



IPART Independent
Pricing and Regulatory
Tribunal | NSW

Minimum Rate Increase
Application Form Part B

Application Form

2022-2023

Local Government »

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The Independent Pricing and Regulatory Tribunal (IPART)

Further information on IPART can be obtained from [IPART's website](#).

Acknowledgment of Country

IPART acknowledges the Traditional Custodians of the lands where we work and live. We pay respect to Elders, past, present and emerging.

We recognise the unique cultural and spiritual relationship and celebrate the contributions of First Nations peoples.

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Council information

Council name	Cumberland City Council
Date submitted to IPART	7 February 2022
Primary Council contact person	Tony Chahine
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About this application form

IPART has revised the Application Form to be completed by councils applying for an increase to a minimum rate (MR) under s548(3) of the *Local Government Act 1993*, above the statutory limit for 2022-23. The application form is in two parts:

- Minimum Rate Increase Application Form Part A (separate Excel spreadsheet)
- Minimum Rate Increase Application Form Part B (this MS Word document)

New councils that have more than one existing minimum rate instrument should refer to OLG's *Special guidelines for new councils applying to harmonise minimum rates on 1 July 2021*.

Councils can apply for a minimum rate increase (MR increase) either in conjunction with a special variation (SV) under s 508(2) or s 508A of the *Local Government Act 1993*, or as a stand-alone adjustment (i.e. without also seeking an increase to general income above the rate peg).

Councils applying for an MR increase in conjunction with an SV should complete the MR Increase Application Form Part B *as well as* completing the SV Application Form Part A and SV Application Form Part B. These councils are **not** required to complete the MR Increase Application Form Part A as all the details about the MR increase will be contained in the SV Application Form Part A spreadsheet.

Note: Newly merged councils will use a different version of the MR Increase Application Form Part A .

The MR Increase Application Form Part B consists of:

- Description and Context Questions
- Criterion 1: Rationale for increasing minimum rates above the statutory limit
- Criterion 2: Impact on ratepayers
- Criterion 3: Consultation on the proposal
- Criterion 4: Other relevant matters
- Council certification and contact information
- List of attachments

When completing this Application Form, councils should refer to the following:

- Application Guide for MR Increase Application Form Part B ([website](#))
- OLG's MR Guidelines issued in November 2020 ([website](#)).

Also refer to the following publications ([website](#)):

- Fact sheet: The Year Ahead – Minimum Rates in 2022-23
- Information Paper: Minimum Rates in 2022-23
- Information Paper: Community awareness and engagement for special variations

Attachments for Criteria

List attachments relevant to your response at the end of each criterion. Use the council assigned number shown in Table 5.1. If the document is also attached to the council's SV Application Form Part B, use the number assigned in that application.

Description and Context

To complete these questions, refer to the discussion in Application Guide for MR Increase Application Form Part B, Description and Context.

Question 1: What is the increase to minimum rate(s) the council is applying for?

If the increase applies to an ordinary rate, complete this section

Does the council propose to increase the minimum amount of its ordinary rate(s) above the statutory limit for the first time? Yes

Which rates will the increases apply to? Residential

If the increase will apply to only some subcategories, specify which Residential Ordinary

Does the council propose to increase the minimum amount of its ordinary rate(s) by a different percentage
10%, 9.79%, 9.55%

Multi-year increase (each year with percentage increase e.g. 2022-23 – 10.3%, 2023-24 – 5.8%) 2022-23 - 10%, 2023-24 – 9.79%, 2024-25 9.55%

What will the minimum amount of the ordinary rate(s) be after the proposed increase? \$715, \$785, \$860

For multi-year increases, please specify the proposed minimum rate for each year. \$715, \$785, \$860

Minimum Rates Increase

\$715 2022-23, \$785 2023-24, \$860 2024-25

For multi-year increases, please specify the proposed minimum rate for each year.

If the increase applies to a special rate, complete this section

Does the council propose to increase the minimum amount of a special rate above the statutory limit? No

Does the council propose to increase the minimum amount of its ordinary rate(s) by Rate peg percentage
X%

Multi-year increase (each year with percentage increase e.g. 2022-23 – 10.3%, 2023-24 – 5.8%)

What will the minimum amount of the ordinary rate(s) be after the proposed increase? \$

For multi-year increases, please specify the proposed minimum rate for each year.

Question 2: What is the key purpose(s) for requesting to increase minimum rate(s) above the statutory limit?

In the text box summarise at the highest level the council's key purpose(s) for requesting an increase in minimum rates above the statutory limit.

Council has thoroughly analysed the rates structures of the three former council areas (thorough Morrison Low) and subsequently engaged & consulted with ratepayers on potential options for proposed rating structures. This engagement process resulted in Council adopting and implementing a four-year rates harmonisation process which commenced 1 July 2021 and includes increasing the minimum residential rate over 4 years.

Council's initial position to the community (in some of its early engagement) was that the minimum could commence at \$700 and go up to \$900 by 2024/25. After further consultation and analysis, it was proposed that the minimum residential rate was to commence at \$650 and increase to \$860 by 2024/25. Council subsequently adopted the proposed rates structure (based on minimum amounts and land values) and set the commencing minimum residential rate of \$650 in 2021/22 and increasing to \$860 in 2024/25. The use of minimum rates as opposed to base rates ensures appropriate revenue raised through multi-unit dwellings to ensure equity of rates burden across all rating categories.

