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Rating Team

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IPART Review 2016



12 May 2016

The Chairman
IPART
PO Box 835
HAYMARKET POST SHOP NSW 1240

Dear Sir/Madam

Re: IPART Review of the Local Government Rating System

Ballina Shire Council, as a member of NOROC, supports the submission provided by NOROC.

However we also wish to take this opportunity to draw to IPART's attention a particular example of where the limitations of the current rating system causes an issue of inequity.

The current Local Government Act (LGA) 1993, does not allow councils the legislation to respond to the increasing amount of new **multiple occupancy developments** (e.g. caravan/mobile home parks, retirement villages, over residential flat developments etc.), especially in regard to Ordinary Rate levies.

Under the current LGA and Valuation of Land Act 1916 (VLA) legislation, the whole land area that a multi-occupancy development comprises (excluding strata titled developments) is valued and rated as a single rating assessment. Generally this results in a much smaller rate per occupancy, when compared to a single dwelling or a single strata unit.

This is especially so where a council may have adopted a base rate structure. In this case, a separately rated dwelling pays a single base amount, whereas a multiple occupancy development with possibly hundreds of dwellings, still only pays a single base amount.

One such example in Ballina Shire is of a large retirement village, with approval for 286 homes. This property receives an ordinary rate charge of \$9,500 (including a base amount of \$449). This results in an effective ordinary rate per dwelling of under \$34 per dwelling, compared to the average residential rate charge of \$900 for the shire.

The issue is that residents of the multi-occupancy sites have exactly the same access to Council services, roads, libraries, parks, etc. as any other resident, so why should their ordinary rate contributions so different?

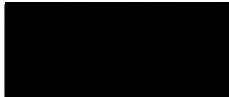
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As a solution, we suggest that an option be made available for councils to raise a separate base amount per tenement if a property is above a threshold number of tenements (for example 10-50-100).

The notional income calculation process does allow councils an adjustment for subdivision growth, however these multiple occupancy developments effectively act as subdivisions that increase the number of dwellings and residents within a local government area.

The suggested change would result in a much fairer distribution in the costs of providing services to all members of the community, and also a growth in council income to address the growth in households being served.

Yours faithfully



Paul Hickey
General Manager