

CITY OF WEST TORRENS



MINUTES

of the

Special Council Meeting

of the

CITY OF WEST TORRENS

held in the Council Chambers, Civic Centre
165 Sir Donald Bradman Drive, Hilton

on

TUESDAY, 24 JULY 2018
at 7.30pm

Terry Buss PSM
Chief Executive Officer

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1 MEETING OPENED

The Presiding Member declared the meeting open at 7.38pm.

1.1 Evacuation Procedure

The evacuation procedures were taken as read.

2 PRESENT

Council Members:

Mayor J Trainer (Presiding Member)

Councillors: R Haese, G Vlahos, K McKay, G Demetriou, M Hill, A Mangos, S Tsiaparis, G Nitschke, J Woodward, C O'Rielley, M Farnden

Officers:

Mr T Buss	(Chief Executive Officer)
Ms P Koritsa	(General Manager Business and Community Services)
Mr B Ross	(General Manager Corporate and Regulatory)
Mr A Catinari	(General Manager Urban Services)
Ms H Bateman	(Manager City Development)
Dr D Ferretti	(Assessment Manager)

3 APOLOGIES

Apologies

Council Members:

Cr Steven Rypp
Cr Tony Polito
Cr Garth Palmer

RECOMMENDATION

That the apologies be received.

RESOLUTION

Moved: Cr George Demetriou

Seconded: Cr Megan Hill

That the recommendation be adopted.

CARRIED

4 DISCLOSURE STATEMENTS

The following disclosures of interest were made:

Item	Type of Conflict	Elected Member
Council Item 6.1 Council Response to the Local Government (Rate Oversight) Amendment Bill 2018	Perceived	Cr Graham Nitschke
Council Item 6.1 Council Response to the Local Government (Rate Oversight) Amendment Bill 2018	Perceived	Cr Arthur Mangos

5 CONFIRMATION OF MINUTES

RECOMMENDATION

That the Minutes of the meeting of the Council held on 17 July 2018 be confirmed as a true and correct record.

RESOLUTION

Moved: Cr Simon Tsiaparis

Seconded: Cr John Woodward

That the recommendation be adopted.

CARRIED

6 REPORTS OF THE CHIEF EXECUTIVE OFFICER

6.1 Council Response to the Local Government (Rate Oversight) Amendment Bill 2018

Cr Graham Nitschke declared a perceived conflict of interest in this item as he is a member of the Australian Labor Party and participated in the discussion and vote.

Cr Arthur Mangos declared a perceived conflict of interest in this item as he is a member of the Local Government Association Board and participated in the discussion and vote.

This report proposed a Council position on rate capping and in particular the Local Government (Rate Oversight) Amendment Bill 2018, in response to a Special General Meeting resolution by the Local Government Association.

RECOMMENDATION(S)

It is recommended that Council:

1. Reaffirm its opposition to rate capping in any form;
2. Oppose the Local Government (Rate Oversight) Amendment Bill 2018;
3. Support the LGA using best endeavours to secure the best possible outcome for local government and the communities they serve;

4. Provide the LGA with the following list of top five amendment priorities for the LGA to pursue in its best endeavour negotiations with the political parties.
 - (a) The loss of growth income on new development where capital improvements are made but the number of rateable properties remains the same.
 - (b) The lodgement of rate cap variation requests by March 31, which will result in two budget options needing to be presented for consultation to communities and the ESCOSA decision making process most likely delaying budget and rate adoption processes.
 - (c) ESCOSA has too much discretion in determining the primary rate cap, including the discretion to decide a relevant index, include an efficiency or productivity component, take direction from the Minister and consider any other relevant matter.
 - (d) The Minister should not have the discretion to direct ESCOSA on the primary rate cap, rather ESCOSA should be entirely independent.
 - (e) Councils should not be required to pay a fee for a rate cap variation application to ESCOSA and they should not be penalised financially for an inadvertent breach of the rate cap in any one year.
5. Provide the LGA with the following list of top five concession priorities for the LGA to pursue in its best endeavour negotiations with the political parties.
 - a. Community Housing rebates.
 - b. Solid Waste levy
 - c. NRM levy
 - d. Development contributions
 - e. Review of statutory fees and charges

RESOLUTION

Moved: Cr John Woodward

Seconded: Cr Kym McKay

That Council:

1. Reaffirm its opposition to rate capping in any form;
2. Oppose the Local Government (Rate Oversight) Amendment Bill 2018;
3. Support the LGA using best endeavours to secure the best possible outcome for local government and the communities they serve;
4. Provide the LGA with the following list of top five amendment priorities for the LGA to pursue in its best endeavour negotiations with the political parties.
 - (a) The loss of growth income on new development where capital improvements are made but the number of rateable properties remains the same.