The year 10% increase in year 1 related to former Auburn Councils minimum increasing from \$594.62 to the Cumberland minimum of \$650. Former Holroyd Council used a base rate, while former Auburn had a minimum residential rate of \$594.62, and former Parramatta had a minimum residential rate of \$708.08.

Council's key purpose is to apply an equitable allocation of the rating burden across our Residential Ordinary ratepayers by increasing the minimum rates by a percentage of 10%, 9.79% & 9.55% or \$715, \$785 & \$860 for the next three rating years up to 2024/25. This will impact high density dwellings to evenly distribute the burden of rates across the LGA.

Unimproved land value does not equate to wealth or capacity to pay and does not correlate to cash assets or disposable income. The use of increased minimums will assist with the "capacity to pay" principle for disadvantaged suburbs. The increase in minimums in high density allows for rates relief for those areas in the LGA that are social disadvantaged as highlighted in the Morrison low report. Areas such as Yennora and Chester Hill are ranked within the bottom 7% socio-economic disadvantaged suburbs nationally. These suburbs have less strata unit dwellings, so will benefit from an increase in minimums allowing for a better spread of rates burden.

Council will continue to work in the best interests of the community and ratepayers to minimise the financial impact during this process. A Hardship Application form is available for ratepayers who experience genuine hardship due to the increases in their rates.

Question 3: Is the council a new council created by merger in 2016?

Refer also to OLG's SV Guidelines Section 4.

Is the council a new council created by merger in 2016? Yes

Criterion 1 Rationale for increasing minimum rates above the statutory limit

Criterion 1 in the MR Increase Guidelines is:

The rationale for increasing minimum rates above the statutory amount.

To complete the questions for this criterion, refer to the Application Guide for MR Increase Application Form Part B, Criterion 1.

If the increase to minimum rates is **in conjunction** with a proposed SV, the response for Criterion 1 should focus on the aspects directly relevant to the proposed MR increase.

1.1 What is the council's rationale for increasing minimum rates above the statutory limit?

a. Why the council is seeking to introduce or increase minimum rates above the statutory limit.

Council is seeking to increase the minimum residential rate which will allow for the rates relief (through the change in this rating structure) to be equitably spread to those areas in the LGA that are most social disadvantaged. This is highlighted in the Morrison Low Capacity to Pay report (attachment 29) where areas such as Yennora and Chester Hill are ranked within the bottom 7% socio-economic disadvantaged suburbs nationally. These areas have higher rates of housing stress and the majority of dwellings within these areas low density dwellings which pay rates higher than the minimum residential rates. While those paying minimum residential rates will have an increased burden on high density dwellings, the burden will be reduced on the lower socio-economic areas.

The use of increased minimum rates as opposed to base rates ensures appropriate and proportionate revenue is being raised through multi-unit dwellings (who generally pay lower rates as a result of rates being assessed on unimproved land value). Unimproved land value does not equate to wealth or "capacity to pay" and does not correlate to cash assets or disposable income. The proposed change will alleviate cash flow pressure on those who currently reside in these lower socio-economic areas.

Through the Proclamation of Councils 12 May 2016, most of the Auburn, Holroyd and a ward of Parramatta were amalgamated to form Cumberland Council. Through this process, Council also inherited three different rates structures using a combination of ad valorem, Base, Minimum rating and special rates with the three different rate structures being maintained until 30 June 2021. The NSW Government required Council to maintain the pre-merger rate path during the rate path protection period and to harmonise rates by 1 July 2021. There has continued to be an inequity of how rates have been charged across the Local Government Area due to the rates freeze.

A thorough analysis of the three rating structures required, under legislation, to undertake a rates harmonisation process and using the services of an external consultant (Morrison Low) to provide an independent assessment of our rating issues and the demographics of each area and the community. It was identified that ratepayers that own higher density or strata type dwellings with lower land values and have the same access to Council's services and infrastructure pay lower rates.

Community consultation commenced 20th March 2020 and has extended until January 2022. Further information on community consultation can be found in the Section 3.1 of this application.

The focus of the harmonisation process was to ensure the fairest way of applying rates across the LGA. The timeline of key events is listed below: -

- **March 2019 – Morrison Low briefing papers showing comparisons and rating principals for local government area (attachment 30).**
- **September 2019 – Morrison Low Ability to Pay Assessment (attachment 29).**
- **18 September 2019 – Council Meeting Rates Update Item with rates increase over four-year option, also included Morrison Low Ability to Pay Assessment, and Morrison Low Rates Harmonisation review documents (attachment 32).**
- **18 December 2019 – Council Meeting including increasing minimums over 4 years with an initial proposal commencing at \$700 in 2020/21, up to \$900 in 2023/24(attachment 28).**
- **20 March 2020 - press release and website advising all residents of the up-and-coming rates harmonisation and consultation (attachment 31 & 32).**
- **21 October 2020 - At the Ordinary Meeting of Council, Council resolved to introduce a four-year harmonisation process which included an updated minimum commencement amount of \$650 in 2021/22 and increase 10% per year up to \$860 in 2024/25, and the business minimum commence at \$1,200 and increase by rate peg. Business ordinary rates will have 2 subcategories, Industrial/Multi -Level Shopping Centre and Business commercial. As OLG approval had been granted by a former council, a higher Minimum Residential rate was used i.e. Parramatta Minimum Residential rate of \$708.07, former Auburn had a minimum rate of \$594.62, and Holroyd Business Minimum of \$1,238.05. A Minimum Residential rate was set at \$650 in 2021/22 (10% increase on the former Auburn Minimum Rate), and Business minimum rate of \$1200. (attachment 25 & 25a).**

b. How the proposed minimum rates are to be applied.

