

# MINIMUM RATE INCREASE APPLICATION FORM PART B FOR 2021-22

## INNER WEST COUNCIL

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Application Form

December 2020

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## Council information

<b>Council name</b>	<b>Innerwest Council</b>
<b>Date submitted to IPART</b>	<b>1<sup>st</sup> March 2021</b>
<b>Primary Council contact person</b>	<b>Brian Barrett Brendhan Barry</b>
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## About this application form

IPART has revised the Application Form to be completed by councils applying to IPART for an increase to a minimum rate (MR) under s 548(3) of the *Local Government Act 1993*, above the statutory limit for 2021-22. The application form is in two parts:

- ▼ Minimum Rate Increase Application Form Part A (separate Excel spreadsheet)
- ▼ Minimum Rate Increase Application Form Part B (this MS Word document)

New councils that have more than one existing minimum rate instrument should refer to OLG's *Special guidelines for new councils applying to harmonise minimum rates on 1 July 2021*.

Councils can apply for a minimum rate increase (MR increase) either in conjunction with a special variation (SV) under s 508(2) or s 508A of the *Local Government Act 1993*, or as a stand-alone adjustment (i.e. without also seeking an increase to general income above the rate peg).

Councils applying for an MR increase in conjunction with an SV should complete the MR Increase Application Form Part B *as well as* completing the SV Application Form Part A and SV Application Form Part B. These councils are **not** required to complete the MR Increase Application Form Part A as all the details about the MR increase required by IPART in order to assess the application will be contained in the SV Application Form Part A spreadsheet.

Note there is a different version of the MR Increase Application Form Part A for use by newly merged councils only.

The MR Increase Application Form Part B consists of:

- ▼ Description and Context Questions
- ▼ Criterion 1: Rationale for increasing minimum rates above the statutory limit
- ▼ Criterion 2: Impact on ratepayers
- ▼ Criterion 3: Consultation on the proposal
- ▼ Criterion 4: Other relevant matters
- ▼ Council certification and contact information
- ▼ List of attachments

When completing this Application Form, councils should refer to the following:

- ▼ [IPART's Application Guide for MR Increase Application Form Part B](#).
- ▼ [OLG's MR Guidelines issued in November 2020](#).

## Description and Context

To complete these questions, refer to the discussion in IPART's Application Guide for MR Increase Application Form Part B, Description and Context.

### Question 1: What is the increase to minimum rate(s) the council is applying for?

#### If the increase applies to an ordinary rate, complete this section

Does the council propose to increase the minimum amount of its ordinary rate(s) above the statutory limit for the first time? Yes ☒ No ☐

Which rates will the increases apply to? Residential ☒ Business ☒ Farmland ☐ Mining ☐

If the increase will apply to only some subcategories, specify which N/A

Does the council propose to increase the minimum amount of its ordinary rate(s) by:

▼ The rate peg percentage ☐

▼ The special variation percentage ☐

▼ A different percentage ☒ - by former councils – Residential: Ashfield base amount (\$727) to minimum – 50.4%; Leichhardt – 21.5%; Marrickville -17.4%. Business: Ashfield \$820 minimum - 0%; Leichhardt – 19.5%; Marrickville no fixed charge -100%.

▼ Multi-year increase (each year with percentage increase e.g. 2021-22 – 10.3%, 2022-23 – 5.8%) \_\_\_\_\_

What will the minimum amount of the ordinary rate(s) be after the proposed increase?

Residential \$ 850; business \$ 820.

For multi-year increases, please specify the proposed minimum rate for each year.

#### If the increase applies to a special rate, complete this section

Does the council propose to increase the minimum amount of a special rate above the statutory limit? Yes ☐ No ☒

▼ Does the council propose to increase the minimum amount of its ordinary rate(s) by:

▼ The rate peg percentage ☐

▼ The special variation percentage ☐

▼ A different percentage ☐ \_\_\_\_\_ (%)

▼ Multi-year increase (each year with percentage increase e.g. 2021-22 – 10.3%, 2022-23 – 5.8%) \_\_\_\_\_

What will the minimum amount of the special rate be after the proposed increase? \$ \_\_\_\_\_

For multi-year increases, please specify the proposed minimum rate for each year.



**Question 2: What is the key purpose(s) for requesting to increase minimum rate(s) above the statutory limit?**

**In the text box** summarise at the highest level the council's key purpose(s) for requesting an increase in minimum rates above the statutory limit.

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To address the equitable distribution of the rating burden across Inner West Council's ('Council') harmonised Residential and Business rating structure, due to the 2016 local government merger, by:

- Creating an equitable and simple residential rating category, resulting from the merger of former councils - Ashfield, Leichardt and Marrickville - having a combination of base amount and minimum rating structure.
- Establishing an equitable rating structure that distributes the rate burden across the Residential and Business rating categories including the different types of properties, i.e. strata and non/strata, as fairly as possible.
- Aiming to enhance the longer-term financial sustainability of Council, due to the expected growth and portfolio change, ensuring increased cost and demand for services are partly funded.

