

FEEDBACK SOUGHT ON LOCAL GOVERNMENT RATING SYSTEM

13 April 2016

The Independent Pricing and Regulatory Tribunal (IPART) has begun consultation on a review of the NSW local government rating system.

An Issues Paper released today seeks feedback from councils, the community, business, government and charitable institutions on the rating system, and a range of possible changes to the way rates are levied across and within different communities.

IPART Chairman Peter Boxall said the \$4 billion collected in rates by NSW councils is a major source of funding for the services provided by local government.

“With billions of dollars and the provision of important services involved, a rating system that is efficient, equitable and sustainable is critical to the good performance of local government for the benefit of the NSW community,” Dr Boxall said.

“This is an opportunity to revisit all aspects of how rates are levied and to design a system that better supports the sustainable operation of local government in the future and is more equitable.”

Dr Boxall said comments are being sought on key issues including:

- ▼ Whether rates should continue to be levied based on the unimproved value of land or whether councils should have the flexibility to levy rates based on capital improved value, including on apartments and other multi-unit dwellings.
- ▼ Possible changes to current rating categories (residential, business, mining and farmland).
- ▼ Potential changes to:
 - the land uses that are exempt from paying rates, and
 - the pensioner concession scheme.
- ▼ How a merged council could transition to an equitable system of rating.

The paper also seeks feedback on a proposed approach to implement the Government’s rate path freeze policy for merging councils.

“The terms of reference for this review are broad and we are encouraging stakeholders to comment on any issues they consider relevant to reform of the ratings system,” Dr Boxall said.

“We will be consulting extensively with councils and other stakeholders throughout the review to ensure that all ideas and options are considered.”

IPART will conduct a public hearing on the Issues Paper in Sydney on 26 April 2016, which will be webcast to allow participation from across the state.

Submissions to this Issues Paper close on 13 May 2016.

IPART will issue an Interim Report with recommendations for achieving the rate path freeze for merging councils to the Minister for Local Government by 17 June 2016.

A Draft Report covering all issues relevant to the review will be released in August 2016, inviting further submissions. Public hearings on the Draft Report are scheduled for September.

The Final Report and Recommendations will be delivered to the Minister for Local Government in December 2016.

The Issues Paper, along with information on public hearing, are available on IPART's website <<http://www.ipart.nsw.gov.au>>.

Media Contact: Rebecca Lloyd 02 9290 8403 or 0407 300 222

Julie Sheather 02 9290 8403 or 0409 514 643