

# Media Release

8 September 2020

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## **IPART has set the 2021-22 rate peg for NSW councils at 2.0%**

Councils will be able to increase the revenue they can collect from rates by a maximum of 2.0% in 2021-22, under the rate peg announced today by the Independent Pricing and Regulatory Tribunal (IPART).

Tribunal Member Deborah Cope said that in setting the rate peg for 2021-22, IPART has recognised that councils face higher costs for their 2021 local government elections.

“We have included an adjustment of 0.2% for election costs based on the expected costs for the average council in NSW. This allows councils to collect additional revenue in 2021-22 to meet the costs of the 2021 local government elections.

“The adjustment will be reversed through the 2022-23 rate peg, to ensure that ratepayers are not overcharged in subsequent, non-election years,” Ms Cope said.

IPART’s rate peg is based on the annual change in the Local Government Cost Index (LGCI), which measures the average costs faced by NSW councils. The rate peg reflects moderate price inflation over the previous year for most cost categories.

“The rate peg for 2021-22 is lower than recent years, which is a positive outcome for NSW ratepayers,” Ms Cope said.

The rate peg represents the maximum percentage amount by which a council may increase its general income. For almost all councils, general income consists entirely of revenue from rates. Councils have discretion to increase general income by the rate peg, less than the rate peg, or not at all.

The rate peg applies to each council’s general income in total, not to individual ratepayers’ rates. Councils may increase categories of rates by more than, or less than the rate peg, as long as the total increase in general income remains within the rate peg. Individual ratepayers’ rates are also impacted by land values set by the Valuer General NSW.

IPART also announced that it will not set a limit on percentage variations for annual domestic waste charges made by councils for 2021-22.

However, IPART is currently seeking feedback on its recently released Discussion Paper on these charges which may impact future decisions. Fact sheets on the rate peg and domestic waste charges are available on IPART's [website](#).

IPART's Discussion Paper on domestic waste charges, and opportunities to have your say are available on IPART's [website](#). Submissions to IPART are due by 6 October 2020.

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