



Community Housing Council SA Internal Policy Paper – For Consideration

FOR:	Policy Committee
TOPIC:	Section 161 Rebates (Local Government Act)
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Recently the issue of rate rebates under Section 161 of the Local Government Act has been discussed within various forums of the CHCSA.

Some participants in these discussions have put forward the view that these rebates should be funded by the State Government, on the grounds that local communities do not have the capacity to fund them and that only the State Government can provide social justice across the whole State, balancing the capacity of wealthier Council areas against poorer Council areas. It was suggested that the State Government is cost-shifting to Local Government. There was concern about the possible shift of public housing to the non-government on a large-scale and the impact this would have especially on poorer communities.

The following is a statement of the case in favour of these rebates being the responsibility of Local Government.

Local Government does in fact have considerable capacity to support rate rebates. A study of rebates in 2004, conducted as part of the Rebates and Concessions Project, found that even if all eligible housing associations applied for and obtained rebates, then the impact on budgets would be small.

This is illustrated in the following table, which shows the estimated percentage of the budget in each of five large Council areas that would have been consumed by a 100% rebate scenario (in 2004) ie if all housing associations in the specified Council area were to apply for and receive a 75% rebate on all properties. The table also shows the estimated average cost per assessment and per resident in each City:

Council	Estimated % of Budget	Estimated Average Cost Per Assessment Per Annum	Estimated Per Capita Cost Per Annum
Playford	0.31	\$4.20	\$1.62
Salisbury	0.22	\$2.20	\$0.97
Port Adelaide Enfield	0.21	\$3.43	\$1.83
Onkaparinga	0.16	\$1.50	\$0.69
Charles Sturt	0.14	\$1.55	\$0.75
Average	0.17	\$2.15	\$0.98

Note: Figures are approximate due to differences between Councils in definitions.

This suggests that the average annual cost would be about 0.17% of the total budgets for these five Councils. This equates approximately to an annual average of \$2.15 per assessment or \$0.98 per head of population (2004 figures).

These figures, although only a rough estimate, suggest that the cost of granting Section 161 rebates to housing associations is readily affordable by ratepayers in the above five cities. The above is also a “worst case” scenario, since in practice not all housing association properties would be eligible.

According to the Local Government Act, the role of Local Government is:

- (a) to act as a representative, informed and responsible decision-maker in the interests of its community; and
- (b) to provide and co-ordinate various public services and facilities and to develop its community and resources in a socially just and ecologically sustainable manner; and
- (c) to encourage and develop initiatives within its community for improving the quality of life of the community; and
- (d) to represent the interests of its community to the wider community; and
- (e) to exercise, perform and discharge the powers, functions and duties of local government under this and other Acts in relation to the area for which it is constituted.

The functions of local government include:

- (a) to plan at the local and regional level for the development and future requirements of its area;
- (b) to provide services and facilities that benefit its area, its ratepayers and residents, and visitors to its area (including general public services or facilities (including electricity, gas and water services, and waste collection, control or disposal services or facilities), health, welfare or community services or facilities, and cultural or recreational services or facilities);
- (c) to provide for the welfare, well-being and interests of individuals and groups within its community;
- (h) to establish or support organisations or programs that benefit people in its area or local government generally.

Hence local communities have responsibilities to their own members as well as to the wider community. The responsibility is to care for and assist socially disadvantaged people. It is clear that the State Government, in passing the Local Government Act 1999, expected local communities to exercise these responsibilities in a meaningful way by providing financial and other support to community organisations which care for disadvantaged people. Direct provision of housing or social welfare services is not typically a Local Government function – supporting those who provide these services is a Local Government function.

It is relevant to note, by way of contextualising rate rebates, that hospitals, health services, churches, cemeteries and the Royal Zoological Society are automatically rebated at 100% while schools, universities and Commonwealth-subsidised aged care facilities are automatically rebated at 75%, in respect of Council rates.

By providing this support, Local Government also implements other objectives of the State Government, as expressed in the South Australian Strategic Plan and elsewhere.

The State Government, in announcing plans to regionalise the South Australian Strategic Plan, stated that ‘Local councils and regional development boards will be central players for regionalising SASP’.

Relevant South Australian Strategic Plan targets specifically include:

- Halve the number of ‘rough sleepers’ in South Australia by 2010
- Increase affordable home purchase and rental opportunities by 5 percentage points by 2014
- Halve the number of South Australians experiencing housing stress by 2014
- Reduce overcrowding in Aboriginal households by 10% by 2014
- Double the number of people with disabilities appropriately housed and supported in community based accommodation by 2014
- Maintain the level of volunteerism in South Australia at 50% or higher.

Other State Government objectives are set out in the *Housing Plan for South Australia*, the DFC strategic agenda *Connecting to the Future* and the Government’s *Housing Reform Agenda*.

Broader Government objectives include the promotion of social inclusion, building stronger communities and fostering community connection. Financial assistance through rate rebates is a tangible demonstration of local commitment to these objectives.

Local Government has an explicit or implicit role to play in meeting these various objectives and targets because the State Government has explicitly set a target of aligning the State Strategic Plan with Local Government Strategic Plans, as well as incorporating expectations into the Development Act.

Furthermore, through the Affordable Housing Act 2007, the State Government has given Local Government explicit goals and strategies to aim for in the development of affordable housing options. Development Plans must now include objectives or principles which facilitate the provision of affordable housing within the community. Council Strategic Directions Reports must show the Council’s priorities in respect of implementing affordable housing policies in the Planning Strategy in its area. Strategic Planning and Development Policy Committees managed by Councils will be responsible for the implementation of affordable housing policies set out in the Planning Strategy within the area of the Council.

It is also appropriate for Local Government to have a role in this area because (as Councils frequently remind us) they know their local communities best. There are examples of Councils which actively seek out and encourage community organisations to apply for rebates. This is an example of responsible Local Government at work, fulfilling its functions as specified in the Local Government Act.

Rate rebates also encourage local responsibility. If housing associations are unable to support disadvantaged people, it cannot be supposed that the disadvantaged will simply disappear. On the contrary, communities would soon feel the impact in other ways. Housing associations would be unable to help as many or help them to the same standard, if local government support were not available. Homelessness would grow. Calls for assistance would multiply. The burden would still fall on residents through calls on State and Commonwealth funds.

The State Government already plays a role in helping disadvantaged people through the Rates Remissions Act, which provides income-related concessions to ratepayers. The State and Commonwealth Governments also provide many other forms of support to households and community organisations on behalf of disadvantaged people. Local Government has a complementary role to play in supporting local communities.