



## Submission to IPART – Review of the Local Government Rating System

Walgett Shire Council has arguably a “unique” characteristic in that its geographical location encompasses one of the two (2) opal mining districts within NSW, with a concentration of periodically renewable opal mining claims and leases at Lightning Ridge and outlying areas. Some of these mining claims and leases are converted residential mining leases or Western Land Leases. Opal Mining and Western Land leases (*being either crown land or mineral or other rights over freehold land*) are administered by different state government departments and Council is dependent upon information flow from these entities for rating purposes and for future infrastructure development. Opal mining is estimated to represent approximately 37% of the total number of rateable parcels of land within the local government area but currently only contributes approximately 10% of the ordinary rating revenue.

Being a rural local government area with limited strata developments, Walgett Shire Council preference is for the retention of UV valuations issued by the Valuer General or for choice.

Walgett Shire Council, whilst acknowledging issues related to the rating of low value land, supports the removal of minimums in favour of ad valorem and base amounts.

Walgett Shire Council welcomes the proposed mechanisms of increasing general income outside rate pegging provided that models can be devised that are not solely based on CIV growth.

Walgett Shire Council supports in principle the new rating categorisations, however, whilst outside the scope of the IPART Review, there appears to be some conflict with EPSL categorisations such as with vacant land being at category level whereas in the case of EPSL it is at sub-category level. Also with respect to the residential category, a Council can have situations of isolated dwellings in rural areas that do not meet rural residential or farmland definition criteria. This can occur when farmland is subdivided or existing registered lots are sold leaving a small residential holding of less than two (2) hectares or a holding where there is no activity of a farmland nature. It is felt that this maybe an opportunity to assess accommodation of such occurrences within applicable categorisation definitions.

Walgett Shire Council supports the removal of exemptions in general. In regards to an exemption being extending to private hospitals however, the exemption should be specific to not-for-profits as to do otherwise may inadvertently contribute to dividend growth to shareholders.



**Shire of Walgett**

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Walgett Shire Council does not support the proposed pensioner deferral scheme due to the possible ongoing administration obligation to retain deferral debt “on its books” which then may need to be included in statutory reports impacting the local government KPI in regards to outstanding rates and charges debt (*in NSW the KPI for rural councils is less than 10%*). As the detail of the operational model is unknown, it is possible that Council may also need to retain subsidy funds in reserves to offset the impact of accruing debt each year. Council prefers a 100% fully funded State scheme model that offsets and extinguishes pensioner concession rebates in each financial year. It is worth noting that in NSW, pensioner concessions apply to a range of pensioner types e.g. DSP, NS, etc., and not exclusively to aged pensioners (*i.e. senior card holders*) as appears to be the case in South Australia. Irrespective, a pensioner may live for a considerable period of time which may eventually result in Council having to write-off debt, which forms a cost to the community in the period in which the write-off occurs. Also in the case were a person is a pensioner for a specific time only, that debt (*it is assumed*) would need to remain “on the books” and may possibly prevent Council from using sale for land for unpaid rates provisions as appears to be the case in Western Australia and South Australia where the deferral debt remains “on the books” until a death or change of ownership trigger event. Whilst outside the scope of the IPART rating review, water and sewerage pensioner concession rebates and their impacts should also be considered as they are arguably unable to be seen in isolation from ordinary and special rates.