It is proposed that the Minimum Residential rate be applied to the Residential properties where the Land Value Minimum equivalent turning point or below. Due to rating harmonisation process not being finalised until 1 July 2025, the Residential land value turning point for the Minimum will be different for each former council area. It is proposed for the 2022/23 financial year, Residential properties with the land value up to will be levied a minimum rate:

- Former Auburn LGA- \$446,078
- Former Holroyd LGA \$338,766

- Former Parramatta LGA (part) \$383,802.

The land value will alter each year due to valuation changes and applying the NSW approved rate peg.

c. What benefits and drawbacks of the proposed changes to the rating structure have been identified?

The benefit of the proposed changes to the Minimum Residential rate:-

- to ensure rates are equitable for all Cumberland City Council ratepayers by distribution of rates fairly shared amongst residential properties.
- To provide equity for all Residential Ratepayers by charging a Minimum Residential rate that will assist towards the costs of providing essential services and infrastructure within the community. It is proposed 41% of residential ratepayers will have a Minimum Residential rate applied and the remaining 59% the rates would be calculated on an ad valorem basis from 1 July 2022.
- To lessen the impact of higher rates for residential properties that may have higher land values, which may have encompassed due to changes in zoning or new LEPs. In some instances, ageing ratepayers may experience hardship or be forced to sell due to the capacity to pay higher rates.
- Council will not generate any additional rates revenue (over and above the IPART determined rate peg) as a part of this process.
- Newly developed higher density dwellings may have a lower land value but may have a higher capital improved land value. These proposed Minimum Residential rates increase will see an equitable contribution towards Council services and infrastructure from these types of high-density dwellings.
- Unimproved land value does not necessarily equal wealth or "capacity to pay" and does not necessarily correlate to an owner's cash assets or disposable income. The use of increased minimums will also assist with the "capacity to pay" principle for ratepayers in disadvantaged suburbs.
- The increase in Minimums Residential rates for high density dwellings allows for rates relief through a rates re-distribution for those areas in the LGA that are social disadvantaged (as highlighted in the Morrison low report). Areas such as Yennora and Chester Hill are ranked within the bottom 7% socio-economic disadvantaged suburbs nationally. These areas have higher rates of housing stress and the majority of dwellings within these areas low density dwellings which pay rates higher than the minimum residential rates. While those paying minimum residential rates will have an increased burden on high density dwellings, the burden will be reduced on the lower socio-economic areas.

Drawbacks of the proposed changes to the rating structure:-

- Higher density dwellings on minimums will contribute more in rates.
- It is proposed that Minimum Residential rates increase by \$65 in the first year or \$16.25 a quarter for 2022/23.
- Older style higher density dwellings would pay a Minimum Residential rate at the same level as a newly developed higher density dwellings.

Table 1.1 Criterion 1 attachments

Council- assigned number	Name of document	Page references^a
Attachment 1	Council Report Rates Harmonisation 20 Oct 20	1-170
Attachment 2	Rates Harmonisation – Business & Industrial Averages 21Jan21	1
Attachment 3	Rates Harmonisation Residential Averages 21 Jan 2021	1
Attachment 4	Morrison Low Rates Harmonisation Briefing Paper March 2019	1-18
Attachment 5	Approval OLG Minimum rate 2021-2022	1-3
Attachment 26	Council Minutes 869 Rates Harmonisation Update 18 Dec 2019	1
Attachment 27	Rates Harmonisation Meeting Agenda of Council Meeting - 18 September 2019	1-7
Attachment 28	Rates Harmonisation Update Meeting 18 Dec 2019	1-9
Attachment 29	Morrison Low Assessment of Ability to Pay 18 Sep 2019	1-23
Attachment 30	Morrison Low Rates Harmonisation Briefing Paper 18 Sep 2019	1-25

Criterion 2 Impact on ratepayers

Criterion 2 in the MR Increase Guidelines is:

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.

To complete the questions for this criterion refer to the Application Guide for MR Increase Application Form Part B, Criterion 2 and if applicable, to the Application Guide for SV Application Form Part B, Criterion 3: Impact on ratepayers,

If the increase to minimum rates is in conjunction with a proposed SV, the response for this criterion should focus on the aspects directly relevant to the proposed MR increase.

2.1 What are the current and proposed levels of minimum rates, and the number of ratepayers on the minimum rate?

By completing MR Increase Application Form Part A, councils will provide full details of current and proposed levels of Minimum Residential rates and the number of ratepayers affected.

In the text box summarise the information, in table form if appropriate. Alternatively, the information can be presented in an attachment.

Attachment 6

2021-22 Minimum Residential Rate \$650, being 27,708 or 39% residential ratepayers (current)

2022-23 Minimum Residential Rate \$658, being 28,063 or 39% residential ratepayers (current)

2023-24 Minimum Residential Rate \$674, being 28,243 or 39% residential ratepayers (current)

2024-25 Minimum Residential Rate \$691, being 28,466 or 40% residential ratepayers (current)

2022-23 Minimum Residential Rate \$715, being 29,941 or 41% residential ratepayers (proposed)

2023-24 Minimum Residential Rate \$785, being 32,783 or 45% residential ratepayers (proposed)

2024-25 Minimum Residential Rate \$860, being 36,155 or 50% residential ratepayers (proposed)

The impact of the proposal will see an additional 10%, or 7,700 ratepayers impacted by the year 2024/25 (28,466 minimum paying rate payers without the proposed increase, and 36,155 with the proposed increases). This translates to an additional \$3.25 per week by 2024/25 for those paying the minimum rate, which is offset by those not paying minimum rates.

