

6 April 2021

Mr Linus Power MP
Chair
Economics and Governance Committee
Parliament House, George Street
BRISBANE QLD 4000

Email: egc@parliament.qld.gov.au

Dear Chair

Thank you for the opportunity to respond to comments regarding Bundaberg Regional Council at the public hearing on 29th March 2021 in relation to the COVID-19 Emergency Response and Other Legislation Amendment Bill 2021.

Some of the references to Bundaberg Regional Council are inaccurate and none are relevant to the committee's deliberations. The 2020-21 Council Budget was adopted on 30 June 2020 as part of normal operations in accordance with the Local Government Act.

Intent of the Bill

Queensland Farmers Federation (QFF) and AgForce appear to be arguing that Council should have rescinded its properly adopted Budget, invoking powers under the Local Government Legislation Amendment Regulation (No. 1) 2020. These powers enabled Councils to make an "extraordinary decision" about rates and charges for the 2020-21 financial year at a meeting other than the local government's annual budget meeting as part of a COVID-19 emergency response.

It wasn't the intent of the regulation or this Bill for Councils to vary a properly adopted budget because one class of ratepayer disagrees with it.

The committee should also be aware at no stage did QFF, AgForce or Canegrowers put forward any evidence that collectively their members were adversely affected by COVID-19.

Hardship relief exists as an option for individual ratepayers under the Local Government Act. Council last year encouraged anyone who was impacted by adverse economic circumstances to seek relief (see attached correspondence) and to date no applications have been received.



'No explanation'

At the committee's public hearing, Mr Tom Marland from AgForce incorrectly commented that Council made "no explanation for the justification for those rate increases".

Council has stated many times publicly that rate increases in the agricultural sector occurred because valuations increased. The first such statement was in a budget media release on 30 June 2020 "No rate increase for most ratepayers" (copy attached).

Earlier, in March 2020, QFF and AgForce members had an opportunity to object to their valuations before the Valuer-General issued final valuations but only a few dozen did so. In response to COVID-19, the Valuer-General extended the period in which he would consider objections until 5 May 2020.

Bundaberg Regional Council adopted a fair budget in a difficult COVID-impacted year, which confined rate increases to the categories where valuations increased, mainly agricultural and oceanfront.

Councillors considered it would have been unfair to spread the impact of those valuation increases to residential ratepayers, mums and dads, pensioners and small business operators. QFF and AgForce are aware of this explanation; for them to inform the committee otherwise is incorrect.

235 per cent increase

Mr Marland told the committee: "What we further saw without notice from council was an average increase in rates—in some instances as high as 235 per cent—of 46 per cent and over 400 farmers who saw their rates double."

To correct the record, only one ratepayer had an increase as high as 235 per cent, which was in line with the ratepayer's valuation increase from \$113,000 to \$375,000.

Mr Marland could also have added that the median change in rural land value was 46.6 per cent across 1797 properties. The change in median land value across 28,062 residential properties was 0.9 per cent.

More than 80 per cent of Bundaberg Regional Council ratepayers had no increase in rates last year because Councillors believed it would have been unfair for them to subsidise higher valuations in the agricultural sector. The overall revenue increase was 3.08 per cent including developmental growth.

Conclusion

The submission and arguments at the public hearing by QFF and AgForce are not relevant to the committee's consideration of extraordinary powers in response to COVID-19. In addition, AgForce has provided the committee with incorrect information regarding Bundaberg Regional Council's 2020-21 Budget.

I commend the Bill to the committee as an appropriate measure in extraordinary times.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Jack Dempsey', written in a cursive style.

Jack Dempsey

Mayor - Bundaberg Regional Council

Enc. BRC Letter to Bundaberg Canegrowers Ltd 17-09-2020
Budget Media Release 30-06-2020 "No rate increase for most ratepayers"

17 September 2020

Mr Dale Holliss
Bundaberg Canegrowers Ltd
PO Box 953
BUNDABERG QLD 4670

Email: [REDACTED]

Dear Mr Holliss

Re: Council Rates

I understand from recent media reports that some of your members may be having difficulty in paying their Council rates.

Please share this information with anyone you may be aware of, who might be in this situation:

Ratepayers experiencing financial hardship with the payment of rates and charges are encouraged to enter into a payment plan with Council to make payments on a weekly, fortnightly, monthly or in full by a specified date. Council will not take any recovery action whilst the ratepayer honours the conditions of a Council approved payment plan. Interest will apply to any balances that remain unpaid after 1 January 2021.

Anyone wishing to enter into a payment arrangement should contact the Revenue team on 1300 883 699.

If a ratepayer has communication, transport or mobility issues please ensure that Council is informed so we can provide all necessary assistance.

Yours faithfully



Steve Johnston
Chief Executive Officer



No rate increase for most ratepayers

The overwhelming majority of Bundaberg Regional Council ratepayers will see no increase in their rates for 2020-21.

Finance portfolio spokesman Steve Cooper said councillors had adopted a “responsible budget for difficult times” which includes no rise in general rates before adjustments to offset the removal of the early payment discount.

Cr Cooper said the rate in the dollar would reduce by the amount previously provided through the early-payment discount (9.135 per cent).

“For the vast majority of ratepayers there won’t be a rate increase,” he said.

“Some 42,037 ratepayers will see no change or a reduction in the general rate.

“There’s also zero increase in water access and consumption charges.”

Cr Cooper said Council recognised that many ratepayers had been adversely impacted by the COVID-19 lockdown, especially small business operators and landlords.

“Council has adopted a responsible budget for difficult times which provides relief and stimulus while maintaining service levels and investing in community infrastructure,” he said.

“The pensioner discount remains at \$165, which benefits 10,166 ratepayers at a cost of \$1.7 million.

“Fee increases in this budget have been kept at the minimum level to cover the cost of providing services.”

There’s a two per cent increase for waste collection charges (\$7) and a 2.5 per cent increase for sewerage connections (\$19 per pedestal).

“We’ve removed the early-payment discount, which was \$112 for the average residential ratepayer,” Cr Cooper said.

“This discount applied if payment was made within 35 days of the rate notices being issued.

“Councillors felt it was inequitable because people who couldn’t afford to pay were missing out.

“Also, pensioners were receiving less discount as the Council pension rebate was deducted from the general rate before the discount was applied.”

Cr Cooper said the due date for rates would be within 35 days of notices being issued.

“As a pandemic relief measure, Council has extended the period before interest penalties apply until 1 January 2021, effectively giving people four months to pay,” he said.

“Those who can’t pay by the due date should contact Council to enter into a payment arrangement.



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“If the arrangement to pay is completed by 31 December 2020 no penalty interest changes will apply.”

Cr Cooper said the Budget forecasts a 3.08 per cent increase in total rate revenue, mostly in the agricultural sector because of higher valuations.

Earlier this year, Valuer-General Neil Bray said the overall rural land value had increased significantly since the last valuation due to a strong demand for both small and larger size farming properties. Mr Bray said the ongoing demand for horticultural land suitable for small crops and tree crops was a significant factor in the local market.

Of the 1797 farming properties, only about 50 made objections to the Valuer-General.

2020-21 BUDGET OPERATING RESULT

Debt remains at \$77.5 million. No new loans proposed.

Operating revenue \$194 million

Operating expenses \$199 million

\$5,258,397 deficit

Ends

Media contact:

