get out; you might have had someone operating 1,000 acres in the past, a fair while ago now, and being quite successful in the sort of country around the Murraylands and the Mallee, who now needs 4,000 or 5,000 acres—and a lot are operating more than that. Some of this can be leasehold arrangements or owned in their own right. The rates these people pay can be quite significant, and just because things are at a higher level does not mean people are better off when you amortise it over the amount of land they own. It does come in at regular intervals, whether you pay it quarterly or in one fell swoop.

There have been probably more informal discussions in my area. I would not be compelled to instil compulsory boundary realignment on anyone, but people could have a voluntary proposal. I can think of examples in my electorate and in some very close adjoining country with similar demographics and similar operations. There would be a massive impact on the rate change that would have to be instigated right across the board, if you amalgamated three or four council areas in or near my electorate. That is because of the simple fact that some of these councils have such a low ratepayer base, some have a bigger ratepayer base and obviously some have some bigger towns where they can spread the load.

Obviously, in a lot of instances the cheapest rates are in some of the better suburbs of Adelaide just due to the population. That is what provides a better outcome as far as the original ratepayer. However, when you are out in those far-flung areas where there is a lack of population and you are in a small local government area, you have to pay. This is a significant issue that has been put in front of me many times. There was a concerted effort a few years ago by some local residents to move part of their council boundary into the next council so that, essentially, as I indicated earlier, they could halve the rates that they pay.

There are a lot of proposals out there and, as the member for Schubert identified, the New South Wales state government has put a rate management process in place and we are certainly looking at it on this side of the house. It is a serious cost-of-living exercise. However, I also say that councils have been forced to do a lot of things by state governments that they should not need to do. One thing I have raised in this place before is corella management. It breaks my heart—

Mr Pisoni interjecting:

Mr PEDERICK: Well, it is part of their job that they are doing, and this is put down on councils when it should be a natural resources management issue. However, when you go to the natural resources people they say, 'No, we have nothing to do with corellas'—even though they are birds and they fly through the environment and wreak a lot of havoc on our gum trees and other trees—'that's a council issue.' This is why I wonder why we have natural resources management, apart from the fact that there is a levy-raising base for the state government to pay their employees.

There are a whole range of issues like corella management. I must admit that the Coorong council has taken a more courageous stance than some councils in their relocation program for corellas, and I commend them for it. I know the Alexandrina Council, after many different attempts to save their trees, especially in the Strathalbyn area—which is just outside my electorate in the electorate of Heysen, but I used to represent Strathalbyn in my first term in parliament—has taken to lethal means to manage corellas, not so much as a culling exercise but as an exercise to scare them off. That is just one example, but there are so many other things.

In regard to natural resources management, they have to collect the levy through the rates notices, which impacts on what councils can deliver. It gets frustrating when you meet with councils as they sometimes seem to be on two different platforms: you have the elected members, and then you have the bureaucracy of council. On many occasions, they appear to me to be operating on two different playing fields.

In regard to the legislation, the boundary adjustment facilitation panel was abolished in 2014 as part of the current state government's extensive review of boards and committees, and those functions were transferred to the Minister for Local Government. At the time, the minister directed the Office of Local Government to work with the Local Government Association to undertake a full review of the legislation around the boundary adjustment process, and certainly around the initiation, assessment and decision-making processes involved.

South Australia is the only state that does not allow a minister to initiate boundary adjustment proposals, relying on ratepayers and councils to put forward suggestions. Over the past two decades, only minimal changes have occurred. I must say that when the changes were put to me about the two neighbouring councils I mentioned earlier, they were knocked back and I can understand why because it would have made a smaller council smaller again with less ratepayers, and then they would have had to inflict more pain on the ratepayers left in that community. You have to remember it goes back to the period of the mid to late 1990s when there was a statewide reduction from 118 to 68 councils.

A public-initiated submission requires a minimum of 20 eligible electors, and this needs to be submitted to a council, which can support or oppose. That submission, whether it is initiated by a council or the public, is then lodged with the minister. The boundary adjustment reforms in this bill are in line with interstate jurisdictions and have been endorsed by the LGA Board. The key elements of the bill are:

the introduction of a simplified pathway for administrative or minor proposals, being those that correct historical anomalies in boundaries;

a simpler and broader initiation process allowing proposals to be initiated by electors, two or more councils or a single council, the Minister for Local Government or by resolution of either house of the parliament;

the Local Government Grants Commission to undertake the initial assessment of proposals and to make recommendations to the minister; and

independent analysis of general proposals which involve significant boundary changes, amalgamations or significant structural reform. This is achieved in the bill by one or more investigators with the relevant expertise for each proposal.

There is the ability to recover reasonable costs of the review of proposals other than those initiated by the minister or the parliament. The bill also inserts principles that request the Local Government Association to support regional collaboration to create efficiencies and therefore offer a viable alternative to structural change. The legislation is targeted to commence on 1 January 2019, which obviously follows on from the local government elections in November 2018.

There were several options, I believe, considered by the government, but the involvement of the grants commission is the preferred LGA option as it already collects local government data. The bill also provides for the commission to appoint one or more investigators to inquire into a proposal and consider the financial implications and impact on resources that proposal is likely to have on any council to which the proposal relates. There obviously has to be the appropriate community engagement and a level of

community support for boundary reform in the area, so there certainly needs to be a lot of discussion in regard to any council realignment or any council amalgamations.

I note that quite a few councils across the state have amalgamated some of the service delivery, and you can see this in the area of waste. Some of them have worked out how to manage plant, whether they do a hire-back proposal from one council to the other, with one owning big plant, such as a big bulldozer, for instance, a D8 or something like that. Those are things that can save significant money for councils as long as they are well managed and well accounted for.

This is a big process even with a minor change in some council areas, as you can inflict more pain if a small council decreases in size because of a boundary change, and that has to be taken into account. As I indicated earlier, if you have a situation where you are putting together councils that have a vast difference in their rate base and how the rates are charged, there will be some major issues to sort through. That needs full public approval before any boundary reforms take place. With those few words, I support the bill.