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NSW COUNCILS – RATES REFORM ON THE HORIZON?

The Local Government Minister is set to propose changes to provide councils with greater flexibility in setting their rates.

There is talk of reform in relation to NSW councils' flexibility to increase their council rates, this proposal instigated by the Local Government Minister, Shelley Hancock. The *Sydney Morning Herald* article, *NSW councils to be given flexibility over rates* (May 7 2020), flags the possibility for local government reform when Parliament reconvenes in the next week. In proposed amendments to the *Local Government Act*, it is envisaged that councils financially impacted by the COVID-19 pandemic, bushfires and drought which have not previously passed on full rate increases can apply them in the coming years.

The proposal is in relation to "rate-pegging" which refers to the "maximum percentage amount by which councils can increase their general income each year" (*Sydney Morning Herald* article). Councils which fulfil the above criteria (i.e. did not apply the previous annual rate pegs of 2.3% and 2.7%), could apply them in addition to the 2.6% rate peg for the 2020-21 financial period. This means that such councils could significantly increase rates in 2020-21. Whilst some groups have called for the "rate-pegging" or "rate-capping" to be abolished, this suggestion has been rejected by the Minister due to the fact it protects families and property owners from exorbitant rate increases.



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DID YOU KNOW?

1. Amendments have been made to the *Environmental Planning and Assessment Act 1979* (NSW) allowing the Minister for Planning and Public Spaces, during the COVID-19 period, to authorise development to be carried out on land without requiring approval under the Act or consent from any other person. The Minister can make such orders if reasonably satisfied that the order is necessary to protect the health, safety and welfare of the public during the pandemic.
2. In response to COVID-19, amendments have been made to regulations under the *Electronic Transactions Act 2000* for a limited period of time to allow for the witnessing of signatures on certain documents to be performed by audio visual link. Documents include wills, a power of attorney or an enduring power of attorney, deeds or agreements, enduring guardianship appointments, affidavits and statutory declarations.