QPRC

IPART Review - Local Government Rating System

QPRC Submission to Government Response - January 2021

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Submission

General

This submission draws on the recommendations of the 2016 IPART Review of the Local Government Rating System; the 2020 Productivity Commission (PC) Review of Infrastructure Contributions; and Regional Cities NSW (RCNSW) paper on emergency services funding.

Central to those reports and prompted by the findings of the 2013 Independent Local Government Review Panel (ILGRP), is the ambition to establish alternate means to improve the financial sustainability of councils in NSW.

Where the Government has indicated 'support' or 'support in principle' in its Response to the IPART Review, Council urges the implementation of those Recommendations as soon as possible.

Council acknowledges the Government has already rejected recommendations from the IPART Report to move away from the rate peg or enable transition to a Capital Improved Valuation system (Recommendations 1-7); refining exemptions to rating from ownership to use (Recommendations 14-17, 19-21); and an approach to offsetting costs of pension subsidies (Recommendations 26-28). It is noted NSW remains at variance to other states with regard to a progressive land tax system and full compensation for pension subsidies.

While the position of Government makes the alignment of progressive growth in revenues to growth in population and consequent demand for services and infrastructure difficult, it is noted the Government is open to consider new rating categories, new differential rating structures, and new funding frameworks for infrastructure associated with development.

This submission also proposes a progressive tax system, removing lags, comprising a mix of:

- special rates and infrastructure contributions to mirror rather than mitigate, the impacts of population growth; together with
- notional yield catchups to recover under-charging the rate peg or development contributions;
- supported by a redistribution of the rate burden through broader rate categories;
- a revision of rate exemptions based on land use (including crown corporations); and
- the introduction of special levies to support emergency services, with the removal of related contributions from councils, while the Local Government and Emergency Services Acts are under review will support the ongoing financial sustainability of local government in NSW.

For example, the elimination of the emergency services contribution and associated assets depreciation on Council, together with the full reimbursement of the pension subsidy would yield $1.6m (4.1% of general rate) to QPRC, without impact on ratepayers.

The potential introduction of infrastructure, environmental or energy rate levies by councils, to mitigate demands on infrastructure and services from population growth, or additional conservation to manage public lands; and leverage government grants and development activity, could direct new expenditures to areas of contemporary demand. While these would be additional charges to ratepayers, the levies would be ring-fenced for planning, accounting and reporting to community, and supports the financial sustainability of the local government.

Rates Harmonisation

As a merged entity, Council harmonised the general rating structures of the former Queanbeyan and Palerang Councils in 2019-20, presenting papers on harmonisation, rates benefit and service pricing, and developing five scenarios for councillor and community discussion based on the rating principles of equity, simplicity and efficiency. With the assistance of a community reference panel, a final harmonised rate structure was endorsed by Council and implemented from 2020-21. Recommendation 13 therefore is irrelevant now.

That body of work endeavoured to ascertain the level of alignment between access to service benefits and the rates paid, and provide information for Council to consider improving or changing the alignment of service benefits to rates paid. The service costing identified the full cost and income for each service so to determine the level of cost recovery for each service, then check alignment to Council's pricing policy and the actual cost of each service.

With that information to hand, the adopted rate structure was premised on the '*narrow the gap'* principle contained in Council's financial policies. That principle is based on rates and annual charges and relevant grants ultimately meeting the annualised cost of maintenance, renewal and servicing/operational costs of infrastructure and servicing of associated debt. Services to community, business and environment then are to be met through fees and charges, contributions, operational grants and untied financial assistance. The financial strategy is to narrow those respective gaps and better align the source and application of funds. Figure 1 illustrates the model.

The adopted rating structure went further, aligning the ad valorem general rate yield to the notional cost of maintenance and renewal of assets – differentiated between rate categories and localities by the unimproved land valuations (UV); while the base charge aimed to recover the nett cost of servicing – differentiated by rate category and locality.

