Publicly Initiated Council Boundary Re-alignment Proposal

Proponent: Hallett Cove Joint Venture

Affected Councils:
City of Marion and City of Onkaparinga

Inquiry Report

Prepared by the SA Local Government Boundaries Commission

30 July 2021

FINAL REPORT

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Introduction

This inquiry report has been prepared by the South Australian Local Government Boundaries Commission (the Commission), in accordance with the requirements under Chapter 3, Part 2 of the *Local Government Act 1999* (the Act) and the Commission's Guideline 6 – Proposals Initiated by Members of the Public.

South Australian Local Government Boundaries Commission

The South Australian Local Government Boundaries Commission is the independent body that assesses and investigates council boundary change proposals, and makes recommendations to the Minister for Planning and Local Government.

The Commission's responsibilities and procedures are set out in the Chapter 3, Part 2 of the Act. The Commission has also prepared Guidelines that detail the process by which it will receive, assess and progress council boundary change proposals. Under Chapter 3, Part 2 of the Act, changes to council boundaries can be referred to the Commission by a council or by members of the public who are eligible electors.

The Act sets out that there are two pathways for a boundary proposal – an administrative proposal or a general proposal. Section 30 sets out the requirements for administrative proposals and Section 31 of the Act sets out the requirements for general proposals.

Proposals Initiated by Members of the Public

Public initiated proposals are submitted to the Commission by members of the public for consideration of council boundary alterations, changes in ward or representation structures, or the inclusion of land not within a council area into a council. The Commission's Guideline 6 sets out the process in which the Commission will receive and assess proposals initiated by the public.

A public initiated proposal may be referred to the Commission by at least 10% of 'eligible electors' in respect of a proposal. An elector is a person, body corporate or group of persons enrolled on the voters roll for a council - this means people who can vote in a council election because they live or own property in that council. Eligible electors are defined in section 27(1) of the Act.

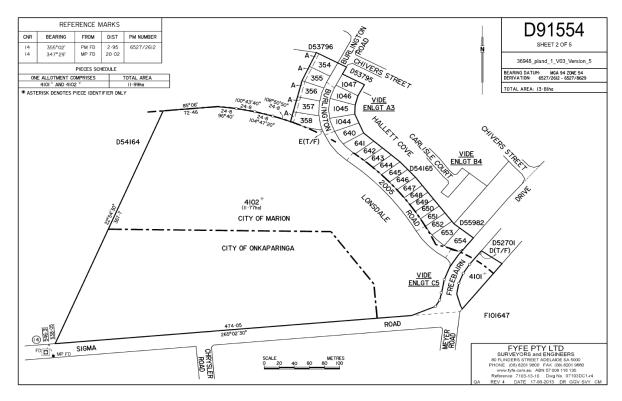
Proposal Background

Referral of Potential Proposal (Stage 1)

On 17 January 2020, Hallett Cove Joint Venture (HCJV), a subsidiary entity of Adelaide Development Company (ADC) referred a publicly initiated potential proposal which sought to move the council boundary between the City of Marion and the City of Onkaparinga in relation to the subject land below, to the Commission for their consideration.

This submission was referred to the Commission in accordance with the Commission's Guideline 6 — Proposals Initiated by Members of the Public. The HCJV comprises 100% of the eligible electors associated with the subject land.

Subject land and existing Council boundary





The proposed boundary change seeks to accommodate Certificate of Title 6113 Folio 868 (comprising approximately 12 hectares) – the subject land, entirely within the City of Marion.

The subject land is located adjacent to Burlington Road, Freebairn Drive and Sigma Road, Lonsdale and is currently dissected by the council boundary between the City of Marion and City of Onkaparinga.

The subject land is immediately opposite and adjoins the southern end of the Hallett Cove residential area (within the City of Marion) and has a frontage of approximately 500m to Sigma Road to the south across from which there are a number of industrial properties (within the City of Onkaparinga).

The HCJV's grounds for referring this proposal are to enable a future residential development to be contained within a single local government area (the City of Marion) to ensure an efficient and logical residential development.

The Commission assessed the potential proposal at its August 2020 meeting and determined that the information provided addressed the requirements of a potential proposal (Stage 1) under Guideline 6, and a General Proposal could be referred to the Commission if they wish to do so. HCJV were advised of the Commission's determination in August 2020.

