



MINIMUM RATE APPLICATION  
**BAYSIDE COUNCIL**  
FROM 2021-22

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Final Report

May 2021

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## Tribunal Members

The Tribunal members for this review are:

Ms Deborah Cope, Acting Chair

Ms Sandra Gamble

Mr Mike Smart, Acting Tribunal member

Enquiries regarding this document should be directed to a staff member:

Sheridan Rapmund (02) 9290 8430

Kumi Cuthbertson (02) 9290 8479

Other staff members that contributed to this document include:

Albert Jean and Edward Jenkins.

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# Contents

<b>Tribunal Members</b>	<b>ii</b>
<b>1 Executive Summary</b>	<b>1</b>
<b>2 IPART'S minimum rate assessment</b>	<b>3</b>
2.1 Our minimum rate assessment	4
2.2 Rationale for harmonising minimum rates	4
2.3 Impact on ratepayers	8
2.4 Consultation to obtain community views	11
2.5 Ratepayer submissions to IPART	12
<b>A Minimum rate criteria</b>	<b>14</b>

# 1 Executive Summary

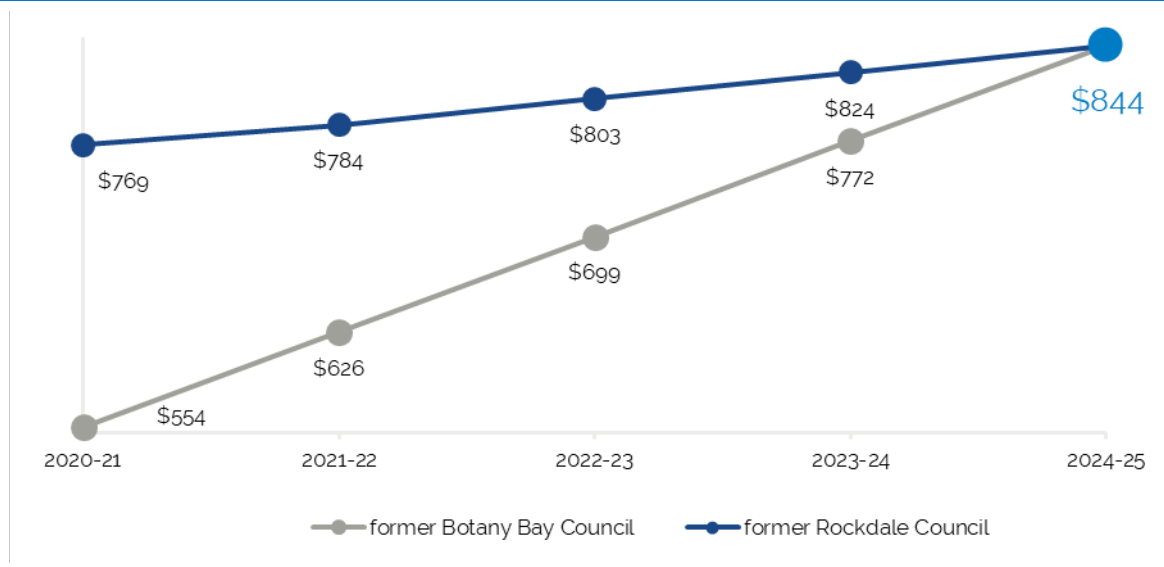
Bayside Council (the council) has proposed a 4-year transition path to harmonise the minimum amount of its ordinary rates (MR), so that by 2024-25, the MR for all rating categories will be \$844.16.

It has proposed its MR harmonisation path in response to:

- ▼ the current legislation requiring councils amalgamated in 2016 to harmonise rating structures of the former council areas, i.e. City of Botany Bay Council (Botany Bay) and Rockdale Council (Rockdale) to one rating structure across the new Bayside Council.<sup>i</sup>
- ▼ the Bill passed by Parliament to allow the harmonisation process to take place over 8 years.<sup>ii</sup>

IPART has approved the MR application in full.

