

# Media Release

25 March 2021

---

## Strictly Embargoed until 12:01 AM Thursday 25 March

### Review of the rate peg to include population growth

The Independent Pricing and Regulatory Tribunal (IPART) is reviewing the current system for setting local government rates revenue (the ‘rate pegging system’) to consider population growth.

This is to support the NSW Government’s commitment to allow councils to align their rates revenue with population growth.

“The review is focused on ensuring local councils can continue to provide quality services to their communities, including in those areas experiencing population growth” said Acting IPART Chair Deborah Cope.

IPART has been asked to recommend a rate peg methodology that allows the general income councils receive through rates to be varied annually in a way that accounts for population growth. The review will make recommendations on the adequate levels of revenue required by councils to service growth, with a focus on changes to total rates revenue not individual rates. IPART invites submissions to its Issues Paper on the impact of population growth on council costs.

The rate peg is based on the annual change in the Local Government Cost Index (LGCI), which measures the average costs faced by NSW councils.

“Under the current system, an increase in the population of a council area does not necessarily result in an increase in revenue from rates.

“The costs incurred by councils to service growth are recovered from special variations, developer contributions and supplementary valuations” said Ms Cope.

IPART’s review of the rate peg will look at population growth in rural and regional NSW, as well as across Sydney.

Ms Cope said the key issues to be explored include:

- The different types of income councils can source to cover the costs of population growth and the role of the rate peg.
- Varying population growth between councils in New South Wales and how to define population growth.

- The impact of population growth on council costs.

IPART is seeking feedback on the issues to be explored through the review until 3 May 2021. The Issues Paper is available at [www.ipart.nsw.gov.au](http://www.ipart.nsw.gov.au).

IPART will present a Final Report to the Minister for Local Government in September 2021.

**Media Contact: Adrian Flood**

 **0427 105 865**

 **media@ipart.nsw.gov.au**