There will be no impact on Council's Long Term Financial Plan performance as there will be no change to the total rates income yield.

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**Question 3: Is the council a new council created by merger in 2016?**

Refer also to OLG's SV Guidelines Section 4.

Is the council a new council created by merger in 2016?

Yes ☒

No ☐



## Criterion 1

### Rationale for increasing minimum rates above the statutory limit

Criterion 1 in the MR Increase Guidelines is:

The rationale for increasing minimum rates above the statutory amount.

To complete the question for Criterion 1: Rationale for increasing minimum rates above the statutory limit, refer to IPART's Application Guide for MR Increase Application Form Part B, Criterion 1.

Refer also to the IPART publications:

- ▼ *The Year Ahead – Minimum Rates in 2021-22 – Fact sheet*
- ▼ *Minimum Rates in 2021-22 – Information Paper*
- ▼ *Community awareness and engagement for special variations – Information Paper*

If the increase to minimum rates is **in conjunction with a proposed SV**, the response for Criterion 1 should focus on the aspects directly relevant to the proposed MR increase.

## 1. What is the council's rationale for increasing minimum rates above the statutory limit?

### a) Why the council is seeking to introduce or increase minimum rates above the statutory limit.

Inner West Council is a merged council made up of the former Ashfield, Marrickville and Leichardt councils and, in accordance with the Local Government Act, is required to harmonise the current three rating structures into one rating structure by 1<sup>st</sup> July 2021.

The complexity of harmonising three former council rating structures, comprising a mixture of different minimum and base amounts and the relativity of land values and total income yields, results in a shift of Residential rates income from the former councils of Ashfield and Leichhardt to Marrickville, regardless of the fixed amount used, as illustrated in the following table.

Former Councils Residential	Land Value '\$ 000,000	Land Value %	Current Income '\$000	Current Income %	Assessment No	Harmonised Income Option 5 \$850 Min	Harmonised Income % Option 5 \$850 Min
Ashfield	12,268 M	21%	23,971 K	27%	16,214	18,966 K	22%
Leichhardt	22,933 M	39%	32,688 K	37%	23,552	31,700 K	36%
Marrickville	23,749 M	40%	30,653 K	35%	33,221	36,646 K	42%
<b>Total</b>	<b>58,950 M</b>	<b>100%</b>	<b>87,312 K</b>	<b>100%</b>	<b>72,988</b>	<b>87,312 K</b>	<b>100%</b>



As part of the harmonisation process, it was identified through rates benefit modelling and analysis that the Mall rate assessments (four) in total, were significantly under contributing to the benefits as a result of more access to, making more use of, and benefiting more from different council services funded by rates, as illustrated in the following table (refer to item 2 table 1.11 below).

Description	Assessment Numbers	Rate Income	Ratepayer Benefit	Equivalent Contribution to benefits recieved	Benefit Factor
				1.076	
<b>Minimums Est&gt;</b>	<b>19000</b>				
Residential	70797	\$ 82,580,584	\$ 82,823,713	\$ 89,132,671	0.93
	<b>70797</b>	<b>\$ 82,580,584</b>	<b>\$ 82,823,713</b>	<b>\$ 89,132,671</b>	
<b>Average Rate&gt;</b>		<b>\$ 1,166</b>			
Business					1.26 1.29 0.53 1.22
Business General	4584	\$ 25,499,647	\$ 18,857,295	\$ 20,293,718	
Business Industrial	1237	\$ 9,826,677	\$ 7,098,037	\$ 7,638,718	
Business Mall	4	\$ 942,703	\$ 1,658,194	\$ 1,784,504	
	<b>5825</b>	<b>\$ 36,269,027</b>	<b>\$ 27,613,526</b>	<b>\$ 29,716,940</b>	
<b>Average Rate&gt;</b>		<b>\$ 6,226</b>			
Total	76,622	\$ 118,849,611	\$ 110,437,239	\$ 118,849,611	

To improve equity and alignment of benefits to rates paid, Council has proposed to reallocate \$600,000 from Business General to Business Mall, resulting in a benefit factor for Business Mall of 0.86 instead of 0.53.

Having considered a range of rate structure options and fixed amounts, namely base amount and minimums (refer to items 1 and 3 in table 1.11 below), Council has determined that the minimum fixed amount provides a more equitable result while considering Council's future growth in terms of population and types of housing.

