

Author name: Name suppressed

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Your submission for this review:

Time has not permitted me to fully review the Terms of Reference, so perhaps blindly I make the following comments. Port Stephens has submitted two applications for Rate Cap reviews, one rejected, one accepted. These prompted me to learn how rates are set and I feel that the system used in NSW is flawed described by the following points as attached.

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1. The financial template set by the Office of Local Government has become less transparent as time passes. An example is permitting Materials and Contracts to be combined. I suspect our council commissions many contracts and particularly consultancies that do not result in tangible results.

2. It does not appear to be a rigorous system of comparing how councils perform with their peers. I have analyzed four adjoining Councils using annual reports and it is apparent there are significant differences in their efficiency and service levels. The templates appear to be only used for 'tick-the-box'.

3. The method of allocating rates to individual properties is flawed and inefficient. In our case the Valuer General provided the properties used for revaluation. Due to low sales turnover, the properties used were completely different in character. Those that were similar, when analyzed to a square meterage (SM) rate showed wide variations between properties. One of the properties used was adjoining so should have had the same unimproved SM value, but did not. I assume this occurred when the attempt to exclude capital improvements was made. It appeared no "sanity check" was made on the results. In my opinion, a much simpler and more accurate method would be to use the most recent sales value for each property. This would result in:

- Proportion of Rate Cap set for term of ownership
- Remove discrimination as people move through their life-cycle. i.e. retirees not forced to sell, new buyers know in advance their commitment, extraordinary sales not affecting nearby properties.
- Those that over-capitalize their properties pay their fair share
- Streamline the Valuer Generals process with auto-feeds from Duties Office, Real Estate agents, with commensurate redeployment to more value-adding and accurate activities
- Remove errors from I assume is a desk-top audit

4. Following a Special Rate Review (SRV) for our Council, it is difficult to determine how it has improved services. It appears to have increased employment but perhaps no improvement in core service provision, the three R's. These cores are now getting wide discussion within all communities and so is evident there is a problem here to be addressed by Local Governments.

5. Perhaps SRV's should be tied to activities, and Councils be required to a-quit their expenditure to an independent review body

6. The skill set of Councillors should be considered. A range of skills are required. It appears that on occasion they are too narrowly concentrated to several professions that alter the culture of Councils. In the worst of cases they may not recognise the aspirations of the communities they represent. If such concentrations occur, they should be externally addressed.

7. A review of Council Meeting documentation shows that it is ineffective. Volume seems to be used to impress outcomes rather than quality. Each issue for Councillor vote should be encapsulated on one page (not in some cases hundreds) with expert recommendation and legal opinion. (In the case of Development Applications, legal opinion should include a review of SEPP, LEP and DCP compliance)

I hope I have provided some useful input.