

# Media Release

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## Rate peg set for 2024-25

The NSW Independent Pricing and Regulatory Tribunal (IPART) has set council rate pegs, before adjusting for population growth, for the 2024-25 financial year, ranging from 4.5% to 5.5%.

IPART Chair Carmel Donnelly said the Tribunal had reviewed and updated the methodology used to set the rate peg for the coming financial year.

"We have implemented the new methodology this year because it will produce rate pegs that more accurately reflect the increase in costs for each council" she said.

"We understand ratepayers across the State are facing cost-of-living pressures including the affordability of council rates.

"The new methodology we have applied will better account for the diversity among NSW councils and help ensure ratepayers contribute only to costs relevant to their local government area.

"These rate pegs are based on employee cost increases, forecast inflation and council-specific changes in Emergency Services Levy contributions and population growth."

An additional population factor applied for 49 of the 128 councils with growing populations will increase their final rate pegs.

Councils that receive a population factor will be able to spread the larger increase in general income among the increased number of ratepayers. This will reduce the impact on existing ratepayers while still providing councils with the additional revenue required to keep revenue per capita before inflation consistent, as populations grow.

Ms Donnelly said the rate pegs were one of several factors councils needed to consider in their budgets.

"Councils across NSW provide important goods, services, and facilities to their local communities and fund their operations from a mix of income sources, one of which is general income. The rate peg represents the maximum percentage amount by which a council may increase its general income," she said.

"It applies to each council's general income in total, not to individual ratepayers' rates. Councils may increase categories of rates by more or less than the rate peg, provided the total increase in general income remains within the rate peg."

More information is available from [www.ipart.nsw.gov.au](http://www.ipart.nsw.gov.au).

Media Contact: Mark O'Brien



0427 105 865



[media@ipart.nsw.gov.au](mailto:media@ipart.nsw.gov.au)