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| Minimum rate increase above statutory limit Application Form – Part BFor 2017-18Issued December 2016 |
| **Insert Name of Council**Date Submitted to IPART:Council Contact Phone:Council Contact Email: |

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# Introduction

This form is to be completed by a council that is applying to introduce or increase minimum rates above the statutory limits under section 548 of the *Local Government Act 1993* (NSW).

IPART assesses each application against the criteria set out in the Office of Local Government (OLG) *Guidelines for the preparation of an application to increase minimum rates above the statutory limit for 2017/2018* (the [Guidelines](http://www.olg.nsw.gov.au/sites/default/files/Guidelines%20for%20the%20Preparation%20of%20an%20Application%20to%20Increase%20Minimum%20Rates%20above%20the%20Statutory%20Limit%202017-2018.pdf))*.* Councils should refer to these Guidelines before completing this application form.

Councils intending to submit an application should have notified IPART by 16 December 2016 of their intention to apply to increase minimum rates.

**Any councils that did not notify but intend to apply to increase minimum rates for 2017-18 should contact us as soon as possible.**

This part of the application (Part B) must be completed in conjunction with *Minimum Rate Increase above Statutory Limit Application Form 2017-18 – Part A*.

As outlined in the Guidelines, new councils created in 2016, or councils whose merger proposals are pending due to legal proceedings, will be ineligible for minimum rate increases for the 2017-18 rating year.

When does a council need to make an application to increase minimum rates?

A council must apply for a minimum rate increase if the effect of increasing a minimum rate causes the minimum to exceed the statutory limit. The current statutory limit on the minimum amount that may be specified by a council when levying an ordinary rate is $506.[[1]](#footnote-1)

However, a separate minimum rate application is not necessary where a council applies for a special variation that results in a minimum rate exceeding the statutory limit. This also applies to a council that is proposing to increase its minimum rates by more than the proposed special variation percentage. In both of these cases, the council is to clearly address the minimum rate increase in its special variation application.

Otherwise, if a council is seeking to introduce a new minimum rate, or increase an existing minimum rate, above the statutory limit, a minimum rate application will need to be submitted to IPART for approval.[[2]](#footnote-2)

Councils making a special variation application are generally encouraged to apply the same percentage increase to minimum rates and general income, and maintain the same relative distribution of the rating burden between minimum and other ratepayers that was levied in the previous year. However, in some circumstances, it may be necessary for the council to apply a lower percentage increase to minimum rates than the requested increase in general income.

Completing the application form

To complete this Part B form, insert the council’s response in the boxes and the area which is highlighted, following each section or sub-section. The council may also submit supporting documents, including confidential ones, as attachments to the application. Supporting information should be relevant extracts of existing publications rather than full publications. Please provide details of how we can access the complete publication should this be necessary.

We may ask for additional information to assist us in making our assessment. If this is necessary, we will contact the nominated council officer.

This application form consists of:

* Section 2 – Criterion 1: Rationale for the proposed minimum rate increase
* Section 3 – Criterion 2: Impact on ratepayers
* Section 4 – Criterion 3: Consultation with the community
* Section 5 – Council resolution
* Section 6 – Checklist of attachments
* Section 7 - Certification.

It is the council’s responsibility to provide sufficient evidence to support its application. Where applicable, councils should refer to the relevant Integrated Planning and Reporting (IP&R) documents to demonstrate how the criteria of assessment have been met.[[3]](#footnote-3)

Submitting your application

All councils intending to apply for a minimum rate increase must use the [Council Portal](https://www.ipart.nsw.gov.au/Home/Industries/Local-Government/For-Councils/Council-portal) on IPART’s website to register as an applicant council and to submit an application.

You are required to submit the application, via the Council Portal, by **Monday 13 March 2017**.

The [User Guide](http://www.ipart.nsw.gov.au/files/948b8fb1-2e6e-4647-b9d3-a10000a2552a/Local_Government_-_Council_Portal_User_Guide_-_November_2012.pdf) for the Portal will assist you with the registration and online submission process. If you experience difficulties please contact:

* Arsh Suri - Arsh\_Suri@ipart.nsw.gov.au or 02 9113 7730
* Himali Ardestani - Himali\_Ardestani@ipart.nsw.gov.au or 02 9113 7710.

File size limits apply on the Council Portal. The limit for the Part B application form is 10MB. The limit for supporting documents is 50MB for public documents and 50MB for confidential documents. These file limits should be sufficient for your application. Please contact us if they are not.

We will post all applications (excluding confidential content) on the IPART website. Confidential content may include part of a document that discloses the personal identity or other personal information pertaining to a member of the public or whole documents such as a council working document and/or a document that includes commercial-in-confidence content. Councils should ensure that documents provided to IPART are redacted so that they do not expose confidential content.