Referral of General Proposal (Stage 2)

On 24 February 2021, ekistics (acting for HCJV), submitted a general proposal to the Commission. HCJV took this action as an eligible elector, as required by Guideline 6—Proposal Initiated by Members of the Public – Stage Two.

The General Proposal contained information which outlined the intent of the boundary change proposal, a sequence of events, including consultation undertaken, a site analysis and consideration of the section 26 principles.

At its meeting on 25 March 2021, the Commission undertook a preliminary assessment of the Proposal. When considering a Publically Initiated General Proposal, the Commission gave close consideration to the requirements of Guideline 6 and the principles contained in section 26 of the Act.

Following this assessment, the Commission determined to inquire into the Proposal.

Inquiry into the Proposal

As required by the Act and Guideline 6, this inquiry report must consider matters detailed in Section 31(3) of the Act. These are:

- The financial implications and impact on resources that the general proposal is likely to have on any affected council affected by the proposal;
- The extent of support for the general proposal of any council affected by the general proposal;
- The impact on the various rights and interests of any council employees affected by the general proposal; and
- The section 26 principles in Act

The Commission's inquiry must also include consultation with the affected councils, community and entities that represent the interests of council employees affected by the proposal.

The following sections provide general background information on the proposal and the affected councils, and details the Commission's consideration of the proposal in accordance with the statutory requirements.

General Background information

City of Marion

The City of Marion is located in Adelaide's south-western suburbs, about 10 kilometres from the Adelaide CBD. Its Estimated Resident Population (ERP) for 2019 is 93,448, with a population density of 16.64 persons per hectare.

The elected body of the City of Marion comprises the Mayor and 12 Ward Councillors, who are elected from six wards.

Land Use:

The City of Marion consists predominantly of residential properties, with some commercial, industrial and rural areas. The City encompasses a total land area of about 56 square kilometres, including significant conservation areas, recreation parks, rivers and coastline.

Transport:

The City of Marion is served by the Southern Expressway, the Seaford railway line and the Glenelg-Adelaide tramway.

City of Onkaparinga

The City of Onkaparinga is located on Adelaide's southern fringe, between 25 and 40 kilometres from the Adelaide CBD. The 2019 ERP for the City of Onkaparinga is 172,938, with a population density of 3.34 persons per hectare.

The elected body of the City of Onkaparinga comprises the Mayor and 12 Ward Councillors, who are elected from six wards.

Land use:

The City of Onkaparinga consists of a mix of urban and rural properties, with some commercial and industrial properties. The City encompasses a total land area of about 518 square kilometres, including coastline, beaches, hills and hinterland. Most of the population live in established suburbs and residential estates, while others inhabit small coastal communities, farms and country towns. Rural land is used mainly for viticulture, horticulture, forestry, cropping and grazing.

Transport:

The City of Onkaparinga is served by the Southern Expressway, the Victor Harbor Road and the Seaford railway line.

Demographic comparison:

Table 1: Comparative analysis of demographic features

	City of Marion	City of Onkaparinga
Population	63,062 (ABS ERP 2019)	117,913 (ABS ERP 2019)
Area	5,602 hectares (LGGC, 2021)	51,994 hectares (LGGC, 2021)
Population density	16.64 persons per hectare	3.34 persons per hectare
GRP	\$3.77 billion (NIEIR 2020)	\$5.38 billion (NIEIR 2020)
Local jobs	25,178 (NIEIR 2020)	43,751 (NIEIR 2020)

Largest	industry	(by	Retail Trade (Census 2020)	Health Care and Social	
employment)			Assistance (NIEIR 2020)		
Local businesses			5,303 (ABS 2020)	9,397 (ABS 2020)	
Employed Residents		47,402 (NIEIR 2020)	83,212 (NIEIR 2020)		
Number of Ward councillors		12	2		
Number of Ward		6	6		

(Source: (.idcommunity demographic resource – atlas.id.com.au; Councils websites, SA LGGC)

Demographic comparison of affected wards:

A population statistical area analysis of Lonsdale undertaken using the Council's .idcommunity demographic resources states that Lonsdale's Profile Area comprises a population of approx. 29 people (2019 ABS) and a population density of approx. 0.03 persons per hectare.

As a comparison, the Profile Area for Hallett Cove accommodates approx. 9,678 people (2016 ABS) and a population density of approx. 18.1 persons per hectare.

