

Media Release

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Five NSW local councils increase rates

The Independent Pricing and Regulatory Tribunal (IPART) has approved 4 councils' special variation applications to increase their income above the rate peg (details in Table 1 below).

"We received submissions from ratepayers on the applications and considered them in making our decision.

"We considered community concerns along with the councils' demonstrated need for additional revenue to ensure financial sustainability and service provision," said Chair Carmel Donnelly.

The councils were required to consult with the community, establish that the impact on ratepayers is affordable, and make productivity and cost savings.

We approved an extension to Central Coast Council's current 3-year temporary 15% rate increase for a further 7-year period, starting from 2024-25. The increase is a one-off and does not compound over time. This will allow the council to secure its ongoing financial sustainability and maintain its services to the community.

We approved Hunter's Hill Council and Snowy Valleys Council's permanent rate increases both over a 2-year period. Hunter's Hill Council's special variation will allow it to reduce its asset backlog and fund its capital works program. Snowy Valleys Council's special variation will allow it to improve its long-term financial sustainability.

We also approved Kyogle Council's permanent rate increase of 2.5% for 2022-23, which will allow it to deliver on commitments from its long-term financial plan.

The rate peg for 2022-23 is set at 0.7% (excluding population growth factors). Some councils received a higher rate peg in 2022-23 due to having a population growth factor higher than zero. The rate peg is the maximum percentage amount a council can increase its income from rates. Councils that need additional revenue can apply to IPART for increases above the rate peg, known as special variations. The Office of Local Government (OLG) also announced an additional special variation (ASV) process for 2022-23. The ASV process will assess councils' applications for a special variation up to 2.5%.

"The conditions for Central Coast and Hunter's Hill Councils' special variation approvals require them to spend the additional income on the specific purposes outlined in each of their applications.

"Central Coast, Hunter's Hill and Snowy Valleys Councils are also required to report to the community about how their additional revenues are spent," said Ms Donnelly.

We have also approved Cumberland City Council's minimum rate increase application (details in Table 1). The approved minimum rate increase will allow the council to transition to an equitable rates structure as it gradually harmonises rates. The minimum rates increase will not change the council's overall general income.

Our Final Reports on each councils' application are available on our [website](#).

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Table 1 Summary of the councils' approved applications

Council	Application type	Total % increase approved, including the rate peg	Stated purpose
Central Coast	Special variation	Extension of the current temporary 15.0% increase for a further 7-year period, from 2024-25 to 2030-31, applied across all rating categories.	Repay \$150 million in emergency loans and secure the council's ongoing financial sustainability.
Cumberland City	Minimum rate	Minimum rate for residential ratepayers will increase to \$715 in 2022-23, \$785 in 2023-24 and \$860 in 2024-2025.	Transition to a more equitable rates structure, as the merged council gradually harmonises rates.
Hunter's Hill	Special variation	Permanent increase of 16.9% in 2022-23 and 7.8% in 2023-24 i.e. 26.02% cumulative increase over 2 years, applied to residential and business ratepayers.	Replace 2 expiring special variations, complete the council's capital works program, reduce its asset backlog and improve its long-term financial sustainability.
Kyogle	Special variation	Permanent 2.5% increase in 2022-23, applied across residential, business and farmland ratepayers.	Deliver the council's commitments in its long-term financial plan, continue delivering existing services and infrastructure programs, and improve its financial sustainability.
Snowy Valleys	Special variation	Permanent increase of 15.7% in 2022-23 and 17.5% in 2023-24, i.e. 35.95% cumulative increase over 2 years, applied across all rating categories.	Continue delivering existing service levels without a significant reduction, manage a range of financial impacts (e.g. maintenance of grant-funded new assets and natural disasters) and ensure long-term financial sustainability.