

# Revenue Policy

## Rating Structure

### The Rate Peg

The amount of funds Council can levy through rates annually is limited by the rate peg set by the Independent Pricing and Regulatory Tribunal (IPART) under delegation from the Minister for Local Government. The allowable increase estimated by IPART each year is based on the change to a local government (average) cost index (LGCI) less a productivity adjustment and allowance for a population growth factor.

For the rating year commencing 1 July 2023, the Independent Pricing and Regulatory Tribunal (IPART) has determined the rate pegging limit for Bayside Council to be 3.7%.

### Rates Harmonisation (Minimum Rates)

Council continues to apply the 4-year transition path for minimum and ad-valorem rates as approved by IPART. For the 2023/24 rating year, the minimum rate for the former Rockdale City Council is \$833.22, compared to \$779.81 for the former City of Botany Bay Council.

On 17 May 2021, an instrument was issued by IPART to Bayside Council to set a transitional minimum ordinary rate from 1 July 2021 for all rating categories over a 4-year transition period.

The minimum rate transition path per the instrument has been adjusted slightly as a result of the 2023/24 rate peg (3.7%) being higher than the forecasted rate peg (2.5%) at the time of approval.

The instrument issued by IPART states that:

*“In the event that the minimum ordinary rates set out in this instrument for year 2021-22 to year 2024-25 are less than the minimum ordinary rates that could otherwise be determined under section 548(4) and (5) of the Act, the minimum ordinary rates may be determined under section 548(4) and (5) of the Act and those rates prevail over those set out in this instrument.”*

This means that, under the instrument, should the actual rate peg in any year of the approved 4-year rate harmonisation period be higher than the forecasted rate peg of 2.5%, then the higher rate peg will prevail over those set out in the original instrument.

The table below shows the transition path under the original forecast rate peg of 2.5% versus the transition path under the actual rate peg.

Year	Original Harmonisation Path			Revised Harmonisation Path		
	Forecast Rate Peg	Min. Ordinary rate - parcels of land within the Former Botany Bay area	Min. Ordinary rate - parcels of land within the Former Rockdale area	Actual Rate Peg	Min. Ordinary rate - parcels of land within the Former Botany Bay area	Min. Ordinary rate - parcels of land within the Former Rockdale area
2021-22	2.50%	\$ 626.26	\$ 783.89	2.50%	\$ 626.26	\$ 783.89
2022-23	2.50%	\$ 689.89	\$ 803.49	2.50%	\$ 689.89	\$ 803.49
2023-24	2.50%	\$ 771.53	\$ 823.57	3.70%	\$ 779.81	\$ 833.22
2024-25	2.50%	\$ 844.16	\$ 844.16	2.5% *	\$ 854.05	\$ 854.05

\* Rate peg for 2024/25 is forecasted as 2.5% which is consistent with the long-term average and IPART guidance. However, it should be noted that should the actual rate peg for 2024/25 be higher than 2.5%, then the higher rate peg will apply.

## Ordinary rating categories and sub-categories

The Local Government Act requires land to be categorised according to their dominant use as either residential, farmland, mining or business where the business category is the default category.

Councils ordinary rating categories and sub-categories are as follows:

- Residential - Ordinary
- Business - Ordinary
- Business - Industrial\*
- Business - Port Botany
- Business - Mall\*
- Farmland

The boundaries of the business sub-categories are shown in Diagram 2, 3 & 4 below.

## Rate Summary

The following tables provide a summary of the 2023/24 rates structures. It sets out:

- The number of rateable properties within the rating categories (and sub-categories) listed according to those to be rated at the minimum amount.
- The rate in the dollar applicable to each rating category and sub-category.
- The projected total rate revenue to be collected by rating category and sub-category for 2023/24.

