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INNER WEST COUNCIL

Revised Capacity to Pay Report

Inner West Council

December 2020

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Executive summary

Inner West Council ('Council') is required to harmonise three rating structures that it currently has in place in accordance with the Local Government Amendment (Rates-Merged Council Areas) Bill 2017, on 30th June 2021.

The new rating system chosen by Council will take into account a number of factors including equity, efficiency, and capacity to pay. This report puts due emphasis on the capacity to pay principle; given that some ratepayers have more ability to pay rates than others.

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 Local Government Area (LGA). The key findings are summarised in table 1.

Table 1 Ward characteristics

Ward	Characteristics
Areas of advantage	
Balmain	– Characterised by established families and empty nesters – Very high levels of household income – High property values and high levels of home ownership – Very low levels of disadvantage
Stanmore	– Characterised by a significant large young workforce – Very high levels of household income – High proportion of renters
Leichhardt	– Characterised by established families – High levels of household income – High levels of home ownership
Areas of disadvantage	
Ashfield	– Average levels of household income – High proportion of renters – High levels of vulnerable individuals (unemployment, housing stress, etc.)
Marrickville	– Characterised by a significant large young workforce – Average levels of household income – High levels of home ownership – High levels of vulnerable individuals (unemployment, housing stress, etc.)

Introduction

The Council Amalgamations Proclamation prescribed the responsibility of the first elected Council to review its rating structure within the first council term, with one new rating structure to be applied across all ratepayers on 1 July 2021.

During the first four years of amalgamation, from 1 July 2016 to 30 June 2020 and then later extended to June 30 2021, the Government amended the Local Government Act to achieve its policy that there will "be no change to the existing rate paths for newly merged councils for four years". This decision has meant that disparity in the current rating structures was retained, and transition to a new rating structure will occur on 1 July 2021, when all ratepayers will be impacted by the change.

Council must harmonise the five rating structures that are currently in place, establishing a new, equitable rating structure across the LGA. This is balanced with the priority to minimise the number of assessments that experience large and sudden changes as a result of harmonising the five current rating structures.

The new rating system chosen by Council will take into account a number of factors including equity, efficiency and capacity to pay. This report puts due emphasis on the capacity to pay principle; given that some ratepayers have more ability to pay rates than others.

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 Local Government Area (LGA).

Key considerations include:

- regions of social disadvantage
- particularly vulnerable groups of individuals
- future trends in household expenditure.

These findings will then be compared to proposed changes in rates to identify whether there are any groups or individuals that are being particularly impacted and or marginalised.

Data for this review was obtained from the following sources:

- Australian Bureau of statistics 2016 Census Data – Data by Regions
- Profile ID – Inner West Council Community/Social/Economic Profiles
- Realestate.com.au – median property prices based upon 19/20 Sales Data (last updated 02/11/20)
- February 2016 – Housing and Homelessness Policy Consortium. (ACT Shelter, ACTCOSS, Women's Centre for Health Matters, Youth Coalition of Act) - Snapshot: Housing stress and its effects.

Background

Inner West Council is divided into five primary electoral wards. Council is looking to ensure that equity is maintained between wards during the rates harmonisation process, as each ward has differing economic and socio-economic profiles. A basic summary of the wards is provided in the following table 2 and figure 1.

Table 2 Inner West Council ward summary

Wards	Population	Population density (Persons/ha)
Inner West Council	**194,564**	**55.29**
Ashfield Ward	40,532	65.85
Balmain Ward	38,883	55.16
Leichhardt Ward	40,511	54.7
Marrickville Ward	36,901	38.28
Stanmore Ward	37,728	76.89

Figure 1 Inner West Council overview map – source Inner West Council

WARDS

- Balmain
- Leichhardt
- Ashfield
- Stanmore
- Marrickville
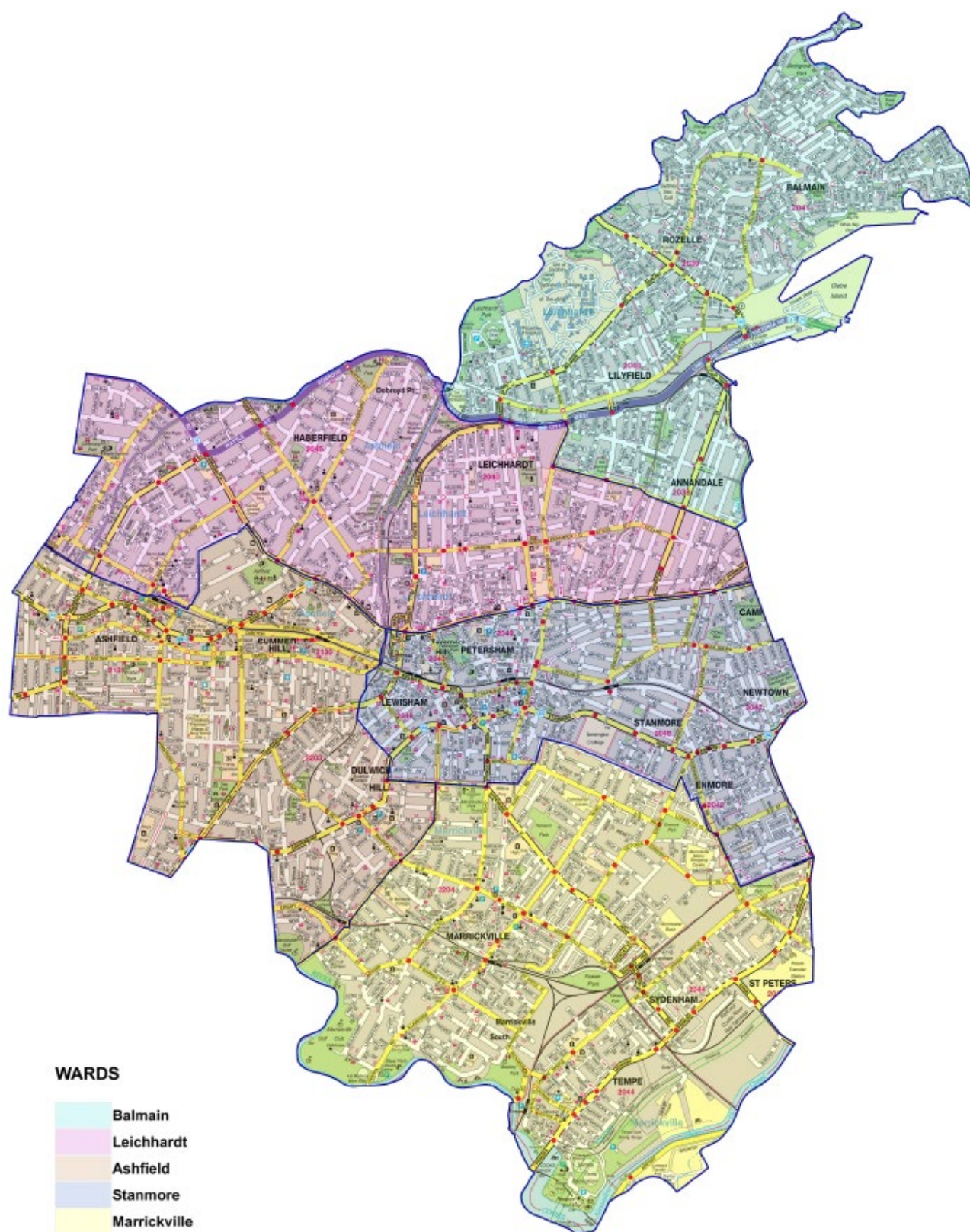
Methodology