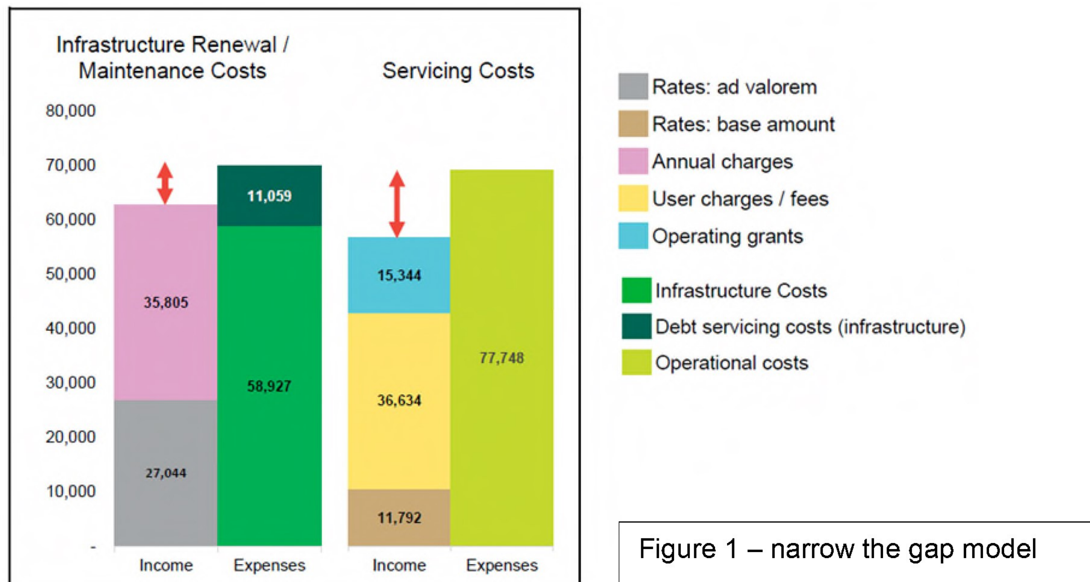

Figure 1 – narrow the gap model

Growth

As one of the largest and fastest growing LGAs in regional NSW, a mechanism to redistribute and elevate general rating reviews based on growth (beyond supplementary valuations) would assist QPRC and should be supported by Government. While an average $43m in new assets is constructed each year in QPRC through grants or gifted through development agreements, the subsequent average annual increase around $1.3m in expected maintenance (measured by depreciation) is only just met by the associated growth in general rates revenues from

average annual property growth (480 assessments). In turn, there is little contribution towards maintenance of existing infrastructure and services to the community from that growth. Council supports the assertion of IPART that ‘current ratepayers are shouldering an unfair proportion of the rating burden compared to new residents’.

Growth in regional areas has accelerated now as a consequence of residents and business migrating from metro into regional LGAs post-COVID, to improve lifestyle and capitalise on changing work flexibility and remote office digital activity – necessitating a bias to growth revenues.

The Government ambitions expressed in its DPIE Regional Plans includes compact regional cities, increasing densities in town centres around services and amenities, and establishing movement and place frameworks, while state planning policies around seniors living require those facilities to be preferably within or near town or suburb-centric health, retail and recreation facilities. The densification through strata multi-unit and seniors residential developments then does not yield the rating revenues (based on low UV) to reflect the increased usage (and maintenance) of town assets and services. The rating harmonisation considered a mixed ad valorem/base charge for detached residential, and considered the use of the minimum rate as a solution to collect adequate revenue for multi-unit residential. However a high ‘catch-all’ minimum rate would severely impact financially vulnerable residents and ratepayers. Council undertook an analysis of relative wealth and financial exposure of different community groups across the LGA, and considered the ‘capacity to pay’ principle in the development of equitable rates harmonisation options.

Infrastructure Funding

Council supports the recommendation of IPART to introduce a special rate for joint delivery of infrastructure projects, with income generated being on top of the general rate yield capped by the rate peg. Council is also broadly in support of the key recommendations of the Productivity Commission (PC) Report on Infrastructure Contributions, by:

- removing the disincentive for councils to accept development and growth by allowing for the local government rate peg to reflect population growth
- ensuring charges can be properly factored into feasibility studies by requiring contributions plans be developed prior to rezoning
- introducing a direct land contribution obligation for landowners following rezoning to provide early and adequate funding for land
- managing costs and complexity of section 7.11 local contributions plans by using benchmark costs and focusing the role of IPART in reviewing plans
- providing a simpler option for councils by increasing the maximum rate of section 7.12 fixed development consent levies
- addressing insufficient and ad hoc section 7.24 special infrastructure contributions through implementation of modest and simple broad-based regional charges being more transparent in reporting on how much money is collected and where it is spent

Council notes the Government acknowledges the potential relationship between property tax (rates) and development (infrastructure) contributions, but suggests it is important to differentiate metro, from regional city, to regional and rural development contribution and rating benchmarks, indices and charging arrangements, rather than assume a ‘one-size-fits-all’.