The subject land within the City of Marion is currently within the Coastal Ward which covers all of Hallett Cove and other coastal suburbs. It is represented by two elected members. The extension of the Coastal Ward would not have any impact on the Ward structure of the City of Marion.

The Ward boundary distribution of the City of Onkaparinga assigns the subject land to the Mid Coast Ward. All Wards within the City of Onkaparinga, irrespective of their size, have two Councillor Representatives.



Assessment against Section 31 (3) of the Act

An inquiry into a general proposal under Section 31 must consider (in addition to the principles set out in section 26) the following;

31 (3)(b) (i)

The financial implications and impact on resources that the general proposal is likely to have on any council affected by the general proposal;

Due to the minor nature of the proposed boundary change, it is considered that there will be minimal financial implications or impact on resources for both Councils if the boundary change was to proceed.

The following outlines the financial matters that were deemed relevant to consider for this proposal.

Potential impact on Total Operating Revenue for affected Councils

Estimated additional rate income based on the land being classified as 'vacant land' for the City of Marion would be approximately \$4,000. Estimated additional rate income for the City of Onkaparinga if the vacant land became part of the City of Onkaparinga would be approximately \$9,000. These values are different due to the Council's using different rating policies.

In 2019-20, income from general rates for the City of Marion was approximately \$40 million and approximately \$63 million for the City of Onkaparinga.

When considering the potential additional revenue for either Council as a proportion of their total general rate revenue, it is considered that the proposed boundary change would not have a significant impact on the total operating revenue of either Council.

Financial implications and Impact on affected Councils

If the boundary change is implemented, and assuming approximately 200 residential dwellings are developed, the increase in revenue from additional residential rates would have very little impact on the City of Marion's total operating revenue. If the subject land was shifted to the City of Onkaparinga, the increase in rate revenue would also be a small proportion of total operating revenue.

Therefore, shifting of the subject land to either of the affected councils would have minimal impact on their total operating revenue.

Potential impact on Total Operating Expenses for affected councils

The City of Marion reports in its Annual Business Plan that the Council's operating expenses are forecasted to be \$89.1m in 2020-21. The City of Onkaparinga has forecast operating expenses of \$185.9m in 2020-21.

Noting the relatively small scale of the proposed change in council area that would result from the proposal, it is reasonably expected that any additional expenditure requirements would be covered by existing budgets or by the small increased rate revenue to the City of Marion, if the boundary change occurred.

Comparative Assessment of Key Financial Indicators

Both councils utilise key financial indicators and associated targets to manage their financial performance and sustainability.

The financial performance and position of the City of Marion is extremely strong. It has averaged an operating surplus ratio of around 12 per cent in the last 5 years and has had a negative net financial liabilities ratio (i.e. its cash and financial investments exceed borrowings and all other liabilities).

The City of Onkaparinga's finances are very sound. While the Council has incurred modest operating deficits in recent years, its long-term financial plan envisages an operating surplus each year in the future. Its net financial liabilities ratio has been running at about 60 per cent, which is well within prudential targets the Council has established for this ratio.

Due to the minor nature of this proposal, it is not expected that the boundary change would have any impact on either Council's financial performance or position.

31 (3)(b) (ii)

The extent of support for the general proposal (in particular) and boundary reform in the area (in a general sense) within the community affected by the general proposal

As part of the investigation of this proposal, the Commission has undertaken consultation with the affected communities. During the consultation, no feedback was provided by the community in support or in objection to the proposal.

As there are currently no residents living in the affected area consultation was undertaken with nearby residents and landowners in both the City of Onkaparinga and the City of Marion.

Letter box drop

On 1 June 2021, flyers containing information about the proposed boundary change were sent to 322 residents and 52 non-resident property owners/ rate payers of the Hallett Cove area in the immediate vicinity of the subject land. Consultation was open for a four week period and ended on 30 June 2021.

No feedback or comments were received from the community during this time.

Lonsdale Residential Development Plan Amendment Consultation

At the time the potential proposal (Stage 1) was received by the Commission, a Development Plan Amendment (DPA) process was underway in relation to the relevant land, to re-zone the land from Open Space Zone (Marion Council) and Urban Employment Zone (Onkaparinga Council) to a Residential Zone.

Noting that the potential boundary change was linked to the DPA, the Commission wrote to the then Minister for Planning, requesting that consultation on the DPA include the potential council boundary change.

The Minister for Planning agreed to include the possible boundary change in the DPA consultation and no feedback or comments were received from the community during this time.

