

4/3/2014

Linda McLean



Attention: IPART, Division of Local Government and the Valuer General's Office

Dear Sirs/Madams,

Re – Maitland City Council and objections to-

- Inconsistent Commercial rates charged throughout the shire.
- Objection to the high percentage of the increase, particularly in the area currently known as Maitland Heritage Mall.
- Objection to the amount set for land values in the area known as Maitland Heritage Mall.

Maitland council is suggesting a rate hike of 6.16 % per annum for commercial rates over the next seven years for all business premises in Maitland Shire. For those with property in the vicinity of Maitland Mall (but not in the Mall) there is an additional rate approximately 50 per cent of the first tier of rates. This tier of rates will also attract the increase of 6.16 % per annum for the next seven years, if approved.

Additionally, in a small area of the shire known as The Maitland Heritage Mall, there is a third tier of rates. This third tier, known as Mall Levy is approximately 120 percent of the standard Commercial rates for the shire and this tier is set to increase by 7.25 % per annum over the next seven years if approved.

All three tiers of rates in the Maitland Heritage mall have increased by 19.8 percent over the past 2 years. I have attached a rate notice outlining this rate structure for a property in the Mall, 346 -348 High Street. First tier shows \$2,582.60 per annum, City centre tier shows \$1,245.15 per annum and the third tier, Mall Levy shows \$3,077.00 per annum.

Maitland Council was successful in gaining permission from Government to charge investors a "Mall Levy" when they removed traffic from part of the High Street to create a Mall in the 1980's. This permission was granted due to a belief that the Maitland Heritage Mall was going to be one of the best places to conduct business in Maitland Shire. It was to be a destination, a place with no traffic, a desirable place, landlords and business owners were promised great things, such as customers, toilet facilities and advertising to ensure it would be the place to go in Maitland. The Mall Levy was to be used to promote the Maitland Heritage Mall.

As the years went by, this area became less and less desirable for investors, business owners and shoppers. The Council will not open their only toilet facility in the Mall, despite repeated requests from many in the community. The Council facility is closed on Saturday afternoons and Sundays due to fear of vandalism. They argue there is nobody there and most of the shops aren't open. "Why would we bother to open the bathroom facilities, they would just get vandalised?" stated one Council employee. Many retailer and members of the community argued to council - "If they led by example and opened their facility, perhaps more retailers and cafes would follow suit." This was met by stony silence.

There are many empty shops and broken windows are a regular occurrence in the Mall and City Centre. Baileys the local Jeweller in the Heritage Mall has had his main shop window smashed twice in 2014. Shop keepers regularly clean-up smashed bottles and bodily waste associated with undesirable behaviour in this vicinity. Investors hope the reintroduction of traffic will help to reduce the vandalism and drug activity currently conducted in the Mall.

Clearly Council's advertising of special events in the Mall, fails to create a vibrant Heritage Mall and City Centre. The Council advertising in recent years does not mention the location of the events funded by the Mall Levy, preferring to advertise the location as the Maitland City Centre. Maitland Council also fails to feature their Heritage Mall on their own website. Places such as Morpeth and Maitland gaol are the stars on the Council website and in recent advertising campaigns.

After a petition was organised in 2010 by the Maitland City action group, Council agreed to reintroduce traffic to the Heritage Mall section of High Street. We are still waiting, and hope that work will begin in April this year. The traffic will travel one way and the community hope that some passing trade will improve the area and make it a safer place to shop and conduct business. There are possible long term plans to further develop the area known as Maitland Heritage Mall with new toilet facilities and three council owned eateries/coffee hubs. Although, Council advised recently, via their Economic Development Officer, that there is no funding for this project at present.

Maitland is the fastest growing shire in rural NSW. Many commercial areas of Maitland are seeing the benefit of this growth. Places like Morpeth, Rutherford and Greenhills appear to be going from strength to strength. Significant commercial development is evident in these areas. This is not the case in the Maitland Heritage Mall. Things are so bad in this section of Maitland High Street that Pierre, the Economic Development Officer, for Maitland Council is proposing to offer empty shops free of charge to tenants. This would be done after gaining approval from Landlords.

The Council have broken their promise to provide a thriving venue and subsequently, the permission to charge a Mall levy should be rescinded. Charging three tiers of rates continues to drive investors out of Maitland Mall and the city centre, creating hardship for those remaining. Maitland Mall has some of the lowest rents in Maitland shire, yet the Council continues to charge premium rates, choosing to blame retailers and investors for its demise.