Council also suggests to Government, in line with the PC Report, pursuing a two-part approach incorporating an infrastructure (ringfenced) special rate levy and infrastructure contributions, noting indexation for those should differ to rate peg (LGCI). In that way, the

structure of the rating and contributions systems can be progressive, transparent and incremental, and reported annually. In addition, contributions or special rates should be available as co-contributions by LGAs to leverage government grants or be a catalyst for rejuvenation of town centres and public spaces and facilities in conjunct with new development.

In particular, Council supports recommendation 3.1 of the PC Report, noting development-contingent capital costs should continue to be funded through infrastructure contributions, with the additional rate revenue used to fund the general costs from population growth. It is understood IPART is advising on a methodology to capture population growth into the rate peg. A review of infrastructure types that can be funded through section 7.11 contributions plans, consistent with the impactor pays principle, should be undertaken concurrently. That recommendation aligns with Theme 2 of the Government Response to the IPART Review.

Council suggests in this circumstance, capital costs should continue to be funded by contributions, while servicing costs should be met by rates.

Unfortunately, with reference to earlier comments on Growth and Infrastructure Contributions in this submission, many regional and rural councils waive or reduce development contributions to attract development and economic growth, in turn reducing their capacity to provide or meet the council share of new of upgraded infrastructure required of the relevant contributions plan. Some councils may have policies requiring greenfield development to fund 100% of new infrastructure and upgrades to connect to existing networks, while infill may be discounted to say 50% of the cost to encourage the redevelopment and gentrification the Government seeks (refer Growth above). It is suggested the Government also consider a mechanism to enable councils to recover waived, discounted or deferred contributions through an infrastructure special rate levy.

Emergency Services Funding

The 2019-20 bushfire season and other recent natural disasters have made clear the urgent need for reform of the architecture, funding and operation of NSW emergency response services. Regional Cities NSW (RCNSW) has prepared a paper, supported by the Canberra Region Joint Organisation (CRJO), proposing an alternate funding model for emergency services (ES) in NSW. It aims to decouple increases in ES contributions from the rate peg as a minimum, but ideally to levy a property-based ES levy across all rateable properties, for disbursement to Government to fund emergency services operations and capital expenditure in NSW. The paper recognises a new approach is needed, and in light of the reviews and focus on what can be learned from the 2019-20 bushfires (along with consideration of broader state financial reform), now is the right time to undertake that transformation.

The current model of funding for emergency services draws on multiple sources, provides no certainty or transparency and places an inequitable and growing burden on local councils. At present, homeowners pay over 80% of costs through a levy on home insurance providers (which may then be passed on through premiums), the State Government contributes around 7% and local governments, in their role as land managers, contribute 11.7%, through their general rate.

The costs borne by councils generally exceed 4% of their general rate in regional and rural LGAs. Their expenses comprise:

- Local Government contribution
- Emergency Services asset maintenance repair and renewal
- Emergency Services asset depreciation
- Emergency Services within insurance premiums

RCNSW has lobbied Government, suggesting:

- Emergency services management is a state responsibility and that it should be managed and coordinated centrally
- Emergency services should be delivered by an integrated agency to:
- capture significant efficiency gains and
- increase capacity for more on the ground professional emergency management in the LGAs
- Emergency services should be funded by the State to provide certainty, and transparency

Council supports the proposition of RCNSW and CRJO to transition away from the insurance-based ESL and centralisation of emergency services responsibility with State Government in conjunction with the review of the *Local Government Act* and *Emergency Services Act*, and contain the following components:

- The introduction of a Property-based Emergency Services Levy (PBESL) on rate notices for disbursement to state government;
- The discontinuation of the annual ES contribution by local government
- The transfer of the emergency services assets from local government to the NSW government, relieving net expenses for hazard reduction and depreciation expenses for councils

The phased introduction of PBESL on all rateable properties, delivered by a separate line of rating on council annual rate notices (potentially delivered and recovered through RevNSW in the future), to fully fund the cost of emergency services for government, could be considered as an element of 'budget repair' post-bushfires and COVID-19. The removal of annual contributions from councils to emergency service funding will also assist their financial sustainability – in many cases the annual contribution exceeds 4% of their general rate yield.