**Figure 1.1 Bayside Council harmonisation path for minimum rates**



No additional revenue from minimum rate harmonisation

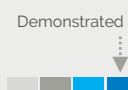
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## Harmonisation will not result in additional revenue for the council

The council's proposed harmonisation path is shown in Figure 1.1. Harmonising its MR will not increase the council's overall general income above the rate peg increase of 2% in 2020-21 and the assumed rate peg of 2.5% in subsequent years. This is because the council proposes to also harmonise its ordinary ad valorem rates concurrently, resulting in a revenue-neutral position for the council overall. However, due to the variances in existing MR and ordinary rates in former council areas, the impact on ratepayers in the former Botany Bay and Rockdale councils will be different.

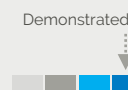
IPART has assessed the council's proposed MR structure against the criteria set by the Office of Local Government (OLG) in the *Guidelines for the preparation of an application to increase minimum rates above the statutory limit* (OLG Minimum Rate Guidelines).<sup>iii</sup>

### Rationale for increasing minimum rates



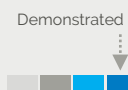
The council's proposal will share the rates burden more evenly between ratepayers on minimum rates and ratepayers on ad valorem rates, and between ratepayers in the former Botany Bay and Rockdale council areas.

### Impact on ratepayers



The council considered the impact on ratepayers, in particular its former Botany Bay minimum rate payers and balanced this against the need to distribute the rate burden more equitably across its local government area (LGA). Its proposed 4-year transition will also reduce the bill shock on its former Botany Bay minimum rate payers.

### Consultation to obtain community views



The council has clearly made the community aware of its proposed harmonisation path, including the reasons for it and the expected outcome for ratepayers. It has adequately sought and responded to community feedback.

This report sets out our decision on Bayside Council's proposed MR structure and explains how and why we reached this decision.

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## 2 IPART'S minimum rate assessment

NSW councils that were amalgamated in 2016 are required to harmonise rates, i.e. both MR and ad valorem rates from 1 July 2021.<sup>iv</sup> This follows a 4-year 'rate freeze' period (subsequently extended for another year), during which time councils had to maintain the rating structures that applied to the former councils.

The legislation currently in force does not allow amalgamated councils to progressively harmonise rates over multiple years, but requires councils to undertake full transition to a new harmonised rating structure by 1 July 2021. A Bill has been passed in Parliament to allow for gradual harmonisation of rates over 8 years.<sup>v</sup> Bayside Council has opted to apply to IPART for a rate harmonisation path that transitions changes to the MR over 4 years, as permitted under the Bill.<sup>vi</sup>

Its MR harmonisation over 4 years (undertaken concurrently with harmonisation of its ordinary ad valorem rates based on the current Bill) will result in all rates being calculated on the same basis for its former Botany Bay and Rockdale council areas by 2024-25.

While assessment of the council's proposed changes to its ad valorem rates<sup>1</sup> is outside the scope of this report, we note that the council intends that the process will not result in additional revenue for the council overall, as any proposed increases in a given pre-merger council area will be offset by decreases in another pre-merger council area. This means that the impacts on each pre-merger council area will vary both for minimum and ad valorem rates.

IPART has assessed the council's application against the 3 criteria for minimum rates as set out in the OLG Minimum Rate Guidelines<sup>vii</sup> and Appendix A.

The council resolved to apply for the proposed MR changes on 10 February 2021.<sup>viii</sup>

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<sup>1</sup> Ad valorem rates are rates based on the value of the land as determined by the NSW Valuer General.

## 2.1 Our minimum rate assessment

We have decided to approve the council's proposed minimum rate amounts from 2021-22 to 2024-25 as outlined in Box 2.1.

We found that the council's application meets the requirements of the criteria in the OLG Minimum Rate Guidelines. Our assessment of the application and reasons for our decision are set out below.

