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10 May 2016

Review of Local Government Rating System
Independent Pricing and Regulatory Tribunal
P.O. Box K35
HAYMARKET POST SHOP NSW 1240

Dear Sir/Madam,

**Subject: Review of Local Government Rating System, NSW
Issues Paper; April 2016**

I wish to make comments of a general nature regarding the review of the land rating regime for NSW Councils.

Whilst I have not addressed each of the specific questions and have only related to the residential rate component, however, I hope that my comments are included for consideration.

The comments are not confidential, nor is my name.

In my mind a philosophical change is due to the rating framework for 2 basic reasons;

- To establish a simple base, with transparency, and
- To establish a nexus for the purpose of the general fund rate

The current method of determining rates stems from a relationship of property (land values) to the provision of Council services and facilities.

However the property in itself does not get benefits, enjoy or utilise the services and facilities whereas people do. As a consequence, the proper nexus for the rate framework should be struck with the people (population) relevant to the Council services and facilities.

A means of structuring a people based relationship to rates (income) could be derived by the connection to (deemed) occupancy residential density levels, irrespective of the domicile category. This immediately removed the need to consider the type of domicile, as it becomes irrelevant.

PROPOSED AMALGAMATIONS

In regards to the proposals for proposed Council amalgamations areas it would be of interest, for the purposes of this exercise to establish whether true savings of the Council mergers in the past have eventuated as initially projected to substantiate those amalgamations. Also if they occur, the residents of the merged areas should be granted a lower rate structure, as a consequence of the supposed reduced costs, as done by Jeff Kennett for the Victorian amalgamations in the 1990's.

It would appear that the rating proposals in the Issue Paper for the merger Councils has not taken into account the impacts arising from rating frameworks other than the general fund. Unlike the metropolitan areas of the State the rate structures and amounts for Water, Sewer and Waste Services can vary significantly for the respective Councils. As a result address should also be undertaken as part of the IPART exercise to ascertain the overall effect of Council mergers in addressing of "all" of the applicable rates.

Yours sincerely,

K I Wilson

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