The proposed PBESL is a property tax and may be structured as a base charge and an ad valorem rate. For example, 50% of the emergency services funding may be recovered across all rateable properties by the base charge, differentiated by zones (ie metro, regional, regional city, rural); while the balance is effectively differentiated by the unimproved land values established by the NSW Valuer-General across the residential, business, farmland (and potentially environment) rate categories across LGAs in the State.

Both the NSW Government and all property owners would have clear visibility on the "real" cost of emergency services, rather than it being buried in a myriad of different payments and there would be a single, efficient revenue lever to adjust to meet growth in costs.

It would also separate emergency services costs from council budgets, giving councils greater control and certainty over their finances and enabling them to focus on their core functions.

ServiceNSW or RevenueNSW's potential future collection of the PBESL through the council rate mechanism will also provide efficiencies, by reducing administrative costs through the elimination of additional collection activities and accounting processes. This approach may form part of land tax and stamp duty reforms contemplated by the NSW Treasurer and also assist NSW Government budget repair.

Environmental Funding

Much of the State has been ravaged by drought, fire and flood, with the onset of natural disaster or the spread of weed being indiscriminate to LGA boundaries. Catchments, habitat, bushland and coastal areas need urgent rehabilitation.

Council supports the recommendation of IPART to introduce a special rate for joint delivery of infrastructure projects, with income generated being on top of the general rate yield capped by the rate peg. Council also supports the extension to a fifth rating category 'environmental land' to replace existing conversation agreement exemptions – noting the category is limited to land that cannot be developed due to geographic or regulatory restrictions (presumably imposed by NSW or local council regulations, or through voluntary vegetation or biodiversity agreements).

However, it is suggested this concept of joint delivery be extended to enable adjoining councils within a joint organisation to set a regional rate (such as an environmental levy) to fully fund local and regional environmental studies and works, led by and costed through adopted local and regional plans (eg catchment, riparian, weed/biosecurity, coastal, biodiversity, heritage), and supported by volunteer groups (eg Landcare, Coastcare).

In this way a consistent base charge and ad valorem rate can be set by councils by agreement through the joint organisation, and be transparently planned and reported to community. The funds raised by the environmental levy would enable those local and regional studies and environmental works, and may be used to leverage government grants, support Aboriginal heritage grants or acquire environmental offsets at a regional or local scale. It may also provide a source of funds for councils to attend to the new demands introduced by the NSW biosecurity and biodiversity legislation, and the management of additional natural crown lands vested by Government to NSW councils.

Rating Categories

The proposed subcategories of 'commercial' and 'industrial' (within business); 'vacant' (within residential, business and mining); subcategorising farmland by geography and dominant use; and a 'residual' category (rather than business category as the 'catch-all') are supported – noting they are at a council's discretion to take up. It is noted a 'vacant' subcategory means a property is undeveloped, not unoccupied.

Increasing flexibility through new rating subcategories is welcomed to cater for local circumstances and allows Councils to implement their own rating philosophies. However, the additional ministerial guidance relevant to the new rating subcategories should not create additional restrictions and administrative burdens on Councils.

The Government may consider mechanisms to incentivise the occupation of vacant retail premises held by landlords, or under-developed properties in accord with the relevant zoning or town centre masterplan; or to incentivise biodiversity, biosecurity or conservation management of private (farmland, environmental category) lands for example. The Government should prepare guidance to councils on discounting or waiving rates (such as the base charge), and recovery of that waiver through the notional general rate yield in the same year.

However as the nation moves to a renewable energy future, it is suggested energy installations be also linked to rating reforms – potentially introducing an 'energy' rate category similar to the mining rate category, with the proportionate value of the land occupied by the development (eg wind farm, solar array, CSG) subject to mixed use rating provisions, or an annual royalty. These installations are developments, usually on farmland (or future environmental category land) where the nature and intensity of the use is not captured appropriately, nor a contribution to the rate burden rated appropriately. Proposed to be disclosed as a separate rate on the

landowners rate notice, the charge may be recovered from the tenant (energy installation) by the owner and subsequently redistributed by the tenant as an oncost in renewable energy charges.

Either a split rate category or mixed use/apportioned valuation would be applied to environmental and energy category lands.

The concept of environmental category should also be extended to Government and private enterprise such as Forestry and commercial leases in National Parks – in part as the land is managed for biodiversity and catchment management, but in recognition the lands form a 'development' upon which a return is generated, public infrastructure is utilised, and yet no form of tax or royalty is realised.