Our methodology in examining the relative wealth between the different wards focuses on the following:

- Areas of social disadvantage

  We will first look into the different characteristics and make up of each ward to determine whether there are any particular areas of social disadvantage. This will include an investigation into:

  - the age structure of each region
  - the typical make-up of each household
  - household income, including the effect of dependants
  - median property values
  - SEIFA rankings.

- Particularly vulnerable groups of individuals

  We will then look into whether there are any particular groups within each ward that, despite the overall wealth of the ward, would be particularly vulnerable and affected by a change in rates. These include:

  - property owners
  - persons who have need for core assistance
  - individuals who are currently unemployed
  - households currently under housing stress
  - pensioners.

- Future trends in household expenditure

  We will then look into trends in household expenditure and what future impacts they may have on an individual's ability to pay.

We will then compare these findings to the proposed rating changes to determine whether there are any particular groups or individuals that would be significantly impacted.

Social disadvantage

Areas and/or suburbs within the LGA have differing demographic characteristics, and we first want to identify 'who are the people' that make up each ward, 'what do they do' and 'how do they live'.

Service age groups

Age profiles are used to understand the demand for aged-based services as well as the income earning status of the population. Data has been broken into groups which are reflective of typical life stages. This provides insight into the number of dependants, size of the workforce and number of retirees in each region.

Figure 2 Inner West Council age profile
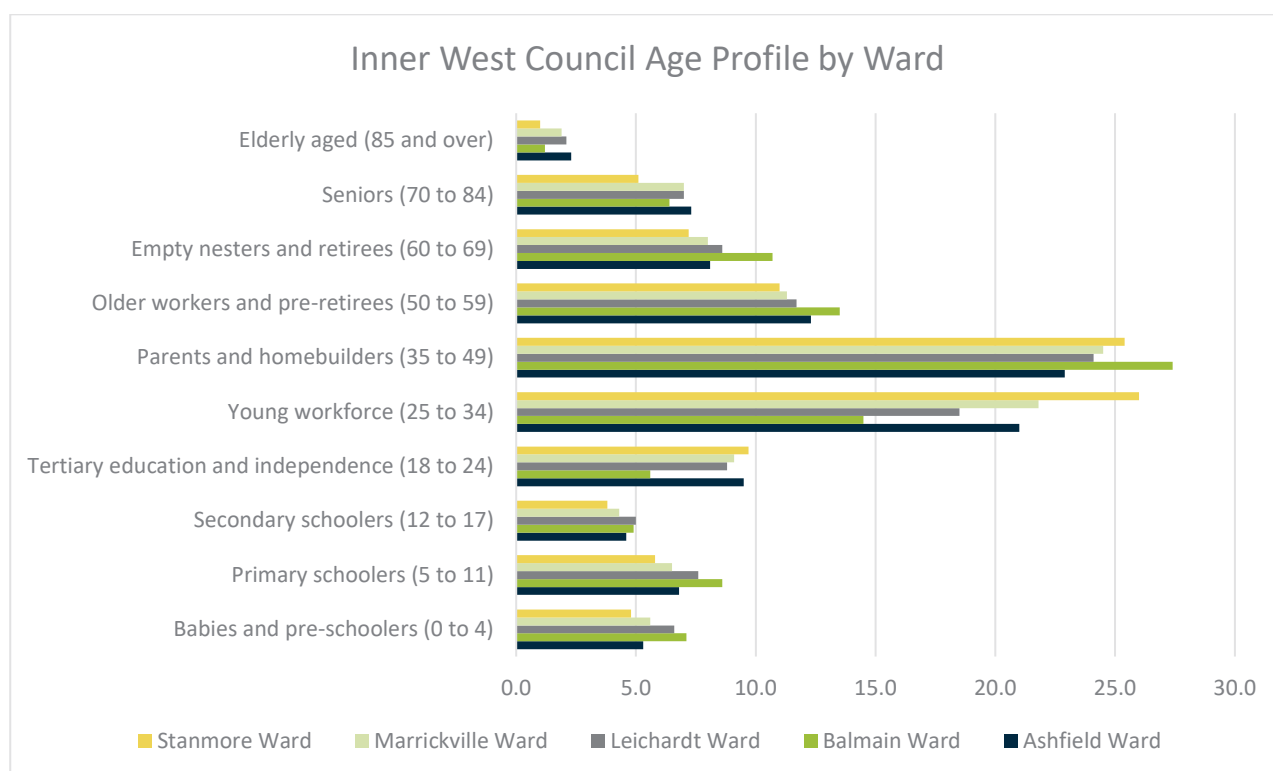
Grouping these results in terms of the following categories (dependants, workforce, and retirees) and ranking them in terms of proportion of population (with 1 representing the largest proportion) generates the following results.