Comprehensive ratepayer impact modelling and analysis (refer item 4 table 1.11 below) was completed. This demonstrated that as minimum amounts are lowered, the higher Residential land value assessments (non-strata) will have higher rates per dollar of land value.

As an example, former Leichhardt Council – Residential land value of \$1,030,000 would see a decrease of **\$119** with a \$710 minimum or a **\$62** decrease with a \$850 minimum. For former Ashfield Council – Residential land value of \$1,050,000 would see a decrease of **\$443** with a \$710 minimum or a **\$375** decrease with a \$850 minimum.

The challenge for Council is to reduce the impact of the harmonisation by decreasing the range of the highest decrease and increase, as the objective is to reduce the impact on

individual ratepayers. The impact modelling clearly illustrates overall that a minimum rate structure is the best option to achieve this objective.

Proposed minimum rates are required to improve the equitability amongst the local government area (LGA) ratepayers across strata and non-strata ratepayers and reduce the impact of a single rates structure.

This is supported by the rating principles of equity – the benefit or user pays, the capacity to pay, intergenerational equity, simplicity and efficiency detailed in the Rates Harmonisation Briefing Paper, see table 1.11 below.

The increased fixed amounts will also provide Council with the opportunity to improve its financial position over the longer term due to the growth expectations. The higher minimum amounts enable Council to recover a greater portion of the increased service costs and demand and therefore contribute to financial performance of Council.

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**b) How the proposed minimum rates are to be applied.**

The proposed minimum rate of \$850 will be applied across the LGA for all Residential assessments, below an estimated land value of \$661,937. The proposed Business rate of \$820 will be applied across the LGA for all Business assessments: Business General below an estimated land value of \$204,756, Business Industrial Marrickville \$145,833, Industrial St Peters, St Peters North, and Camperdown \$145,212.

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**c) What benefits and drawbacks of the proposed changes to the rating structure have been identified?**

Benefits for the proposed increase of the minimum rate in the Residential and Business categories:

- Promote equitability across the LGA while reducing the impact on ratepayers due to the rates harmonisation process.
  - The increased minimum rate is more reflective of the costs and benefits of services provided by Council.
  - Improve the equity between strata and non-strata ratepayers, as they both have the same access to services.
  - The creation of a simple harmonised rating structure that is easier to understand and administer.
  - A more financially sustainable Council due to a higher contribution due to portfolio change – more strata/ apartment development and living.
  - No overall increase in the total rates levied.
-

Drawbacks for the proposed increase of the minimum rate in the Residential category:

- Possible additional pressure on strata owners who are generally in a lower socio-economic level.
- The harmonised minimum rate will have both positive (reduction in rates) and negative (increase in rates) on a range of ratepayers across the merged Council.



### Attachments for Criterion 1

List attachments relevant to your response for Criterion 1 in **Table 1.1**. Use the council assigned number shown in Table 5.1. If the document is also attached to the council's SV Application Form Part B, use the number assigned in that application.

**Table 1.11 Attachments relevant to response for Criterion 1**

Council- assigned number	Name of document	Page references <sup>a</sup>
1.11.1	Rates Harmonisation Briefing Paper	
1.11.2	Rates Benefit and Service Pricing Report	
1.11.3	3 Nov 2020 – Presentation Report to Councillors	
1.11.4	Ratepayer Impact model and analysis – to large to attached but can provide access.	

<sup>a</sup> If document only relevant in part.



## Criterion 2

### Impact on ratepayers

Criterion 2 in the MR Increase Guidelines is:

The impact on ratepayers, including the level of the proposed minimum rates and the number and proportion of ratepayers that will be on the minimum rates, by rating category or subcategory.

To complete the questions for Criterion 2: Impact on Ratepayers refer to IPART's Application Guide for MR Increase Application Form Part B, Criterion 2 and if applicable, to IPART's Application Guide for SV Application Form Part B, Criterion 3: Impact on ratepayers,

Refer also to the IPART publications:

- ▼ *The Year Ahead – Minimum Rates in 2021-22 – Fact sheet*
- ▼ *Minimum Rates in 2021-22 – Information Paper*
- ▼ *Community awareness and engagement for special variations – Information Paper*

If the increase to minimum rates is **in conjunction with a proposed SV**, the response for Criterion 2 should focus on the aspects directly relevant to the proposed MR increase.

### 2.1 What are the current and proposed levels of minimum rates, and the number of ratepayers on the minimum rate?

By completing MR Increase Application Form Part A, councils will provide full details of current and proposed levels of minimum rates and the number of ratepayers affected.

**In the text box** summarise the information, in table form if appropriate. Alternatively, the information can be presented in an attachment.