31 (3)(b) (iii)

The extent of support for the general proposal of any council affected by the general proposal;

On 6 April 2021 the Commission wrote to the two affected Councils (the City of Marion and the City of Onkaparinga) seeking their extent of support for the proposal. The Councils were provided until 30 April to provide feedback.

To assist this inquiry, the Commission requested that the following information be provided by the Councils –

- The impact on the various rights and interests of any council employees affected by the Proposal;
- The impact on any division of assets and liabilities land and buildings, plant & equipment, cash, investments, interests in any 'business activities', debtors etc.;
- The impact of any significant contracts (e.g. waste management);
- The material impact of any legal orders and proceedings relating to the subject land; and
- Implications for council employees, including any proposed transfer of staff and conditions of employment

City of Marion Response

The Council's response outlined that realigning the council boundary so that the subject land is within the jurisdiction of one Council will ensure that an appropriately integrated and planned development of the area can be achieved.

The Council was supportive of the intention to move the Council boundary so that the entire area is within the City of Marion.

In regards to potential impacts to Council and/or its staff caused by the proposed change to the Council boundary, the Council advised that as the subject land is currently undeveloped and contains no associated infrastructure, there are no anticipated impacts from the boundary realignment. The Council staff anticipated rates from the future housing development will cover the extra infrastructure management and costs attributable to the City of Marion into the future.

City of Onkaparinga Response

The City of Onkaparinga provided advice that it has no objection to the Proposal from HJVC to realign the boundaries between the City of Onkaparinga and the City of Marion.

The Council does not expect that the boundary change will impact to Council employees or existing services.

The Council provided information in its response to the Commission regarding a current easement over the land. The Commission brought this matter to the attention of the City of Marion. No further correspondence was received from the City of Marion regarding this matter

31 (3)(b) (iv)

The impact on the various rights and interests of any council employees affected by the general proposal

The Commission informed the Australian Workers Union and Australian Services Union South Australian and Northern Territory Branch in May 2021 of the proposal and sought comments on the affect that this boundary change may have on the various rights and interests of any council employees. A response was provided which outlined that there were no standing issues from the Councils and the industrial groups.

Both Councils were of the view that due to the minor nature of the proposal, it is not expected that there would be any impact on council employees.

Assessment against Section 26 Principles of the Act

As outlined in Section 26 of the Act, the Commission should, in arriving at recommendations for any proposal have regard to the following;

(i) the resources available to local communities should be used as economically as possible while recognising the desirability of avoiding significant divisions within a community

The grounds for this submission are to allow for a residential development that is considered as 'one community' rather than being a community that is split into two Councils which could cause significant division within the community. It is therefore considered that if the entirety of the subject land was to be administered by the City of Marion, the potential for a division in the community with regards to services and resources provided by Local Government will be minimised.

(ii) proposed changes should, wherever practicable, benefit ratepayers

The proposed change would result in consistent and equitable service provision and representation of rate payers by the City of Marion to the new residents and surrounding residents in Hallett Cove. It is therefore seen that this proposal would benefit the future residents in the subject land.

(iii) a council should have a sufficient resource base to fulfil its functions fairly, effectively and efficiently

Due to the minor nature of this proposed boundary change, it is considered that the existing resource base of the City of Marion and the City of Onkaparinga could both fulfil its functions efficiently and effectively. However, due to the location of the subject land and its proximity to the existing Hallett Cove community, the City of Marion is considered to be best placed to service future residential development of the subject land.

(iv) a council should offer its community a reasonable range of services delivered on an efficient, flexible, equitable and responsive basis

Both Councils currently provide their existing communities with extensive community services, including providing local roads, waste disposal, community sport and recreation, open space, library services and general administrative services.

Waste collection is delivered by the Southern Region Waste Resource Authority (SAWRA) for both councils and, as such, the same waste collection service would be used to collect waste from the proposed new residential development irrespective of the location of the council Boundary.

However, as mentioned previously, due to the location of the subject land and its proximity to the existing Hallett Cove community, it is considered that the City of Marion is best position to service the subject land.

(v) a council should facilitate effective planning and development within an area, and be constituted with respect to an area that can be promoted on a coherent basis

Both Councils have the ability to effectively facilitate planning and development within the subject land. However, it could be argued that if the boundary change does not proceed, the future development of the subject land may not be coherent or holistic in its approach as the development would be managed across two Councils.

