

Memorandum

From Ruth Trigg District Council of Yankalilla (Councilor)

[ruth.trigg@westnet.com.au](mailto:ruth.trigg@westnet.com.au)

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To South Australian Productivity Commission

Re Preliminary submission to the SA Productivity Commission into Local Government inquiry

Date 28 June 2019

Terms of reference: the costs and efficiencies methodology paper

The following list of main points is submitted as an outline for a fuller paper before 12 July.

Background

I have owned property in the district since 1997, have lived here continuously since 2002, and was elected to the Council in 2018.

I have run four community consultation meetings independently of council in 2019, to gauge community interest in a zero percent rate rise.

Summary points

- Small population (just over 5 000, with around 3 500 ratepayers)
- 55 FTE staff employed by council
- Salary bill around \$5m
- A perceived culture within the Council admin of continuous expansion of projects – beyond, in my analysis, the capacity of the community to support this budget
- A perceived lack of professional expertise in infrastructure management, including planning, and tasks such as managing storm water
- A perceived lack of professional expertise in administration management – setting tasks in priority order
- Extremely poor consultation practices with the community

I have worked with another ratepayer for several years to examine the issue of boundary change – not necessarily a straight amalgamation with another council, but looking at rationalising slicing a section of agricultural land from a large adjacent council – to form a council with a focus on agriculture, marine and tourism, with a population of around 25 000.

This work, following the guidelines of the SA Boundary Commission will be expanded in the following submission by 12 July.

# Ratepayers' Survey Results

District Council of Yankalilla  
23 May 2019

# 2016 Census results for DCY

▶ population  
5,149

median age DCY  
54

▶ age:(2,777) - 57%  
people over 50 yrs

median age SA  
40

## 2016 Census results: income

- ▶ 46% on less than \$500 pw
- ▶ 72% on less than \$999 pw, compared to 66% for SA
- ▶ median personal income DCY 2016 \$496 pw
- ▶ median personal income SA 2016 \$662 pw

# Total private residential dwellings

- ▶ 3,690 total dwellings
- ▶ occupied 2,115 (57%)
- ▶ unoccupied 1,575 (43%)

# DCY Ratepayers' survey results

- ▶ 127 people participated in the survey
- ▶ from 14 townships in the DCY
- ▶ greatest number were from Normanville, Yankalilla and Carrickalinga

# The survey respondents

- ▶ aged between 29 and 87 years
- ▶ 63% were over 50 years
- ▶ had lived here between 1 and 87 years
- ▶ 71% lived here 20 years or less

## Home ownership and difficulty paying rates

- ▶ 78% owned their homes
- ▶ 22% were paying a mortgage
  
- ▶ about 50% of people surveyed said they had difficulty paying the rates
- ▶ about 80% of respondents said rates are too high



# Contributing factors to difficulty paying rates

- ▶ pension
- ▶ CWMS levy
- ▶ mortgage

## Pensioners - non-pensioners

▶ 65% were pensioners

▶ 35% were not pensioners

▶ 54% had difficulty paying rates

▶ 52% had difficulty paying rates

# Contributing factors

## Paying a mortgage

- ▶ of people paying a mortgage 70% had rates stress

## Paying CWMS levy

- ▶ 76 people paid the CWMS levy as well as rates.
- ▶ 58% had rates stress

# Themes

- ▶ the second part of the survey asked for people's opinions and feelings on the Council's activities in general
- ▶ the responses were analysed to identify 6 main themes

# Theme 1: reduce rates

- ▶ *why do we have the highest rates in the state?*
- ▶ *have to go without due to council rates*
- ▶ *rates are double my property in Blackwood with the same value*
- ▶ *reintroduce the rebate for concession card holders*

## Theme 2: Council should budget better, reduce staff, and stop wasting money

- ▶ *extravagance on non-essentials*
- ▶ *cut back on staff, salaries incredibly high*
- ▶ *7 men sent to do a 2 man job*
- ▶ *be more accountable for expenditure*
- ▶ *stop spending more than WE can afford*
- ▶ *Jetty Rd sign - \$10,000 - ridiculous*

## Theme 3: Listen to, and communicate with ratepayers

- ▶ *it would be nice if we really had some input*
- ▶ *important that consultation is not token*
- ▶ *listen more to ratepayers and be open*
- ▶ *they don't listen to local people, go to consultation but the process is questionable*