	Ashfield	**Balmain**	**Leichhardt**	**Marrickville**	**Stanmore**
Dependants	3	1	2	4	5
Workforce	3	5	4	2	1
Retirees	3	1	2	4	5

It is interesting to observe that Balmain and Stanmore are polar opposites in their composition. This can most likely be attributed to Stanmore's significant young workforce. Furthermore, Leichhardt and Marrickville mirror the characteristics of Balmain and Stanmore respectively, while Ashfield is average across the board.

Household types

Alongside the age structure of each ward, it is important to determine the typical trends in the make-up of households. This provides a more complete picture of the people, families, and communities in each ward. A summary of household type is provided in the figure below.

Figure 3 Inner West household types
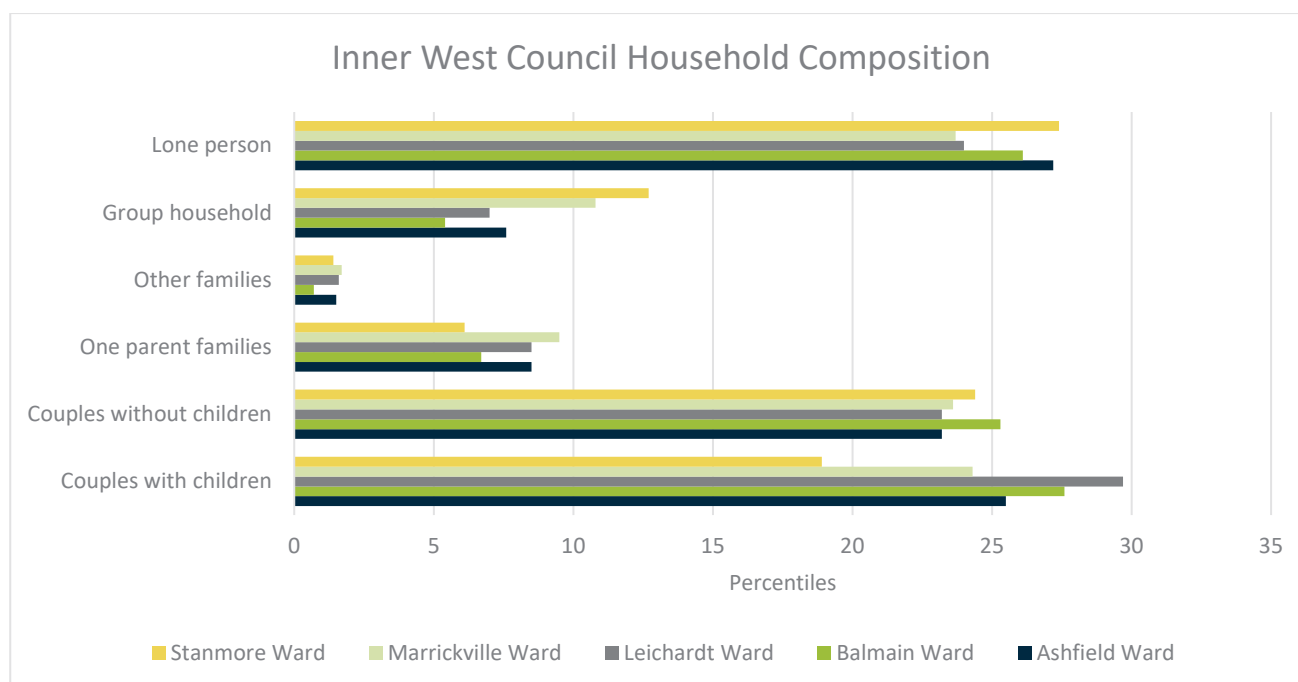
A key observation from this data is that the Ashfield Ward has the highest level of vulnerable households, i.e. lone individuals and one-parent families. Furthermore, it is interesting to note that the Ward of Stanmore has the highest proportions of lone individuals, couples without children, and group Households attributable to the overall young demographic of the region.

Median property value

By reviewing property values within each ward, we are provided with contextual insight into the socio-economic status of each region. Property values are intrinsically linked with affordability and wealth. Median property values were calculated by taking the weighted average of the 2018/19 median sales values for each suburb.

Table 3 Median weighted property values

	Weighted median house value ($ 000s)	Weighted median apartment value ($ 000s)
Ashfield Ward	$1,618	$727
Balmain Ward	$1,825	$900
Leichhardt Ward	$1,784	$970
Marrickville Ward	$1,399	$746
Stanmore Ward	$1,588	$786

Table 3 shows that the property values in Balmain are higher than the other wards. On the other hand, we observe that both house and apartment values in Marrickville are lower than the remaining wards.

Housing tenure

By observing housing tenure levels in the community we are able to identify which areas would be most impacted by a change in Council rates, i.e. the direct impact of a change in rates will be felt by homeowners, whereas renters may experience an indirect increase/decrease dependant on their lease agreement/decisions of their landlord. Furthermore, individuals in social housing are unlikely to be impacted by a change in rates.

