



Ref:APC  
D16/16157

13 May 2016

Review of Local Government Rating System  
IPART  
PO Box K35  
HAYMARKET POST SHOP NSW 1240

Dear Sir

#### **LOCAL GOVERNMENT RATING REVIEW**

Council's feedback in respect of matters contained within the Local Government Rating System – Issues Paper April 2016 are set out below.

#### **SETTING RATES**

##### Rate Pegging

- The rate pegging arrangement does adversely impact Council's financial management capability. The current Special Rate Variation process is unwieldy in terms of the process and time frames and the principle that Council should determine in consultation with their communities the level of rates to be paid is strongly supported. The principle of rate benchmarking is recommended.

##### Levying of Rates

Council should be able to choose whether to levy and issue rates on an annual or quarterly basis this option particularly is seen as beneficial to Council's who have responsibility for Water and Sewerage services. Currently Council's water and sewerage usage accounts are billed quarterly with the charges incorporated with the issue of the quarterly instalment reminder. The option to bill rates and annual charges on a quarterly basis is seen as beneficial for the following reasons:-

- Ensures all ratepayers contribute to the provision of services, new services are billed from the commencement of the next quarter.
- Supports the current legislation in respect of the treatment of pension rebates.
- Enhance transparency in terms of the quarterly instalment calculation.
- Assist in recovery of outstanding debts in providing clarity around amount due.

##### Categorisation

- The definition of FARMLAND needs to be broadened to include geographic reference. The sub categorisation based on intensity of land use in Local Government areas with extensive non-urban areas is impractical given the nature of agricultural/pastoral activities undertaken.
- Coastal Council's in particular we have a high number of holiday rentals including flats and bed and breakfasts which are currently categorised as residential. These properties impact heavily on the level of capacity required of Council's infrastructure, I believe these properties should be classified so as to allow Council to generate income commensurate to the burden placed on local infrastructure.

### Overdue Rates

The following proposals to assist Council in the management of overdue rates are recommended:-

- Adoption of the New Zealand model, whereby Council reports arrears of rates to Mortgagees annually with the debt being paid to Council and added to the ratepayer's mortgage.
- The capture of e-mail addresses and phone numbers (mobile) on Notices of Sales would assist in debt management.
- Option to issue of all notices and advices in electronic format.
- Sale for unpaid rates –
  - If a council accepts an arrangement for payment prior to the sale and the arrangement is not adhered to then the Council is forced to commence the process again. Councils are accepting arrangements in good faith right up until the day prior to the sale. If the arrangements fails and the provisions of the section are still met by the property, Councils should be able to relist the property for sale under the section without the need to commence the process again.
  - If a property is sold council is able to recoup any cost associated with the sale. If a ratepayer pays the rates outstanding prior to the sale council is not able to recoup any of the cost associated (e.g. advertising search fees etc.) with preparing the property for sale.

## **EXEMPTIONS, CONCESSIONS AND REBATES**

### Exemptions

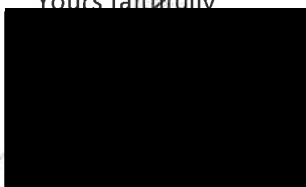
The following changes are recommended:-

- Removal of exemptions for housing owned by National Parks & Wildlife Services, Teacher Housing and Community Housing where the property is subject to lease.
- Removal of exemptions for State and Federal Government owned land where commercial activities are undertaken. It is envisaged that the area subject to the commercial activity .e.g. café within a National Park would be valued and rated.
- Conservation agreements and Section 585 Postponed Rates provisions to be removed and replaced with a section 14 allowances.

Pensioner Concessions

- Local Government should not be required to fund the concessions to pensioners; the pension concession is a welfare measure and as such should be funded fully by either the State or Federal Government.
- Statutory Pension concession amounts have remained unchanged for a number of decades; these should be indexed in line with changes in Pension Benefits.

Yours faithfully



Tony Curtin  
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