

Media Release

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NSW councils increase rates

IPART has approved applications by eighty-six NSW councils to increase their rates above the level of the annual rate peg.

The modest increases were approved following an additional special variation process.

"The latest rate peg was determined in the low inflation environment at the beginning of the COVID-19 pandemic.

"Since then, high inflation and global uncertainty increased councils' costs. Some councils have demonstrated that without additional funds they will not be able to deliver the projects they have already consulted on and included in their budgets," says Tribunal member Deborah Cope.

The modest increases for councils are between 1.6% and 2.5% including the rate peg (table below).

Each year we calculate a rate peg which sets how much councils can increase the revenue they collect from rates.

This year the rate peg was set at a minimum of 0.7%, with some further increases allowed in councils with growing populations. The rate peg was lower than many councils expected. The additional special variation process gave councils an opportunity to increase this figure.

"We were careful to balance the need of councils to maintain the services and investment they had already committed to against the need to keep rates affordable for the community," said Ms Cope.

Applications were assessed against guidelines provided by the Office of Local Government. The guidelines require councils to show that they had budgeted for higher income than that provided by the rate peg and that they need the additional money to deliver on the projects they have already planned and included in their budgets.

IPART is reviewing the rate peg methodology to deal with volatility in economic conditions. The review will also look at the timing of the calculations in a fast-changing economic climate.

"Our review will be looking at how to deal with this challenge in the future," said Ms Cope

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Table 1 Additional Special Variations approved

Council	Rate peg	ASV proposed (incl rate peg)	ASV approved (incl rate peg)
Albury City Council	1.10%	2.00%	2.00%
Armidale Regional Council	0.70%	2.50%	2.50%
Ballina Shire Council	0.70%	2.00%	2.00%
Bathurst Regional Council	0.90%	2.50%	2.50%
Bayside Council	1.60%	2.50%	2.50%
Bega Valley Shire Council	0.70%	2.50%	2.50%
Bellingen Shire Council	1.30%	2.50%	2.50%
Berrigan Shire Council	0.90%	2.00%	2.00%
Blacktown City Council	0.70%	1.60%	1.60%
Bland Shire Council	0.70%	2.40%	2.40%
Blayney Shire Council	0.70%	2.50%	2.50%
Bogan Shire Council	0.70%	2.00%	2.00%
Broken Hill City Council	0.70%	2.30%	2.30%
Cabonne Council	0.90%	2.00%	2.00%
Cessnock City Council	0.70%	2.50%	2.50%
City of Canada Bay Council	1.20%	2.50%	2.50%
City of Parramatta Council	0.70%	2.50%	2.50%
City of Sydney Council	1.40%	2.50%	2.50%
Clarence Valley Council	0.70%	2.50%	2.50%
Coffs Harbour City Council	0.70%	2.50%	2.50%
Coolamon Shire Council	0.70%	2.50%	2.50%
Coonamble Shire Council	0.70%	2.00%	2.00%
Cowra Shire Council	0.70%	2.40%	2.40%
Cumberland City Council	1.20%	2.50%	2.50%
Dubbo Regional Council	0.70%	2.30%	2.30%
Edward River Council	0.70%	2.50%	2.00%
Federation Council	1.60%	2.50%	2.50%
Forbes Shire Council	0.70%	2.50%	2.50%
Gilgandra Shire Council	0.70%	2.50%	2.50%
Glen Innes Severn Council	0.70%	2.00%	2.00%
Goulburn Mulwaree Council	0.70%	2.50%	2.50%
Greater Hume Shire Council	0.70%	2.00%	2.00%
Griffith City Council	0.70%	2.00%	2.00%
Gunnedah Shire Council	0.80%	2.50%	2.50%
Hawkesbury City Council	0.80%	2.50%	2.50%
Hilltops Council	0.70%	2.50%	2.50%
Hornsby Shire Council	0.70%	2.28%	2.28%
Inner West Council	1.30%	2.00%	2.00%

Council	Rate peg	ASV proposed (incl rate peg)	ASV approved (incl rate peg)
Inverell Shire Council	0.70%	2.00%	2.00%
Junee Shire Council	0.70%	2.50%	2.50%
Kempsey Shire Council	0.80%	2.00%	2.00%
Kiama Municipal Council ^a	1.60%	2.50%	2.50%
Ku-ring-gai Council	0.70%	2.50%	2.50%
Lachlan Shire Council	0.70%	1.80%	1.80%
Lake Macquarie City Council	0.70%	2.50%	2.50%
Lane Cove Council	0.70%	2.00%	2.00%
Leeton Shire Council	0.70%	1.80%	1.80%
Lithgow City Council	0.70%	2.50%	2.50%
Liverpool City Council	1.00%	2.00%	2.00%
Lockhart Shire Council	0.70%	2.00%	2.00%
Mid-Coast Council	0.90%	2.25%	2.25%
Moree Plains Shire Council	0.70%	2.28%	2.28%
Mosman Council	0.70%	2.30%	2.30%
Murray River Council	1.50%	2.00%	2.00%
Murrumbidgee Council	0.70%	2.50%	2.50%
Muswellbrook Shire Council	0.70%	2.50%	2.50%
Narrandera Shire Council	0.70%	2.00%	2.00%
Newcastle City Council	1.20%	2.50%	2.50%
North Sydney Council	0.90%	2.00%	2.00%
Northern Beaches Council	0.70%	2.40%	2.40%
Oberon Council	0.70%	2.10%	2.10%
Orange City Council	0.70%	2.50%	2.50%
Parkes Shire Council	0.70%	2.50%	2.50%
Penrith City Council	1.40%	2.50%	2.50%
Port Stephens Council	1.30%	2.50%	2.50%
Queanbeyan-Palerang Regional Council	0.70%	2.50%	2.50%
Randwick City Council	1.30%	2.50%	2.50%
Singleton Council	0.70%	2.00%	2.00%
Snowy Monaro Regional Council	0.80%	2.30%	2.30%
Sutherland Shire Council	0.70%	2.50%	2.50%
Tamworth Regional Council	0.70%	2.00%	2.00%
Temora Shire Council	0.70%	2.00%	2.00%
The Hills Shire Council	1.60%	2.50%	2.50%
Upper Hunter Shire Council	0.70%	2.00%	2.00%
Uralla Shire Council	0.70%	2.50%	2.50%
Wagga Wagga City Council	0.70%	2.00%	2.00%
Walgett Shire Council	0.70%	2.00%	2.00%

Council	Rate peg	ASV proposed (incl rate peg)	ASV approved (incl rate peg)
Warren Shire Council	1.30%	2.50%	2.50%
Warrumbungle Shire Council	0.70%	2.50%	2.50%
Waverley Council	0.80%	2.50%	1.75%
Weddin Shire Council	0.70%	2.50%	2.50%
Willoughby City Council	0.80%	2.10%	2.10%
Wingecarribee Shire Council	1.20%	2.00%	2.00%
Wollongong City Council	1.00%	1.80%	1.80%
Woollahra Municipal Council	0.70%	2.00%	2.00%
Yass Valley Council	1.30%	2.30%	2.30%

a Kiama Municipal Council applied for and was approved for a temporary additional special variation. All other additional special variations are permanent which allows the council to keep the additional income in its rate base going forward.