



Information paper – Minimum rates in 2023-24

29 September 2022

A council must apply to IPART for approval to increase minimum rates (MR) where it is:

- planning to increase MRs above the 'statutory limit' for the first time, or
- already above the 'statutory limit', and the council is planning to increase MRs by more than the rate peg or a percentage previously approved under a special variation (SV).

The current statutory limits for MR are:

- \$569 for the minimum amount of an ordinary rate
- \$2 for the minimum amount of a special rate.

IPART has recommended to the Minister for Local Government that the statutory limit for the minimum amount of ordinary rates for 2023-24 is to be increased to \$590.

Councils proposing a MR increase in conjunction with a SV must submit both a SV application and a MR increase application.

Councils seeking to increase the minimum amount of a special rate must submit an application to set a minimum special rate above \$2, even if it just seeks to increase the special rate by the rate peg.

Councils must submit their applications for an increase to MRs to IPART by 3 February 2023, whether or not it is in conjunction with an SV. It is expected that a council will hold an extraordinary general meeting if necessary to meet this requirement.

1 What to note for 2023-24 applications

The criteria used to assess MR applications are set out in *Guidelines for the preparation of an application to increase minimum rates above the statutory limit* published by the Office of Local Government (OLG) in November of 2020 (MR guidelines).

The council's application should provide well-targeted data and research to support its rationale for the MR increase. It should also show the impact on affected ratepayers is reasonable and that it has consulted with the community on the proposal. Where applicable, a council should reference its Integrated Planning and Reporting (IP&R) documents.

The level of community consultation should be commensurate with the size of the proposed rate increases and associated impact on ratepayers. Consultation may include exhibiting the proposal and seeking feedback from affected ratepayers in online forums or surveys.

It is a matter for councils to develop a rating structure that is accepted by the community as fair and equitable.

2 Process for MR applications

This section provides information about the application process for councils seeking an increase to minimum rates under section 548(3) of the *Local Government Act 1993* for 2023-24.

All councils considering applying for an MR increase for 2023-24 **should contact IPART as early as possible** to discuss their proposal, and what they need to do to demonstrate they have satisfied the criteria in the MR guidelines.

Councils intending to submit an application are urged to notify us of their intention to apply by **Friday 25 November 2022**. In the interests of transparency and good governance, it is preferable that the council has resolved to notify IPART that it intends to apply for an MR increase, but this is not a formal requirement.

Councils should use the [Council Portal](#) on IPART's website to notify IPART that they intend to apply for an MR increase, and to submit their application.



If your council is preparing to submit an application for an MR increase for 2023-24 but did not notify IPART of the intention to apply in November 2022, you should contact IPART as soon as possible.

Please phone Sheridan Rapmund, Director, on (02) 9290 8430, or Edward Jenkins, Principal Analyst, on (02) 9113 7774.

2.1 Councils to submit their application by 3 February 2023

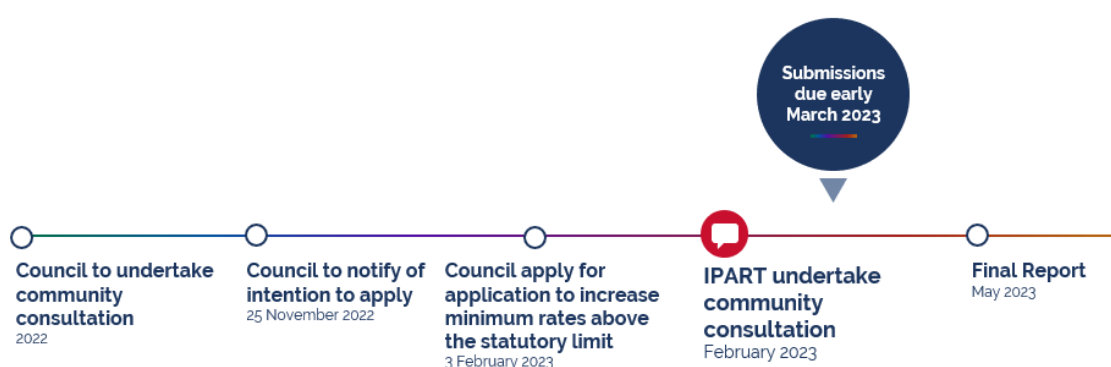
We encourage councils to submit their applications as early as possible. Late applications will not be accepted unless the council has applied for an extension for exceptional circumstances, and IPART has granted it.

2.2 Councils must resolve to submit an application before applying

OLG's MR guidelines require the council to have resolved to apply for an MR increase. A copy of the council's resolution must be submitted with the Application Form. IPART will not commence an assessment of the application unless a copy of the resolution is provided.

It is expected that a council will hold an extraordinary general meeting if necessary to meet this requirement.

Timetable for MRs for 2023-24



3 Assessment criteria for minimum rate increase applications

The MR guidelines set out the criteria IPART will use to assess each application for a minimum rate increase. They state that:

IPART will assess applications for minimum rates above the statutory limit against the following set of criteria (in addition to any other matters which IPART considers relevant):

1. the rationale for increasing minimum rates above the statutory amount,
2. 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 sub-category, and
3. the consultation the council has undertaken to obtain the community's views on the proposal.

It is the council's responsibility to provide sufficient evidence in its application to justify the MR increase. Where applicable, councils should make reference to the relevant parts of their IP&R documentation to demonstrate how the criteria have been met.

4 IPART's contact officer

Enquiries regarding this document should be directed to Edward Jenkins at Edward_jenkins@ipart.nsw.gov.au or at (02) 9113 7774. Further information can also be found on IPART's website.