With regards to the administration of land use planning, as both Councils have staff and resources allocated to administering the Planning and Design Code and the facilitation of development, it is considered that either Council would have the capacity to manage land use and land servicing matters relevant to the affected area. However, as mentioned above, it is considered that the City of Marion would be best positioned to administer the development of this land.

To achieve a coherent development of this area, it is recommended that one Council, being the City of Marion, administer the land use and statutory planning for the area to allow for a more systematic and holistic approach to future planning and development.

(vi) a council should be in a position to facilitate sustainable development, the protection of the environment and the integration of land use schemes

Both Councils have the ability to effectively facilitate sustainable development and the protection of the environment and integration of land use schemes within the subject land within existing resources.

Any land use interface matters between the proposed residential development and the urban employments lands to the south of the subject land or the residential area to the north of the subject land will be considered as part of a planning assessment under the Planning and Design Code.

These matters fall outside of the boundary realignment process, however, significant investigations into potential land use issues were considered as part of the Development Plan Amendment process to rezone the land to residential in 2020.

As mentioned above, it is considered that the City of Marion would be best placed to administer the development of this land due to the proximity of the subject land to an established and planned community being Hallett Cove.

(vii) a council should reflect communities of interest of an economic, recreational, social, regional or other kind, and be consistent with community structures, values, expectations and aspirations

In applying the concept of communities of interest to the HJVC proposal, the following has been considered:

- Local Government Areas should have boundaries which reflect communities of interest.
- Boundaries should not cut through or divide significant communities.

Through the development of its proposal, HCJV has identified that although there is currently no residents within the subject land, there is an identified future community of interest, this being the adjoining Hallett Cove residential area in the City of Marion.

In reviewing this it must be noted that as there are no residents currently within the subject land, it is not possible to argue that there is a sense of belonging to an area or locality of residents, which might be considered as a perceptual community of interest. Rather, it can be assumed that future residents would likely identify themselves with services such as educational, government services, medical services and open space and recreation as a functional community of interests to meet with reasonable economy the future community's requirements for comprehensive physical and human services.

As the subject land abuts the southern end of the Hallett Cove residential area (City of Marion) and future residents would only need to travel 500m (maximum) to access this residential area, it can be argued that the future residents are more than likely going to have a community of interest with the existing community and the services in which this community provide and use.

The proposal by HCJV outlines that the subject land is within close proximity to the Hallett Cove Shopping Centre, which provides for a range of community and specialty services. Although significant services can also be provided by communities within the City of Onkaparinga, it has been identified that the Southern Expressway is a significant access barrier between the subject land and services provided within the City of Onkaparinga.

Furthermore, future school aged children within the subject land are likely to attend schools within Hallett Cove as the public school catchment areas align the subject land with school institutions within Hallett Cove.

Further to this, the closest residential areas to the subject land within the City of Onkaparinga are O'Sullivans Beach (4.5km to subject land) to the south and Reynella to the east (3km from subject land). The location of the subject land to the Hallett Cove residential area (500m) is significant in anticipating a future community of interest.



Figure 4: Closest residential areas of the subject land

The investigation into the proposal identifies that it is more than likely, that the future residents will have a community of interest with the City of Marion, initially from a functional perspective, but over time as a perceptual and potentially as a political perspective.

(viii) a council area should incorporate or promote an accessible centre (or centres) for local administration and services

The proposal by HCJV outlines that the subject land is within close proximity to the Hallett Cove Shopping Centre, which provides for a range of community and specialty services. Although significant services can also be provided by communities within the City of Onkaparinga, it has been identified that the Southern Expressway is a significant access barrier between the subject land and services provided within the City of Onkaparinga.

Further to this, the closest residential areas within City of Onkaparinga to the subject land are O'Sullivan Beach (4.5km to subject land) to the south and Reynella to the east (3km from subject land) which in comparison to location of the subject land to Hallett Cove (500m) is significant.

(ix) the importance within the scheme of local government to ensure that local communities within large council areas can participate effectively in decisions about local matters

Residents within both Council areas have the ability to participate effectively in decisions about local matters. Both Councils have appropriate means of communication through their websites and other online forums such as Facebook or the use of online consultation platforms.