Table 4 Inner West housing tenure

	Ashfield		Balmain		Leichhardt		Marrickville		Stanmore	
Tenure type	#	%	#	%	#	%	#	%	#	%
Ownership - Fully owned	3,505	22.9	3,972	26.0	3,809	26.1	3,139	23.3	2,704	18.2
Ownership - Mortgage	3,598	23.5	4,486	29.4	4,065	27.8	3,744	27.8	3,786	25.4
Ownership - Total	**7,103**	**46**	**8,458**	**55**	**7,874**	**53.9**	**6,883**	**51.1**	**6,490**	**43.6**
Renting - Social housing	421	2.8	719	4.7	306	2.1	567	4.2	384	2.6
Renting - Private	6,273	41.0	4,655	30.5	5,248	35.9	4,668	34.7	6,347	42.6
Renting - Total	**6,694**	**44**	**5,374**	**35.2**	**5,554**	**38.0**	**5,235**	**38.9**	**6,731**	**45.2**
Total households	**13,797**		**13,832**		**13,428**		**12,118**		**13,221**	

Table 4 above shows that ownership rates are the highest in the Balmain and Leichhardt wards at 55% and 53.9% respectively. Conversely Stanmore (45.2%) and Ashfield (44%) had the highest percentage of renters. It was interesting to note that the Balmain Ward had the highest number (719) and percentage (4.7%) of social housing available amongst all wards.

Equivalised household income

Equivalised household income can be viewed as an indicator of the economic resources available to a standardised household. It is calculated by dividing total household income by an equivalence factor. The factor is calculated in the following way:

- first adult = 1
- each additional adult + child over 15 = + 0.5
- each child under 15 = + 0.3.

By dividing by the equivalence factor, household income becomes comparable to that of a lone individual thereby making households with dependants and multiple occupants comparable to those without. By factoring in dependants into household income we are provided with a better indicator of the resources available to a household.

As this is a relative comparison, data has been presented in quartiles; regions of disadvantage will have a high proportion of households in the bottom two quartiles than those of greater wealth and advantage. These quartiles were determined by reviewing the distribution of household incomes within NSW and then dividing them into four equal groups or quartiles.

The data has been presented in ranges for the following equivalised income levels:

- lowest: $0 - $497
- medium lowest: $498 - $891
- medium highest: $892 - $1,464
- highest: $1,465 and over.

The following figure summarises the equivalised household Income ranges for the five wards.

Figure 4 Equivalised household income
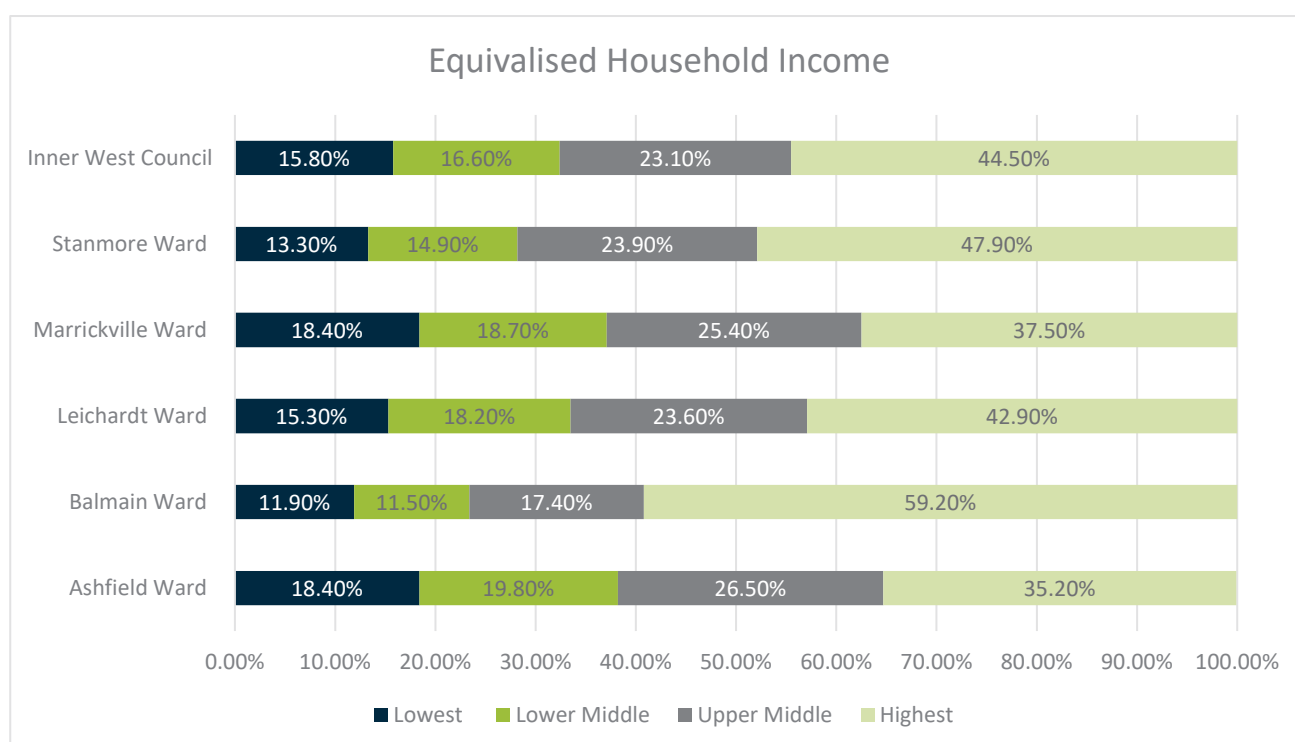
We can make the following observations from the data:

- The Ashfield Ward had both the highest percentage of households in the lowest bracket as well as the lowest percentage of households in the highest bracket.
- Relative to the other wards, the Balmain Ward had a disproportionate percentage of households in the highest income bracket.
- Ranking of wards by greatest disadvantage (percentage of households in lower brackets)
  - 1 – Ashfield   2 – Marrickville   3 – Leichhardt   4 – Stanmore   5 – Balmain
- Ranking of wards by greatest middle class (percentage of households in middle brackets)
  - 1 – Ashfield   2 – Marrickville   3 – Leichhardt   4 – Stanmore   5 – Balmain
- Ranking wards by advantage (percentage of households in upper brackets)
  - 1 – Balmain   2 – Stanmore   3 – Leichhardt   4 – Marrickville 5 – Ashfield

Socio-Economic Index for Areas

The Socio-Economic Index for Areas (SEIFA) is an economic tool developed by the ABS to rank areas in Australia according to their relative socio-economic advantage and disadvantage. It takes into consideration a broad range of variables such as income, education, employment, occupation, housing etc. and is standardised such that the average Australian represents a score of 1000.

