

CAIRNS RESIDENTS REFERENCE GROUP

(RATES)

Monday 23 April 2007

Andrew Fraser MLA
Minister for Local Government, Planning and Sport
18th Floor Mineral House
41 George Street,
Brisbane Qld 4000

Re: Excessive increases to council rates in targeted areas of Cairns

Dear Minister

On the 17th October 2006 the Cairns Residents Reference Group – Rates (CRRGR) sent your office a letter of formal complaint against Cairns City Council's excessive rate increases initiated on the 29th July 2005.

Mr Michael Dart responded on the 22nd February, on your behalf, and advised, "... A local government is in the best position to decide how much revenue is required to be raised through the rating process to provide those necessary facilities and services". He said he and the State have no powers available to direct a local government in respect of the quantum of rating. Mr Dart also stated that a statewide investigation would not be appropriate.

What happens if a council in a remote part of Queensland decides to take advantage of increases in land valuations by the DNRM to raise revenue with exorbitant rate rises? Cairns City Council (CCC) has discriminated against a small section of its community, applying rate increases of up to 200%, while at the same time others in the community had rates unchanged or given rate decreases.

Premier Beattie has made it known that he takes a dim view of councils' taking advantage of the increase in land valuations by the DNRM. But this is not helpful unless it can be followed by actions; our plight cannot go unaddressed. The CRRGR is asking for an investigation into Cairns City Council's rate structure, as it is not in line with Queensland and Nationwide averages. Brisbane City Council has recently initiated rate capping to protect ratepayers, but for already targeted Cairns residents it goes beyond a rate capping issue. Following the disproportionate rate rise in 2005, we need rate relief **before** a cap is applied.

Some effected Cairns residents have been forced to sell their homes, as the increase charge on their property pushed their rates over \$10,000 p.a., where two years before it was \$3,000 p.a. Rates in targeted areas of Cairns are now among the highest in Australia, above those paid by harbour side residences in Sydney. Self-funded retirees and young families on fixed incomes have been particularly hard hit, so have some long-term Cairns residents who have held properties for over 20 years but are cash poor.

The diminutive rate reduction in the 2006/2007 rating year provided insignificant relief for a majority of ratepayers who incurred the exorbitant rate increases of 2005.

Mr Dart states that he encourages our group to make direct contact with Councillors to seek a review of the rating system ahead of next years budget. He suggests we make a formal complaint to the CEO of Cairns City Council (CCC), and if dissatisfied with the complaints process refer our concerns to the Ombudsmen.

Our October 2006 letter to your office, noted that the CRRGR has been lobbying our Councillors since July 2005, made a complaint to CCC CEO David Farmer, and wrote to our local State members and the Ombudsman. CRRGR also attended a pre budget rates workshop at Council chambers in March 2006: Concession powers were raised, the CRRGR and other concerned members of the community made presentations to the Mayor of Cairns, Kevin Byrne. Unfortunately the process was one sided; the Mayor verbally attacked one speaker during his presentation and interrupted another when rate capping was raised; stating unequivocally that it was non-negotiable. Mayor Byrne walked out halfway through the workshop to attend a school presentation, so didn't hear the remaining speakers, all of whom had clearly spent considerable time preparing their discussion papers. The consensus among the attendees was that the workshop was a sham, as council had already made its decision on its next rates structure, which incidentally, was made BEFORE the Council had formalised its budget!

Ms Desley Boyle MLA, Member for Cairns, and former Minister for Local Government, Planning and Sport, told the CRRGR in 2005 that we would need to pursue local government, and then, if the outcome remained unresolved, to contact her office and she would investigate.

The CRRGR now wants to move forward. We have exhausted all options suggested by Ms Boyle and Mr Dart and request the Premier, and you as Minister, to conduct an open investigation and bring Cairns City Council's rate structure in line with Queensland averages and return equity to an inequitable rating system currently being blatantly abused by the Cairns City Council.

As Premier Peter Beattie has just announced a 'sweeping restructure' of Queensland's Local Governments, when referencing a 'council amalgamations investigation', may I respectfully suggest that this provides an ideal opportunity for the Government to also review the Local Government Act 1993, particularly Chapter 14, Rates and Charges, in an effort to STOP recalcitrant Councils from imposing life-shattering 'wealth taxes' upon already financially burdened local ratepayers and residents.

Immediate consideration must be given by Government to abolish the current calculation of Council rates on a property's Unimproved Capital Value (UCV) and replaced by a rating model based on **actual** Council services provided, with annual increases **capped** after CPI adjustment.

Cairns Residents Reference Group (Rates) representatives would appreciate your allocating sufficient time to further address this most contentious local issue with you, or both you and the Premier, when Cairns is next on your individual or joint itineraries.

Respectfully

Selwyn Johnston

Spokesperson

CAIRNS RESIDENTS REFERENCE GROUP (RATES)

cc: Premier Peter Beattie
Minister Desley Boyle