The following illustrates the proposed Residential minimum rate and number of ratepayers on the proposed minimum rates. It is noted the significant increase in numbers is due to the former Ashfield having a base amount structure, with the detailed information contained in the Application Form Part A worksheet 5a and 5b, and is summarised below:

Residential	Total number of Assessment	Current Minimum and Base Rate	Number of Assessment at minimum with current structure	Proposed Minimum Rate	Number of Assessment at minimum of \$850
Ashfield	16,214	727 BA	Base Rate Structure	850	8,618
Leichhardt	23,552	686	6,501	850	7,690
Marrickville	33,221	710	15,095	850	14,637
<b>Grand total</b>	<b>72,988</b>		<b>21,596</b>		<b>30,945</b>

The following illustrates the proposed Business minimum rate and number of ratepayers on the proposed minimum rates. It is noted the significant increase in numbers is due to the former Marrickville having no fixed amount (base amount or minimum). The detailed information is contained in the Application Form Part A worksheet 5a and 5b, and is summarised below:

Business	Total number of Assessment	Current Minimum and Base Rate	Number of Assessment at minimum with current structure	Proposed Minimum Rate	Number of Assessment at minimum of \$820
Ashfield	831	820	160	820	153
Leichhardt	1,710	686	158	820	251
Marrickville	3,199	Ad Valorem	Ad Valorem	820	392
<b>Grand Total</b>	<b>5,739</b>		<b>318</b>		<b>796</b>

## 2.2 What will be the impact on ratepayers of the proposed increase in minimum rates?

In the **text box** set out the increase in dollar and percentage terms for each category and subcategory of ratepayers affected by the proposed MR increase, in table form if appropriate. Alternatively, the information can be presented in an attachment.

The following table provides ratepayer impact information for the Residential category, based on a percentile basis for each former council area. The impact is calculated on the land value for each of the percentiles with the detailed information contained in the Application Form Part A worksheet 5a and 5b, and is summarised on the following page.

MINIMUM RATE INCREASE APPLICATION FORM PART B FOR 2021-22

Residential	Assessments	2019 Land values	2020-21 Rates	2020/21 Rates at \$850 Min Rate	2020/21 Rates at \$850 Min Rate - Change \$	2020/21 Rates at \$850 Min Rate - Weekly impact	2020/21 Rates at \$850 Min Rate - Change %
<b>Ashfield</b>	<b>16,214</b>						
10th percentile	1,621	191,884	921	850	( 71)	-\$ 1.37	(7.7%)
20th percentile	1,621	265,998	994	850	( 144)	-\$ 2.78	(14.5%)
30th percentile	1,621	317,364	1,046	850	( 196)	-\$ 3.77	(18.7%)
40th percentile	1,621	370,000	1,097	850	( 247)	-\$ 4.75	(22.5%)
50th percentile	1,621	500,000	1,217	850	( 367)	-\$ 7.05	(30.1%)
60th percentile	1,621	868,000	1,584	1,103	( 481)	-\$ 9.24	(30.3%)
70th percentile	1,621	1,050,000	1,773	1,348	( 425)	-\$ 8.18	(24.0%)
80th percentile	1,621	1,230,000	1,942	1,567	( 375)	-\$ 7.21	(19.3%)
90th percentile	1,621	1,570,000	2,278	2,003	( 275)	-\$ 5.28	(12.1%)
<b>Leichhardt</b>	<b>23,552</b>						
10th percentile	2,355	214,816	686	850	164	\$ 3.15	23.9%
20th percentile	2,355	345,455	686	850	164	\$ 3.15	23.9%
30th percentile	2,355	597,442	779	850	71	\$ 1.37	9.1%
40th percentile	2,355	824,000	1,090	1,043	( 47)	-\$ 0.91	(4.3%)
50th percentile	2,355	931,000	1,243	1,188	( 55)	-\$ 1.07	(4.5%)
60th percentile	2,355	1,030,000	1,384	1,323	( 62)	-\$ 1.19	(4.5%)
70th percentile	2,355	1,180,000	1,572	1,502	( 70)	-\$ 1.35	(4.5%)
80th percentile	2,355	1,340,000	1,788	1,708	( 80)	-\$ 1.53	(4.5%)
90th percentile	2,355	1,600,000	2,137	2,042	( 95)	-\$ 1.83	(4.5%)
<b>Marrickville</b>	<b>33,221</b>						
10th percentile	3,322	176,878	710	850	140	\$ 2.69	19.7%
20th percentile	3,322	233,272	710	850	140	\$ 2.69	19.7%
30th percentile	3,322	303,898	710	850	140	\$ 2.69	19.7%
40th percentile	3,322	567,000	710	850	140	\$ 2.69	19.7%
50th percentile	3,322	741,000	765	948	182	\$ 3.51	23.8%
60th percentile	3,322	840,400	871	1,079	208	\$ 3.99	23.8%
70th percentile	3,322	932,000	967	1,196	229	\$ 4.41	23.7%
80th percentile	3,322	1,070,000	1,110	1,374	264	\$ 5.08	23.8%
90th percentile	3,322	1,270,000	1,317	1,631	314	\$ 6.03	23.8%

The following table provides ratepayer impact information for the Business category based on a percentile basis for each former council area. The impact is calculated on the land value for each of the percentiles with the detailed information contained in the Application Form Part A worksheet 5a and 5b, and is summarised on the following page.



