



## DEPARTMENT OF LOCAL GOVERNMENT

Minute

Subject:— RATING OF MULTIPLE OCCUPANCY PROPERTIES  
Prepared for seminar on Multiple Occupancy Properties  
held 19th April, 1985 by the Land Commission of N.S.W.

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Copies to:  
✓ Grobar  
✓ Senior  
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There is no proposal before the Government to legislate for the rating of multiple occupancy properties. The existing rating provisions including differential rating confers on Councils a wide discretion in the determination of their rating policies. It is open to Councils to define individual parcels of rural land as portions of an area, levy different amounts of the general rate on each parcel and determine a minimum amount of that rate.

It has been suggested that Councils could not obtain an equitable solution under the differential rating provisions because it cannot levy a rural land differential rate higher than the general rate. Therefore, the only recourse available appears to be a substantial contribution under the provisions of section 94 of the Environmental Planning and Assessment Act.

It has also been suggested that multiple occupancy results in increased usage of roads of an inferior standard and that in a normal sub-division application the Councils would require contribution for road development. A further suggestion is that Councils recover the contribution over a period of several years by levying the minimum rate on each dwelling house.

In this regard, some Councils appear to assume that there is a direct connection between rates and the demand on Local Government services, such as the upgrading of roads. This connection, in a direct sense does not exist and has never existed except perhaps in the case of local rates. Local Government rating is primarily a tax based on the value of land to provide support for Local Government.

In the context of rating, the difference between multiple occupancy development and other development is one of degree. The Department can see no reason why people living in a multiple occupancy development should be treated differently from people living in a block of flats or units, people living in a granny flat, or even perhaps a substantial number of people, whether related or not, living in a single dwelling. In practice, any change in the zoning of the land will be reflected in the land valuation and will have an effect on the rates levied on the land.

If the development is carried out in such a way that the individual components are capable of separate occupation, they must be separately valued and rated without any requirement for subdivision. In addition, if the scheme enables a community to lease an area for a group to occupy, the land will be separately valued and the same rules will apply.

If the land is not adapted to separate occupation and is not leased, it will not be separately valued and will be rated as a single parcel in accordance with the usual principles under the Local Government Act. This would happen in those hamlet developments in which there are some communal facilities which would make it impossible to divide the land into separate occupations.

There is no evidence available at present in the light of the above comments to suggest that the present rating and valuation laws are inadequate to cope with the concept of multiple occupancies on farms.



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The Local Government (Rates and Charges) Amendment Act, 1983, currently prevents councils generally from varying the existing rate structure. Upon receipt of an application from a council, however, the Minister may consent to such a variation.