

Fact Sheet – Applications to Increase Minimum Rates



28 November 2017



WHY

This fact sheet provides information to councils that are considering applying to IPART to increase the minimum rate in a particular rating category above 'the statutory limit'.

If the council is applying for a special variation, it may increase its **minimum ordinary rates** by the same, or higher, percentage. In this case, no separate application is required, although the council must clearly address the minimum ordinary rate increase in its special variation application.

However, to increase the minimum amount of **special rates**, a separate application is required.

Councils are permitted to apply the rate peg to previously approved minimum ordinary rates.



WHAT

There are two statutory limits; one for the minimum amount of an **ordinary rate** and one for the minimum amount of a **special rate**.

- ▼ The statutory limit on the minimum ordinary rate is specified in clause 126 of the *Local Government (General) Regulation 2005*.
- ▼ The minimum special rate is set at no more than \$2 in section 548(3)(b) of the *Local Government Act 1993* (NSW). This means a council must apply to increase the minimum amount of a special rate above \$2, even if it just seeks to increase the special rate by the rate peg.



HOW

The criteria are set out in [guidelines](#) released in November 2017 by the Office of Local Government. Under these guidelines,

new councils created in 2016¹ are not permitted to apply for minimum rate increases until at least the 2020-21 rating year.

The council's application should provide well targeted data and research to support its rationale for the minimum rate increase. It should also show that 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 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 workshops, 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. Councils are encouraged to ensure no more than 50% of ratepayers in any rating category or subcategory pay the minimum rate.



WHEN

A timetable for the minimum rate increase application process is on IPART's website.



WHAT NEXT

- ▼ **Step 1** – download the guidelines and application forms (Parts A and B) from [IPART's website](#).
- ▼ **Step 2** – ensure that the council has addressed the criteria in the guidelines.
- ▼ **Step 3** – complete the application forms (Parts A and B) and submit these and any supporting material via IPART's [Council Portal](#). This can be done progressively and saved on the Portal. Completed applications for minimum rate increases must be submitted by the date specified on the IPART website.

¹ Except Mid Coast Council.