## Theme 4: spend less on tourism

- ▶ *too much spent on tourism, not enough on roads and maintenance*
- ▶ *they look after the visitors instead of actual ratepayers*
- ▶ *stop wasting money on tourism, start spending money on locals as well*



## Theme 5: what Council does well

- ▶ *Bungala park - excellent*
- ▶ *Plant trees, nice playgrounds*
- ▶ *keep reserves in good repair*
- ▶ *foreshore at Normi is well done*
- ▶ *garbage collection, beautification of area*

## Theme 6: what could Council do better?

- ▶ *the roads have potholes, not maintained, no improvement in all the 12 years I've been here*
- ▶ *don't know what they even do. Not enough road maintenance*
- ▶ *roads and footpaths. Gravel roads put first*

# Overall rating of Council's performance

- ▶ survey participants were asked to rate Council's performance on a scale of 0 -10
- ▶ zero being very dissatisfied, 10 being very satisfied
- ▶ overall rating 5.2

## Looking at the operations of the District Council of Yankalilla

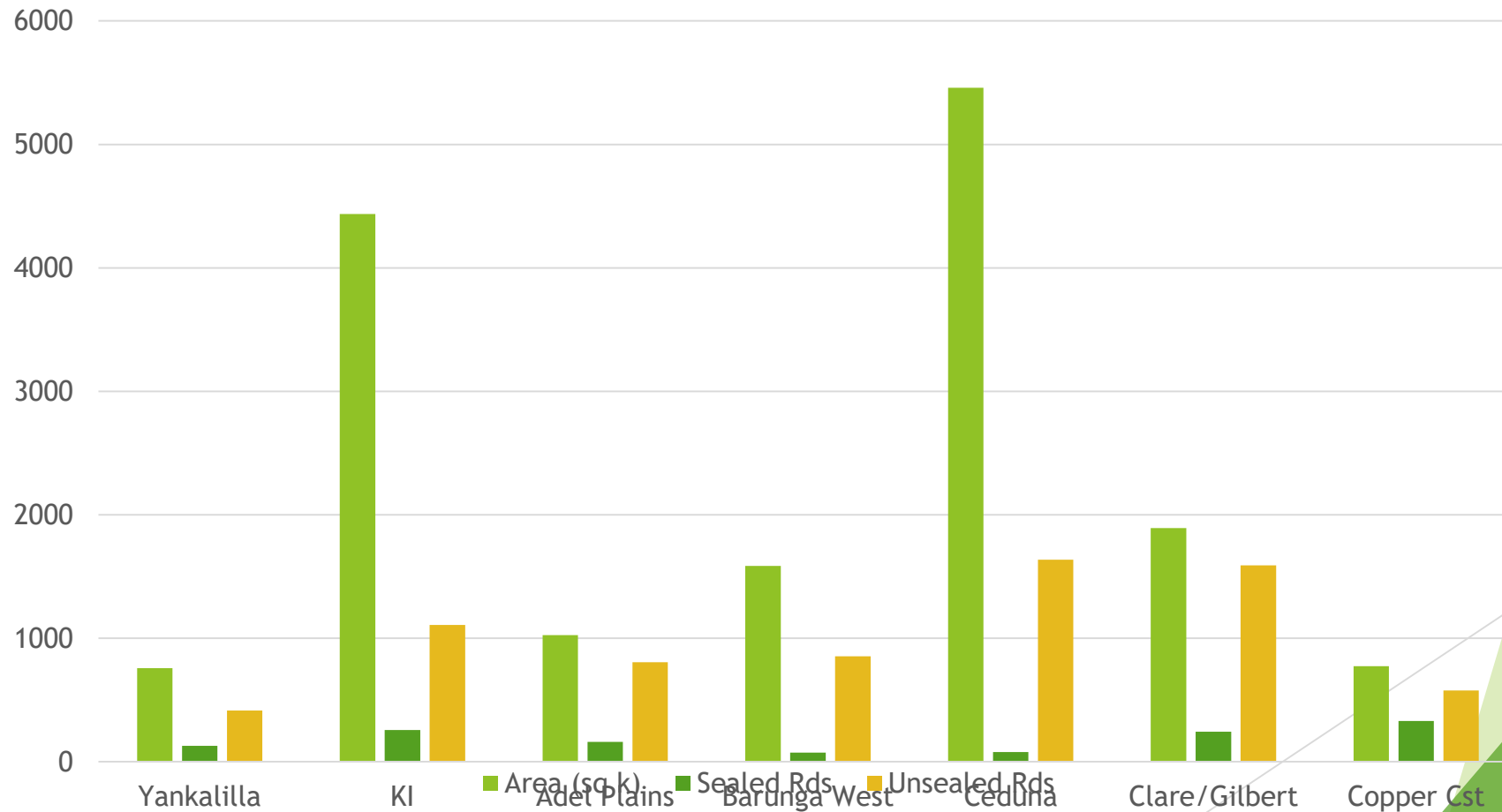
### Source of data and information:

- audited financial statements- DCY and other Councils
- annual reports - DCY and other councils
- SA Local Government Grants Commission database reports 2016-2017
- Local Government Act 1999; Water Industry Act 2012; Local Government Act (General) Regulations 2013
- interview with CEO, Nigel Norris for clarification purposes

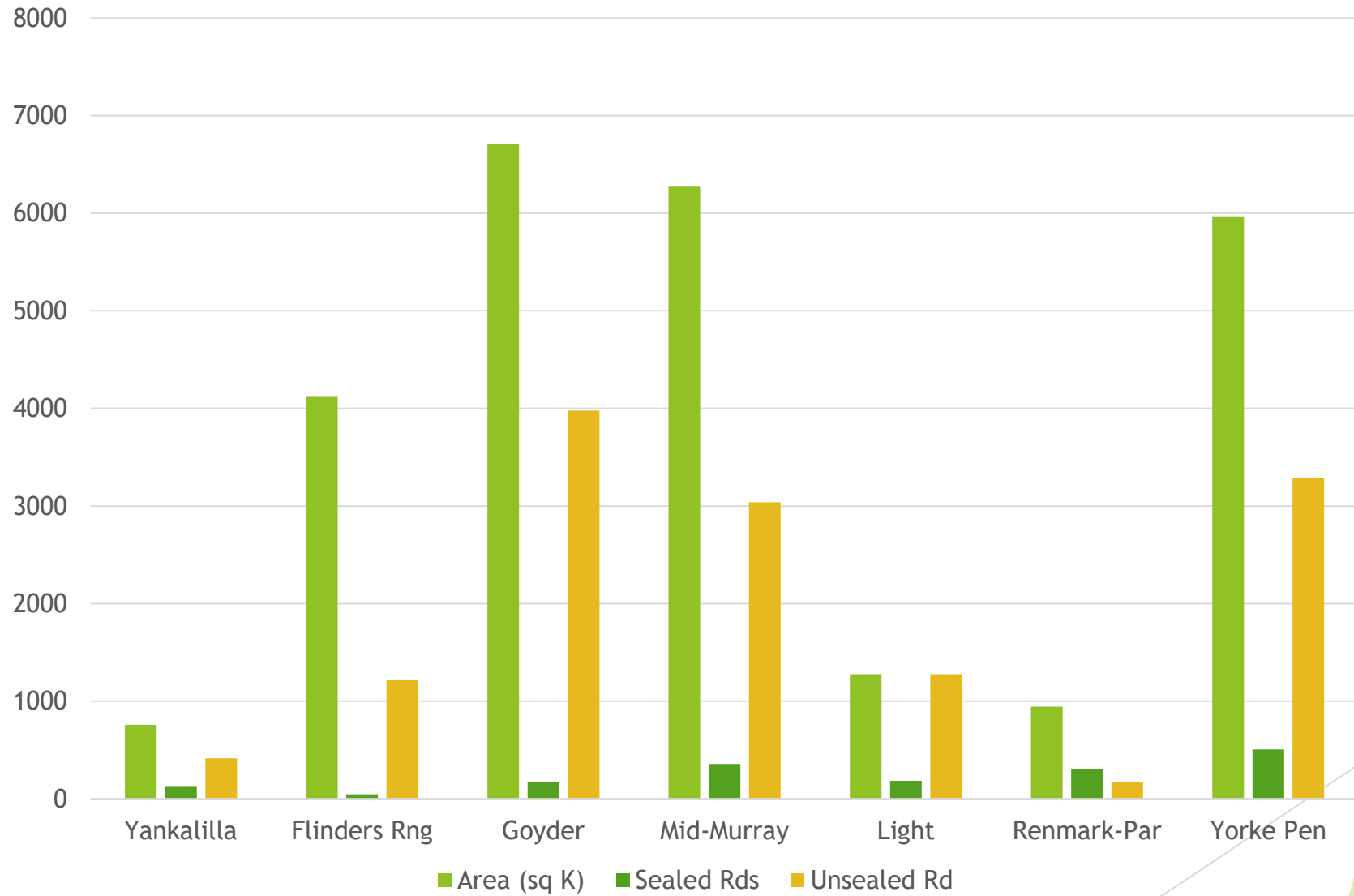
## Council Statement

“ We manage a large area - including sealed and unsealed roads”

### COMPARISONS WITH OTHER RURAL COUNCILS



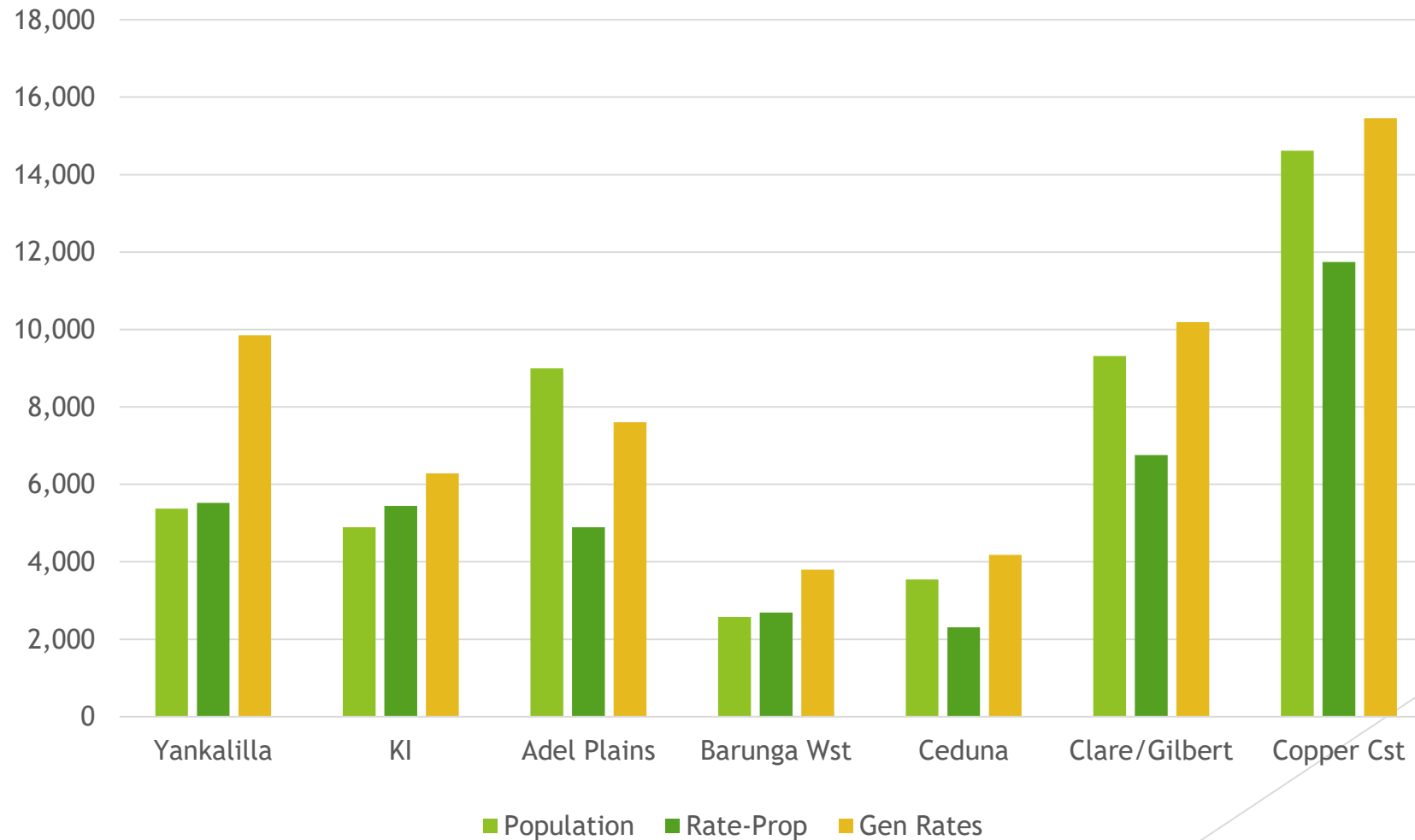
## Comparisons (continued)



