

1) Do you agree with IPART's proposed tax principles?

Wentworth Council agrees with IPART's proposed tax principles.

2) What valuation method should be used in NSW and should councils be given more choice in selecting a valuation method?

Wentworth Council favours the use of unimproved land value as the basis for determining the ad valorem amounts in council rates. If there are to be any changes to the current system then council supports the concept of being able to select a valuation method as occurs in other states.

3) Should councils be required to use the Valuer General's property valuation services?

In order to retain the perception of independence Wentworth Council supports retaining the use of Valuer General's property valuation services.

4) What Changes (if any) should be made to the Local Government Act to improve the use of base and minimum amounts?

Wentworth Council would support the concept of removing the restriction that revenue generated from the base amount cannot exceed 50% of the total revenue from any particular rating category. Council would also support changing or removing the legislated ceiling on the minimum amount for ordinary rates. Council is of the opinion that this will give council's more flexibility in how it structures its rates especially in areas where there are large variances in land value between locations or areas of interest that essentially receive the same benefit in council services but pay substantially different rates.

5) What changes should be made to the rating categories?

Wentworth Council is in support of the current 4 rating categories, the ability to have sub categories gives council's the flexibility to be able to structure rates so as to evenly spread the tax burden according to land use. The only change that council would like to see is an improved definition for the mining category. Currently there is not enough scope with this definition to the extent that some mines end up being categorised as Business because it is too difficult to determine if they meet the criteria for the mining category.

6) Does the current rating system cause any issues associated with the rating burden across communities?

No comment

7) What changes could be made to the current rate pegging arrangements, in particular, to better streamline the special variation process?

Wentworth Council supports the concept of rate pegging and would support idea that council's that are deemed Fit For the Future and meet all the IP&R requirements be given the flexibility to increase rates above the rate pegging amount by a set margin (say between .5% – 1%) for set number of years (say up to 3 years) without having to go through the full special variation process. For other councils that don't meet the above criteria the system needs to be streamlined to make it cost effective to apply for a special rates variation. For a small council like Wentworth the cost of applying for a special rates variation under the current format is almost equal to additional revenue received from the rates increase in the first year.

8) What changes could be made to the rate system to better encourage urban renewal?

No comment

9) What changes could be made to the rating system to improve the management of overdue rates?

No comment

10) Are the land uses currently exempt from paying council rates appropriate?

The list of land uses that are currently exempt from paying council rates has not been reviewed in over 20 years, Wentworth Council supports the reviewing of who should be eligible for an exemption and would support the following;

- a. Removing of some exemptions for a land use category
- b. Narrowing the exemptions available
- c. Replacing exemptions with rebates

Council believes that there is scope for schools and religious institutions to pay rates as they do consume council services such as roads, footpaths that cost the remaining rate base to fund. If they paid rates but then had a substantial amount of that (say 75%) refunded as a rebate then it would allow them to contribute to the cost of providing services. Council would also be in support of changes to the criteria for charities and public benevolent institutions to receive an exemption. Most of these are large national organisations that don't have any direct link to the local community. Council would support exemptions being provided for locally run and operated organisations where activities of these organisations directly support the local community and any funds received by that organisation goes back into the local community/economy not an office in a capital city or other location.

11) To what extent should council's exemptions from certain state taxes be considered in a review of exemptions for certain categories of ratepayers?

Council would support the review of its exemption from certain state taxes if only to quantify the difference between how much councils are missing out on from not receiving rates from exempt bodies against how much council's save by not having to pay certain state taxes.

12) What should the objective of the pensioner concession scheme be?

Wentworth Council supports the current pensioner concession scheme and supports the concept that the state should fully fund the scheme in line with other jurisdictions. The current scheme of council having to fund 45% of the concessions costs Wentworth Council approximately \$80,000 per annum.