[REDACTED]

Newcastle Council have additional commercial rates for a number of their commercial precincts, (eg Darby Street, Hunter Street), they vary from a 5% - 25% higher than their standard commercial rate. There are no additional commercial rates for other areas of Maitland shire. (Morpeth, Greenhills, Rutherford)

I spoke with [REDACTED], mid February 2014, with regard to the issues outlined above and she advised me to speak with [REDACTED]. I outlined my concerns to [REDACTED], who assured me [REDACTED] was going to look into it. I did not receive the promised follow up call so I phoned [REDACTED] on the 4/3/2014. [REDACTED] advised me that [REDACTED] had passed my concerns on to Council. When pressed, as to whom [REDACTED] had spoken, [REDACTED] advised, to [REDACTED].

Prior to speaking to [REDACTED] I spoke to over half the Maitland councillors and I was advised to speak at the Council Meeting in early February 2014 in order to introduce the subject for Council discussion. The Council was kind enough to allow me to speak on behalf of investors in the Mall, I raised the concerns above, not one Councillor considered the matter worthy of analysis.

It is very hard to sell a property in the Mall area of Maitland and extremely hard to find tenants. Most landlords are charging lower and lower rents, arguing that some return is better than none. Real estate agents warn investors away from the Mall, the high cost of trading in the area keeps tenants and investors away. The rates are disproportionate to the rest of Maitland Shire and this is detrimental to the rebirth of the City Centre. Two shops on the river side of the Mall have been for sale for over three years, no buyers, even though the owners are happy to sell the property for what they bought them for or even lower. In 2012 a property previously on the market for \$450,000 sold for \$340,000.

Members of the Maitland City Action group held a Meeting with [REDACTED] in 2012. [REDACTED], one of [REDACTED] main objectives for the local area was to revive the city centre. To date there is no evidence of any action on [REDACTED] part. We asked [REDACTED] to help us with a relatively simple task of reopening the Council owned public toilet facility on week-ends. [REDACTED] advised [REDACTED] would speak to council about this. We are still waiting for any response from [REDACTED]

I do not know of one Council in Australia that charges unjustifiably high rates to one small area of their shire. An area Council openly admit is empty and prone to vandalism. The Mall levy and City Centre Levy need to be removed for the benefit of the community. Yet, Maitland Council plan to increase the rates in this area, on tier one, two and three. This will give real estate agents and investors more reasons to stay away and further decrease values in the area currently known as Maitland Heritage Mall.

Fair rates, in line with the rest of Maitland shire would help to aid the recovery of the Mall and City centre. Equal rates for all commercial precincts would also benefit the council by way of creating a better City centre, encourage investors and tenants back to the area. There is no logical or reasonable argument to back the continuation of these additional rates, let alone increase them. The community also believe the return of traffic, provision of parking and replacement of the broken pavers currently on the site will also aid the recovery of this area.

To continue to charge a "Mall Levy" seems to me to be unconstitutional. Rate payers in the Mall are paying for services that either do not work or don't exist. The council has broken its promises to retailers, investors and the wider community of Maitland. Maitland Council has not looked after the Maitland Heritage Mall, not provided toilet facilities, not created an environment conducive to business, not provided adequate lighting or security and not provided advertising resulting in patronage of the Mall on a day to day basis.

[REDACTED], a third generation retailer in Maitland High Street believes **"the mall is toxic to trade"**. This is also the opinion of the majority of traders and investors in the Maitland Heritage Mall and Maitland City Centre.

Please help the retailers, investors and local community of Maitland create a better city centre by giving us a chance to compete with other commercial precincts in the shire. Please say no to increases in rates for the Maitland City Centre and Heritage Mall. Please stop council from charging two extra tiers of rates. Please re-evaluate property prices in the area known as Maitland Mall.

Ipart - please help us to minimise the disproportionate rates charged, by saying no to any percentage increase on the Mall Levy and City Centre Levy.

Valuer General Office – please re-evaluate value of properties in the area currently known as Maitland Mall. The rates ensure that values remain much lower than values outside the mall.

Division of Local Government – would you please re think the approval given for the Mall Levy and city centre rates? Maitland Council has not fulfilled their obligations to retailers, business owners and investors in the Mall. They have not succeeded in creating a successful Heritage Mall and subsequently the levy should be abolished. Other areas of the shire are doing much better, yet they pay one third the rates. Rates should be fair for all commercial precincts in the shire. We hope that with your help, investors and business owners will return to the Maitland City Centre.

Yours faithfully,

Linda McLean

And on behalf of, [redacted] – investor, [redacted] – investor and fashion retailer, [redacted]
[redacted] – manufacturers and retailers of [redacted] goods, [redacted] - investor, [redacted]
[redacted] - investor and retailer, [redacted] - café owner, [redacted] – fashion
retailer, [redacted] – menswear retailer, [redacted] – investor and retailer, [redacted] –
menswear retailer, [redacted] – [redacted] Real estate, Maitland.