### Box 2.1 IPART Decision – Bayside Council

#### Approved Minimum Rate (\$)

Council	2021-22	2022-23	2023-24	2024-25
<b>Pre-merger</b>				
Botany Bay	626.26	689.89	771.53	844.16
Rockdale	783.89	803.49	823.57	844.16
<b>Post-merger</b>				
Bayside	n/a	n/a	n/a	844.16

**Note:** Both the former Botany Bay and Rockdale councils applied the same minimum amount for each rating category, i.e. residential, business and farmland categories. The council has decided to maintain this structure for its proposed minimum amounts going forward.

## 2.2 Rationale for harmonising minimum rates

Bayside Council noted that its application is necessary to comply with the legislative requirement for it to harmonise its rating structure.<sup>ix</sup> Additionally, the council explained its purpose and approach amongst other things is to:<sup>x</sup>

- ▼ maintain the single MR structure that previously applied to the former council areas, to also now apply to Bayside Council
- ▼ establish a rating structure where the distribution of the rates burden is fair and equitable across the whole local LGA
- ▼ minimise the number of years over which certain ratepayers subsidise others due to the inconsistent rating structures of its former councils
- ▼ maintain the same level of rates revenue, while balancing the impact for the majority of ratepayers
- ▼ ensure Bayside Council's ongoing long-term financial sustainability.<sup>xi</sup>



## 2.2.1 The council has a large proportion of ratepayers on minimum rates

As a Sydney metropolitan council, Bayside Council has large pockets of high density areas, with a high proportion of ratepayers on minimum rates compared to ratepayers on ad valorem rates (i.e. rates based on value of the land). Typically, minimum rates can be significantly lower than ad valorem rates, however, councils have generally argued that the demand on its services does not vary much between minimum rate payers and ratepayers not paying a minimum rate.

The council's application indicated there are currently around 40,684 ratepayers paying minimum rates from its combined residential and business categories.<sup>2</sup> As seen in Table 2.1 this represents around 58.2% of residential, and 38.6% of business ratepayers. In total around 57.0% of the council's ratepayer base currently pays the MR. In contrast the proportion of income collected from all minimum rate payers in 2020-21 was 34%.<sup>xii</sup>

**Table 2.1 Proportion of ratepayers on the minimum rate (2020-21)**

Ratepayer category	Assessments on the minimum rate	Total number of assessments	Proportion on the minimum rate
<b>Botany Bay</b>			
Residential	14,731	21,893	67.3%
Business	1,104	2,687	41.1%
<b>Rockdale</b>			
Residential	24,177	44,901	53.8%
Business	673	1,911	35.2%
<b>Total Residential</b>	<b>38,907</b>	<b>66,794</b>	<b>58.2%</b>
<b>Total Business</b>	<b>1,777</b>	<b>4,598</b>	<b>38.6%</b>
<b>Total Assessments:</b>	<b>40,684</b>	<b>71,392</b>	<b>57.0%</b>

Source: Bayside Council, IPART calculation based on *Minimum Rate Application Part A, Worksheet 2*.

## 2.2.2 Rationale for increasing Botany Bay minimum rates to Rockdale levels

The council is seeking to gradually increase over 4 years, its former Botany Bay MR to equal its former Rockdale MR. In 2020-21 the difference in MR is about \$215 or 39% (based on the current MRs of \$553.62 for Botany and \$768.52 for Rockdale).<sup>xiii</sup>

The council stated that its rationale for increasing Botany Bay MRs to Rockdale levels is to:

- ▼ ensure fairness and equity in levying and collecting minimum rates across the LGA
- ▼ improve the relativity of the level of minimum rates to comparable neighbouring councils (see Table 2.6 in the next section)
- ▼ ensure the council is well placed to meet its long-term objectives to deliver high quality services to its growing population, in light of the rating principles of intergenerational equity (see discussion below on impact of population growth).<sup>xiv</sup>

<sup>2</sup> There are 5 farmland assessments in the former Rockdale LGA. However, none of these ratepayers currently pay the MR as their land values are above the threshold at which MRs apply.