MINIMUM RATE INCREASE APPLICATION FORM PART B FOR 2021-22

Business	Assessments	2019 Land Values	2020-21 Rates	2020/21 Rates at \$820 Min Rate-Change \$	2020-21 Rates at \$820 Min Rate-Weekly impact	2020/21 Rates at \$820 Min Rate-Change %
<b>Ashfield</b>	<b>831</b>					
10th percentile	83	125,574	829	820 (	9)	(1.1%)
20th percentile	83	240,960	902	955	53	5.9%
30th percentile	83	604,100	1,826	1,899	73	4.0%
40th percentile	83	742,600	2,526	2,690	163	6.5%
50th percentile	83	878,500	3,055	3,256	201	6.6%
60th percentile	83	1,100,000	3,720	3,978	258	6.9%
70th percentile	83	1,380,000	4,845	5,162	317	6.5%
80th percentile	83	1,946,000	6,983	7,449	466	6.7%
90th percentile	83	3,416,000	12,817	13,680	863	6.7%
Lowest	83	243	623	707	84	13.4%
Highest	83	51,516,845	193,188	393,101	199,913	103.5%
<b>Leichhardt</b>	<b>1,710</b>					
10th percentile	171	149,635	760	820	60	7.9%
20th percentile	171	311,868	1,508	1,125 (	384)	(25.5%)
30th percentile	171	521,552	2,288	1,728 (	560)	(24.5%)
40th percentile	171	725,200	3,293	2,487 (	806)	(24.5%)
50th percentile	171	910,000	4,330	3,268 (	1,062)	(24.5%)
60th percentile	171	1,100,480	5,284	4,005 (	1,280)	(24.2%)
70th percentile	171	1,310,000	6,500	4,926 (	1,574)	(24.2%)
80th percentile	171	1,730,000	8,719	6,608 (	2,111)	(24.2%)
90th percentile	171	2,720,000	14,035	10,637 (	3,399)	(24.2%)
Lowest	171	1,892	615	437 (	178)	(29.0%)
Highest	171	56,200,000	296,983	318,373	21,390	7.2%
<b>Marrickville</b>	<b>3,199</b>					
10th percentile	320	146,904	525	820	295	56.1%
20th percentile	320	340,200	1,332	1,562	230	17.3%
30th percentile	320	619,200	2,172	2,646	473	21.8%
40th percentile	320	759,600	2,663	3,268	605	22.7%
50th percentile	320	874,000	3,263	3,877	613	18.8%
60th percentile	320	1,026,080	3,946	4,627	682	17.3%
70th percentile	320	1,250,000	5,212	5,767	554	10.6%
80th percentile	320	1,666,000	7,208	7,769	562	7.8%
90th percentile	320	2,610,000	11,464	12,255	791	6.9%
Lowest	320	640	2	718	716	36019.5%
Highest	320	66,700,000	417,982	554,932	136,950	32.8%

## 2.3 How does the proposed increase affect the distribution of the rating burden among ratepayers?

**In the text box** explain the action, if any, the council took in response to feedback from the community.

As detailed in Criteria 1(a) the complexities of rates harmonisation, in particular the relativity of the land values of the former councils to the total land value of Inner West and the amount of rates income the former council levied, sees a shift in the distribution of rates income.

For Residential ratepayers, the table below summarises a distribution range of increases and decreases for each of the former councils.

Former Council	Marrickville		Ashfield		Leichhardt	
\$ Rate Increase Range	# of Assessment	% of Assessment	# of Assessment	% of Assessment	# of Assessment	% of Assessment
Below \$-400	0	0.0%	4,014	24.8%	35	0.1%
\$-400 to \$-200	1	0.0%	6,487	40.0%	269	1.1%
\$-200 to \$-75	1	0.0%	3,919	24.2%	5,493	23.3%
\$-75 to \$0	3	0.0%	1,323	8.2%	10,214	43.4%
\$0 to \$75	2	0.0%	392	2.4%	583	2.5%
\$75 to \$200	18,858	56.8%	44	0.3%	6,935	29.4%
\$200 to \$400	13,494	40.6%	13	0.1%	4	0.0%
Above \$400	861	2.6%	22	0.1%	18	0.1%
	33,221	100%	16,214	100%	23,552	100%

For Business ratepayers, the table below summarises a distribution range of increases and decreases for each of the former councils.

