



House of Assembly

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Page 5714

LOCAL GOVERNMENT (RATE INCREASES) AMENDMENT BILL *Second Reading*

The Hon. A. PICCOLO (Light)
(11:19): The member for Mitchell would like to guillotine debate, clearly.

The DEPUTY SPEAKER: Just speak, member for Light.

The Hon. A. PICCOLO: Given this matter affects local government, I consulted with the four councils which I—

Mr Tarzia: How much did they go up when you were mayor, Tony?

The Hon. A. PICCOLO: Not as much as when you were a councillor.

Members interjecting:

The DEPUTY SPEAKER: I am going to start calling people to order if you cannot behave,

which means you will miss out on question time if you are naughty this morning. The member for Light needs to be heard in silence. Member for Light.

The Hon. A. PICCOLO: I consulted my four mayors and CEOs in my council and asked them for their views on this matter. I obviously used their opinions to help me form my own opinion on this matter. For the record, I indicate that all four councils are opposed to it, including the City of Playford, where their mayor is a well-known member of the Liberal Party, Mayor Docherty, and the other three mayors. I will quote from their letters, because I think their letters and their emails are very constructive in what they think of this proposal.

It is quite clear that this bill says that local government is either incapable or unwilling to reform itself and do the job properly—simple as that. That is what they are saying: it is a vote of no-confidence across local government. I hope that when members of the Liberal Party go to local government events they actually say that to their mayors and CEOs, 'We as the Liberal Party in this state think that you people are incompetent, incapable or unwilling to reform yourselves.' Let's be honest about it, but I bet you they do not do that. They will play games in here, and will go out in their communities and say what a wonderful mayor they have. In

fact, they will probably call their mayors around election time to make sure they boost their prominence in the community for their re-election.

They are saying with this bill that local government is incapable or unwilling and clearly too incompetent to manage their own affairs and that they need to use a big stick to bring them into line. The Mayor of Gawler—and all the mayors have given me permission to quote them; they were happy for me to quote them in this place—said the following:

Gawler has demonstrated over the last few years the capacity to manage its financial affairs, reducing debt, driving efficiencies without large rate rises and without forced rate capping. The paternalistic view that this motion [bill] represents is disappointing, as is the lack of any real consultation with the local government sector.

I urge you to reject this bill tomorrow.

Many thanks for the opportunity to respond.

Barossa Council mayor, Mayor Sloane, stated:

We have discussed rate capping at a workshop but not in a Council meeting.

I listened to another presentation from Stephen Griffiths last week at a Central Local Government meeting in

Maitland. None of the Mayors and CEOs present had any support for his rate capping.

We are very happy for you to voice our opposition to this ill conceived proposal.

Mayor Bill O'Brien, Light Regional Council—these are all bastions of socialism of course I am talking about here—

The Hon. P. Caica: Agrarian socialism.

The Hon. A. PICCOLO: Yes, agrarian socialism. Mayor Bill O'Brien's contribution was the longest, so I will paraphrase rather than take up all my time. Essentially he says that he believes that local government is capable of reforming itself. It is certainly true that, if you talk to local government (and I have held that view for many years, and still do), we can improve the transparency and accountability of how it charges a set and engages with the community—that certainly can be improved. I am on the record in my local community saying that, but I do not believe this is the way to achieve this. In short, the mayor says:

...the LGA's position was to reaffirm the view that decisions concerning council rates are better informed, and the impacts better understood, when made by the respective councils in consultation with their communities;

So, not only are they saying that there is a vote of no-

confidence in local government right across the state—each elected member, each official in local government—but they are also saying that this bill disempowers the local community as well. The mayor continues:

...it rejected the State Opposition's policy on rate capping; and it endorsed the LGA President and (LGA) CEO to continue to work with all Members ... to ensure rate capping is not imposed on South Australian councils.

When you look at the evidence, and compare councils between South Australia and New South Wales, like with like population-wise, area-wise and rate base, it is interesting that, where New South Wales has had rate capping for many years, the total charges to each resident are actually greater than those in South Australia. It is important to say 'total charges' because all members would know that there are different components on your rate notice. There is the flexible amount—the rate bit—and then there are other fixed charges, which councils have now introduced.

Mr Griffiths: They provide different services, too.

The Hon. A. PICCOLO: That's right. Let me finish. They do. Well, they do provide services, that is right, but for some of these services that were provided previously the councils have now costed them out as a

way of trying to control those costs and also tell the people what the costs of those services are. Rubbish collection is a classic example.

So when you compare New South Wales and South Australia, there is no actual benefit to the ratepayer. Zero. What capping does is it forces councils to increase charges in other areas, so the total cost is the same, if not more in New South Wales, so this is really just a con job. It is a Clayton's cap—the cap you have when you don't have a cap. Quite simply, it does not work. It does not work—a cost-of-living measure—if it does not work, it is not a cost of living measure, and I will explain why. Why would the Liberal Party go with this policy? Why would they do this? Why would they think clearly when they have local government—

Mr Pengilly interjecting:

The Hon. A. PICCOLO: Let me finish. Listen. Why would they do this? Mayor Clyne came to give evidence to the Economic and Finance Committee. I wanted to understand why he would be supporting rate capping.

An honourable member interjecting:

The Hon. A. PICCOLO: Sorry? But apart from that—his concern was the current act, and I will quote him:

I'm not sure that the Local Government Act 1999 promotes and encourages local councils to aggressively pursue other sources of revenue.

His concern is that the current act does not enable councils to charge people enough, so what they say is, 'By capping, we will force them to charge for things which people don't charge at the moment.' This policy will force councils to say, 'Well, perhaps we will start charging for library books.' You will bring your credit card when you want to borrow your library book. When you go to the local pool or reserve or sporting club, you will need to bring your credit card. How does this impact on families and the cost of living?

The Hon. J.M. Rankine interjecting:

The Hon. A. PICCOLO:

Exactly. In terms of cost of living, those user charges, those direct charges are regressive and they impact greatest on those who are less wealthy. What this policy does in terms of cost of living is it increases the cost of living for pensioners, families with more kids, so your sporting group will have to charge your child to pay more for their sports because of the charges on the reserves, etc. This is a back door way to meet a policy outcome that the Liberal Party has always had. They like user charges. They like fixed charges, they like user charges. They have tried it before; they have form in this area. A previous Liberal

government introduced rate capping in this place and it was dumped. It was a failure.

Mr Pengilly: Like you.

The DEPUTY SPEAKER: The member for Finniss is called to order.

Mr van Holst Pellekaan interjecting:

The DEPUTY SPEAKER: The member for Stuart is called to order.

The Hon. A. PICCOLO: I am a failure? I am on this side and he has been going down the rank ever since he has been here, so if I am a failure it is an interesting definition.

The DEPUTY SPEAKER: Member for Light, no response to interjections.

Members interjecting:

The Hon. A. PICCOLO: I want to have a full discussion on this.

Members interjecting:

The DEPUTY SPEAKER: Order!

The Hon. A. PICCOLO: I want to have a full discussion. I am more than happy to have a full discussion. I have nothing to hide here. Let's make it very clear. This is about the Liberal Party's long-term view of increasing charges to people. They do it at the federal level. They would need to reduce income tax but increase

charges. They are doing it at a local level. Let's be very clear. If this policy is put in place—

Mr Pengilly interjecting:

The DEPUTY SPEAKER:

Member for Finniss, order!

The Hon. A. PICCOLO: If this policy is put in place, you can rest assured that the councils will increase their charges and also introduce new charges. Mayor Clyne said so. He wants that freedom; he wants the freedom to charge for everything. I seek leave to continue my remarks.

Leave granted.