## 2023/24 rates structure

Rate Type / Category	No. of Properties	Land Value (\$)	Rate Income (\$)	Ad-valorem (Cents in the \$) or Min. Rate
<b>Ordinary Minimum Rates</b>				
Residential (former Rockdale)	26,581	\$ 7,956,255,976	\$ 22,147,754	\$ 833.22
Residential (former Botany)	15,374	\$ 3,844,161,148	\$ 11,988,549	\$ 779.81
Business (former Rockdale)	916	\$ 154,888,035	\$ 763,521	\$ 833.22
Business (former Botany)	953	\$ 76,057,223	\$ 743,486	\$ 779.81
Business - Industrial	276	\$ 46,556,636	\$ 215,228	\$ 779.81
Business - Port Botany	2	\$ 137,500	\$ 1,560	\$ 779.81
Business Mall	5	\$ 959,760	\$ 3,899	\$ 779.81
Farmland		\$ -	\$ -	\$ 833.22
<b>Ordinary Ad-valorem</b>				
Residential (former Rockdale)	18,827	\$ 22,952,874,004	\$ 22,569,015	0.00098328
Residential (former Botany)	6,896	\$ 10,652,514,222	\$ 8,988,238	0.00084377
Business (former Rockdale)	1,122	\$ 2,314,021,148	\$ 4,554,636	0.00196828
Business (former Botany)	1,007	\$ 4,114,018,363	\$ 8,131,805	0.00197661
Business - Industrial	477	\$ 2,477,442,792	\$ 5,648,594	0.00228001
Business - Port Botany	14	\$ 471,390,900	\$ 3,203,926	0.00679675
Business Mall	8	\$ 83,712,805	\$ 253,881	0.00303276
Farmland	5	\$ 6,520,000	\$ 7,238	0.00111008
<b>Community Safety Levies</b>				
Base Rate	47,451	n/a	\$ 244,373	\$ 5.15
Residential Ad valorem	45,408	\$ 30,909,129,980	\$ 235,604	0.00000763
Business Ad valorem	2,038	\$ 2,468,909,183	\$ 31,566	0.00001279
Farmland Ad valorem	5	\$ 6,520,000	\$ 27	0.00000413
<b>Infrastructure Levies</b>				
Base Rate	47,451	n/a	\$ 3,991,104	\$ 84.11
Residential Ad valorem	45,408	\$ 30,909,129,980	\$ 7,986,710	0.00025840
Business Ad valorem	2,038	\$ 2,468,909,183	\$ 1,071,742	0.00043410
Farmland Ad valorem	5	\$ 6,520,000	\$ 906	0.00013900

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## 2023/24 rates structure (continued)

Rate Type / Category		Land Value (\$)		Rate Income (\$)	Ad-valorem (Cents in the \$) or Min. Rate
<b>Local Areas Rates</b>					
Arncliffe	45	\$ 33,346,272	\$	21,747	0.000652150
Bexley	91	\$ 55,780,791	\$	41,947	0.000752000
Rockdale	277	\$ 403,280,368	\$	270,197	0.000670000
Brighton Le Sands	91	\$ 127,623,762	\$	103,758	0.000813000
West Botany St	95	\$ 188,740,140	\$	52,092	0.000276000
Ramsgate	92	\$ 44,571,307	\$	10,559	0.000236910
Kingsgrove	48	\$ 63,013,050	\$	27,285	0.000433000
Banksia	43	\$ 7,008,020	\$	2,649	0.000378000
Ramsgate Beach - Base rate	49	n/a	\$	13,547*	276.460000000
Ramsgate Beach - Ad valorem	49	\$ 56,825,720	\$	13,758	0.000242100
Mascot Local Area	76	\$ 99,730,148	\$	112,994	0.001133000
Mascot Street Scape	76	\$ 99,730,148	\$	112,994	0.001133000
<b>Total Rateable Value</b>		<b>55,151,510,512</b>			
<b>Total Yeild</b>			<b>\$</b>	<b>103,566,887</b>	

\* With regards to the Ramsgate Beach Local Area Rates, the base component of the levy represents 49.61% of the total forecasted yield.

### Ordinary Rate Mix

The total ordinary rates have been apportioned across the categories as follows – residential 74%, business 26% with a minimal amount being collected from properties (5 in total) categorised as Farmland.

Where possible, Council should endeavour to continue with this apportionment, however, these percentages may be adjusted in order to comply with legislation or as to not disadvantage properties within a rate category where there has been significant development requiring a change of use (for example where commercial properties are redeveloped as residential flat buildings).

### Port Botany Sub-Category Boundary

All rateable land with a dominant use of business on the southern side of Foreshore Road Botany & Banksmeadow.

Refer to Diagram 4 below.