2.2 What will be the impact on ratepayers of the proposed increase in minimum rates?

In the text box set out the increase in dollar and percentage terms for each category and subcategory of ratepayers affected by the proposed MR increase, in table form if appropriate. Alternatively, the information can be presented in an attachment.

	Current Minimum Residential	Proposed Minimum Residential	\$ Increase	% Increase
2021/22	650	650		
2022/23	658	715	57	9%
2023/24	674	785	111	16%
2024/25	694	860	166	24%

2021-22 Minimum Residential Rate \$650, being 27,708 or 39% residential ratepayers (current)

2022-23 Minimum Residential Rate \$658, being 28,063 or 39% residential ratepayers (current)

2023-24 Minimum Residential Rate \$674, being 28,243 or 39% residential ratepayers (current)

2024-25 Minimum Residential Rate \$691, being 28,466 or 40% residential ratepayers (current)

2022-23 Minimum Residential Rate \$715, being 29,941 or 41% residential ratepayers (proposed)

2023-24 Minimum Residential Rate \$785, being 32,783 or 45% residential ratepayers (proposed)

2024-25 Minimum Residential Rate \$860, being 36,155 or 50% residential ratepayers (proposed)

The impact of the proposal will see an additional 10%, or 7,700 ratepayers impacted by the year 2024/25 (28,466 minimum paying rate payers without the proposed increase, and 36,155 with the proposed increases). This translates to an additional \$3.25 per week by 2024/25 for those paying the minimum rate, which is offset by those not paying minimum rates.

2.3 How does the proposed increase affect the distribution of the rating burden among ratepayers?

In the text box explain the action, if any, the council took in response to feedback from the community.

As an amalgamated Council, Council undertook a Rates harmonisation process and was a combination of rating data and socio-economic information (provided by Morrison and Low) and feedback with our community consultation process. Throughout this process, it was identified that there was a need to improve the equitable allocation of the rating burden across the rating categories.

Prior OLG approval in 2013/14, for former Parramatta Council to increase the Minimum Residential Rate had been utilised and for the 2020/2021 year so the Minimum Residential rate for former Parramatta Council properties was \$708.08. However, to lessen the impact for Auburn Residential ratepayers who were paying a Minimum Residential rate of \$595.62, Council chose to set the Minimum Residential at \$650 to lessen the impact for those ratepayers.

The purpose of setting a higher Minimum Residential rate is to assist with providing a fairer rating structure for all ratepayers. As the land values used to calculate rates are based on the unimproved value of the land, it is likely that unit type dwelling/high density dwelling would be affected by the increase, however occupants of these types of dwellings would generally use more of Council's outdoor spaces and infrastructure due to their limited outdoor areas within their properties.

By setting a higher Minimum Residential Rate, yield derived from the Ad valorem Residential rates for the remainder 61% of residential properties will reduce the rates burden for these rate payers. The burden will be shifted from those ratepayer in the suburbs which are most social disadvantaged (e.g. Yennora, Chester Hill, North Auburn, East Guildford as identified in the Morrison Low Affordability report) who pay a higher rate (in contrast to high density units) due to their unimproved land value. The rates burden then shifts away from these areas and is more equally spread across the Cumberland LGA.

2.4 How has the council considered affordability and the affected ratepayers' capacity to pay higher rates, including measures to address hardship?

In the text box explain how the council considered whether the rate increases would be affordable for the affected ratepayers, including any socioeconomic data referred to in making its assessment, and any measures the council proposes to use to reduce the impact, if necessary.

Through the consultation process with Morrison Low and the analysis of the harmonisation of the amalgamated councils, it was Council's priority to ensure that we provide a fair and equitable rating structure for the whole community, especially due to COVID-19 pandemic affecting our businesses and community.

The purpose of increasing the Minimum Residential rate is that all ratepayers contribute fairly to the costs of essential services and infrastructure. It is proposed that charging a Minimum Residential rate of \$715 (from 1 July 2022) that there would be a weekly increase of \$1.25, \$16.25 a quarter or \$65 annually which will largely impact unit owners. While there is large socio-economic inequality across the Cumberland LGA (with 18 of the 21 areas having a National socio-economic index below 44%), there are less high-density units in the most socio-economic disadvantaged areas as identified in the Morrison Low report:

- Yennora - Nil Units
- Chester Hill - 28 units
- East Guildford - 1002 units

This translates to rates relief for the majority of these areas where high density units are not prevalent and therefore will provide some financial relief through the form of reduced rates to ratepayers.

See below 2019 rates data from the Morrison Low Capacity to Pay report (attachment 29).