As seen in Table 2.2, in 2020-21, 64% of ratepayers in the former Botany Bay pay the MR. These rates contribute only 28% of the council's total ordinary rates revenue. This means that the remaining 36% of ratepayers on ad valorem rates contribute 72% of ordinary rates revenue.

In the former Rockdale LGA, 53% of ratepayers pay the MR and contribute 38% towards ordinary rates revenue. This means the remaining 47% of ratepayers on ad valorem rates contribute 62% towards ordinary rates revenue.

**Table 2.2 Contribution to rates revenue vs number of assessments (2020-21)**

LGA	Total assessments in LGA	Total ordinary rates revenue (\$ million)	Number assessments on minimum	Assessments on minimum rates	Current minimum rates (\$)	Ord rates collected from minimum (\$ million)	Contribution to ordinary rates from minimum
Former Botany	24,580	31.9	15,835	64%	554	8.8	28%
Former Rockdale	46,817	49.7	24,849	53%	769	19.1	38%
Total Bayside	71,397	81.5	40,684	57%		27.9	34%

**Note:** Numbers may not add due to rounding.

**Source:** Bayside Council, *Application Part B*, p 13.

By 2024-25, the council forecasts 61% of its ratepayer base will pay the MR, while accessing the same level of services as other ratepayers on ad valorem rates see Table 2.4. Without an adjustment in minimum amounts, the gap in contributions to total revenue between MR payers and ad valorem ratepayers would continue to be disproportionate and widen.

As seen in Table 2.3, the council's proposed harmonisation of ordinary and minimum rates, will potentially narrow the contribution gap between minimum and ad valorem rates, with minimum rates contributing 41% to total ordinary rates revenue by 2024-25.<sup>3</sup> The council calculated this will also partly address the disproportionate contributions between Botany Bay and Rockdale minimum rates. By 2024-25 minimum rate contributions to ordinary rates revenue will increase to 33% and 48% for Botany Bay and Rockdale respectively.

<sup>3</sup> At the same time as harmonising the MR, the council proposes to also harmonise its ordinary rates over 4 years. This will mean adjusting ad valorem rates across rating categories so that the same rating structure will apply across rating categories in the LGA.

**Table 2.3 Contribution to rates revenue vs number of assessments (2024-25)**

LGA	Total assessments in LGA	Total ord rates revenue (\$ million)	Number assessments on minimum	Assessments on minimum rates (%)	Minimum rates (\$)	Ord rates collected from minimum (\$ million)	Contribution to ord rates from minimum (%)
Former Botany	24,580	40.7	16,111	66%	844	13.6	33%
Former Rockdale	46,817	48.8	27,736	59%	844	23.4	48%
Total Bayside	71,397	89.6	43,847	61%	n/a	37.0	41%

**Note:** Numbers may not add due to rounding.

**Source:** Bayside Council, *Application Part B*, p 13.

### Impact of population growth

The council also noted that the current NSW rating system does not allow for increased rate revenue in line with population growth.<sup>xv</sup> Typically, to cover the cost of providing services to growing populations, councils in NSW need to make a special variation application to IPART. It noted the recent NSW Productivity Commission recommendation to shift rate revenue growth in line with population growth. It quoted the NSW Productivity Commission finding that the average rates per capita in NSW (\$591 in 2019) is significantly lower than the average for all other states (\$835 per capita).<sup>xvi</sup>

The council considered setting a lower minimum rate but stated this would result in a:<sup>xvii</sup>

- ▼ loss of rates revenue from future growth which it stated would be detrimental to its ability to deliver quality services to a growing population in future years
- ▼ further shift of the rate burden from ratepayers on the minimum to ratepayers on ad valorem rates.

### 2.2.3 Overall assessment of the council's rationale for increasing minimum rates

We found that the council demonstrated it met this criterion.

We consider that the council's rationale for its proposed minimum rate structure is reasonable as it will gradually arrest the existing shift of the rate burden from ratepayers on minimum rates to ratepayers on ad valorem rates.

