

Author name: R. Sweet

Date of submission: Friday, 14 October 2016

Submission:

From: [REDACTED]

Sent: Wednesday, 24 August 2016 7:43 PM

To: IPART Mailbox

Subject: MEDIA RELEASE ON COMMITTEE REVIEWING COUNCIL RATE SETTING

To The Chairman

Ipart committee reviewing council rate setting system.

I made a submission to your committee earlier this year, setting out in detail, the problems with using the Valuation of Land and the inequities it created for ratepayers, councils, and costs to the Government. I also included in my submission, an alternative system which was a common base to every ratepayer, so that all rates were exactly the same for all. It also solved the problem of owners of medium and high density units paying their fair share on council rates.

I've received a copy of your media release and note that the committee still favors a valuation of the land. In view of my setting out the imprecise nature of land valuation, and unequal level of rates it creates between people living in the same street, I'm amazed that the committee still continues to consider that as a possible improvement!

I raised this in my letter of reply to the committee's draft report to be presented to the State Government. I received no response to that letter. This raises a question in my mind, "has the committee members read my submission?" Have they done so but dismissed it, surely one would expect a reply setting out the reasons for rejecting it. Assuming that it has been considered by the committee and rejected, I can only assume that the committee is prepared to accept the onerous method of using the valuation method and the inequities it creates between neighbours. If this be the case then I just mention a comment attributed to Albert Einstein and that is "you never solve a problem by using the same thinking that created it"

You will note that I ask two questions at the end of the attachment, And would appreciate a reply. Ray S

RAYMOND J. SWEETMAN

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

24th August 2016

The Chair

The Committee reviewing the method of Municipal Councils in setting their rates

iPART

Dear Sir,

I have just received your papers dated 22nd August 2016 and have only read the media release at this stage, and this is my response to that document. My submission to your committee stated that any change to the current system must be fair and equitable to ratepayers, councils and the Government.

The current system of relying on land value is certainly not equitable to rate payers where there are different levels of rates paid by rate payers in just about every street in the State. Yet irrespective of what rate is paid, each and every rate payer gets no more nor no less service from their respective Council. This applies equally if land size became the criteria. It therefore is a wealth tax and not a payment for services offered.

I also stated that it should not rely on an imprecise system, which Valuation of Real Estate is. This is dealt with by way of an actual example in my submission. I am a certified Real Estate Valuer and lodged an appeal on my last UCV. Using the same data as the Valuer General, when he set mine UCV at \$738,000 I concluded that my value is more likely \$603,000 and lodged an appeal. An independent valuer was then appointed and his valuation was \$660,000, which is now my UCV. Three different values for the same block of land by three qualified valuers.

Apart from the imprecise nature of Real Estate Valuation, we have the situation of neighbours paying a different level of rates due to the difference levels of their UCV'S. All these points were set out in great detail in my submission.

I respectfully ask The committee though the Chairman, these two questions;

1. Does the Committee accept that it is fair and reasonable for a Government Charge to be based on the imprecise Real Estate Valuation practice?
2. Does the Committee accept that it is fair and reasonable that ratepayers should be paying different levels of rates within their municipalities including their neighbours?

Should the Committee answer yes to one or both the above questions, or fail to provide an answer, I would appreciate the advice as to why. I'm sure that the committee is aware that their decision will affect ten of thousand of ratepayers in NSW AND THIS INCLUDES COUNCIL'S AND THE STATE Government. In my view continuing with land valuations or land size does not make it equitable for ratepayers. It perpetuates the wealth tax to the detriment of ratepayers. I believe what I suggest is fair to all. Two key points. It would save Government money for it saving the Valuer General the cost of the three yearly revaluation, and defending his valuation on appeal. Medium and high density owners would be each paying exactly the same as the single home owner.

From: [REDACTED]
Sent: Friday, 14 October 2016 10:12 PM
To: IPART Mailbox
Subject: Re: [Submission] Review of Local Government Rating System

Hi, Thanks for your email .However I have received two draft reports for comment, both seriously considering continuing with some form of land or sale valuation and continuing with a wealth tax rather than some form of rating for the services councils offer. One report clearly stated that the wealthy can afford to pay more, yet else where that the new system must be fair and equitable, One might well ask to whom?

My submission mentions many instances where the current system is neither fair nor equitable among rate payers. Many properties were purchased in the 1920/1930 cheaply as there no infrastructure and the buyers started farming, milk diaries, poultry and egg farms etc and relied on horse and cart for transport. Many properties had excellent water frontages and now worth many millions of dollars. Through the years many have passed down through the family. .As development and the infrastructure came, farming gave way to working class owners. Some sold out to spellcheck-word-highlight">rely on the capital growth. However many held on to the family home. Today many of them are now pensioners and certainly not rich. Sure they will get the pensioners discount but it will be on a much Higher base. Is that fair and equitable?

All valuations are made on an imprecise valuation system. In previous emails, I've explained this with an actual example. AS a certified Real Estate Valuer, I considered my latest spellcheck-word-highlight">UCV at \$738,000 too high and valued mine at \$603,000. The VG appointed an independent who valued my land at \$660,000 3 different values from 3 different valuers for the same block of land! And Government charges, or taxes if you prefer are based on this system. A look at the system I propose shows that what I suggest spellcheck-word-highlight">avoids appeals and in my view is fair to all. t over comes the problem of unit owners paying their fair share.

, I suggest the committee research the State Government of the day changing water rates, from an Assessed Annual Rental spellcheck-word-highlight">Value, set by the VG, when assessing the spellcheck-word-highlight">UCV to a user pays by way of water meters. Thus a elderly business couple with no spellcheck-word-highlight">children, having a high spellcheck-word-highlight">AARV two bedroom unit in the eastern suburbs of Sydney, found that under the changed, their water rates were now a lot lower, and the young couple in a 3 bedroom spellcheck-word-highlight">fibro home out in the western suburbs of Sydney. with three children, two of them girls, find their rates have gone up. The elderly couple have always used less water than the family.

It must have been a courages Government to abandon a wealth tax and replace it with a user pays system? Two questions I've put to the committee remain unanswered'.

1. Does the committee believe it is fair to base Government fees and charges on such an imprecise basis?
2. Dos the committee believe it is fair and reasonable for neighbours to be paying different levels of council rates?----

I* trust you find this interesting and worth submitting it to the Committee, Ray S.