Suburb	Total Assessments	Strata Units	Average current rate	Average land value	Average Rate	Average Change \$	Average Change %
Auburn	10,150	4,999	717	381,709	929	173	21%
Berala	2,629	860	777	484,406	1,060	234	28%
Chester Hill	225	28	838	506,578	1,085	215	25%
Girraween	1,809	611	1,083	443,698	967	(164)	-19%
Granville	3,168	1,215	808	407,255	940	90	9%
Greystanes	7,580	313	1,103	478,616	998	(190)	-18%
Guildford	3,893	971	863	486,628	1,082	176	19%
Guildford East	2,517	1,002	984	371,167	896	(138)	-15%
Guildford West	1,513	113	1,111	478,588	999	(186)	-18%
Holroyd	417	294	822	236,640	750	(97)	-12%
Lidcombe	6,334	2,636	878	503,958	1,157	247	23%
Mays Hill	416	221	914	296,741	882	(43)	-7%

Suburb	Total Assessments	Strata Units	Average current rate	Average land value	Average Rate	Average Change \$	Average Change %
Merrylands East	2,547	678	865	475,698	1,079	171	18%
Merrylands Central	6,902	2,734	1,040	414,018	986	(107)	-12%
Merrylands West	2,024	660	1,022	405,323	936	(147)	-16%
Pemulwuy	1,653	324	1,024	382,336	873	(168)	-16%
Pendle Hill	1,749	741	963	351,741	868	(138)	-15%
Regents Park	1,361	417	808	487,827	1,087	244	28%
South Granville	1,430	142	887	553,372	1,168	234	26%
South Wentworthville	2,140	669	1,109	466,209	1,036	(127)	-14%
Toongabbie	1,065	575	798	216,936	739	(80)	-10%
Wentworthville	3,098	1,689	983	357,512	932	(78)	-10%
Westmead	2,232	1,150	1,110	451,242	1,086	(50)	-9%
Woodpark	466	30	1,076	452,337	950	(199)	-19%
Yennora	8		936	356,625	735	(288)	-32%
Grand Total	67,360	23,072	930	432,227	996	19	2%

Socio Economic Index for Areas

Table 6 Suburb SEIFA Rankings

SEIFA - IRSD	2016 index	Percentile	SEIFA - IRSAD	2016 index	Percentile
Pemulwuy	1107.1	98	Pemulwuy	1141.4	99
Greystanes	1024.1	60	Girraween - Toongabbie	1022.2	68
Girraween - Toongabbie	1011.3	52	Westmead - Mays Hill	1021.7	68
Wentworthville	996.6	43	Lidcombe (South) - Rookwood	1018.8	66
Westmead - Mays Hill	990.0	40	Greystanes	1018.4	66
South Wentworthville	978.2	33	Wentworthville	1009.5	61
Lidcombe (South) - Rookwood	973.8	31	Lidcombe (North)	1002.7	56

SEIFA - IRSD	2016 index	Percentile	SEIFA - IRSAD	2016 index	Percentile
Lidcombe (North)	963.6	26	South Wentworthville	989.6	49
Pendle Hill	962.2	26	Pendle Hill	977.4	42
Guildford West - Woodpark - Smithfield	946.2	20	Guildford West - Woodpark - Smithfield	957.1	31
Merrylands (Central)	914.9	12	Merrylands (Central)	944.4	25
Regents Park	906.9	11	Berala	941.7	24
Merrylands (East)	906.5	11	Regents Park	938.0	22
Berala	905.8	11	Merrylands (East)	937.5	22
Merrylands West	904.4	10	Merrylands West	929.5	19
Granville	893.0	9	Granville	928.7	19
Guildford (West) - Yennora	875.3	7	Auburn (South)	917.4	16
Auburn (South)	868.6	6	Guildford (West) - Yennora	907.9	13
Guildford (East)	864.4	6	Guildford (East)	902.3	12
Auburn (North)	836.7	4	Auburn (North)	889.3	9
South Granville - Chester Hill	831.1	4	South Granville - Chester Hill	876.8	8

Cumberland Council's Hardship Rate Relief is available for those who are suffering hardship and is aimed to assist our residents in meeting the costs of their rates. Council provides the following options, as described in the Local Government Act 1993 for ratepayers suffering hardship:

- Arrangements under s564 allows Council to accept a payment of rates different to the original four instalments issued on the Rates & Charges Notice. This arrangement can be weekly, fortnightly, monthly through the Direct Debit system. Council may also write off or reduce interest on outstanding amounts in this instance.
- Accrued interest under s567 allows Council to write off accrued interest on rates and charges payable by a person if the reasons are beyond the persons control or the accrued interest would cause the person hardship.
- S577 of the Act allows an extension of concession under to the Pensioner Rate Rebate to further assist to avoid hardship.
- Pensioner Abandonments under s582 allows Council to waive or reduce rates, charges and interest by any person prescribed by the regulations who is in receipt of a pension allowance under the Social Security Act 1991.
- Valuation Changes under s601 allows Council to assist ratepayers who may suffer hardship due to a valuation change to their land value. Council also has the discretion to waive, reduce or defer payment of any part of the increase.
- Council also refers those experiencing financial hardship to welfare agencies that can assist ratepayers with financial grants and family related counselling.

To assist eligible ratepayers from 1 July 2021, Council introduced as per s582 of the LGA to grant an additional voluntary rebate of \$25 rebate towards the rates. In addition, an extra \$75 if they owned & occupied within our local government area with majority of pensioners receiving \$100 rebate in addition to the mandatory NSW Government \$250 pension rebate.

A Centrepay payment option is available for those receiving a Centrelink allowance to make fortnightly payments towards their rates.