We compared the council's minimum rates with neighbouring councils and relativities between the council's minimum and ad valorem rate levels. We consider raising the former Botany Bay minimum amounts to the former Rockdale amounts is reasonable, given that the council provides the same services to all ratepayers across its LGA.

We note that the council proposes to transition the minimum rate increases over 4 years to reduce the bill shock on minimum rate payers, particularly in the former Botany Bay LGA. We consider it has proposed a reasonable time period to transition all ratepayers to one MR structure across the LGA

## 2.3 Impact on ratepayers

In this section we look at the comparative impact on minimum rate payers in the former council LGAs, (Botany Bay and Rockdale), the relativities between the council's proposed minimum and ad valorem rates and how its minimum rates compare to neighbouring councils.

Table 2.4 shows Bayside Council's proposed harmonisation path over 4 years. It proposes to:

- ▼ maintain the former Rockdale minimum amounts at current levels indexed by the rate peg for each year
- ▼ increase the former Botany Bay minimum amounts by \$72.64 each year (representing increases of 13.1%, 11.6%, 10.4% and 9.4% respectively between 2021-22 and 2024-25) to equal Rockdale levels by 2024-25.

The impact on minimum rate payers in the former Botany Bay LGA will therefore be greater than the former Rockdale LGA, noting that the impact on the former Rockdale minimum rate payers will be the rate peg only.

**Table 2.4 Bayside Council – 4-year harmonisation path for minimum ordinary rates**

Rating year (1 July)	Annual rate peg <sup>a</sup>	former Botany Bay			former Rockdale		
		Min Rate (\$)	Increase to Min Rate (\$)	Increase to Min Rate (%)	Min Rate (\$)	Increase to Min Rate (\$)	Increase to Min Rate (%)
2020-21	2.0%	553.62	n/a	n/a	768.52	n/a	n/a
2021-22	2.0%	626.26	72.64	13.1%	783.89	15.37	2.0%
2022-23	2.5%	698.89	72.64	11.6%	803.49	19.60	2.5%
2023-24	2.5%	771.53	72.64	10.4%	823.57	20.09	2.5%
2024-25	2.5%	844.16	72.64	9.4%	844.16	20.59	2.5%

<sup>a</sup> We have assumed a rate peg of 2.5% in 2022-23 and subsequent years, as these have not yet been set.

**Source:** Bayside Council, *Application Part B*, p 4.

In considering its options for rate harmonisation (for both minimum and ordinary rates), the council engaged Morrison Low to identify issues it needed to consider in developing its new rates and revenue policy. <sup>xviii</sup>

Amongst other things, Morrison Low found that:

- ▼ The existing rating structure for the former Rockdale area is somewhat aligned between land values and rates for both the residential and business categories, with residential rates contributing the majority of the council’s ordinary rates income.
- ▼ The existing rating structure for the former Botany Bay area is less well aligned, with the business category making a disproportionately higher contribution to total ordinary rates income compared to its relative land value and compared to the residential category which holds the majority of the land value.<sup>xix</sup>

Based on its analysis of the rating structures of its former LGAs, the council will re-distribute ad valorem rates over the 2 former council areas, but transition these changes over 4 years to maintain a revenue neutral position over the harmonisation period.

Table 2.5 shows the council’s estimates of its average rates from 2020-21 to 2024-25. We compared the council’s current and proposed minimum rates with its proposed average residential and business rates for the former LGAs and calculated that:

- ▼ In the former Botany Bay area, the current minimum rate of \$553.26 (in 2020-21) is around 21% lower than the average residential rate (\$705.10) of ratepayers paying above the minimum rate and around 91% lower than the average business rate (\$6,191.74) of ratepayers paying above the minimum. By 2024-25 these relativities will be maintained at similar levels, i.e. around 19% lower and 87% lower for residential and business ratepayers respectively.
- ▼ In the former Rockdale area, the current MR of \$768.52 (in 2020-21) is around 38% lower than the average residential rate (\$1,238.95) of ratepayers paying above the MR and around 79% lower than the average business rate (\$3,666) of ratepayers paying above the minimum. By 2024-25 these relativities will be maintained at similar levels, i.e. around 32% lower and 78% lower for residential and business ratepayers respectively.

