

***Mr Nawal Maharaj***

***13 March 2016 Submission to IPART***

***Greater Taree City Council's Special Rate Variation Proposal***

Based on the Greater Taree City Council (GTCC) publication [Safer Roads and SRV](#) the average NSW council spends only 16 percent of its annual rating income on roads and bridges whereas GTCC currently spends 40 percent. The driver for the Special Rate Variation (SRV), clearly enunciated by GTCC, when it says revenue from the rate rise will be dedicated to roads and bridges, means that, if the proposed rate rise is implemented, the proportion of expenditure for roads and bridges from GTCC annual rating income will give rise to an even greater disparity when compared to the state average for councils.

This begs the question whether it would be fairer if all regional councils only spent a uniform proportion of their annual rating income on roads and bridges and anything more came from Federal and State government.

Therefore I agree with GTC Councillor Alan Tickle when he raises the need to reform the way that the NSW government distributes Federal Assistance grants to local councils saying that, currently, based on a population formula, *“highly populated areas with less roads and bridges to maintain, ..... continue to diminish the pool of funds left to support regional areas such as ours”* (reported in Manning River Times article 26 February 2016 at page 7).

This is an issue that NSW Minister for Local Government, Mr Paul Toole, and the Government he is a part of, needs to look at particularly as the Minister last year made public announcements against rate rises as a means to resolving the funding crises faced by many local councils in our state. I refer to the Minister's media release of 29 October 2015 entitled [Mergers the Solution to Curb Rate Rises](#) in which he said, *“the NSW Government will continue to safeguard the community by encouraging councils to merge, which will allow them to keep downward pressure on rates”*

Given this executive government position, it may be practically unwise to settle any SRV at this time given that the GTCC is currently in the throes of a [merger proposal](#) by the Minister for Local Government, one that might see GTCC merging with Gloucester Shire and Great Lakes councils.