Former Council	Marrickville		Ashfield		Leichhardt	
\$ Rate Increase Range	# of Assessment	% of Assessment	# of Assessment	% of Assessment	# of Assessment	% of Assessment
Below \$-800	2	0.1%	-	0.0%	1,050	61.4%
\$-800 to \$-400	18	0.6%	1	0.1%	281	16.5%
\$-400 to \$-200	36	1.1%	-	0.0%	129	7.5%
\$-200 to \$0	1,084	33.9%	156	18.8%	54	3.2%
\$0 to \$200	79	2.5%	243	29.3%	192	11.2%
\$200 to \$400	253	7.9%	214	25.8%	0	0.0%
\$400 to \$800	940	29.4%	118	14.2%	-	0.0%
Above \$800	787	24.6%	99	11.9%	2	0.1%
	3,199	100%	831	100%	1,710	100%

The Engagement Outcomes report was presented to Council at a Council briefing on Tuesday 16<sup>th</sup> February, and Council meeting 23<sup>rd</sup> February and Council meeting Monday 1<sup>st</sup> March. Council will address issues raised in submissions made by the Community, and publishing this on Council's website.

## 2.4 How has the council considered affordability and the affected ratepayers' capacity to pay higher rates, including measures to address hardship?

**In the text box** explain how the council considered whether the rate increases would be affordable for the affected ratepayers, including any socioeconomic data referred to in making its assessment, and any measures the council proposes to use to reduce the impact, if necessary.

The capacity to pay principle is that those who are better off should pay more than those who are worse off. Local government rates are essentially a wealth tax, as they are determined on the proportionate value of property.

However, there are problems with the connection between ratepayers' capacity to pay and land valuations, particularly in NSW where the unimproved land value is used to calculate rates. The land valuation represents unrealised wealth and may not correlate to a ratepayer's cash assets or disposable income.

Inner West Council commissioned a capacity to pay analysis and report and this is attached at table 2.11 below. This report provides an analysis and evaluation of relative wealth and financial capacity; it looks at the financial vulnerability and exposure of different community groups within the LGA. The key findings are summarised in the table below:

Ward	Characteristics
<b>Areas of advantage</b>	
Balmain	<ul style="list-style-type: none"> <li>– Characterised by established families and empty nesters</li> <li>– Very high levels of household income</li> <li>– High property values and high levels of home ownership</li> <li>– Very low levels of disadvantage</li> </ul>
Stanmore	<ul style="list-style-type: none"> <li>– Characterised by a significant large young workforce</li> <li>– Very high levels of household income</li> <li>– High proportion of renters</li> </ul>
Leichhardt	<ul style="list-style-type: none"> <li>– Characterised by established families</li> <li>– High levels of household income</li> <li>– High levels of home ownership</li> </ul>
<b>Areas of disadvantage</b>	
Ashfield	<ul style="list-style-type: none"> <li>– Average levels of household income</li> <li>– High proportion of renters</li> <li>– High levels of vulnerable individuals (unemployment, housing stress, etc)</li> </ul>
Marrickville	<ul style="list-style-type: none"> <li>– Characterised by a significant large young workforce</li> <li>– Average levels of household income</li> <li>– High levels of home ownership</li> <li>– High levels of vulnerable individuals (unemployment, housing stress, etc.)</li> </ul>

Another aspect of the report was the SEIFA – IRSAD ratings for Inner West Council. A ward level summary including national percentiles is provided in the table below:

	SEIFA - IRSD	%	SEIFA - IRSAD	%
Ashfield Ward	1,027.80	62.00	1,061.70	86.00
Balmain Ward	1,095.20	96.00	1,149.00	99.00
Leichhardt Ward	1,057.80	81.00	1,098.70	95.00
Marrickville Ward	1,013.70	53.00	1,055.80	84.00
Stanmore Ward	1,072.50	88.00	1,119.90	97.00
<b>Inner West Council</b>	<b>1,053.00</b>	<b>78.00</b>	<b>1,097.00</b>	<b>95.00</b>

By comparing both the IRSD and IRSAD indexes, we can see that there is significant inequality within the individual wards. This is particularly evident in the Marrickville and Ashfield wards which see a percentile change of 31% and 24% between the two indexes respectively. We can observe that there are significant levels of affluence in the Balmain, Leichhardt, and Stanmore wards, with each ward being within the top 5% of advantage and disadvantage within Australia.

Given the relativity of land values and the amount of rates paid, forming part of the detailed ratepayer impact analysis, the former Marrickville Council Residential ratepayers will be adversely impacted the most by the increase of the minimum amount to \$850, as detailed in Section 2.2; conversely the former Ashfield Council will receive the greatest benefit, due to the relativity of the base amount structure, refer Section 2.2.