In our research we explored two of the indexes published by the ABS:

- Index of Relative Socio-Economic Disadvantage (IRSD)

  This index ranks areas from most disadvantaged to least disadvantaged, i.e. a lower score will have a greater proportion of relatively disadvantaged people in the area.

  From this score however you cannot conclude whether a high-ranking area will have a large portion of relatively advantaged people, just that it has a low proportion of disadvantage.

- Index of Relative Socio-Economic Advantage and Disadvantage (IRSAD)

  This index considers variables of both advantage and disadvantage and, as such, scores and ranks areas from most disadvantaged to most advantaged.

A ward level summary including national percentiles is provided in the table below.

Table 5 Ward level SEIFA scores and percentiles

	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
Inner West Council	**1,053.00**	**78.00**	**1,097.00**	**95.00**

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. It is interesting to note that the relative rankings between the wards are the same for both the IRSD and IRSAD indexes.

Table 6 Suburb SEIFA rankings

SEIFA - IRSD	2016 index	Percentile	SEIFA - IRSAD	2016 index	Percentile
Birchgrove	1128.2	100	Birchgrove	1180.6	100
Rozelle	1116.9	99	Rozelle	1170.9	100
Camperdown	1108.2	98	Camperdown	1162.3	100
Balmain East	1102.9	97	Balmain East	1156.3	100
Annandale	1096.3	96	Balmain	1144.8	99
Balmain	1088.5	94	Annandale	1144.7	99
Stanmore	1082.1	92	Stanmore	1128.2	98
Leichhardt	1075.8	89	Leichhardt	1127.7	98

SEIFA - IRSD	2016 index	Percentile		SEIFA - IRSAD	2016 index	Percentile
Newtown	1069.7	87		Newtown	1122.2	98
Haberfield	1069.6	87		Enmore	1113.1	97
Enmore	1066.4	85		Lilyfield	1109.1	97
St Peters - Sydenham	1062.8	83		St Peters - Sydenham	1104.8	96
Summer Hill	1061.9	83		Petersham	1103.5	96
Petersham	1061.3	83		Haberfield	1102.8	96
Lilyfield	1056.5	80		Lewisham	1100.0	96
Lewisham	1056.3	80		Summer Hill	1095.1	95
Dulwich Hill	1039.9	70		Dulwich Hill	1072.2	90
Croydon	1028.1	63		Croydon	1060.7	86
Tempe	1007.5	50		Marrickville	1049.6	82
Marrickville	1006.5	49		Tempe	1043.7	78
Ashfield	1004.7	48		Ashfield	1038.3	76

By reviewing SEIFA scores on a suburb basis, we observe large discrepancies within the Ashfield and Marrickville wards, e.g. Summer Hill/Ashfield and St Peters/Marrickville.

Vulnerable groups or individuals

This section of the report considers whether there are any spatial patterns of individuals or groups who either need additional community services or are more sensitive to a change in rates.

Workforce status

The levels of full or part-time employment and unemployment are indicative of the strength of the local economy and social characteristics of the population.

Table 7 Community workforce status

	Ashfield		Balmain		Leichhardt		Marrickville		Stanmore	
Employment status	Number	%	Number	%	Number	%	Number	%	Number	%
Employed	20,029	94.2	19,660	96.1	20,469	95.1	18,500	94.8	20,826	95.7
Employed full-time	13,292	62.5	13,762	67.3	13,641	63.4	12,487	64.0	14,572	67.0
Employed part-time	6,418	30.2	5,666	27.7	6,495	30.2	5,715	29.3	5,954	27.4
Unemployed (Unemployment rate)	1,226	5.8	801	3.9	1,055	4.9	1,008	5.2	936	4.3

From table 7, we can see that the Balmain and Stanmore wards have the highest levels of full-time employment (67.3% and 67% respectively) while Ashfield has the highest level of unemployment amongst all wards.

Pensioners

To be classified as a pensioner, an individual needs to be on the Age Pension, or have partial capacity to work such as having a disability, being a carer or being a low income parent. These individuals have reduced income streams and can be vulnerable to financial shocks and price rises.

Table 8 Number of pensioner assessments

Ward	Number of assessments	Count of pensioners	Percentage %
Ashfield	13,924	1,533	11.0%
Balmain	17,258	1,170	6.8%
Leichhardt	14,013	1,602	11.4%
Marrickville	12,758	1,927	15.1%
Stanmore	14,161	1,099	7.8%

From the data we can see that Marrickville, Leichhardt and Ashfield have significantly higher proportion of pensioners compared to the Balmain and Stanmore Wards.

Core assistance

The following map highlights the locations within the LGA that have higher concentrations of people who need assistance in their day to day lives with self-care, body movements or communication – because of a disability, long-term health condition, or old age.

