

**LOCAL GOVERNMENT (STANDARD RATES) AMENDMENT
BILL, 1976**

EXPLANATORY NOTE

THE object of this Bill is to impose a limitation on the rates that may be made and levied by any council from 1977 onwards. The limitation is calculated by reference to the rates made and levied in 1976 by the council, subject to any annual percentage variation specified by the Governor.

The Bill inserts sections 129-131B into the Local Government Act, 1919.

Proposed section 129 is a definition section. One of the definitions is that of "general purpose rate", which is to mean a general, special, local or loan rate, but not certain excluded rates. Among the excluded rates are water or sewerage rates and rates in respect of trading undertakings. The Bill applies only to general purpose rates, as so defined.

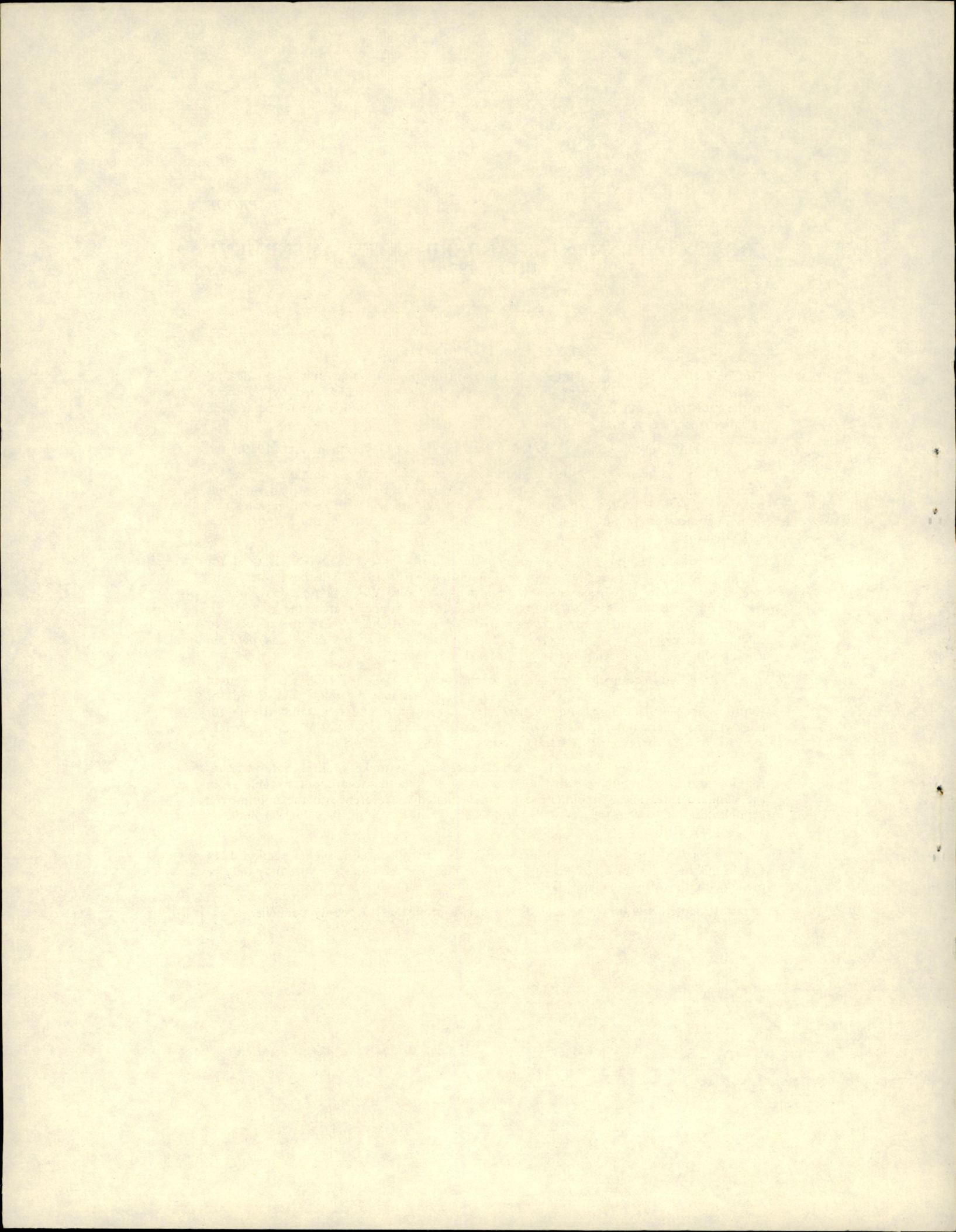
Proposed section 130 establishes each council's base rate, which is used for the purpose of calculating the council's standard rate for 1977. The base rate is the rate at which general purpose rates were levied for 1976. Where a rate was made in respect of some but not all of the ratable land in the council's area, the rate is, for the purpose of calculating the base rate, reduced proportionately. For the purpose of calculating the base rate, the increased amount yielded from the difference between a minimum rate and the normal rate is treated as a rate.