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

Hardcopy of application

We ask that councils also submit their application to us in hard copy (with a table of contents and appropriate cross referencing to supporting documents) to the following address by **Monday 13 March 2017**:

**Local Government Team**
The Independent Pricing and Regulatory Tribunal
PO Box K35

Haymarket Post Shop NSW 1240

or

Level 15, 2-24 Rawson Place, Sydney NSW 2000.

# Criterion 1: Rationale for an increase in minimum rates

In the Guidelines, criterion 1 requires IPART to assess applications against:

*The rationale for increasing minimum rates above the statutory amount.*

The council needs to explain why it is seeking to introduce or increase minimum rates above the statutory limit and how the proposed minimum rates are to be applied. Applications are to indicate both the benefits and drawbacks of the proposed changes to the rating structure. Councils are required to explain the impact of the increase on the ratepayers who will be on the minimum rate, and the rationale for such changes.

# Criterion 2: Impact on ratepayers

In the Guidelines, criterion 2 requires the council’s application to include an analysis of:

*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.*

In Part A of the application, the council is to provide details of the current minimum rates and proposed increases in minimum rates and the number of ratepayers affected.

The council’s application is to explain how it will manage the impact on ratepayers and why you consider your proposed increase in minimum rates to be fair and equitable.[[4]](#footnote-4)

In this section councils should comment on:

* the extent to which the new minimum rates exceed the equivalent ad valorem rates that would apply in the absence of the minimum rates
* the overall impact on ratepayers resulting from the proposed increase
* affected ratepayers’ capacity to pay the higher level of rates, overall and by each rating subcategory
* steps that have been taken to distribute the rate burden equitably
* the council’s Hardship Policy (please attach a copy), and
* any additional hardship provisions that relate to the proposed minimum rates.

In considering capacity to pay, you may want to consider how your socioeconomic profile and other relevant measures of capacity to pay relate to those for comparable councils. We will also review various socioeconomic indicators, particularly as they relate to those for comparable councils in your OLG grouping.

# Criterion 3: Consultation

In the Guidelines, criterion 3 refers to:

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

Councils need to demonstrate that they have conducted adequate consultation with the community about the proposed increases to minimum rates. In general, the consultation should include the broader community as well as the ratepayers directly affected, and provide an opportunity for community feedback on the proposals.

The breadth and depth of the consultation should be commensurate with the size of the proposed increase in rates.

The council should demonstrate that the consultation has been transparent, both in explaining the rationale for the proposal, and the full impact on affected ratepayers. Your consultation information should show:

* that the proposed minimum rate increase includes the rate peg
* the proposed increase in the minimum rates in annual terms (and not just in weekly terms)
* where relevant, the impact on those ratepayers who do not pay the minimum rate, and
* any change in the proportion of ratepayers on the minimum rate.

Applications are required to explain how the council has consulted with the community, the forms of consultation used, when consultation occurred, which groups were consulted and the feedback gathered.

Include examples of the consultation material that set out the details of the proposed minimum rates.

# Council resolution

Has the council resolved to apply to IPART to increase minimum rates in 2017‑18? If so, please attach a copy of the council’s resolution to make the minimum rate application.

Note, the Guidelines do not require a council to resolve to apply to IPART prior to making an application. However, it is good practice to do so.

# Checklist of attachments

Check that you have attached the following documents to your application.

|  |  |
| --- | --- |
| Item | Included? |
| Part A Application form (Excel spreadsheet) | [ ]  |
| Part B Application form (Word) - this document | [ ]  |
| Extract of Delivery Program | [ ]  |
| Hardship Policy | [ ]  |
| Consultation material | [ ]  |
| Resolution to apply for the proposed minimum rate increase | [ ]  |
| Other supporting material | [ ]  |

Councils are responsible for ensuring that all relevant extracts or documents have been submitted with your application.

# Certification

The General Manager and the Responsible Accounting Officer are required to complete the following certification form (over).

APPLICATION TO INCREASE MINIMUM RATES ABOVE THE STATUTORY LIMIT

**Name of Council:**

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

**General Manager (name):**

**Signature/date:**

**Responsible Accounting Officer (name):**

**Signature/date:**

Once completed, please scan the signed certification and attach it as public supporting document online via the Council Portal on our website.

1. *Local Government (General) Regulation 2005*, cl 126, notified on the NSW legislation website on 15 April 2016. Based on an increase of 1.5%, in line with the rate peg, the statutory minimum rate is expected to rise to $514 effective 1 July 2017. [↑](#footnote-ref-1)
2. OLG, *Guidelines for the preparation of an application to increase minimum rates above the statutory limit 2017-2018*, December 2016, pp 4-5. [↑](#footnote-ref-2)
3. OLG, *Guidelines for the preparation of an application to increase minimum rates above the statutory limit 2017-2018*, December 2016, p 7. [↑](#footnote-ref-3)
4. Attachment 1 of the Guidelines discusses principles of rating, including fairness and equity. [↑](#footnote-ref-4)