- (b) The lodgement of rate cap variation requests by March 31, which will result in two budget options needing to be presented for consultation to communities and the ESCOSA decision making process most likely delaying budget and rate adoption processes.
 - (c) ESCOSA has too much discretion in determining the primary rate cap, including the discretion to decide a relevant index, include an efficiency or productivity component, take direction from the Minister and consider any other relevant matter.
 - (d) The Minister should not have the discretion to direct ESCOSA on the primary rate cap, rather ESCOSA should be entirely independent.
 - (e) Councils should not be required to pay a fee for a rate cap variation application to ESCOSA and they should not be penalised financially for an inadvertent breach of the rate cap in any one year.
5. Provide the LGA with the following list of top five concession priorities for the LGA to pursue in its best endeavour negotiations with the political parties.
- a. Community Housing rebates - while Council supports the provision of affordable and sustainable public housing, this is a State Government responsibility and legislation must be changed so that councils are not required to provide a mandatory 75% rate rebate on council rates to community housing properties which in effect is cost shifting to local government and costs councils in South Australia \$10.7 million per year in 2018 figures.
 - b. Solid Waste levy - Council and its ratepayers pay this State Government levy for depositing waste to landfill and since 2001, the levy has increased by nearly 1450%. The impact of this levy on local government is expected to be \$34 million in 2018/19, following a 15% levy increase on 1 July 2018, and it is unrealistic and unsustainable for local government to continually absorb increases of this magnitude when at the same time State Government is looking to cap council rates.
 - c. NRM levy - councils are currently required by legislation to collect the NRM levy for the State Government and the levy appears as a separate line on council rates notices that ratepayers often mistake as council revenue. In the 2016/17 year the levy totalled \$44 million for the State Government which was a 25% increase on the previous year and completely unsustainable in a rate capping environment. There are also hidden costs to local government in collecting the levy for State Government and given this is a levy that is completely controlled by State Government; councils should not be compelled to collect it for them.
 - d. Development contributions - councils in South Australia, particularly those experiencing high levels of growth, whether green-fields or infill, 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 contributions system to ensure growth areas in South Australia are not disadvantaged.

- e. Review of statutory fees and charges - 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 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%. 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.
6. Reinforce to its community that its opposition to rate capping is not a political one nor is it about ensuring local government goes unchecked in its rate revenue raising capabilities; but it is about ensuring a democratically elected level of government is accountable to the community it serves. All councils have a high degree of oversight, transparency and accountability and ultimately become accountable to their community every four years via the council elections process. West Torrens has the second lowest average residential rates in metropolitan Adelaide; its 2018/19 rates increase is set at 2.3% which matches the Adelaide CPI; it is financially sustainable and debt free, it has a productivity program in place to improve the efficiency and effectiveness of the Administration, and it plans to fully cover its capital and operational expenditure over its 10 year forward estimates with rate increases no larger than 2.5% in any one year.

Discussion took place in relation to the motion and Cr Rosalie Haese suggested that the words "in any form" be removed from Point 1. The mover, Cr John Woodward and seconder, Cr Kym McKay, consented to the change and accordingly, the motion was changed as follows:

That Council:

1. Reaffirm its opposition to rate capping.
2. Oppose the Local Government (Rate Oversight) Amendment Bill 2018;
3. Support the LGA using best endeavours to secure the best possible outcome for local government and the communities they serve;
4. Provide the LGA with the following list of top five amendment priorities for the LGA to pursue in its best endeavour negotiations with the political parties.
 - (a) The loss of growth income on new development where capital improvements are made but the number of rateable properties remains the same.
 - (b) The lodgement of rate cap variation requests by March 31, which will result in two budget options needing to be presented for consultation to communities and the ESCOSA decision making process most likely delaying budget and rate adoption processes.
 - (c) ESCOSA has too much discretion in determining the primary rate cap, including the discretion to decide a relevant index, include an efficiency or productivity component, take direction from the Minister and consider any other relevant matter.
 - (d) The Minister should not have the discretion to direct ESCOSA on the primary rate cap, rather ESCOSA should be entirely independent.

- (e) Councils should not be required to pay a fee for a rate cap variation application to ESCOSA and they should not be penalised financially for an inadvertent breach of the rate cap in any one year.
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 - d. Development contributions - councils in South Australia, particularly those experiencing high levels of growth, whether green-fields or infill, 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 contributions system to ensure growth areas in South Australia are not disadvantaged.
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6. Reinforce to its community that its opposition to rate capping is not a political one nor is it about ensuring local government goes unchecked in its rate revenue raising capabilities; but it is about ensuring a democratically elected level of government is accountable to the community it serves. All councils have a high degree of oversight, transparency and accountability and ultimately become accountable to their community every four years via the council elections process. West Torrens has the second lowest average residential rates in metropolitan Adelaide; its 2018/19 rates increase is set at 2.3% which matches the Adelaide CPI; it is financially sustainable and debt free, it has a productivity program in place to improve the efficiency and effectiveness of the Administration, and it plans to fully cover its capital and operational expenditure over its 10 year forward estimates with rate increases no larger than 2.5% in any one year.

CARRIED

Cr/s Graham Nitschke and Arthur Mangos voted in favour of the motion moved by Cr John Woodward and seconded by Cr Kym McKay.

7 MEETING CLOSE

The Presiding Member declared the meeting closed at 8.11pm.