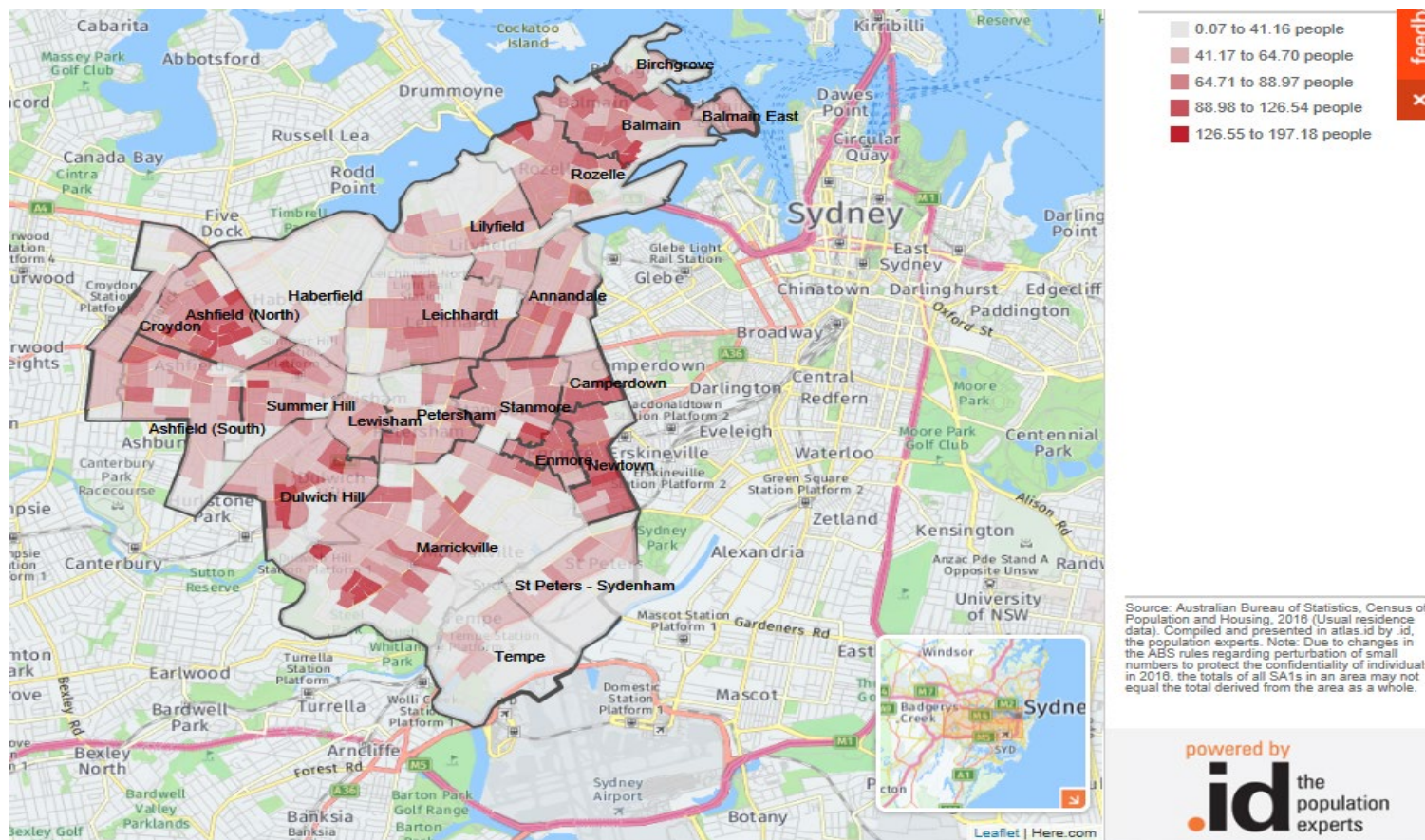**Figure 5 Core assistance density map**

Table 9 Number of people requiring core assistance per ward

Ward	Number	Total population	Percentage %
Ashfield	2,059	38,221	5.39%
Balmain	1,053	36,390	2.89%
Leichhardt	1,813	38,034	4.77%
Marrickville	2,110	34,617	6.10%
Stanmore	1,079	34,730	3.11%

We observe that the Balmain (2.89%) and Stanmore (3.11%) wards have far fewer people requiring core assistance than the other wards, particularly that of Marrickville (6.1%).

Housing stress

The National Centre for Social and Economic Modelling (NATSEM) defines households experiencing 'housing stress' as those that satisfy both of the following criteria:

- equivalised household income is within the lowest 40% of the state's income distribution
- housing costs (i.e. mortgage and/or rent repayments) are greater than 30% of household income.

Research funded by the ACT Government on housing and homelessness issues in the ACT found that, due to financial pressures:

- 19% of households facing housing stress compromised a lot on their grocery spend over a 12 month period
- 24% of households facing housing stress found rent/mortgage repayments quite/very difficult in the last three months.

As such, households facing housing stress are highly likely to also be in significant financial stress and vulnerable to sudden increases in Council rates. A comparison of the levels of housing stress currently experienced in each suburb is provided in the chart below, summarised at the ward level.

Figure 6 Housing stress ward comparison
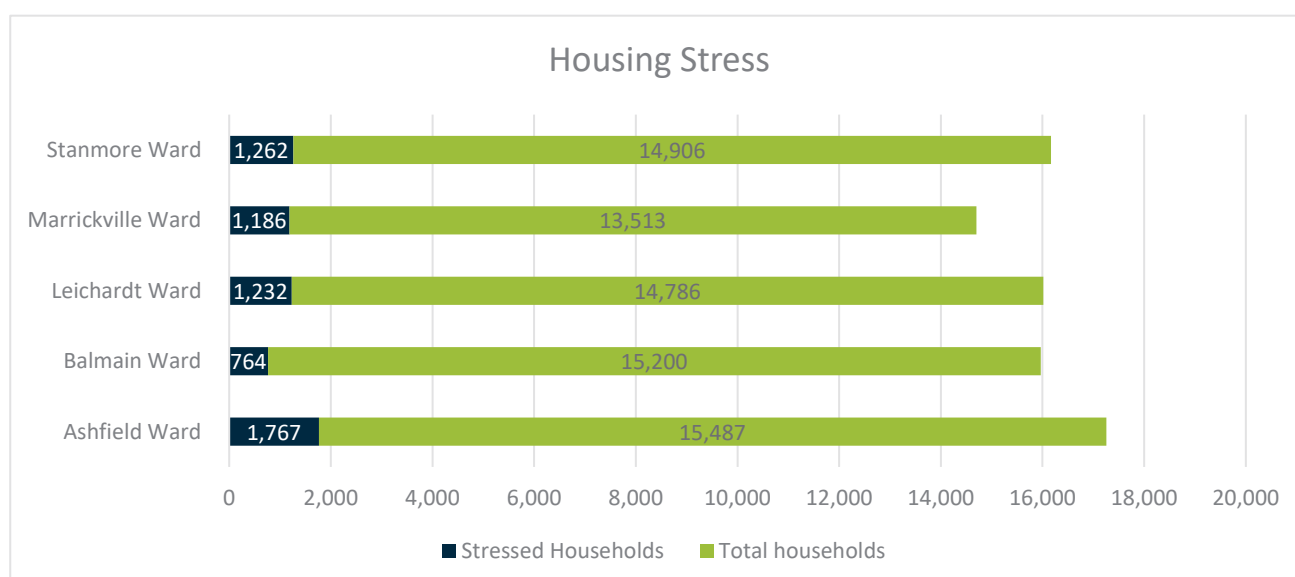
Table 10 Percentage breakdown of housing stress in wards