The current exemption for Forestry is inconsistent with the treatment of other State-Owned Corporations (SOCs) which are subject to rates on lands used for commercial operations. It also contradicts competitive neutrality principles as its competitors, privately owned commercial forestry operators are subject to rates.

It should be noted that forestry operations have a major impact on local roads, bridges and other infrastructure and it is unfair that FCNSW does not contribute to the costs of maintenance and repair.

Similarly, private and commercial leases in National Parks are exempt (such as leases for ski resorts and holiday accommodation), which is inconsistent with the treatment of private and commercial leases on Crown Lands that are subject to rates

Council does not support the suggestion in the consultation guide that a limit be applied so the highest rate structure is no more than 1.5 times the average rate structure across all residential subcategories. This recommendation would be problematic in regional LGAs where the services offered in urban areas, as compared with rural villages and townships, and residential rural properties have a greater disparity. Additionally, the extreme disparity in land values between remote residential properties and urban locations would make the formulation of a reasonable rating structure impossible.

Pension Subsidy

Pensioner rebates should be entirely funded by the State as it is a welfare measure. Sharing this burden with councils decreases their revenue, erodes their capacity to deliver services, and reduces their incentives to promote take - up of the rebate, and it raises the tax burden on other ratepayers.

The IPART report recommends a rates deferral system for pensions, but was not supported by Government. However reimbursing local councils the remaining 45% of annual (and growing) pension rebates brings NSW in line with other States – a position strongly supported by Council as it would correct some of the significant limitations of the current system:

- The current concession scheme provides no assistance to pensioners who rent property, who on average have significantly lower wealth and income than pensioners who own property. They also incur rates as indirect costs through their rent.
- The current concession scheme is inequitable in that it requires other ratepayers in the council area to pay higher rates to fund State social policy, and is not consistent with other Australian states. The impact is most prominent in regional areas with a high and rising proportion of pensioners, and in lower socioeconomic areas with lower ability to pay. This makes the current scheme unsustainable as it is imposing additional costs on those least able to bear such costs.

- The current concession scheme does not achieve its objective to provide real assistance to income-poor pensioners as the rebate amount has been fixed at $250 since 1993, whereas rates have been increasing each year. This makes the current concession insufficient and outdated.

Rate Recovery

As a consequence of drought, bushfire and COVID, Council expanded its hardship and financial assistance policies to ease the burden on impacted residents, farmers and business by waiving interest and extending time arrangements.

While outstanding rates and charges normally sits around 5%, it has subsequently blown out to near 10%, now representing $7.5m. The annualised cost to recover rates is around 1% of the rate yield. While returns from investments are low in the current economic climate, the cost of recovery and under recovery places pressure on working capital.

However, the reduction to 3 years to sell up property for unpaid rates is not supported; and Council preferences an empathetic approach to debt recovery, with sale of property as a last resort, after ratepayers have been supported by recovery systems that assist them to manage their property debt.

While councils are encouraged to utilise Revenue NSW or SDRO to recover rates, an examination of the relative benefits of levying and recovering rates for all councils by that agency should be considered – particularly in the context of the broader property tax reforms proposed by Government.

Postponement of Rates

Council agrees with the proposal to remove the requirement to write-off postponed rates. The postponed rates provision should be replaced with legislation that uses the reduced land valuation for the purposes of rating. The valuation would be the responsibility of NSW Valuer General, that would apply the same guidance and limitations as described in the Government's proposal for postponed rates. This change would significantly simplify the implementation of the act and retain the ability to relieve ratepayers who face substantial hardship as a result of valuation changes that relate to the possible use of their land – but not their intended use of the land.

Implementation and Review

Council urges the Government to prioritise the establishment of mechanisms together with respective amendments to legislation, to at least implement the 'supported' and 'supported in principle' changes to the Local Government Rating System. Those amendments may then play their part in securing the financial sustainability of many councils, particularly those in regional areas subject to impacts of drought, bushfire and Covid, and regional centres now subject to significant growth.

The Government may wish to pilot some initiatives amongst councils at a joint organisation scale, to then enable a review before broader implementation.

It is strongly urged a panel of general managers and rating practitioners be engaged to assist the implementation and reviews of these rating reforms.