**Table 2.5 Comparison of minimum, residential and business rates (2020-21 to 2024-25)**

Rating category	2020-21	2021-22	2022-23	2023-24	2024-25
<b>Minimum rate former Botany Bay (\$)</b>	<b>553</b>	<b>626</b>	<b>699</b>	<b>772</b>	<b>844</b>
Average residential rate former Botany Bay (\$)	705	781	864	951	1,042
Average business rate former Botany Bay (\$)	6,192	6,303	6,449	6,597	6,749
<b>Minimum rate former Rockdale (\$)</b>	<b>769</b>	<b>784</b>	<b>803</b>	<b>824</b>	<b>844</b>
Average residential rate former Rockdale (\$)	1,239	1,241	1,241	1,241	1,240
Average business rate former Botany Bay (\$)	3,666	3,593	3,684	3,776	3,871
<b>Minimum rate Bayside (\$)</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>		<b>844</b>

**Note:** 2020-21 is included for comparison.

**Source:** Bayside Council, *Application Part A*, Various worksheets.

We also compared the council's proposed minimum rate in 2024-25 to 4 other councils in the Sydney metropolitan area as shown in Table 2.6. Of these, 3 are amalgamated councils from OLG Group 3 that have applied for minimum rate increases in 2021-22. Sutherland Shire is included as it is another OLG Group 3 council although it is not an amalgamated council. It was approved a minimum rate increase in 2019-20.

We found that Bayside Council's proposed minimum rate is the lowest among this group of councils. Its proposed minimum rate will be 12.2% lower than the average residential minimum rate and 11.3% lower than the average business minimum rate for these OLG Group 3 councils in 2024-25.

**Table 2.6 Councils in the Sydney metropolitan area - proposed minimum rates**

Council	Residential (\$) 2024-25	Business (\$) 2024-25
<b>Bayside</b>	<b>844</b>	<b>844</b>
Georges River	1,040	1,400
Canterbury-Bankstown	1,015	1,015
Inner West	915	883
Sutherland Shire	1,014	1,014
<b>Average</b>	<b>947</b>	<b>939</b>
<b>Proposed minimum rate variance from average</b>	<b>-12.2%</b>	<b>-11.3%</b>

**Note:** For councils proposing minimum rate harmonisation over 2021-22 (e.g. Georges River and Inner West), we have assumed rate peg increase of 2.5% per annum after the rates harmonisation to reach the levels shown for 2024-25.

**Source:** IPART calculations based on *Application Part A, Worksheet 2* for Bayside, Georges River, Canterbury-Bankstown, and Inner West. We calculated the Sutherland Shire minimum rate by escalating its existing minimum rate of \$923.40 by the assumed rate pegs from 2021-22 to 2024-25.

The council indicated it also has a Hardship Policy which allows it to provide rates relief to residents encountering difficulty or hardship due to an event or change in circumstances.<sup>xx</sup> In particular it includes:

- ▼ deferment of payment and relief from interest charges for pensioners, where they maintain instalments according to their agreed payment plan
- ▼ a COVID-19 policy that allows residents impacted by the pandemic to enter into flexible formal arrangements that support their current situation without incurring interest charges.

### 2.3.1 Overall assessment of the impact on ratepayers

We found that the council demonstrated it met this criterion.

We note that the former Botany Bay minimum rate payers will be most impacted by the council's proposed rate harmonisation path. However, the council has considered the impact on its ratepayers and balanced this against the need to distribute the rate burden more equitably across its LGA. Additionally, to offset rate shocks, it proposes to transition the rate increases over 4 years.