Ashfield	Balmain	Leichhardt	Marrickville	Stanmore	Sydney average
11.4%	5.00%	8.30%	8.80%	8.50%	11.8%

We can make the following observations from the data:

- All wards have housing stress levels below the Sydney average, however levels in Ashfield are 3% higher than the LGA average of 8.4%.

- The Balmain Ward has significantly lower levels of housing stress than the other wards in the LGA.

- The five suburbs with the highest levels of housing stress are:

    - Ashfield – 13.7%

    - Summer Hill – 10.8%

    - Lewisham – 10.6%

    - Croydon – 10.1%

    - Marrickville – 9.6%.

We observe that three of the above five suburbs are currently in the Ashfield Ward, with only the suburb of Ashfield having housing stress levels greater than that of the Sydney average.

Future trends in cost of living

The cost of living can best be described as the cost of maintaining a certain standard of living. Identifying trends in future costs, particularly with regards to discretionary and non-discretionary income. The following table presents the changes in typical household expenditure throughout the Inner West LGA over a five year period.

Table 11 Five year comparison of cost of living in Inner West LGA

Inner West Council	2018/19		2013/14		Δ Change	
Expenditure item	**$ per Household**	**% of expenditure**	**$ per Household**	**% of expenditure**	**$ per Household**	**% of expenditure**
Food	$9,406.00	7.04%	$8,651.00	6.87%	$755.00	0.17%
Alcoholic beverages and tobacco	$3,462.00	2.59%	$4,031.00	3.20%	-$569.00	-0.61%
Clothing and footwear	$4,887.00	3.66%	$3,678.00	2.92%	$1,209.00	0.74%
Furnishings and equipment	$4,990.00	3.74%	$4,514.00	3.59%	$476.00	0.15%
Health	$7,407.00	5.55%	$7,550.00	6.00%	-$143.00	-0.45%
Transport	$16,499.00	12.35%	$16,569.00	13.16%	-$70.00	-0.81%
Communications	$2,300.00	1.72%	$1,794.00	1.43%	$506.00	0.30%
Recreation and culture	$11,226.00	8.41%	$11,266.00	8.95%	-$40.00	-0.54%
Education	$3,715.00	2.78%	$3,849.00	3.06%	-$134.00	-0.28%
Hotels, cafes and restaurants	$13,267.00	9.93%	$9,894.00	7.86%	$3,373.00	2.07%
Miscellaneous goods and services	$20,776.00	15.56%	$19,840.00	15.76%	$936.00	-0.20%
Housing	$32,306.00	24.19%	$30,769.00	24.44%	$1,537.00	-0.25%
Utilities	$3,314.00	2.48%	$3,477.00	2.76%	-$163.00	-0.28%
Total expenditure	**$133,555.00**		**$125,882.00**		**$7,673.00**	
Non-discretionary*	$76,119.00	56.99%	$72,488.00	57.58%	$3,631.00	-0.59%
Discretionary	$57,436.00	43.01%	$53,394.00	42.42%	$4,042.00	0.59%
Net savings	$27,422.00	17.03%	$32,440.00	20.49%	-$5,018.00	-3.46%
Total disposable income	**$160,977.00**		**$158,322.00**		**$2,655.00**	

Non-discretionary spending includes the following categories: (food, clothing & footwear, health, transport, communications, housing and utilities)

Table 11 shows that over the five year period, total disposable income in the LGA has increased by an average of $2,655 per household, per annum, or 1.68%. There has been a 0.59% shift towards discretionary spending which has been primarily driven by expenditure in hotels, cafes and restaurants. The largest savings in non-discretionary expenses have come from decreases in the cost of utilities and the largest increase in non-discretionary expenses have come from housing related costs.

Discussion

There are several distinct differences emerging between the different wards. This is most evident in the SEIFA rankings which show that there are relatively high levels of wealth across the LGA, however there are significantly greater levels of advantage in the Balmain, Stanmore, and Leichhardt wards than the Marrickville and Ashfield wards.

The three wards with the highest SEIFA rankings are very different in terms of their demographics and housing composition. On one hand, the Balmain and Leichhardt wards are characterised by established families and empty nesters, and on the other the Stanmore Ward has a significant young workforce. The comparative cost of home ownership in the Balmain and Leichhardt wards is restrictive to a younger demographic; a key barrier to younger individuals and families. The Stanmore Ward has the highest rental levels in line with its young workforce; not quite ready to settle down. Common to both groups are the very high levels of equivalised household income.

Ashfield and Marrickville wards are similar in demographic composition to Leichhardt and Stanmore respectively, however the wards have a far greater composition of vulnerable individuals. This can be seen in the lower levels of equivalised household income in both wards, relatively elevated unemployment, the highest levels of lone individuals, single parent families, individuals who need core assistance, and households experiencing household stress. Correspondingly this is reflected in the SEIFA-IRSAD percentiles for both wards being 9% and 11% below the LGA average (95%) respectively.

From Table 11, cost of living trends, we have observed that on average there has been a small increase in disposable income across the LGA. This may however be disproportionately attributed to the growth in wealth in the Balmain, Leichhardt and Stanmore wards. There has been a 5% increase in non-discretionary spending, primarily driven by housing costs, which would have the greatest impact on those households that are most disadvantaged.