Council's Hardship Rate Relief Application is available on our website or through an enquiry to assist ratepayers who are experiencing genuine hardship. Council encourages our community to contact us to discuss arrangements and financial problems whenever possible. Please see attachment 8.

It is our intention to monitor for any increase in the number of ratepayers seeking assistance with their paying of rates either formally through the Hardship Rate Relief form or through general enquiries.

Council will also closely monitor the Rates and Charges outstanding ratio to assist with providing another indicator of whether additional financial support measures need to be implemented.

Table 2.1 Criterion 2 Attachments

Council- assigned number	Name of document	Page references^a
Attachment 6	Pensioner Application Form	1-3
Attachment 7	Direct Debit Request Authority form	1-2
Attachment 8	Application for Rate Relief Hardship form	1-5
Attachment 25	Rates Harmonisation Outcome Council 21 October 2020	All
Attachment 29	Morrison Low Ability to pay Council Meeting - 18 September 2019	All

a. If document only relevant in part.

Criterion 3 Consultation on the proposal

Criterion 3 in the MR Increase Guidelines is:

The consultation the council has undertaken to obtain the community's views on the proposal

To complete the question for this criterion refer to IPART's Application Guide for MR Increase Application Form Part B, Criterion 3 and to IPART's Application Guide for SV Application Form Part B, Criterion 2.

If the increase to minimum rates is in conjunction with a proposed SV, the response for Criterion 3 should focus on the aspects directly relevant to the proposed MR increase

3.1 How did the council consult the community about the proposed increases to minimum rates?

a. The consultation methods used to make ratepayers aware of the proposal and provide opportunities for feedback from them.

As Council is an amalgamated Council and having to harmonise rates by 1 July 2021, Council used an external consultancy firm, Morrison Low, to provide comparison and rating principals to assist in analysing the socio-economic data for our local government area. Council has been actively consulting and engaging with the community to receive feedback since March 2020 through letters, flyers, council website, newspaper articles, press releases, surveys, video to communicate the harmonisation process and the available options, in various languages and service centres. This also included the proposed rates harmonisation plan for the amalgamated council which included transitioning to a Minimum Residential rate to be increased annually by approximately 10% until the 2024-25 year.

Residents were given the opportunity to make comment, whereby Council received 560 submissions which enabled Council to comment and further explain the purpose of the proposed changes to the rating structure and impact.

Community consultation commenced 20th March 2020 and has extended until January 2022. The timeline of key dates and community consultation are listed below: -

- 18 September 2019 – Council Meeting Rates Update Item with rates increase over four-year option, also included Morrison Low Ability to Pay Assessment, and Morrison Low Rates Harmonisation review documents (attachment 32)
- 18 December 2019 – Council Meeting including increasing minimums over 4 years with an initial proposal commencing at \$700 in 2020/21, up to \$900 in 2023/24(attachment 28)
- 20 March 2020 - press release and website advising all residents of the up-and-coming rates harmonisation and consultation (attachment 31 & 32)
- 22 March 2020 - Public notice of the exhibition period and press release was reported in the Auburn Review and Parramatta Advertiser

- 7 July 2020 - A rates harmonisation article was featured in the Council's E-news edition, which was sent 5,112 households.
- 27 July 2020 - A harmonisation letter was sent to all 76,000 ratepayers outlining the two options, which also included the initial proposal Minimum Residential rates, and a flyer in four languages. (attachment 9 &14)
- 21 October 2020 - At the Ordinary Meeting of Council, Council resolved to introduce a four-year harmonisation process which included an updated minimum commencement amount of \$650 in 2021/22 and increase 10% per year up to \$860 in 2024/25, and the business minimum commence at \$1,200 and increase by rate peg. Business ordinary rates will have 2 subcategories, Industrial/Multi -Level Shopping Centre and Business commercial. (As OLG approval had been granted by a former council, a higher Minimum Residential rate was used i.e. Parramatta Residential Minimum \$708.07, former Auburn had a minimum rate of \$594.62, and Holroyd Business Minimum of \$1,238.05. A minimum rate was set at \$650 in 2021/22 (10% increase on the former Auburn Minimum Rate), and Business minimum rate of \$1200. (attachment 25 & 25a)
- 25 January 2021 - 59,106 letters sent to ratepayers to advise of impact on their rates. Detailed impact analysis for all rate payers. (attachment 2,3 & 15)
- 27 January 2021 – Media release with rates minimum and harmonisation information. FAQ on website, also rates impact calculator on website (attachment 10, 33 and 37)
- December 2021 - Information placed on Council's website advising of our intent to apply to IPART for an increase of the Minimum Residential rate from the current \$650 to \$715 in 2022/23 as part of the rates harmonisation plan. Also, as part of this application to include for \$785 for 2023-24, \$860 2024-25 & to visit www.cumberland.nsw.gov.au/rates or email council@cumberland.nsw.gov.au to make comment (attachment 36)
- 25 January 2022 – As required by IPART, a brochure was sent to 58,286 ratepayers to advise of Council's intention to apply for an increase in the Minimum Residential rate over 3 years, from \$715 for 2022/23, \$785 for 2023-24, \$860 2024-25 as part of the rates harmonisation. This brochure has also been added to Council's website and translated into 5 different languages and to ensure information is transparent. (attachment 16)

Consultation notes - 20 March 2020 to 30 September 2020

The rates harmonisation flyer was made available at Council libraries, staffed Community Centres and Customer Service Centres.

