
G Residential rates incidence in the City of Charles Sturt

As discussed in chapter 7, due to data limitations, it has not been possible to estimate the incidence of council rates *within* each local government area. Rather, in chapter 7 estimates of average rates incidence were provided across local governments, which reflect differences in expenditure levels across local governments rather than rates structures within local government areas. In this appendix, some insights into the distribution of residential rates incidence are provided at the postcode level within the City of Charles Sturt (South Australia), using published personal income data from the Australian Tax Office (ATO) and the values of residential rates as provided by the City of Charles Sturt.

This appendix is structured in two parts. Section G.1 briefly discusses the data sources used to derive the estimates of residential rates incidence. Section G.2 presents the estimates of incidence within the City of Charles Sturt.

G.1 Data sources

The aggregate after-tax personal income of residents in each of 15 postcode areas of the City of Charles Sturt was derived from the ATO Taxation Statistics for 2004-05. This included information on the number of taxable individuals, values of taxable income and net tax paid, which were then used to derive an estimate of the average after-tax income per taxpayer for the 15 postcode areas.

The City of Charles Sturt provided the Commission with data on the value of residential properties and the number of residential properties for each postcode area.

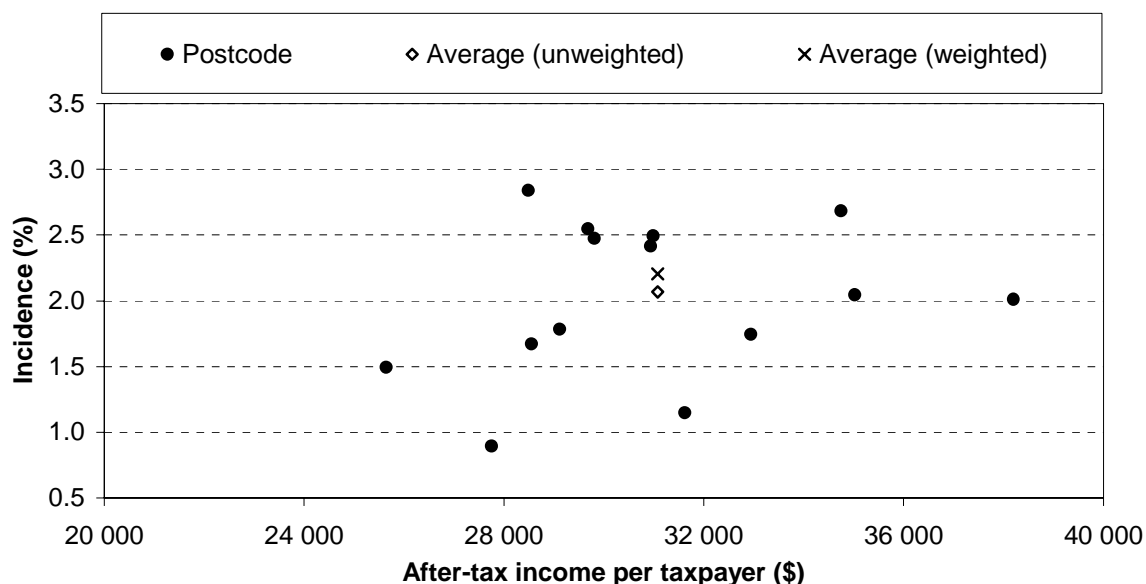
One of these postcode areas (Ovingham, 5082) was excluded because it straddles an area partly outside the City of Charles Sturt. Other suburbs which are also part of neighbouring local government areas are Devon Park (postcode 5008) and West Beach (postcode 5024). Although the data for these postcodes has been included in the analysis, the estimates of average incidence for them should be treated with

particular caution.¹ The reported incidence rates for these postcode areas are likely to be underestimated as the available income data are for the entire postcode areas. Table G.1 at the end of this appendix provides a summary of the rates and income data used for the rates incidence estimates.

G.2 Estimates of residential rates incidence

The incidence of residential rates at the postcode level for the City of Charles Sturt is illustrated in figure G.1. The highest average incidence of residential rates was 2.8 per cent for average after-tax income per taxpayer of \$28 491 (postcode 5023).

Figure G.1 Residential rates incidence — City of Charles Sturt
2004-05^a



^a The incidence for each postcode refers to the total residential rates paid on property divided by total after-tax personal income. The average unweighted residential rates incidence for the City of Charles Sturt refers to the total residential rates paid on property divided by total after-tax personal income for all postcodes. The average weighted residential rates incidence for the City of Charles Sturt is derived using the residential rates incidence for each postcode and the corresponding weight for each postcode based on its share of residential properties relative to the sum of all properties in the council.

Source: ATO (2007); City of Charles Sturt (pers. comm., March 2008).

