

Media Release

13 December 2021

Council rates revenue to rise with population growth

For the first time, the amount that councils will be able to increase the revenue they can collect from rates will depend on their level of population growth, under the 2022-23 rate peg decision announced today by the Independent Pricing and Regulatory Tribunal (IPART). IPART has set a rate peg for each council, ranging from 0.7% to 5.0%.

Tribunal Chair Carmel Donnelly said that in setting the rate peg for 2022-23, IPART has used a new methodology that recognises that some councils face higher costs from growing populations.

"We have developed a way of incorporating population growth into the rate peg that balances the need to ensure councils are financially sustainable, while protecting ratepayers from excessive rate rises.

The methodology we have used will ensure councils maintain the average amount of money collected per person as their population grows. This will enable councils to provide services to their growing communities," said Ms Donnelly.

IPART's rate peg also takes into account the annual change in the Local Government Cost Index (LGCI), which measures the average costs faced by NSW councils.

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. 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.

An Information Paper that includes information on IPART's rate peg methodology and the rate peg for each council for 2022-23 is available on IPART's [website](#).

We have proposed a benchmark waste peg for 2022-23 to provide a guide to councils. IPART has released a Draft Report on these charges which may impact future decisions, and we are currently seeking feedback on our proposed approach.

IPART's Draft Report on domestic waste charges, and opportunities to have your say are available on IPART's [website](#). Submissions to IPART are due by 25 March 2022.

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