Council has in place a range of options under Sections 564 and 567, LGA 1993, that aim to address and assist ratepayers in financial hardship.

Firstly, Council provides additional pensioner concessions as a voluntary pensioner rebate for eligible pensioner who have lived in the LGA for 10 years or more. The Rebates are:

- 100% of the DWM charge a maximum of one service only.
- 100% of the stormwater levy.
- There is also a grandfathered rebate of \$75.00 from the former Ashfield Council. This is for Ashfield pensioners who were pensioner in 2017/18 till now who have not yet reached the 10 year period.

Further Council has a Hardship Policy are attached below.

Council provides COVID Hardship relief to Ratepayers. This is detailed at <https://www.innerwest.nsw.gov.au/live/information-for-residents/rates/business-rate-relief-covid-19> , and in the attached forms:

**Attachments for Criterion 2**

List attachments relevant to your response for Criterion 2 in **Table 2.1**. Use the council-assigned number shown in Table 5.1. If the document is also attached to the council's SV Application Form Part B, use the number assigned in that application.

**Table 2.11 Attachments relevant to response for Criterion 2**

Council-assigned number	Name of document	Page references <sup>a</sup>
2.11.1	Inner West Revised Capacity to Pay Report	
2.11.2A (Asf)	Inner West Hardship Policies – current legacy contained above	
2.11.2B (Lei)		
2.11.2C (Mar)		
2.11.2D (Res)	COVID Policy – contained above, plus application forms attached	
2.11.2E (Bus)		

**a** If document only relevant in part.



## Criterion 3

### Consultation on the proposal

Criterion 3 in the MR Increase Guidelines is:

The consultation the council has undertaken to obtain the community's views on the proposal.

To complete the question for Criterion 3: Consultation on the proposal refer to IPART's Application Guide for MR Increase Application Form Part B, Criterion 3 and to IPART's Application Guide for SV Application Form Part B, Criterion 2.

Refer also to the IPART publications:

- ▼ *The Year Ahead – Minimum Rates in 2021-22 – Fact sheet*
- ▼ *Minimum Rates in 2021-22 – Information Paper*
- ▼ *Community awareness and engagement for special variations – Information Paper*

If the increase to minimum rates is **in conjunction with a proposed SV**, the response for Criterion 3 should focus on the aspects directly relevant to the proposed MR increase.

### 3.1 How did the council consult the community about the proposed increases to minimum rates?

**a) The consultation methods used to make ratepayers aware of the proposal and provide opportunities for feedback from them.**

Summary and copy of Engagement Strategy program and actions is at 3.11

**b) When the consultation occurred.**

15<sup>th</sup> December 2020 – 7<sup>th</sup> February 2021

**c) Which groups were consulted.**

All Ratepayers



**d) The way the proposed change to minimum rates was presented to the community.**

Your Say Inner West project page  
 Promotion through media release, social media, e-news, website  
 Mail out to ratepayers  
 Translated material available on website  
 Business chambers, networks, shopping malls directly engaged.  
 Phone line (with voicemail) and email address for ratepayers to make enquiries  
 TIS Service for ratepayers  
 Article in IWC News – all residents

**e) What feedback was received.**

Refer attached Engagement Outcomes Report

**e) How the council responded to any issues of concern raised in feedback from the community.**

Issue addressed at Council briefing on Tuesday 16<sup>th</sup> February , and Council meeting 23<sup>rd</sup> February and Council meeting Monday 1<sup>st</sup> March.  
 Council to provide responses to concerns raised on website.

**Attachments for Criterion 3**

List attachments relevant to your response for Criterion 3 in **Table 3.1**. Use the council-assigned number shown in Table 5.1. If the document is also attached to the council's SV Application Form Part B, use the number assigned in that application.

**Table 3.11 Attachments relevant to response for Criterion 3**

Council-assigned number	Name of document	Page references <sup>a</sup>
3.11.1	Community Engagement Strategy and Program (CONFIDENTIAL)	All
3.11.2	Community Engagement Outcomes Report (to Council)	
3.11.3	Documentation from community engagement.	
3.11.4		
3.11.5	Fact Sheet	

<sup>a</sup> If document only relevant in part.



## Criterion 4

### Other relevant matters

The MR Increase Guidelines provide that IPART will assess each application based on its merits against the three assessment criteria:

In addition to any other matter which it considers relevant.

To complete the questions for Criterion 4: Other relevant matters refer to IPART's Application Guide for MR Increase Application Form Part B, Criterion 4.

In **the text box** the council **may** provide information in addition to that provided elsewhere in the Application which it would like IPART to consider when assessing its proposed increase to minimum rate(s).