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A comparison with other OLG Group 3 councils shows that despite the proposed increases, the council's minimum rate will be the lowest in 2024-25 among its OLG group peers and other newly amalgamated councils that are also harmonising minimum rates. The council also has a Hardship Policy to help pensioners and those affected by the COVID-19 pandemic to manage their bills.

## 2.4 Consultation to obtain community views

The council's community consultation was extensive; conducted from 15 October 2020 to 31 December 2020.<sup>xxi</sup> Its coverage of its proposed rate harmonisation path was thorough, widespread and adequately explained the reasons for its proposed rates re-distribution.

It used a variety of engagement methods to promote awareness of and obtain community views on its rate harmonisation path. This included:<sup>xxii</sup>

- ▼ stand-alone Rates Harmonisation webpage including FAQs and rates calculator for ratepayers to input their property details and view the impact of the proposed minimum rate change
- ▼ Rates Harmonisation Customer Service desk
- ▼ Have your Say Form/community survey
- ▼ mail-out of 68,000 letters to residential and business ratepayers, which included individualised rating information for their property
- ▼ local MP briefings and local TV, print and social media coverage
- ▼ council meetings on 9 September 2020 and 14 October 2020 and distribution of associated documents.

### Outcomes from the council's consultation

The council reported it received a high rate of response to its engagement activities. It noted that the response from residential ratepayers was greater than the response from business ratepayers.

Some examples of the volume of response it received include:

- ▼ 4,047 unique visitors to the Rates Harmonisation webpage (averaging 52 people per day)
- ▼ 2,546 unique visitors to its rates calculator (in total the calculator was used 5,253 times)
- ▼ 1,673 unique visitors to the Have your Say Survey, with 2,121 views and 1,086 responses – 72% of responses were in favour of a staged (multi-year rate implementation)
- ▼ 5 Facebook posts that reached 49,801 people
- ▼ 56 phone calls and 145 written submissions (83 from owners of parking spaces at the 'Park n Fly' car park).<sup>xxiii</sup>

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The council reported that it responded to all incoming correspondence and provided further feedback if requested. For example, it continuously updated its Rates Harmonisation webpage and FAQs on its website in response to community queries and to provide further clarification on its proposal.<sup>xxiv</sup>

The council notes it made representation to the Minister for Local Government to advocate on behalf of its residents to provide relief from the single year harmonisation (initially proposed by the OLG). This resulted in a Bill (as discussed above) that would allow (once it commences) for a multi-year gradual harmonisation of ordinary rates.

#### **2.4.2 Overall assessment of the council's consultation**

We found that the council demonstrated it met this criterion.

We consider the council has clearly made the community aware of its proposed harmonisation path, including the reasons for it and the expected outcome for ratepayers. The council also adequately sought and responded to community feedback.

### **2.5 Ratepayer submissions to IPART**

IPART received 114 submissions during the consultation period from 1 December 2020 to 21 March 2021 from Bayside Council ratepayers and interested stakeholders.

The vast majority of submissions were from ratepayers in the former Botany Bay area. These submissions overwhelmingly opposed the proposed MR increase. The key issues raised in the submissions were:

- ▼ the minimum rate increases are unfair, discriminatory and will only help Rockdale residents
- ▼ historically, the former Botany Bay had some of the lowest rates with efficient services – services have declined since amalgamation, most notably parks, pathways, gardening and street cleaning
- ▼ the timing for a rate rise is bad due to economic conditions and COVID, with family, individual and pensioner job losses, council should be looking to save money and reduce rates
- ▼ the reason for rate increases cited by Bayside Council is rate harmonisation, but residents did not ask to be amalgamated, Rockdale and Mascot have no connection
- ▼ the former Botany Bay was the first to be out of debt and is now part of a council reportedly in debt
- ▼ the council has continued to overpopulate the area, there is an oversupply of units, the large building spree in Mascot has increased the population and increased the council's income
- ▼ Rockdale ratepayers have been paying more rates than Botany and are currently disadvantaged – the council should adopt Botany's MR levels rather than the other way around.



