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Submission: Please find attached document outlining our concerns at the way rates are levied on beachfront properties in the Gosford City Council area. The current practice, endorsed by IPART, results in these properties paying probably the highest Council Rates in Australia. I would recommend a maximum rate to be established, especially within Councils that apply very high Ad Valorem factors such as Gosford City Council. Currently, in such a Council area, should your property be worth significantly more than the average you are hugely discriminated against therefore there needs to be a reasonable maximum rate applied within these Councils. No one should have to pay a Council \$220 a week from their nett wage to live in their own house especially when someone who paid the same amount for their property, but has a lower land value, pays a fraction of that amount.

Gosford City Council is Over-Rated & Over-Rating

Objection to excessive Beachfront rates

Beach front properties in the Gosford City area are paying ridiculously high rates, this has got to stop. As an example, a property recently purchased in View St North Avoca has rates in excess of \$11,000 per annum. We, as do everyone we've discussed this with, find this to be an extraordinary levy on a residential property (Council's current land value is \$2.7M, the purchaser paid \$2.1M with a house on the property).

If this property were in Sydney the rates would most likely be around the \$3,000 mark. In Vaucluse a house valued at around \$50 Million pays \$9,500 a year in rates!! The factor Gosford City Council uses in calculating rates is 0.0035971 whereas Manly Council, for example, uses a factor of 0.0011. Why does Gosford Council need a rate 300% higher than Manly? We appreciate Gosford Council has a certain budget to meet, it looks at the average land values and then calculates the factor it needs to generate the necessary income, BUT when a small group of properties with an extraordinary high value by comparison are hit with the same rate factor a massive prejudice exists, as clearly demonstrated earlier.

Now if the purchaser had spent \$2.2M on a property in Cape Three Points Rd Avoca they would be paying \$2,832 per annum in rates. This clearly demonstrates the massive injustice of the current system where it's not how much you spend on a property but **where** you spend it !! Every way you look at this matter we are being treated in an extraordinarily unfair manner and as we understand it the basic ethos of the rates system is to be Fair & Equitable!

We would propose a cap on the Rates calculation to prevent this prejudice from occurring, something like \$3000 per annum. By current figures this would still be over 3 times the Gosford average annual rate.

Beach front rates are currently over 11 times the Gosford average annual rate.

We don't know how many properties in Gosford are currently paying in excess of \$3000 a year in rates, but it wouldn't be many, so it could be a measure Council could implement without great hardship. We do not use 11 times the Council resources of the average rate payer, and in fact the services provided to our beach front properties are well below standard eg: gutters, roads, drainage, parking and footpaths etc.

A flat rates factor without scaling or cap makes no allowance for the hugely diverse value of housing within the council's boundaries. We believe we are being victimised resulting in an outrageous expense for us when compared to the broader community in the Gosford Council area. Given the example of the Vaucluse property mentioned earlier, we doubt there is any other council in Australia that has such rates applied to an individual property.

Reviewing Council's expenditures we find that Gosford Council spend \$266M a year in Continuing Operations to support a population of 170,752 and Blacktown Council spend \$262M a year to support a population of 325,185 and same total length of roads. Blacktown has nearly twice the population of Gosford and requires \$4M less in operations, so that says Gosford requires twice the

amount per head to service its population? If so why? If Gosford was run like Blacktown then our rates factor could be halved.

We are unfairly treated by the existing system. To date in discussions regarding this matter with Council employees and indeed the Valuer General we have received no real assistance except for an explanation of a system that is not fair or equitable.