

Reply Paid 359, Rates Review,
Chief Executive Officer,
Cairns City Council,
P.O. Box 359,
CAIRNS, Q 4870

Dear Sir,

This is in reply to the invitation to submit concerns in relation to the current Council rates policy, and we welcome the opportunity to do so. We trust this will be a meaningful and productive dialogue on Council's part, and one that will lead to a more fair and just policy than the clearly outrageous and scandalous inequity of the present policy, which is generating a very poor image for our City of Cairns throughout the country. There has been widespread and highly negative publicity for this Council's rates policy, and the Council has now become an embarrassment for Cairns residents.

ISSUES:

The latest re-valuations of unimproved capital values by the DNRM have for the first time opened up enormous disparities in residential land values, and the present rate policy has failed to take this into account. Rate rises of 40-50% for non-beachfront land and up to 200% for beachfront, headland and esplanades has resulted in genuine hardship for many residents, particularly owner-occupiers who (unlike investors) are unable to claim tax relief for local government charges. Incomes have in no way risen commensurately with the rate burden.

Furthermore, in absolute terms, the amount now paid in general rates has suddenly increased from about 6 times the CCC Minimum to around 20 times in many cases, yet for essentially the same level of service. Other coastal Councils and Brisbane, which admittedly have had the problem for a longer period, have shown the way for Cairns to now respond with greater fairness and equity in its policies.

PROPOSAL FOR CHANGES:

We propose Council adopt either differential banding (within the single residential property category) for future years; or capping of general rate increases (to a maximum of say 5% for 2005-2006 above the previous year, and similarly for next and future years -- at least for continuing owner-occupiers -- on the same basis as already exists in Brisbane and Townsville); or setting of a MAXIMUM General rate [such as at 4 times the minimum] at the very least targeted to owner-occupiers.

FUNDING:

Clearly, individuals cannot easily make detailed suggestions without complete disclosure by Council of its revenue and expenditure. There is no reason at all why income for 2006-2007 needs to match this (2005-2006) year's income and expenditure, when these are highly inflated levels anyway.

Furthermore rates levels should not need to be raised to provide targeted relief, as there are relatively small numbers of ratepayers involved.

Despite the limitation on funding information, we would suggest the following:

- (i) Use of the additional surplus (reported as an extra \$3.6 million to December) to rebate rates for this year, 2005-2006, for owner-occupiers, to the amount in excess of a 5% rise from 2004-2005.
- (ii) Given the improved revenue base for future years, such surplus be first utilised to establish meaningful rates relief by way of either differential rates or rate capping;
- (iii) Council refrain from grandiose projects of dubious merit whenever it has had a windfall such as this year;
- (iv) Council's \$1.6 million in 2005-2006 for 'Beach Protection Works' does not need to be repeated next year (in fact the State government is obligated to refund all monies spent by local councils on coastal erosion) and in any case, such funds should be available for targeted rate relief from 2006-2007 on;
- (v) Council review all of its expenditure to ensure ratepayers funds are being efficiently used..

It should not, in any case, be a requirement for ratepayers to produce solutions to the problem [just as pensioners are not expected to discover ways to fund the pension rebate]. The Rate policy is clearly scandalous and completely out-of-line with other Queensland coastal local government areas; there are funds available to sort out the mess, and this must be done immediately.

SIGNED:.....

DATE:

FULL NAME:.....
(PLEASE PRINT)

ADDRESS:..... **STATE:** FNQ **POSTCODE:**
(PLEASE PRINT)