Comments on Recommendations

Summary

IPART provided the Government with a substantial *final report* that recommends significant reforms addressing a number of complex issues, including the current structure of the rating system. IPART's recommendations, if implemented in full, would substantially change our system of local government and impact directly upon communities. Having consulted extensively with the sector and the community, and carefully considered IPART's findings and recommendations at length, the Government has decided on the following way forward:

Position on recommendations	Total Number
Support	13
Support in principle	6
Support in part	1
Noted	21
For further consideration and analysis	1

The Government released an interim response concurrently with the release of the three IPART reports on 21 June 2019. In it, the Government has ruled out accepting recommendations that have adverse impacts on vulnerable members of the community, affect regional jobs and economies, and/or substantially increase costs for taxpayers and the broader community.

The Government has already ruled out implementing recommendations related to exemptions.

The NSW Government does not believe there is a clear case in support of implementation and further development of CIV at this time (Recommendations 1-7).

The NSW Government will not support the introduction of a state-wide rate deferral framework.

The Government will focus on providing greater flexibility in the current rating system through the creation of additional rating categories and sub-categories, and ensuring councils can align income growth with population growth, in order to improve the distribution of the rating burden at significantly less cost, and low impact to the community.

The Government believes that councils should be willing to explore different options to improve the equity of their rating distribution, in consultation with their communities.

The Government supports the potential to enable greater use of differential rating within urban residential rating.

The Government will implement recommendations to facilitate council income growth outside the rate peg, while preserving the policy objectives of the rate capping system. This will include better aligning council income growth with population growth and reforms to the infrastructure contributions framework to enhance councils' ability to implement sustainable fiscal policies over the long term.

The Government, in conjunction with the broader work around developer contributions, will examine options to establish an equitable and effective funding framework for infrastructure associated with development.

The Government will undertake further work on the existing conservation rating exemptions.

The Government is committed to local councils having best practice debt management and hardship policies and frameworks for the recovery of all debts, including rates.

Specific Council Comments

	Recommendation	Government Response	QPRC Comment
7	The NSW Government fund the cost for a non-metropolitan council to set up a Capital Improved Value database for the purposes of implementing our recommended formula for calculating growth in rates revenue outside the rate peg, where the Unimproved Value method for setting rates is maintained	Given the lack of a clear case in support of introducing CIV, the significant implementation costs involved and the strong stakeholder views, the Government will not implement CIV as a basis for setting ad valorem rates at this time.	Option should be explored if the blended rate category and infrastructure contribution proposal to adequately fund population growth in regional growth aeras does not materialise
8	The Local Government Act 1993 should be amended to allow councils to levy a new type of special rate for new infrastructure jointly funded with other levels of Government. This special rate should be permitted for services or infrastructure that benefit the community, and funds raised under this special rate should not: » form part of a council's general income permitted under the rate peg, nor » require councils to receive regulatory approval from IPART	The Government will examine how this recommendation can complement current reforms being made to the infrastructure contributions framework	Support, including recovery of waived, deferred or under recovered development contributions through infrastructure levy
9	The Local Government Act 1993 should be amended to reflect that, where a council does not apply the full percentage increase of the rate peg (or any applicable Special Variation) in a year, within the following 10-year period, the council can set rates in a subsequent year to return it to the original rating trajectory for that subsequent year.	Support	Support
10	The Local Government Act 1993 should allow councils to determine a residential subcategory, and set a residential rate, by: » separate town or village, or residential area	Support in principle	Support
11	The Local Government Act 1993 should	Support in principle	Support

	outline that: » A ‘residential area’ is an area within a contiguous urban locality that has, on average, different access to, demand for, or costs of providing council services or infrastructure (relative to other areas in that locality		
12	Where a council uses different residential rates within a contiguous urban locality, it should be required to: » ensure the highest rate structure is no more than 1.5 times the average rate structure across all residential subcategories (ie, so the maximum difference between the highest and average ad valorem rates and base amounts is 50%), or obtain approval from IPART to exceed this maximum difference, and » publish the different rates (along with the reasons for the different rates) on its website and in the rates notice received by ratepayers	Support in principle	Support, forms part of Revenue Policy design and OP consultation
13	At the end of the 4-year rate path freeze, new councils determine whether any pre-merger areas are separate towns or villages, or different residential areas	For further analysis and consideration	QPRC completed general rates harmonisation in 2020. Water, Sewer and Waste harmonisation to be introduced 2021
14-16	The Local Government Act 1993 should be amended to: » exempt land on the basis of use rather than ownership, and to directly link the exemption to the use of the land, and » ensure land used for residential and commercial purposes is rateable unless explicitly exempted. » include land owned by a private hospital and used for that purpose. The Aged Care Act 1997 (Cth) be proportionally rateable according to the share of places whose maximum Refundable Accommodation Deposit is above the level set by the Minister	uled out implementing recommendations that would adversely impact vulnerable members of the community	All categorisations and exemptions should be based on land use, and potentially be varied on commerciality

