

Media Release

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Incentives a clever approach to local government reform

The \$1 billion *Fit for the Future* package is a clever step to achieve local government reform and equip councils to better manage growth and deliver better services and infrastructure, according to the Executive Director of the Shopping Centre Council of Australia, Angus Nardi.

"If councils choose not to take this great reform opportunity being offered by the NSW Government, their communities and local businesses will eventually hold them accountable.

"The Government should encourage councils to arrange themselves so they underpin its broader strategic planning and infrastructure investment objectives, such as the sub-regional areas under the Metropolitan Strategy.

"We don't want this reform process to result in the next generation of quirky local government boundaries that don't reflect growth areas or support long term infrastructure investment decisions."

Mr Nardi said that there are two further critical issues in the reform program.

"While we acknowledge the *Independent Local Government Review Panel's* substantial body of work, there was no business stakeholder representation on the group.

"We urge the Government to ensure that business stakeholders are part of the future governance arrangements such as the proposed Independent Expert Panel to assess council proposals.

"We also note there will be a further review of the rating framework.

"The current rating system is flawed, and too easily enables councils to gouge commercial properties. We have one example of a 50% rate increase, which is well above any so-called 'rate peg'. Such increases can amount to hundreds of thousands of dollars for our members.

"Councils are far happier gouging our members than having a politically tough conversation with all rate payers – including residential rate payers - about what is needed and what is fair.

"The proposed rating review needs to acknowledge commercial property rating issues, and provide appropriate safeguards against unfair gouging. We also want to see the retention of the existing unimproved land valuation basis for rating.

"We look forward to working with the Government to achieve effective local government reform."

The Shopping Centre Council of Australia represents NSW's largest owners, managers and developers of shopping centres. Our members are AMP Capital Investors, Blackstone Group, Brookfield Office Properties, Charter Hall Retail REIT, CFS Retail Property Trust Group, DEXUS Property Group, Eureka Funds Management, Federation Centres, GPT Group, Ipoh Management Services, ISPT, Jen Retail Properties, JLL, Lancini Group, Lend Lease, McConaghy Group, McConaghy Properties, Mirvac, Perron Group, Precision Group, QIC, Savills, Scentre Group (formerly the Westfield Group and Westfield Retail Trust) and Stockland.

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