- A harmonisation rates video ran on loop in all Customer Service waiting areas.
- Rates harmonisation had a dedicated 'Have Your Say' webpage and was displayed as a banner on Council's website. The webpage received 1,700 visits.
- Rates harmonisation information was also displayed on Council's website, which received 1,425 visits.
- The Rates harmonisation information was posted on Facebook and reached 8,571 people, with an engagement of 1,138
- Rates harmonisation was featured in the printed quarterly newsletter, which was distributed to 73,057 households.
- Council hosted 23 online consultation sessions, booked through Eventbrite.
- Council engaged Micromex to conduct a community survey of 600 people from 14 -22 Sept 2020 (attachment 35)

b. When the consultation occurred.

From March 2020, with the original Minimum Residential rates increase proposals of up to \$900 by 2024/25, this was later updated to \$860 by 2024/25. Consultation with the community commenced in March 2020 by exhibiting 2 options to distribute the rates harmonisation via a press release advising all residents of the plan for rates harmonisation by 1) by Harmonising rates across Cumberland City over a five year period, which does not generate any additional income over and above the rate cap, Inclusive of the transition of increases each year for Minimum Residential Rates. 2) As per option 1 and apply a 2% increase for all rates in the first year. Also, a Public Notice on the exhibition period and press release was reported in the Auburn Review and Parramatta Advertiser.

Another Rates Harmonisation brochure was issued 25th January 2022 with the 3rd Instalment Notice to 58,000 ratepayers to advise of changes to rating, the implication of increasing the Minimum Residential rate and that a Hardship Rate Relief Applicable is available if needed. The brochure is also displayed on Council's website and translated into five other languages.

c. Which groups were consulted.

All residents and ratepayers have been consulted from March 2020 to date, by way of press release, public notice exhibition through Parramatta Advertiser & Auburn Review, Have Your Say Webpage, a rates harmonisation article was featured in the E-news edition, newsletters, letters to all households, a letter was sent to 76,000 ratepayers, a flyer was distributed at council libraries, community centres, customer service administration offices and in various languages. Another brochure has been issued with the 3rd Instalment Notice in January 2022.

d. The way the proposed change to minimum rates was presented to the community.

The proposed Minimum Residential rate was presented as part of the rates harmonisation process. They were presented through written and tabular aids advising of the annual change as an amount and a percentage. See attachments in 3.1 above. See attachment 16 for the final amounts presented to the community. There was also a rates impact calculator on Council's website (attachment 10, 33 and 37, attachment 2 & 3 for detailed breakup)

e. What feedback was received.

550 submissions were received. Responses were sent to explain where needed. (See attachments 19-23, and 34 for a summary)

Generally, issues related to:

- 1) Not happy that they had to pay more rates to bring into alignment with other council areas
- 2) Believed that projects were being delivered in other former council areas & not their own area

- 3) For the former Holroyd area, ratepayers with higher-than-average land values experience higher rate increases, due to removing the base charge from all residential rates and calculated purely on land value and subject to a Minimum.
- 4) There was confusion as ratepayers were looking at the total of their rates notice including the Domestic Waste Charge & Stormwater charge also shown on the notice and not looking at the Ordinary Residential rate component.

The harmonisation process was planned for a four-year transition period commencing 1 July 2021 and then to be harmonised on the 5th year

f. How the council responded to any issues of concern raised in feedback from the community.

Issues were noted and responded to in writing and through phone responses.

Responses from enquiries through the Have Your Say were sent to further explain the Harmonisation process and the proposed expected % increases expected for their property. Examples have been added as attachments for your information.

Council also responded to 23 ratepayers through one on one sessions, booked through Eventbrite.

(See attachments 19-23, and 34 for a summary)

Table 3.1 Criterion 3 Attachments

Council- assigned number	Name of document	Page references ^a
Attachment 9	Rates Letter to Residents 27 July 2020	1-2
Attachment 10	Changes to your Rates & FAQs Website 18 Jan 21	1-2
Attachment 11	Rates Harmonisation Brochure 25 Jan 2021	1-2
Attachment 12	Rates Harmonisation Submission Table Oct 2020	560 lines
Attachment 13	Rates Harmonisation Webpage 18 December 2020	1-4

Attachment 14	Rates Harmonisation flyer 27 July 2020	1-2
Attachment 15	Rates Harmonisation Letter to Ratepayers 25 January 2021	1-2
Attachment 16	Rates Harmonisation Brochure 25 January 2022	1-2
Attachment 17	Have Your Say – Displayed Council Website April 2020	All
Attachment 17a	Have Your Say – Displayed Council Website April 2020 pdf	All
Attachment 18	Rates Consultation 20 March 2020	1-2
Attachment 19	CONFIDENTIAL	1-2
Attachment 20	CONFIDENTIAL	1-2
Attachment 21	CONFIDENTIAL Lin	1-2
Attachment 22	CONFIDENTIAL	1-2
Attachment 31	Cumberland Starts Rates Harmonisation 20 Mar 20 Webpage	1
Attachment 32	Media Release Cumberland Starts Rates Harmonisation 20 March 2020	1
Attachment 33	Media Release Council moves with Rates Harmonisation Plan 27 January 2021	1
Attachment 34	Submissions received September 2020	1-2
Attachment 35	Micromex survey	All
Attachment 36	rates information on website	All
Attachment 37	Online Rates calculator harmonisation	All

a. If document only relevant in part.

Criterion 4 Other relevant matters

The MR Increase Guidelines provide that we will assess each application based on its merits against the three assessment criteria:

In addition to any other matter which it considers relevant.

To complete the questions for this criterion, refer to the Application Guide for MR Increase Application Form Part B, Criterion 4.

In the text box the council may provide information in addition to that provided elsewhere in the Application which it would like to be considered when assessing the proposed increase to minimum rate(s).

Legislation in relation to s548 is antiquated and does not reflect relevant costs for Council to provide essential services and infrastructure to each property through the Minimum Residential rate. The increase of the Minimum Residential rate in the majority will be high density dwellings, and the distribution of Council services will be shared across the whole community.

Initially Council proposed minimums to \$900 by 2024/25, that is four-year increase commencing from \$700 in 2020/21. This was then updated to be a 3-year increase from \$650 in 2021/22, up to \$860 in 2024/25. The minimum increase was in conjunction with a four-year rates harmonisation process.

Rates averages will be slightly skewed as the residential to business rates split changes over the harmonisation process from 67/33, to 66.5/33.5 in 2024/25 (that is 66.5% of rates collected from residential, and 33.5% collected from business in the Cumberland LGA).

Council was to apply for a minimum increase in 2021/22 of \$650, however this was granted through OLG application as advised by the Minister.

Table 4.1 Criterion 4 attachments

Council- assigned number	Name of document	Page references ^a
Attachment 23	Letter to IPART Intent Minimum Rate 25 November 2021	1-2
Attachment 24	Cumberland Council Interim Operational Plan 2021-2022	97-98
Attachment 25 & 25a	Council Report Rates Harmonisation 21 October 2020	1-170

a. If document only relevant in part.

Council certification and contact information

To prepare the Council certification and provide council information refer to the Application Guide for MR Increase Application Form Part B, Certification and contact information.

Certification of application

Prepare a document in the form indicated below, sign, scan and attach as a public supporting document.

Application for a Minimum Rate Increase

To be completed by General Manager and Responsible Accounting Office

Name of council:	Cumberland City Council
We certify that to the best of our knowledge the information provided in this application is correct and complete. General Manager (name):	Peter J. Fitzgerald
Signature and Date:	07/02/2022
Responsible Accounting Officer (name):	[REDACTED]
Signature and Date:	07/02/2022

Council contact information

Provide council contact information below.

General Manager

General Manager contact phone	[REDACTED]
General Manager contact email	[REDACTED]

Primary council contact

Council contact phone	Tony Chahine
Council contact email	[REDACTED]
Council email for inquiries about the MR Increase application	[REDACTED]

List of attachments

To prepare the List of attachments, refer to IPART's Application Guide for MR Increase Application Form Part B, List of attachments.

Table 5 is the list of all attachments to the council's MR Increase Application Form Part B.

Complete the List of attachments, adding rows as necessary:

- Assign an identifying number and/or letter to each document. If the document is also attached to the council's SV Application Form Part B, use the number assigned by the council in that Application Form.
- Name each document.
- Check the box to indicate that it is being submitted with the application.

List of Attachments to the council's application

Council- assigned number	Name of Attachment	Is the document included in the application as submitted?
Mandatory forms/attachments		
Attachment 39	Application Form Part A (Excel spreadsheet)	<input checked="" type="checkbox"/>
Attachment 40	Application Form Part B (this Word document)	<input checked="" type="checkbox"/>
Attachment 25a	Council resolution to apply for the for the minimum rate increase variation	<input checked="" type="checkbox"/>
Attachment 38	Certification	
Attachment 24 & 42	Delivery Program – Relevant extracts	<input checked="" type="checkbox"/>
Attachment 41	Long Term Financial Plan in Excel format	<input checked="" type="checkbox"/>
Attachments 2, 3, 9, 10, 11, 13, 14, 15, 16, 17, 17a, 18, 31, 32, 33, 35, 36, 37	Consultation material	<input checked="" type="checkbox"/>
12, 19-23, 34, 35	Community feedback (including surveys and results if applicable)	<input checked="" type="checkbox"/>
Attachment 29	Willingness to pay study (if applicable)	<input checked="" type="checkbox"/>
Attachment 8a	Hardship Policy	<input checked="" type="checkbox"/>
Other public supporting material		
		<input type="checkbox"/>
		<input type="checkbox"/>
		<input type="checkbox"/>
		<input type="checkbox"/>
Confidential supporting material (i.e. not to be published on IPART's website)		
Attachments 19-22	Confidential	<input checked="" type="checkbox"/>
		<input type="checkbox"/>
		<input type="checkbox"/>

Important information

Submitting online

Applications must be submitted through IPART's Council portal by Monday, 7 February 2022.

- A file size limit of 10MB applies to the Part B Application Form.
- For supporting documents (Attachments) a file size limit of 70MB applies to public documents, and another 50MB to confidential documents.

It is not necessary to submit a document with the MR Increase Application Form if the council has submitted the same document as an attachment to its SV Application Form.

Confidential content

IPART will post all applications (excluding confidential content) on our website. Examples of confidential content are those parts of a document which disclose the personal identity or other personal information pertaining to a member of the public, a document such as a council working document that does not have formal status, or document which includes commercial-in-confidence content.

Councils should ensure supporting documents are redacted to remove confidential content where possible, or clearly marked as CONFIDENTIAL.

Publishing the council's application

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