As previously mentioned, as the subject land will directly connect with the existing Hallett Cove community, it is seen as most appropriate that the future residents have the opportunity to participate in decisions made that affect this community, as it is more than likely that future residents will form communities of interest with this existing community. Therefore, the City of Marion is best positioned to allow for community participation in decision making in the affected area.

(xi) residents should receive adequate and fair representation within the local government system, while over-representation in comparison with councils of a similar size and type should be avoided (at least in the longer term)

The Electoral Commission South Australia (ECSA) were consulted in May 2021 regarding the proposed boundary change.

Advice was provided by ECSA which outlined that the probable growth in the area would not result in the need for the City of Marion to undertake a representation review as a result of the boundary change.

The affected Wards of this proposed boundary realignment are the Mid Coastal Ward of the City of Onkaparinga and the Coastal Ward of the City of Marion.

If the proposed change is implemented, the subject land will be moved from the Mid Coastal Ward to the Coastal Ward. Therefore, the Ward boundary will change as Mid Coastal Ward will be losing some land and Coastal Ward will be gaining some additional land to their Ward.

The subject land is currently a vacant land with no subdivision. It is hard to predict the definite impact on Ward structure upon the subject land being developed. However, with the current population of 63,067 in the City of Marion and with six wards, averaging approximately 7,000 electors per ward (as not every residents in a Ward has right to vote), it is unlikely that this the proposed realignment would have any impact on the City of Marion's Coastal Ward's number of Councillors.

As mentioned before, all Wards within the City of Onkaparinga, irrespective of their size, have two Councillor Representatives. Therefore, the boundary change will not have any impact on the number of Councillors.

Comparative analysis of Ward structure

	City of Marion	City of Onkaparinga
Population	63,062 (ABS ERP 2019)	117,913 (ABS ERP 2019)
Number of Ward councillors	2	2
Number of Wards	6	6
Population per Ward	10,510 (approx.)	19,650 (approx.)
Estimated population per Ward after boundary	11,710 (approx.)	19,650 (approx.)
change		Ward population will
(with assumption of 200 dwelling and approx.		not change as land is
1200 extra population for the City of Marion)		currently vacant.
% change of population per Ward	1.89% increase	0% (currently vacant
		land)
Impact on Ward structure	None anticipated	None anticipated

(xii) a scheme that provides for the performance of functions and delivery of services in relation to 2 or more councils (for example, a scheme for regional governance) may improve councils' capacity to deliver services on a regional basis and therefore offer a viable and appropriate alternative to structural change

The proposed boundary adjustment is unlikely to impact the ability of the Councils to continue any shared agreements that are in place.

Regional service provision is not considered to be an appropriate alternative to the proposed structural change as the main issue that the proposal seeks to address is the division of a suburb between two Councils.

Conclusion

In summary, both Councils are more than equipped to service the subject land fairly, effectively and efficiently. However, the proximity of the subject land to the services offered by the City of Marion and the anticipated community of interest with the existing Hallett Cove residential area proved to be more accessible and connected to the future residential community in comparison to the City of Onkaparinga.

The established residential area along the Burlington Road located immediately to the north of the subject land is clearly the nearest and most accessible community of interest to the future residents of the subject land.

Moreover, the location and features of the subject land is being directly accessible from the established suburb of Hallett Cove within the City of Marion. It is also in close proximity to local services available at the Hallett Cove Shopping Centre, medical services and within the existing Hallett Cove schools catchment area for both primary and secondary education facilities. All of these will influence the relevant community of interest for future residents of the Land.

This boundary realignment is sought in order to achieve a more coherent development of the land for residential purposes and a more efficient delivery of services and infrastructure and the progression of this proposal will allow for this.

As detailed in this report and the assessment of the proposal against the relevant provisions in the Act, it has been determined that the proposed boundary realignment to move the subject land parcel from the City of Onkaparinga to the City of Marion will have no significant economic or environmental impact on the communities. This boundary change will however, benefit future ratepayers in the subject land by allowing for a coherent residential development.

Recommendation

It is recommended that the proposed portion of the Title (comprising approximately 5.4 hectares of Piece 4102) currently within the City of Onkaparinga (relinquishing Council) be transferred to the City of Marion (receiving council).

After the change, the entire land parcel which is identified as Certificate of Title 6113 Folio 868 and comprising two Pieces 4101 and 4102 in Deposited Plan 91554 (the subject land) will be under the administration of the City of Marion. As a result, the City of Marion's boundary will align with Sigma Road, Lonsdale.