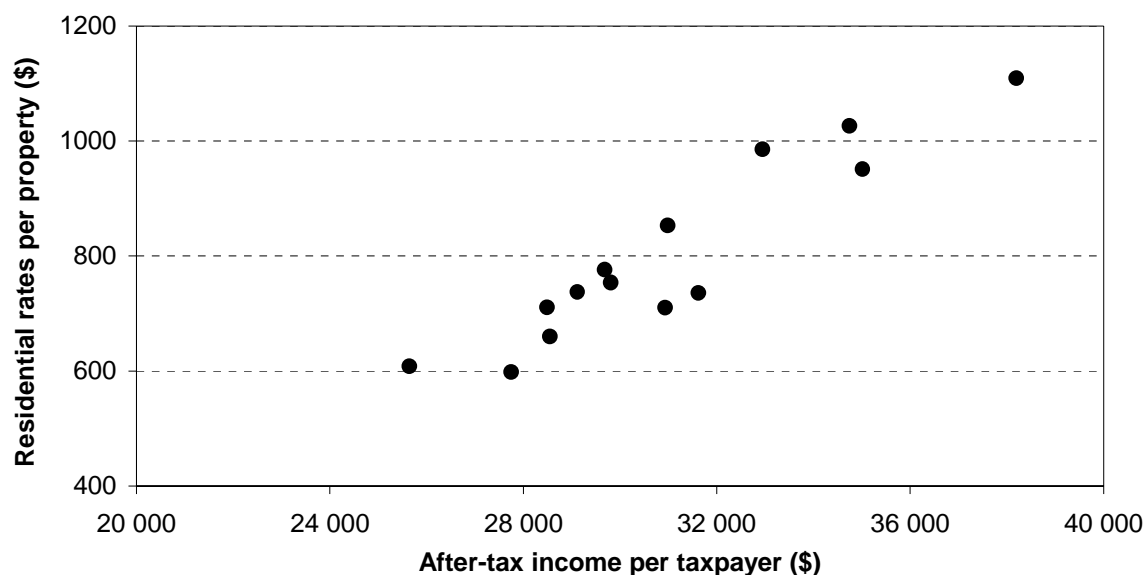
The lowest average incidence of residential rates was 0.9 per cent for average after-tax income per taxpayer of \$27 755 (postcode 5013). For the entire City of Charles Sturt, the average residential rates incidence was 2.1 per cent (after-tax

¹ Postcode 5008 has five suburbs (Croydon, Devon Park, Renown Park, Ridleyton and West Croydon) while postcode 5024 is made up of Fulham Gardens and West Beach.

income per taxpayer of \$31 080). The weighted average residential rates incidence for the City of Charles Sturt, which takes into account the number of residential properties in each postcode relative to all residential properties, was 2.2 per cent.

The relationship between the average residential rates per property and the average after-tax income per taxpayer for each postcode are shown in figure G.2. Generally, there was a positive trend between average residential rates per property and average after-tax income per taxpayer.

Figure G.2 Residential rates per property and income — City of Charles Sturt
2004-05



Source: ATO (2007); City of Charles Sturt (pers. comm., March 2008).

Table G.1 **City of Charles Sturt — Residential rates and personal income**
2004-05

<i>Postcodes</i>	<i>Residential rates^a</i>	<i>Residential properties^a</i>	<i>Residential rates per property^a</i>	<i>Taxable income</i>	<i>Net tax</i>	<i>After-tax income</i>	<i>Average after-tax income</i>
	\$	No	\$	\$	\$	\$	\$
5007	1 898 564	2 672	711	102 390 131	23 819 089	78 571 042	30 933
5008	2 566 970	3 479	738	183 986 220	40 145 294	143 840 926	29 118
5009	1 640 960	2 115	776	82 431 600	18 016 741	64 414 859	29 684
5011	3 031 324	4 023	753	157 304 482	34 791 212	122 513 270	29 809
5012	935 229	1 537	608	77 693 891	15 121 902	62 571 989	25 644
5013	879 213	1 469	599	124 319 314	25 929 465	98 389 849	27 755
5014	2 239 914	3 394	660	170 010 056	36 110 105	133 899 951	28 550
5019	1 460 248	1 984	736	165 815 911	38 536 353	127 279 558	31 622
5020	1 203 031	1 265	951	78 761 209	19 931 074	58 830 135	35 018
5021	2 650 421	2 390	1 109	176 619 637	44 845 230	131 774 407	38 195
5022	6 583 861	6 415	1 026	328 826 483	83 527 943	245 298 540	34 745
5023	4 867 251	6 845	711	217 456 178	46 085 216	171 370 962	28 491
5024	3 666 092	3 720	986	276 200 661	66 002 343	210 198 318	32 946
5025	2 754 849	3 230	853	143 010 450	32 534 834	110 475 616	30 989
Charles Sturt	36 377 927	44 538	817	2 284 826 223	525 396 801	1 759 429 422	31 080

^a Excludes retirement homes. The income data refers to the total for each postcode. The residential rates and properties data refer to those in the City of Charles Sturt. Postcodes 5008 and 5024 include suburbs outside the City of Charles Sturt. Postcode 5082 has been excluded from the data. This exclusion has reduced the value of residential rates for the City of Charles Sturt by about 0.5 per cent (or about \$167 000) and the number of residential properties by 0.6 per cent (or 262).

Source: ATO (2007); City of Charles Sturt (pers. comm., March 2008).