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We have assessed the council's application against OLG's MR criteria as required, which are outlined in Appendix A.

We found that the council demonstrated that it has met the criteria for its proposed MR harmonisation path, including because:

- ▼ In response to the Government requirement to harmonise rates, it has carefully considered how best to ensure fairness and equity in levying and collecting minimum rates across the LGA. For example, its proposal will address the disproportionate rate burden between ratepayers paying minimum rates and ad valorem rates as well as residential and business minimum rate payers.
- ▼ Its MR levels will be the lowest among OLG Group 3 councils, particularly in comparison to other amalgamated councils that are also harmonising their rates.
- ▼ It has proposed a 4-year transition path to reduce the rate impact particularly on former Botany Bay minimum rate payers.
- ▼ Its proposal is not intended to increase revenue overall, but will result in a revenue neutral position for the council. This therefore has no impact on reported debt levels of the existing council.
- ▼ Its proposal also seeks to address its growing population, many of whom will also be subject to the minimum rate, given the demographics of the area. Many ratepayers that made submissions acknowledged the population growth in the area, but mistakenly assumed that this would automatically generate additional rates revenue to match the growth in population. However, currently councils can only increase revenue to the maximum set by the rate peg regardless of the increase in population.

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## A Minimum rate criteria

### A.1 Assessment criteria for minimum rate applications

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 minimum rates increase. Where applicable, councils should make reference to the relevant parts of their Integrated Planning and Reporting (IP&R) documentation to demonstrate how the criteria have been met.

**Source:** OLG, [Guidelines for the preparation of an application to increase minimum rates above the statutory limit](#)

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- i Ministerial Directions issued under section 2188C of the Local Government Act 1993 made on 18 May 2017 (as varied by the Determinations made on 17 October 2019, 7 February 2019 and 7 February 2020); Local Government Act 1993 s494(2); Local Government (Council Amalgamations) Proclamation 2016
  - ii [Local Government Amendment Bill 2021](#)
  - iii Office of Local Government (OLG), [Guidelines for the preparation of an application to increase minimum rates above the statutory limit](#).
  - iv Ministerial Directions issued under section 2188C of the Local Government Act 1993 made on 18 May 2017 (as varied by the Determinations made on 17 October 2019, 7 February 2019 and 7 February 2020); Local Government Act 1993 s494(2); [Local Government \(Council Amalgamations\) Proclamation 2016](#)
  - v [Local Government Amendment Bill 2021](#)
  - vi Bayside Council, *Application Part B*, p 6.
  - vii Office of Local Government (OLG), [Guidelines for the preparation of an application to increase minimum rates above the statutory limit](#).
  - viii Bayside Council, Minutes of Council Meeting, 10 February 2021.
  - ix Bayside Council, *Application Part B*, p 5.
  - x Bayside Council, *Application Part B*, p 6
  - xi Bayside Council, *Application Part B*, pp 5-6.
  - xii Bayside Council, *Application Part B*, p 13.
  - xiii Bayside Council, *Application Part B*, p 12.
  - xiv Bayside Council, *Application Part B*, p 12.
  - xv Bayside Council, *Application Part B*, p 14.
  - xvi NSW Productivity Commission, *Review of Infrastructure Contributions in New South Wales, Final Report*, November 2020, p 6.
  - xvii Bayside Council, *Application Part B*, p 14.
  - xviii Bayside Council, *Application Part B*, p 21.
  - xix Morrison Low, *Bayside Council, Rates and Revenue Harmonisation Policy, Briefing Paper*, July 2020, p 13.
  - xx Bayside Council, *Application Part B*, p 22.
  - xxi Bayside Council, *Application Part B*, p 22.
  - xxii Bayside Council, *Application Part B*, pp 24-25.
  - xxiii Bayside Council, *Application Part B*, p 29.
  - xxiv Bayside Council, *Application Part B*, p 28.