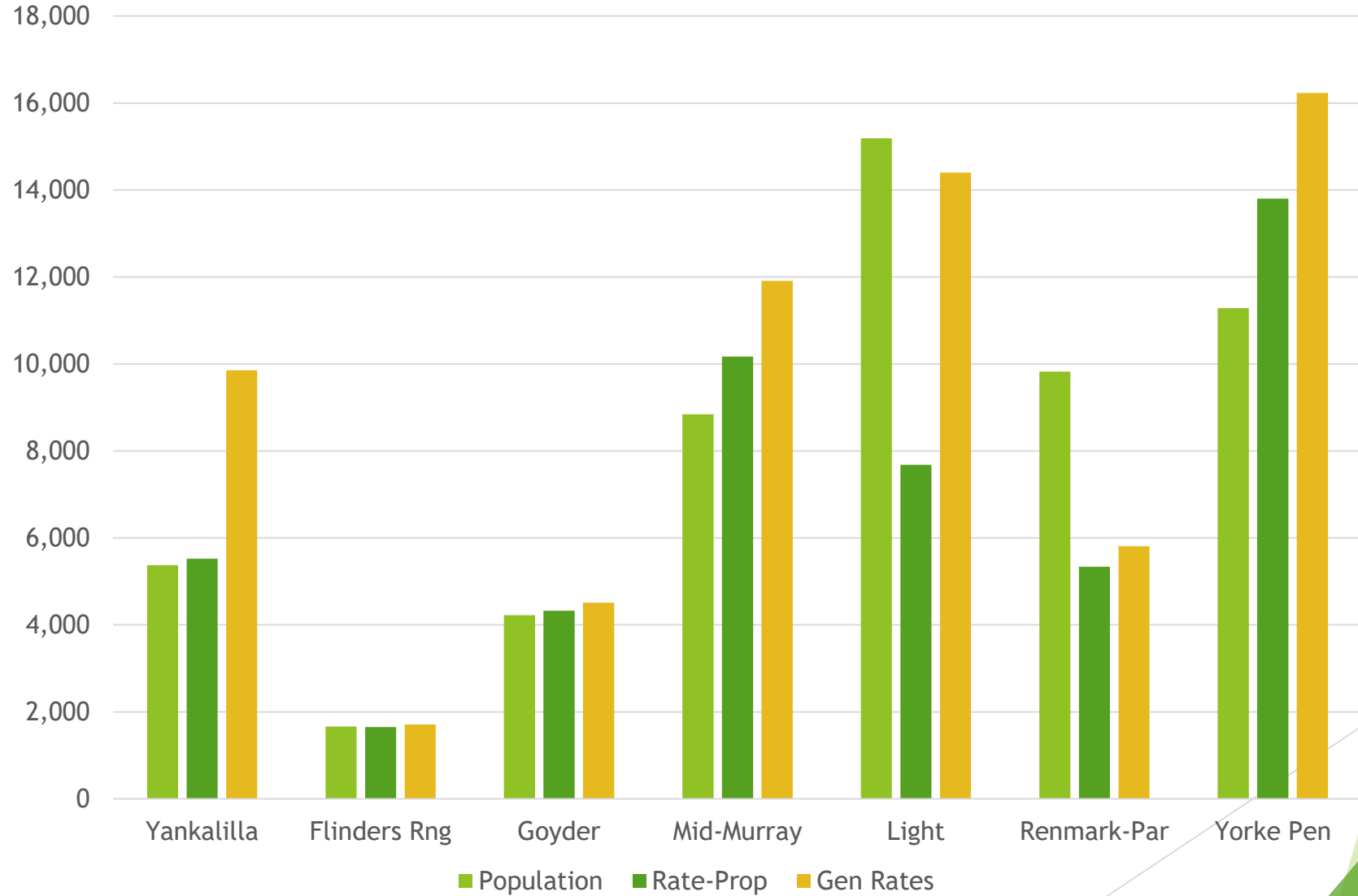
‘Our population base is small’

## COMPARISON WITH OTHER RURAL COUNCILS

population, no. rateable properties, general rates(\$,000)



# Continued





## Conclusions of comparisons

- ▶ Yankalilla District Council is the **SMALLEST**.
- ▶ Yankalilla District Council has, except for 1 other council, the **LEAST** unsealed roads to maintain.
- ▶ In relation to rateable properties, Yankalilla District Council has the **HIGHEST** general rates.