18	The Local Government Act 1993 should be amended to remove the current rating exemption for land that is the subject of a conservation agreement and instead require it to be rated using the Environmental Land category.	Support in part.	Support, suggesting new split rate category or apportioned valuation
20-21	Where a portion of land is used for an exempt purpose and the remainder for a non-exempt activity, only the former portion should be exempt, and the remainder should be rateable	ruled out implementing recommendations that would adversely impact vulnerable members of the community	Per comments 18
23	A council may apply to IPART for a Special Variation to take account of the changes in exemptions using a streamlined process in the year that our recommended exemption changes come into force.	noted	Support SRV
24	The Local Government Act 1993 should be amended to remove the current exemptions from water and sewerage special charges in section 555 and instead allow councils discretion to exempt these properties from water and sewerage special rates	Support	Support
25	At the start of each rating period, councils calculate the estimated value of rating exemptions within the council area. This information should be published in the council's annual report or otherwise made available to the public.	Support	Support The Government may consider mechanisms to incentivise the occupation of vacant retail premises by landlords, or under-developed properties in accord with the relevant zoning or town centre masterplan, or environmental lands under conservation management
26-28	For new and existing eligible pensioners, introduce a rate deferral scheme operated by the NSW Government, with either: » eligible pensioners would be allowed to defer payment of ordinary council rates up to $1,000 per annum and indexed to CPI, or » the current pensioner concession	Noted	Should the existing pension rebate not be subsidised 100% by Government, then the rate deferral scheme should be funded by the NSW Government. with interest at the

			Government's 10-year borrowing rate, and could become due when property ownership changes
29	The Local Government Act 1993 should be amended to add a new environmental land category	Support in principle.	Support
30	The Local Government Act 1993 should be amended to allow business land to be subcategorised as 'industrial' and or 'commercial' in addition to centre of activity.	Support	Support
31	The Local Government Act 1993 should be amended to add an optional vacant land subcategory for residential, business and mining land.	Support	Support
32	The Local Government Act 1993 should be replaced to allow farmland subcategories to be determined based on geographic location.	Support in principle.	Support, including subcategories based on intensity or dominant use (eg horticulture, forestry, aquaculture)
33	The Local Government Act 1993 should be amended to reflect that a council may determine by resolution which rating category will act as the residual category	Support	Support; preferable to using the business rate
34	Any difference in the rate charged by a council to a mining category compared to its average business rate should primarily reflect differences in the council's costs of providing services to the mining properties	Support	Support, particularly in relation to roads and environmental damage
35	Councils have the option to engage the Support. State Debt Recovery Office to recover outstanding council rates and charges	Support	Support, provided unit costs are comparable
36	Reducing the period of time before a property can be sold to recover rates from five years to three years.	Support	Does not support
37	All councils adopt an internal review policy, to assist those who are late in paying rates, before commencing legal proceedings to recover unpaid rates	Support.	Support

39	The Local Government Act 1993 should be amended to allow councils to offer a discount to ratepayers who elect to receive rates notices in electronic formats, eg, via email	Support	Support in principle – all notices should be phased to be issued electronically
40	The Local Government Act 1993 should be amended so that ratepayers are not permitted to postpone rates as a result of land rezoning, and councils are not required to write-off postponed rates after five years.	Support in principle	Support
41	The valuation base date for the Emergency Services Property Levy and council rates be aligned	Noted	Per RCNSW proposal: » a PBESL should be introduced to fund emergency services in NSW; » remove LGA contributions; » transfer ES assets from LGAs to Government, & » remove associated depreciation expense from LGA
42	After the NSW Valuer General has established the database to determine Capital Improved Values for rating purposes, councils be given the choice to directly buy valuation services from private valuers that have been certified by the NSW Valuer General.	Noted	Prefer consistent approach via engagement by V-G across the State