

Fact Sheet – Applications to Increase Minimum Rates 2017-18

23 December 2016

WHY

A council applies 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.

Under these guidelines, **new councils created in 2016, or councils whose merger proposals are pending due to legal proceedings, are ineligible for minimum rate increases in 2017-18.**

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.

Ultimately, 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 that no more than 50% of ratepayers within a respective rating category or subcategory would pay the minimum rate.

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 currently \$506.
- ▼ 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 that a council must apply if it wants 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.

WHO

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.

WHEN

- ▼ **13 March 2017** – councils submit Part A and Part B of their minimum rate applications via IPART's [Council Portal](#).
- ▼ **10 April 2017** – public submissions close regarding proposed minimum rate increases.
- ▼ **16 May 2017** – IPART publishes its determinations on all applications for

HOW

The criteria are set out in [guidelines](#) released by the Office of Local Government on 15 December 2016.

minimum rate increases for
2017-18.



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 **13 March 2017**.