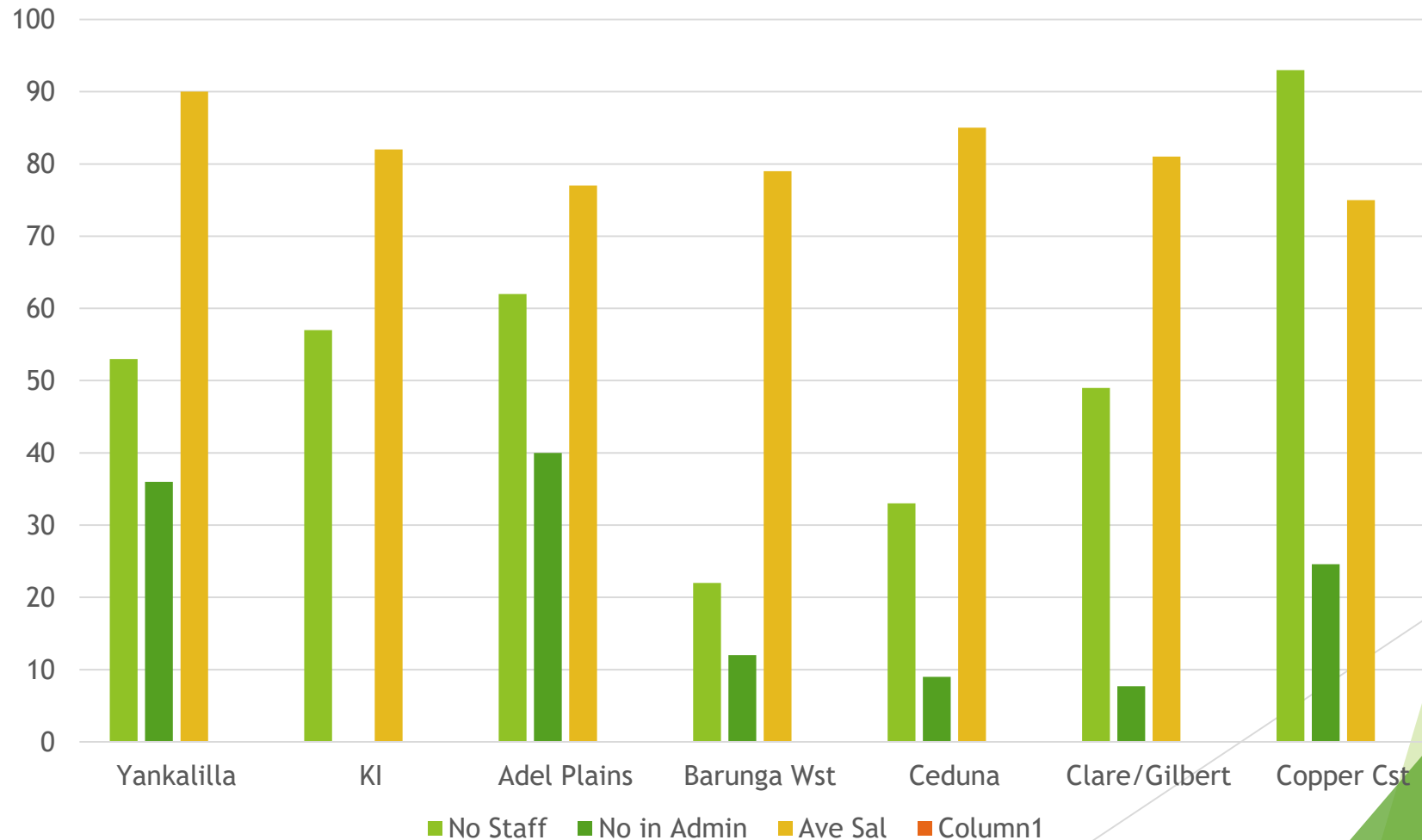
**COMPARING RATE CHARGES**  
**Yankalilla, Victor Harbor, Alexandrina Councils**  
**(Rates per \$1 of Capital Value)**