Proposed section 131 establishes each council's standard rate, which is used for the purpose of calculating the maximum rates that may be made and levied for future years. The standard rate for 1977 is the base rate, and the standard rate for later years is the standard rate for the previous year. The Governor is empowered to increase or decrease councils' standard rates for a year.

Proposed section 131A (1) forbids a council to make general purpose rates for a year if the amount payable therefrom would exceed the amount payable from the standard rate. These amounts are to be calculated by reference to the unimproved capital value of land in the council's area, as shown in the council's valuation book on 1st January in that year.

Proposed section 131A (2) provides that if a council contravenes section 131A (1) in making rates for a year, general purpose rates for the following year may only be made with the Minister's approval.

Proposed section 131B extends the above provisions to county councils.



PROOF

No. , 1976.

A BILL

To amend the Local Government Act, 1919, with respect to the making and levying of rates in 1977 and subsequent years.

[Mr JENSEN—9 November, 1976.]

BE

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BE it enacted by the Queen's Most Excellent Majesty, by and with the advice and consent of the Legislative Council and Legislative Assembly of New South Wales in Parliament assembled, and by the authority of the same, as follows :—

1. This Act may be cited as the "Local Government (Standard Rates) Amendment Act, 1976".

2. The Local Government Act, 1919, is amended by inserting after the short heading following section 128 the following sections :—

Amendment of Act No. 41, 1919. Secs. 129-131B.

129. (1) In sections 130, 131, 131A and 131B—

Interpretation: secs. 130-131B.

"base rate" means a base rate referred to in section 130;

15 "general purpose rate" means a general rate, special rate, local rate or loan rate, but does not include—

20 (a) a rate levied in respect of water or sewerage works, or proposed water or sewerage works, or in respect of a trading undertaking;

(b) a general rate levied upon a mine, as referred to in section 118A;

(c) a rate levied under any special Act, as referred to in section 128; or

25 (d) a rate of a class or description prescribed by ordinance for the purposes of this paragraph;

30 "minimum rate" means the minimum amount of a rate levied in respect of a separate parcel of land under section 126;

"standard

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“standard rate” means a standard rate referred to in section 131.

(2) A reference in section 130, 131 or 131A to—

5 (a) the unimproved capital value of land in a council's area as at a particular date is a reference to the unimproved capital value of that land as shown in the council's valuation book on that date; and

10 (b) the expressing of an amount in dollars or cents includes a reference to the expressing of the amount in parts of dollars or of cents, respectively.

15 130. (1) For the purposes of section 131, every council that has made and levied general purpose rates for 1976 has a base rate for 1977.

Base rates, for determining standard rates under sec. 131.

20 (2) For the purposes of section 131, every council that has not made and levied general purpose rates for 1976 has a base rate for the first year for which it makes and levies any such rates.

(3) For the purposes of subsection (1), a council's base rate for 1977 is the amount (expressed in cents) in the dollar, obtained by adding—

25 (a) the amount (expressed in cents) in the dollar of each general purpose rate made by the council for 1976, that amount being reduced, where appropriate, in accordance with subsection (4); and

(b)

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(b) the additional amount (expressed in cents) in the dollar calculated, in respect of each such rate as to which a minimum rate was levied, in accordance with the following formula :—

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$$A = \frac{M - R}{V}$$

where—

10 A represents the additional amount to be calculated ;

M represents the amount (expressed in cents) payable as minimum rates so levied in respect of all the land subject to the minimum rate ;

15 R represents the amount (expressed in cents) payable as rates in respect of all the land subject to the minimum rate had the amount been determined solely by reference to the amount in the dollar of the general purpose rate ;

20 V represents the unimproved capital value (as at 1st January, 1976, and expressed in dollars) of all the ratable land in the council's area.

25 (4) If a general purpose rate to which an amount referred to in subsection (3) (a) relates was made in respect of some but not all of the ratable land in the council's area, the amount shall be reduced to so much thereof as bears to the amount the same proportion as the unimproved capital value (as at 1st January, 1976) of the land in respect of which the rate was made bears to the unimproved capital value (as at that date) of all the ratable land in the area.

