

24/4/2024

Inquiry into the ability of local governments to fund  
Infrastructure and services  
Standing Committee on State Development  
6 Macquarie Street  
SYDNEY NSW 2000

Dear Committee members

**Inquiry into the ability of local governments to fund infrastructure and services  
Response to questions on notice – Hearing at Dubbo 28<sup>th</sup> June 2024**

I refer to the Inquiry into the ability of local governments to fund infrastructure and services and in particular to a question on notice from my appearance before the committee at the hearing held in Dubbo on Friday 28<sup>th</sup> June 2024. Thank you for the opportunity to make these additional comments.

***Question – Dr Amanda Cohn to Ian Clayton: Have you got examples in your area of properties being used for business purposes that are unintentionally rate exempt?***

**Response –**

It is Councils view that exemption provisions within the Local Government Act should be amended to remove the current link to ownership of the land having influence as to exemptions, but should focus more on the use to which the land is put. Further, it is our view that land used for business or residential purposes should not be exempt. The QON relates to business uses, and I note the Committee has received responses previously dealing with residential exemptions, such as those afforded community housing providers.

Our reasoning is that land used for these purposes have the same demand and access to Council provided services and infrastructure as do other similar properties who do not benefit from exemptions.

Examples of exempt lands being used for business purposes include the following :-

- 1) Aged care facilities – There are 5 main age care facilities in our LGA, with 4 owned by registered charities (exempt) and 1 by a corporate provider (rateable). From my understanding, there is little difference in the services provided, cost or access to the facilities for residents or to the Council services available to the properties.
- 2) National Parks Depots – There are two National Parks depots in the industrial areas within our urban areas. Again, these premises are serviced in identical fashion to surrounding rateable industrial properties. It's understood that National Parks

themselves are of benefit to the wider community, but these depots are not National Parks.

- 3) State Forests – State forests are operated on a largely commercial basis, particularly in relation to plantations for logging. These lands are exempt, whereas privately owned forestry plantations are not.
- 4) Private Schools – There are several non-Government schools within our LGA that enjoy exemption from rates. Such schools are self-funded (including Government contributions) and would likely be capable of contributing to Councils services.

Thank you for the opportunity to provide these additional comments.

Yours Faithfully

Ian Clayton  
Manager Property and Revenue