



RENMARK PARINGA COUNCIL

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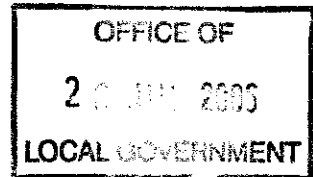
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PO Box 730,

RENMARK

South Australia, 5341

26th July 2006



Mr. Shane Sody,
Principal Policy Officer, Legislation,
Office for State/Local Government Relations,
PO Box 8021,
STATION ARCARDE, SA. 5000

Dear Sir,

Re: Recommendations on Differential Rates

The Renmark Paringa Council acknowledges the opportunity to provide comment on the OLG's "Recommendations on Differential Rates". In providing the following comments I advise that such were endorsed by a meeting of the Council held on the 25th July 2006.

As you are aware this Council uses Development Plan zones as the basis for determining rate differentials. The main reason for the use of these zones is to achieve the five general principals of taxation as outlined in your paper in what is considered a diverse rural community with a diverse economy.

The current "land use factors" contained in the Regulations are not sufficiently broad to account for the difference in primary production use, particularly between intensive horticultural/viticultural use and dry land farming, both of which are extensive in our district. It appears that the current land use factors have been developed for metropolitan councils with the availability of multiple commercial and industrial uses however give no consideration to the diversity of rural "industries" in the primary production code.

Council also believes that the current land use factors need to be expanded to provide for rural living which has been an expanding trend in rural communities and is particularly so in our area. The inclusion of a rural living land use would make it easier to meet the general taxation principals.

A further benefit to this Council in the use of Development Plan zones is the ability it provides to lessen the impact of exceptionally higher than normal valuation increases, particularly in our waterfront residential zone. The higher than normal valuation increases do not necessarily reflect capacity to pay, benefit or equity. While it could be argued that Council has the capacity to use the rebate provisions of the Act in the

above circumstances continued use of the planning zones maintains simplicity and an easier understanding for ratepayers.

A further issue that the Office of Local Government may wish to address in considering reforms to the rating system is the valuation system. The inconsistencies in valuation variances across Council areas each year are creating a greater level of angst for both Councils and communities than rating differentials.

In conclusion this Council does not support any changes to the current options for determining rate differentials. Should however, the Office of Local Government persist with the removal of the Development Plan zone option then we strongly urge the expansion of "land use factors" to take account of a broader range of primary production types and rural living uses experienced by rural Councils.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'BC Hurst', written over a horizontal line.

BC Hurst
CHIEF EXECUTIVE OFFICER