(5)

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5 (5) For the purposes of subsection (2), a council's base rate for the first year for which it makes and levies any general purpose rates is such amount as the Governor specifies in respect of the council by order published in the Gazette.

131. (1) For the purposes of section 131A, a council that has a base rate for a year has a standard rate for that year and a standard rate for each succeeding year. ^{Standard rates.}

(2) A council's standard rate for—

- 10 (a) the year for which it has a base rate—is the same as its base rate; and
(b) any subsequent year—is the same as its standard rate for the immediately preceding year,

15 subject to any variation under subsection (3), (4) or (5).

20 (3) If a general valuation in respect of the whole or a part of an area is furnished under section 48 of the Valuation of Land Act, 1916, to the council of the area during, but after 1st January in, a year (including 1976), the standard rate for the following year shall, subject to any variation under subsection (4) or (5), be that determined in accordance with the following formula :—

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$$R2 = R1 \times \frac{V1}{V2}$$

where—

30 R1 represents the rate that would, but for this subsection, be the standard rate for that following year;

R2 represents the standard rate to be determined for that following year;

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- V1 represents the unimproved capital value
(as at 1st January in the firstmentioned
year) of all the ratable land in the
council's area;
- 5 V2 represents the unimproved capital value
(as at 1st January in that following
year) of all the ratable land in that
area.
- 10 (4) The Governor may, by order published in
the Gazette, make a general variation of standard rates,
by which councils' standard rates for a specified year
are increased or decreased by a specified percentage.
- 15 (5) The Governor may, by order published in
the Gazette, make a special variation of a specified
council's standard rate, by which that council's standard
rate for a specified year is increased or decreased by a
specified percentage.
- 20 (6) Subject to subsection (7), a general varia-
tion applies to all councils uniformly, but does not apply
to a council specified (in the order by which the varia-
tion is made) as being a council to which the variation
does not apply.
- 25 (7) A general variation for a year does not
apply, and (where relevant) shall be deemed never to
have applied, to a council to which a special variation
for that year applies, whether the general variation was
made before, on or after the day on which the special
variation was made.
- 30 (8) An order published under subsection (4) or
(5) on or after 1st January in the year in respect of
which it is made has no effect, if it would operate to
decrease any council's standard rate for that year.

(9)

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(9) An order published under subsection (4) or (5) may not be rescinded, revoked, altered or varied on or after 1st January in the year in respect of which it is made, if to do so would result in a decrease in any council's standard rate for that year.

(10) Orders under subsections (4) and (5) may be contained in the same instrument or in different instruments.

131A. (1) A council shall not make general purpose rates for a year if the amount calculated as at 1st January in that year as the amount payable thereby as rates (based on the unimproved capital value, as at 1st January in that year, of all the ratable land in the council's area) exceeds the amount determined in accordance with the following formula :—

General purpose rates not to be made so as to yield in excess of standard rate amount.

$$P = S \times U$$

where—

P represents the amount to be determined;

S represents the council's standard rate for that year;

U represents the unimproved capital value (as at 1st January in that year) of all the ratable land in the council's area.

(2) Where a council contravenes subsection (1) in making general purpose rates for a year—

(a) subject to paragraph (b), the contravention does not affect the validity of the rates; and

(b) the general purpose rates made for the following year by the council shall be invalid for all purposes unless—

(i) before the rates were made the council submitted to the Minister such information respecting the general purpose

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rates proposed to be made for that following year as the Minister may require and the Minister, by order published in the Gazette, approved of their being made;

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(ii) the rates are of kinds and amounts in the dollar specified in the approval; and

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(iii) the council did not contravene subsection (1) in making the rates.

(3) The Minister may, by order published in the Gazette, exempt a specified council from the operation of subsection (2) (b) for a specified year.

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(4) Section 601 does not apply to or in respect of a rate that is invalid by reason of subsection (2) (b), and section 599 does not prevent a person's liability for a rate being disputed on the ground of that invalidity.

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131B. Sections 129, 130, 131 and 131A apply to and in respect of rates made by a county council that, if made by a council, would be general purpose rates, and so apply as if references in those sections to—

Application of secs. 129-131A to county councils.

(a) a council were references to a county council; and

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(b) a council's area were references to a county district.

BY AUTHORITY

D. WEST, GOVERNMENT PRINTER, NEW SOUTH WALES—1976