Council Area	Yankalilla	Victor Harbor	Alexandrina
Residential	.52995	.4349	.2421
Vacant Land	.715433	.6524	.2421
Industrial	.52995	.5001	.2784
Commercial	.52995	.5654	.2784
Primary Production	.52995	.3914	.2421

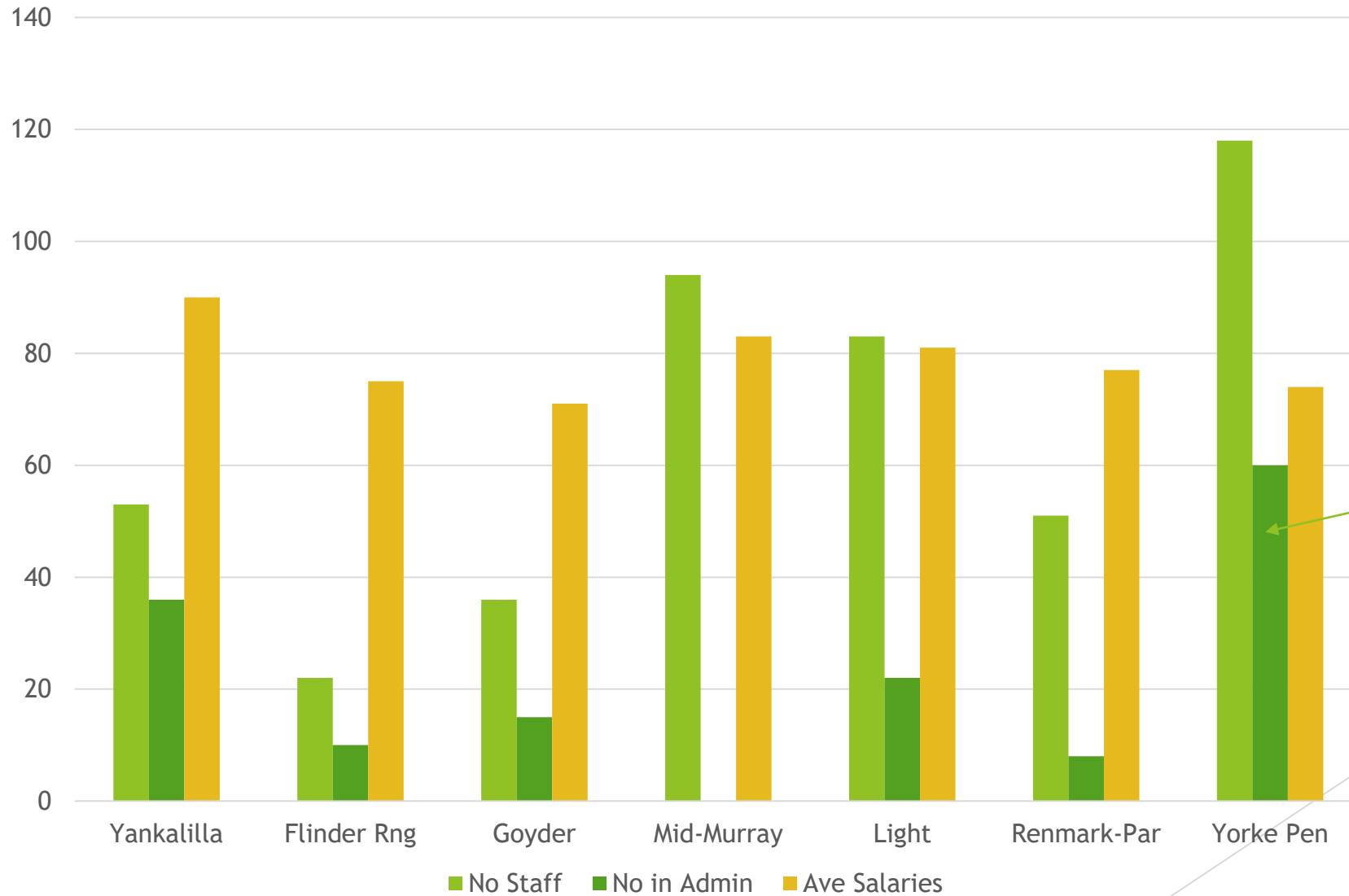
# Community concerns 'Too many staff and too high salaries'

