

**NARROMINE SHIRE COUNCIL  
SUBMISSION - CHANGES TO LOCAL GOVERNMENT RATING IN NSW**

**Taxation Principles**

1. Narromine Shire Council agrees with IPARTS proposed taxation principles.

**Assessing the current method for setting rates**

2. Narromine Shire Council believes the current method of valuing properties using the unimproved land value method should be retained. Changing to a capital improved land value method would be a disadvantage to Rural Councils and costly to implement. However, Councils with high-density properties would benefit from land valued under the capital improvement valuation method.
3. Councils should be required to use the Valuer General's property valuation services. Use of a private valuer would undoubtedly be costly to Councils to administer.
4. Minimum rates should be retained. Base amount rating would benefit if the 50% ceiling was lifted.
5. Councils would benefit if additional subcategories were introduced. Councils that have high-density properties would be able to levy rates in accordance with the actual use of the property which would more efficient and equitable.
6. The current rating system causes inequities when dealing with high-density property. Single properties that are surrounded by high-density property are currently paying the same rates for one property as a high-density property with numerous units. The current rating system does not address these inequities.
7. Rate pegging should be abolished. Councils should be responsible for setting their own rate pegging limit however, they should not be allowed to have carte-blanche. The introduction of earned autonomy where a council could demonstrate consistent high performance should be allowed to set their own rate peg and exempt them from any SRV processes.
8. Councils should be encouraged to partner with other levels of government to promote urban renewal.
9. Councils should take a more sustainable and equitable approach towards debt recovery. An option to encourage this approach would be to introduce industry standard guidelines for councils to use. However, councils should not be burdened or penalised with a higher percentage of arrears at the end of each financial year.

### **Assessing exemptions, concessions and rebates**

10. The land uses currently exempt from paying rates are not appropriate. If the exempt property (including Crown land) is being used for commercial activities that property should be rateable. As an example if land is owned by the Crown, and managed by National Parks and they are renting out dwellings ie: cabins, caravan parks etc (for a substantial fee) they should be paying rates and not be a burden on the remaining ratepayers. This should also apply to Community Housing, these properties should be rateable. The tenants of these properties are entitled to use council facilities that are available to them and the remaining rate base are subsidising them. Property owned by non rateable entities should be used for a specific purpose and once that purpose changes the property should revert to being rateable. Any exemption should also be reflected in the benefit the wider community receives from the exempted entity.
11. Council does not have a view on this proposal.
12. Council believes the current pensioner concession scheme should be retained. However, the burden on Council should be reduced or alternately the concession should be fully funded by the State or Federal Government. Council is not in favour of a deferral scheme or asset testing pensioners. Rate deferrals would be an additional burden on Council funds and asset testing would be an additional burden on Council resources. It is Council's understanding that assets tests are carried out by Centrelink prior to a pension being granted.

### **Freezing existing rate paths for newly merged councils**

13. Yes
14. Yes
15. Not known at this stage
16. Yes
17. Council does not have a view on this.
18. Council does not have a view on this.
19. Council does not have a view on this.
20. Council does not have a view on this.

**Establishing new, equitable rates after the 4-year freeze**

21. Council does not have a view on this.
22. Council does not have a view on this.
23. Council does not have a view on this.

Jane Redden  
Chief Financial Officer  
NARROMINE SHIRE COUNCIL

13 May 2016