Not Applicable



#### Attachments for Criterion 4

List attachments relevant to your response for Criterion 4 in **Table 4.1**. Use the council-assigned number shown in Table 5.1. If the document is also attached to the council's SV Application Form Part B, use the number assigned in that application.

**Table 4.11 Attachments relevant to response for Criterion 4**

Council-assigned number	Name of document	Page references <sup>a</sup>
n/a	n/a	

<sup>a</sup> If document only relevant in part.

## Council certification and contact information

To prepare the Council certification and provide council information refer to IPART's Application Guide for MR Increase Application Form Part B, Certification and contact information.

### Certification of application

Prepare a document in the form indicated below, sign, scan and attach as a public supporting document.

#### Application for a Minimum Rate Increase

##### To be completed by General Manager and Responsible Accounting Office

Name of council: Inner West Council

We certify that to the best of our knowledge the information provided in this application is correct and complete.

General Manager (name): Brian Barrett

Signature and Date:

Responsible Accounting Officer (name): Daryl Jackson

Signature and Date:

### Council contact information

Provide council contact information below.

#### Council contact information

##### General Manager

General Manager contact phone

General Manager contact email

##### Primary council contact

Council contact phone

Council contact email

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**Council email** for inquiries about the MR  
Increase application

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## List of attachments

To prepare the List of attachments, refer to IPART's Application Guide for MR Increase Application Form Part B, List of attachments.

Table 5.1 is the list of all attachments to the council's MR Increase Application Form Part B.

To complete Table 5.1 (adding rows as necessary):

1. Assign an identifying number and/or letter to each document. If the document is also attached to the council's SV Application Form Part B, use the number assigned by the council in that Application Form.
2. Name each document.
3. Check the box to indicate that it is being submitted with the application.

**Table 4.2 List of Attachments to the council's application**

Council-assigned number	Name of Attachment	Is the document included in the application as submitted?
<b>Mandatory forms/attachments</b>		
	Application Form Part A (Excel spreadsheet)	<input checked="" type="checkbox"/>
	Application Form Part B (this Word document)	<input checked="" type="checkbox"/>
4.2.3	Council resolution to apply for the for the minimum rate increase variation	<input checked="" type="checkbox"/>
	Certification	<input checked="" type="checkbox"/>
<b>Public supporting material (ie, to be published on IPART's website)</b>		
4.2.4	Community Strategic Plan – Relevant extracts	<input checked="" type="checkbox"/>
4.2.5	Delivery Program – Relevant extracts	<input checked="" type="checkbox"/>
4.2.6	Long Term Financial Plan in Excel format	<input checked="" type="checkbox"/>
3.11.5	Consultation material	<input checked="" type="checkbox"/>
3.11.2	Community feedback (including surveys and results if applicable)	<input checked="" type="checkbox"/>
n/a	Willingness to pay study (if applicable)	<input type="checkbox"/>
2.11.2 (A-E)	Hardship Policy	<input checked="" type="checkbox"/>
<b>Other public supporting material</b>		
1.11.1	Rates harmonisation briefing paper	<input checked="" type="checkbox"/>
1.11.2	Rates benefit and service pricing report	<input checked="" type="checkbox"/>

Council- assigned number	Name of Attachment	Is the document included in the application as submitted?
1.11.3	Council meeting presentation 3 <sup>rd</sup> November 2020	<input checked="" type="checkbox"/>
2.11.1	Capacity to Pay Report	<input checked="" type="checkbox"/>
3.11.3 and 3.11.4	Engagement – submissions and feedback received.	<input checked="" type="checkbox"/>
<b>Confidential supporting material (ie, not to be published on IPART's website)</b>		
3.11.1	3.11.1 CONFIDENTIAL Comms and Engagement Plan	<input checked="" type="checkbox"/>



## Important information for completing and submitting the Minimum Rate Increase Application Form Part B for 2021-22

### Submitting the application online

Applications must be submitted through IPART's Council portal by Monday, 8 February 2021.

- ▼ A file size limit of 10MB applies to the Part B Application Form.
- ▼ For supporting documents (Attachments) a file size limit of 70MB applies to public documents, and another 50MB to confidential documents.

**It is not necessary to submit a document with the MR Increase Application Form if the council has submitted the same document as an attachment to its SV Application Form.**

### Confidential content in applications

IPART will post all applications (excluding confidential content) on the IPART website. Examples of confidential content are those parts of a document which disclose the personal identity or other personal information pertaining to a member of the public, a document such as a council working document that does not have formal status, or document which includes commercial-in-confidence content.

Councils should ensure supporting documents are redacted to remove confidential content where possible, or clearly marked as CONFIDENTIAL.

### Publishing the council's application

Councils should also post their application on their own website for the community to access.