## COMPARISON WITH OTHER RURAL COUNCILS

Number of staff; Number in admin; Average salaries (\$000)



# Continued



Includes a number of compliance/ranges positions

# Conclusions of comparisons

- ▶ Yankalilla District Council, other than 1 larger Council, the HIGHEST number of staff in administration (Yorke Peninsula excluded as true number of administration staff unknown)
- ▶ Yankalilla District Council pays the HIGHEST average salary - \$89,773 per employee

# CWMS & water supply scheme

**CWMS rates included as revenue that will not be there in the future**

Financial Years	CWMS Rates & Water Supply
2007-08	\$808,305
2008-09	\$920,490
2009-10	\$956,347
2010-11	\$984,618
2011-12	\$1,031,092
2012-13	\$1,088,383
2013-14	\$1,135,000
2014-15	\$1,201,200
2015-16	\$1,262,600
2016-17	\$1,378,000
2017-18	\$1,541,000

# Shortfall advised due to loss of CWMS and water supply revenue

2019-2020    \$ 825,000

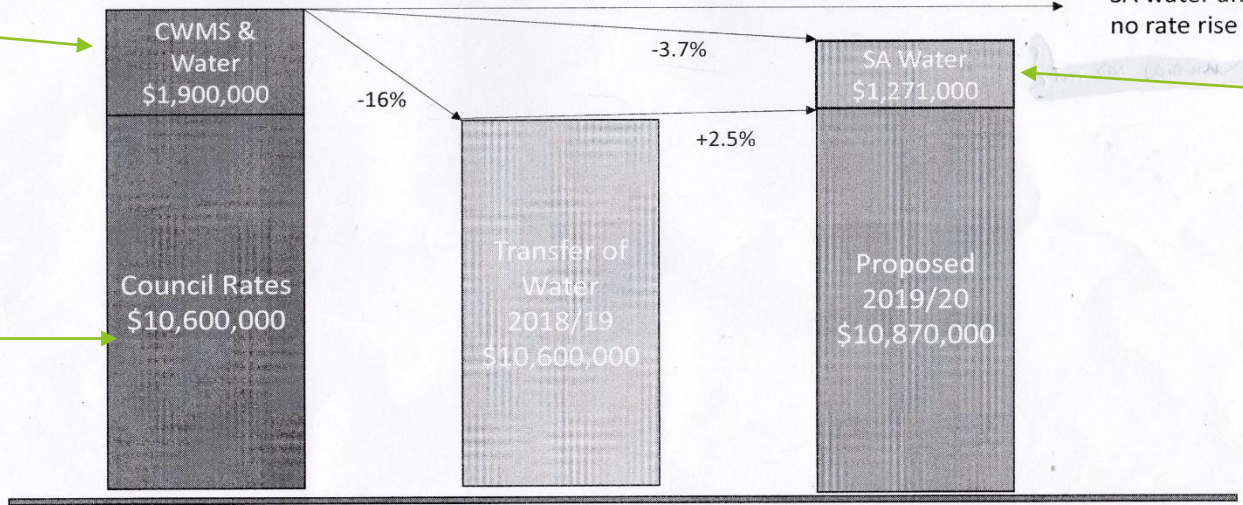
# Council brochure



What revenue increase/decrease are we getting from our Community

CWMS Rates

General Rates



No transfer to SA water and no rate rise

SA Water \$1,271,000 is NOT a Council income



# Options for Council to ensure 'Business as usual'

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- ▶ increase debt - Council has done an exceptional job reducing debt over the past 8 years to a manageable position - this could all be undone
- ▶ increase general rates by 2.5% - causing more financial stress on ratepayers
- ▶ pursue grant funding more aggressively - Council does not have a good record in this area compared to other Councils
- ▶ prioritise spending programs on a NEEDS basis rather than a WANT basis

What does all this mean?

Has the Council FAILED to prepare for the loss of CWMS Revenue?

Has the Council been operating beyond its means?

What are reasonable options for Council now that the CWMS rates revenue is finished, without causing further financial stress on ratepayers?