



HOUSE OF ASSEMBLY
THURSDAY 10TH AUGUST 2017
RATE CAPPING

Mr PEDERICK (Hammond) (12:07): I rise to support the motion by the member for Goyder:

That this house—

- (a) notes the level of local government rate income increases over the past five years;
- (b) notes the concerns expressed by the local government sector of transfer of responsibility from the state government to local government and the associated cost impact; and
- (c) requests the member for Frome, as Minister for Local Government, confirm what legislative, regulatory or practical action he has pursued, investigated or implemented to keep local government rate increases to a minimum.

Rate increases are a cause for concern right across communities throughout everyone's electorate. I note that over the last 10 years in the Coorong District Council the rate money that I pay for my farming property has doubled. Along with other ratepayers, I ask, 'What do I get for those rates?' In my local government area in the Coorong, we pay for our rubbish pick-up. I am fortunate to be on the Parkin Hall Road, which abuts the back of my property. The rubbish run goes down there: we have the recycling pick-up, the garbage pick-up and, if we were going to deliver green waste, we could have that pick-up.

That is all good, but that is not covered in the rates. I acknowledge that that is paid for by a separate fee. Out of the traditional things that councils deal with—roads, rates and rubbish—rubbish is out, but rates are definitely in because they keep increasing. The issue that concerns many ratepayers, not just in the local council area where I reside but across the community, is the maintenance, rebuilding and sealing of local government roads. I note that there has been an increase, not just in Coorong but across the area.

I have had contact with several constituents in Alexandrina as to the state of some roads, and they are appalling. I had to contact the mayor with regard to Parkin Hall Road at the back of my property. I said, 'Look, in the 54 years that I have lived there, this is the worst state this road has been in.' I struggle to think that a phone call like that has to be made to the local mayor to make sure that your road is kept to a decent standard. I drive Prados, and when a Toyota Prado bounces continuously left or right on a local government road you have a problem.

On some roads in the area, people will not drive their standard two-wheel drive cars for fear of destroying them. That is what it has come to. I receive all sorts of excuses. I have certainly taken it up with my local council and other councils. I acknowledge that in my local council there is over 1,500 kilometres of a rubble road network. We have some pretty handy rubble in a lot of the area. It gets a bit depleted when you get to the south of the council area, further into MacKillop down around the Tintinara area and Salt Creek, but at my end we have plenty of rock and plenty of good rubble.

However, I am concerned when the blame is put on state government funding or the lack of these grants or the lack of those grants. I want to put on the record part of a response from Vincent Cammell, the chief executive officer at Coorong. I talked about the issues of some local roads that had been brought to me by local constituents, and one of the last lines in his letter stated:

In particular we bring to your attention that the Coorong District Council has not received any funding from the State Government through its Special Local Roads Program for the 2017/18 financial year.

Your assistance in rectifying this issue would be appreciated.

Certainly, on good advice and my understanding, this is actually federal money that has come back into play most recently from the federal government. It is distributed by a committee with Local Government Association representatives and it is based on applications from across all regions and is prioritised on need. It is obviously part of the Financial Assistance Grant (FAG) money and, as I indicated, this is federal commonwealth government money.

The issue I face—and not just in my council but across councils—is that ratepayers simply want their roads managed. From what I understand, this is a mandated operation of local government: to fix their roads, repair their roads and keep them up to speed. However, there is always this pushback, 'We're doing this, we're doing that.' As the member for Goyder said, the Local Government Association is talking about cutting services if they have to work under rate-capping arrangements. As the member for Goyder said, all those services are there: libraries, looking after park lands and a range of other services that councils do.

However, when you live in a broad agricultural electorate, those ratepayers, especially the bigger ones—and there would be some ratepayers paying upwards of \$20,000 and some would be paying \$30,000 in rates—just want their road. That is all they want. They want to have access so they can get to those better bitumen roads, some of which are local government roads but also state roads. I think a lot more attention needs to be taken there.

I note that the Local Government Association is about to run a significant campaign against our rate-capping initiative. It is a policy that we on this side of the house have developed to address cost of living pressures for South Australians. We understand that the Local Government Association is going to spend at least \$800,000 of ratepayers' money to take up this fight, which I find interesting. If ratepayers think that is a good way to spend their money, perhaps they need to talk to their local government people.

We also understand that the transfer of responsibility from state to local government, as has been a habit of the Labor government, must not continue. We do need this rate capping to pull down the cost of living to people across the state. We believe that council elected members and staff have a duty to their ratepayers to ensure local government expenditure is responsible and in line with what the community supports.

Under our proposed scheme a body such as an independent regulator, ESCOSA, will set the rate rise that individual councils are allowed to apply, based on the costs of services that council provides. The rate cap determined by ESCOSA will be determined on a region by region basis, not just the one figure across all of South Australia, as the Liberal Party has recognised different cost pressures apply depending on the region location. I note that there are councils in my electorate, or coming back into my electorate, that have a different ratepayer base; they have to raise their funds on a smaller population. So, there is a quite a difference sometimes in the amount of rates coming into the region.

A fundamental component of our rate capping scheme provides flexibility in allowing for individual councils to apply to ESCOSA for a rate increase above the determined percentage when able to demonstrate the support of local communities. Consultation demands above the current legislative demands will be based on the charter for community engagement being prepared by the government for development plans.

Examples in which variations may be sought by councils include funding projects of regional significance, dealing with high-growth areas, population and industry, the challenges presented funding the development and/or maintenance of essential community infrastructure or backlogs and funding new and enhanced services to meet growing demand in the community. We are committed to this policy.

I just want to note that the Local Government Association makes a lot of noise about what has happened in New South Wales over the last 40 years that they have had rate capping. If rate capping has been such a disaster in New South Wales, why has their local government authority or association not lobbied governments of different colours—and they would have had plenty in that 40-year time—to change that policy? That is as simple as it gets. If it is so bad, why has it lasted 40 years?

Debate adjourned on motion of Ms Digance.