

## **MESSAGE FROM THE MINISTER**

(To Elected Members and CEOs)

### **Amendments to Local Government Act 1999 - Requirement to consult on changes to rating systems**

This is a preliminary notice to advise you that on Thursday 29 November Parliament passed a Bill that amends the rating chapter of the Local Government Act 1999. It will come into effect following the assent of the Governor and Councils will be advised at that time.

The amendments mean that changes to a Council's rating system are now included in the list of matters that the Act stipulates that Councils must consult on. The minimum steps to be followed include requirements for a public meeting and a publicly available report.

The Bill was brought forward in the face of evidence that some Councils were making decisions that resulted in significant changes to their rating systems with no consultation at all, or with insufficient information available in order for the community to assess the likely impact of the changes.

Public consultation is now required before the following types of changes:

- Changes to the basis of rating (to or from a rate based on the value of land, a rate based on a fixed charge, or a rate based on a combination of the value of land and a fixed charge);
- Changes to the basis on which land is valued (capital value to site value or vice versa);
- The introduction or removal of differential rating;
- Changes from one differentiating factor to another (eg from land use to locality); and
- Changes to the imposition of rates on land by declaring or imposing a separate rate, service rate or service charge on any land.

Consultation requires the following steps:

- Preparation of a report on the proposed change which addresses
  - the reasons for the proposed change;
  - the relationship of the proposed change to the Council's overall rates structure and policies;
  - in so far as may be reasonably practicable, the likely impact of the proposed change on ratepayers (using such assumptions, rate modelling and levels of detail as the Council thinks fit);
  - issues concerning equity within the community;and may address other issues considered relevant by the Council.
- Notice in a local newspaper informing the public of the preparation of the report and giving at least 21 days notice inviting interested persons to attend a public meeting or to make written submissions;
- Copies of the report being available for inspection (without charge) and purchase (on payment of a fee fixed by Council) at the principal office of the Council at least seven days before the date of the public meeting;
- Organisation of the public meeting and consideration of the submissions made in writing and at the meeting.

The amendments contain minimum prescribed requirements as set out above. However, Councils' consultation policies are not limited to this and may set out various additional processes for consultation. One of the intents of the Act was to encourage all Councils to devise innovative, locally appropriate ways to engage their communities in meaningful discussion about the direction of the area.

All Councils need to understand the impact of, and take responsibility for, the decisions they make about the distribution of the rate burden, and this includes designing an effective information and consultation process on their rating structures based on the new prescribed requirements.

For further information or clarification contact Sue Forder in the Office of Local Government on 8207 0623.



**HON DOROTHY KOTZ MP**  
**MINISTER FOR LOCAL GOVERNMENT**

30 November 2001