

Fact Sheet – Applications to Increase Minimum Rates 2016-17

22 January 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 *ordinary minimum 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 *ordinary* minimum 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 currently \$497.

The minimum special rate is set at no more than \$2 in section 548(3)(b) of the *Local Government Act 1993*. 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.



HOW

We assess minimum rate applications in accordance with the *Guidelines for the preparation of an application to increase minimum rates above the statutory limit for 2016-17* (the Guidelines) as published by the Office of Local Government (OLG). These are available on the OLG and IPART websites and provide detailed guidance to councils.

Under these Guidelines, released on 15 January 2016, **councils that are subject to a merger proposal will not be eligible for a special variation or minimum rate increase for the 2016-17 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.

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.



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

Applications should be submitted by **14 March 2016**. We will announce our determinations by 17 May 2016.

Public submissions from interested groups or individual ratepayers regarding minimum rates can be made until **11 April 2016**.



WHAT NEXT

Step 1 – Carefully read the OLG Guidelines (www.olg.nsw.gov.au) and the Minimum Rate application forms Parts A and B (www.ipart.nsw.gov.au) and whether the council meets the criteria in the Guidelines.

Step 2 – Complete and submit the application forms Part A and Part B with any supporting material via the [Council Portal](#) by Monday, **14 March 2016**.

Step 3 – IPART publishes on **17 May 2016** its determinations on applications for 2016-17.