Narrabri Shire Council’s Submission - Review of Local Government Rating

Council’s Response to the list of Draft Recommendations:

1. Choice of valuation method - Agree.

2. Removal of minimums - Unnecessary.

3. CIV multiplier - Good idea. Obviously more beneficial to higher growth areas. It won’t have a great effect on rural councils that could use increased rating flexibility (without the burdensome process associated with current special rate variation arrangements).

4. Special rate outside rate-pegging - Council suggested this in its first submission, but without the restriction on it being joint funded from other levels of government. If the project provides a direct benefit to a distinct collection of ratepayers, the go ahead should not be reliant on joint government funding.

5. 10-year catch-up provision - Agree.

6. ‘Centre of population’ removal - Agree.

7. ‘Community of interest’ definition – Agree.

8. Different residential rates within a contiguous urban development – Disagree. Councils should not be limited by an across the board restriction. Such restrictions are predominantly the reason for this Review. We should be reducing legislative restrictions, not adding to them.

9. 4-year rate path freeze - Council is not involved in a merger and will therefore only offer the following comment:

   The introduction of a freeze on existing rate paths for four years for newly merged Councils will increase the time it will take them to “bed down” the rating equalisation process that eventually needs to occur, which in turn causes undue delay in achieving the ultimate goal of the merger; to operate as one council.

10. Sections 555 & 556 – Agree.

11. Exemption retention – Strongly disagree.

12. Exemption of private hospitals – Strongly disagree.

13. Exemption removal – Strongly agree.

14. Exemption removal – Strongly agree.
15. State Government rating – Strongly agree.
16. State Government rating – Strongly disagree. Self-assessment sounds messy. Part-time exemptions should not be considered.
17. State Government rating – Disagree. Permanent non-exemptions as a result of changes to the legislation should result in an increase in Council's notional yield.
18. Removal of water and sewerage charges from s555 – Strongly agree.
19. Exemption reporting in annual report – Disagree. Added administrative process that is not necessary. No value to the community if Council is rating as per the legislation.
20. Pensioner rate deferral scheme – Strongly disagree. It will create an administrative burden that will no doubt be unfunded.
21. Environmental land – Agree.
22. Vacant land category – Its use should be optional.
23. Section 518 amendment – Agree.
24. Section 529 (2)(d) amendment – Agree.
25. Section 529 (2)(d) amendment – It should be included as an option, not replacing the existing options.
26. Mine rating – Strongly disagree. Council's may incur additional costs as a result of mining activity that do not relate directly to the properties being mined.
27. State Debt Recovery Office engagement – Agree.
28. Sell a property for overdue rates – Agree.
29. Internal review policy – Agree.
30. Flexible payment options – Agree.
31. Discounts – Agree.

32. Remove s585 and s586 – Agree.

33. Emergency Services Property Levy alignment – Agree.

34. Valuation services – Agree.

Other Comments:

The current rating system causes an equity issue when new mining land comes on-line. Under the Integrated Planning and Reporting framework Council has formed a contract with its community to deliver a range of services to a certain standard for an agreed price. The tax burden on the existing ratepayer base has been established. With the introduction of a mining industry, suddenly there are increased pressures on Council infrastructure.

To segregate existing ratepayers from the affects a mining industry can have on a local government area, it is Council's contention that mine rating should be separated from the conventional rating structure, and the limitations (rate-pegging in particular) this presents.

The Mining category should therefore be considered outside the permissible income calculation as the introduction of a mining industry can significantly impact the consumption of public goods. This impact should be detached from the tax burden on existing ratepayers by allowing Councils flexibility to raise income to fund the additional demands on its infrastructure and services.

Council feels strongly enough about this issue to have earmarked it in its Fit for the Future Improvement Plan as an action for this Rating Review.