As such, we have seen that there are significant levels of wealth and advantage across the whole of the LGA, however we have also observed that there is also significant inequality particularly in the Ashfield and Marrickville wards. While consolidating rating structures, Council needs to ensure that vulnerable individuals and households are not adversely impacted by these changes.

Proposed rating changes

For our commentary that follows, we have utilised option 4 (minimum $850) from the ratepayer impact analysis.[1] Table 12 below outlines the average land value, the average current rate and the average proposed change to each ward.

Table 12 Proposed rating changes ward summary

Ward	SIEFA IRSAD	Total assessments	Average land value	19/20 average rate	Option 4 average rate	Change	Percentage change
Stanmore	1,119.9	14,236	663,231	935	1,114	179	19.1%
Leichhardt	1,098.7	8,437	897,154	1400	1,293	-107	-7.6%
Ashfield	1,061.7	19,855	583,037	1228	1,079	-149	-12.2%
Marrickville	1,055.8	13,106	648,948	916	1,092	175	19.1%
Balmain	1,149.0	17,354	875,735	1471	1,417	-54	-3.7%
Grand Total	**1,097.0**	**72,988**	**716,237**	**1193**	**1,193**	**0**	**0.0%**

We observe that on average the Stanmore and Marrickville wards will have the largest increase in residential rates, with the average rate increasing 19.1% in both wards. The Leichardt and Ashfield wards will see modest decreases of 7.6% and 12.2% respectively and the Balmain Ward will on average decrease 3.7%. The result of this has been that the final average rates better align with the SEIFA scores of each ward.

Table 13 paints a more detailed picture of the proposed residential rating changes breaking down the proposed rating changes by suburb.

Table 13 Proposed rating changes suburb summary

Suburb	SIEFA IRSAD	Total assessments	Average land value	19/20 average rate	Option 4 average rate	Change	Percentage change
Stanmore	1,119.9	**14,236**	**663,231**	**935**	**1,114**	$179	19%
Camperdown	1162.3	**1,547**	**571,940**	**877**	**1,045**	$168	19%
Enmore	1113.1	**1,474**	**706,618**	**922**	**1,098**	$176	19%
Lewisham	1100	**1,700**	**540,636**	**862**	**1,028**	$166	19%
Newtown	1122.2	**3,472**	**627,237**	**879**	**1,048**	$168	19%
Petersham	1103.5	**3,056**	**701,697**	**983**	**1,170**	$188	19%
Stanmore	1128.2	**2,986**	**761,417**	**1031**	**1,227**	$196	19%
Leichhardt	1,098.7	**8,437**	**897,154**	**1400**	**1,293**	-$107	-8%
Haberfield	1102.8	**2,238**	**1,406,540**	**2149**	**1,796**	-$353	-16%
Leichhardt	1127.7	**6,199**	**713,161**	**1129**	**1,111**	-$18	-2%
Ashfield	1,061.7	**19,855**	**583,037**	**1228**	**1,079**	-$149	-12%
Ashbury	1060.7	**50**	**1,041,388**	**1813**	**1,368**	-$444	-25%

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[1] Morrison Low has undertaken ratepayer impact analysis of 4 rating structure options. This has been provided to Council separately.

Suburb	SIEFA IRSAD	Total assessments	Average land value	19/20 average rate	Option 4 average rate	Change	Percentage change
Ashfield	1038.3	8,958	517,287	1293	1,032	-$261	-20%
Croydon	1060.7	1,798	856,991	1621	1,219	-$402	-25%
Dulwich Hill	1072.2	5,879	580,313	903	1,077	$174	19%
Hurlstone Park	1060.7	160	916,488	1720	1,257	-$463	-27%
Summer Hill	1095.1	3,011	595,584	1400	1,126	-$274	-20%
Marrickville	1,055.8	13,106	648,948	916	1,092	$175	19%
Marrickville	1049.6	9,906	660,018	949	1,130	$182	19%
St Peters	1104.8	1,447	553,418	815	972	$157	19%
Sydenham	1043.7	434	583,168	796	949	$153	19%
Tempe	1043.7	1,319	692,279	822	979	$157	19%
Balmain	1,149.0	17,354	875,735	1471	1,417	-$54	-4%
Annandale	1144.7	3,860	807,351	1337	1,290	-$46	-3%
Balmain	1156.3	4,438	866,459	1503	1,453	-$50	-3%
Balmain East	1144.8	876	1,162,771	1925	1,840	-$85	-4%
Birchgrove	1180.6	1,460	1,364,091	2217	2,082	-$136	-6%
Lilyfield	1109.1	2,811	889,146	1438	1,364	-$74	-5%
Rozelle	1170.9	3,908	696,701	1212	1,198	-$14	-1%
Grand Total	1,097.0	72,988	716,237	1193	1,194	$0	0%

From table 13, we observe that the proposed rates align with the levels of advantage and disadvantage within each ward. This can be seen in the Ashfield Ward, whereby we see an average rate reduction of 20% in the suburb of Ashfield and an average increase of 12% in Dulwich Hill. Not only does Dulwich Hill have significantly higher SEIFA percentile than Ashfield, its current average rates are $390 less despite similar average land values.

Also, it is important to note the proposed rate changes for the Marrickville Ward, which despite having high levels of disadvantage will also see large increases in rates. This can be attributable to very low existing rates charged for the similar levels of services provided in these areas. However, it is important that through the consolidation process, Council ensures that it does not significantly marginalise particularly vulnerable individuals and households.

Conclusion

From our analysis we have observed that the wards of Balmain, Stanmore and Leichhardt, enjoy a much greater level of advantage when compared to the rest of the LGA. Council's proposed rate changes should take this into consideration. Furthermore, we can see that for some suburbs the existing rates are disproportionate to the suburbs of similar levels of advantage/disadvantage, Council's proposed changes should also look to increase parity in this regard.

Our conclusion is that the proposed changes would deliver the following outcomes:

- improved alignment with each suburbs SEIFA rankings
- increased parity between the advantaged suburbs
- provide relief to the disadvantaged suburbs
- provide assistance in improving parity within wards.