

# Media Release

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## The 'rate peg' for NSW council rates is under review

The Independent Pricing and Regulatory Tribunal (IPART) welcomes the terms of reference from the Premier and Minister for Local Government to investigate and address concerns identified with the local government rate peg.

IPART has been setting the rate peg for councils across NSW since 2010. The rate peg protects ratepayers from excessive increases in council rates by limiting the total amount by which councils can increase revenue from rates each year.

"We need to make sure that local councils can continue to provide services to their communities, while at the same time protecting ratepayers from unnecessary rate increases," said IPART Chair Carmel Donnelly.

Our current rate peg methodology includes considering annual changes in the average costs faced by NSW councils and each council's population growth.

"We will be looking at new approaches to setting the rate peg that reflect, as far as possible, changes in inflation and local government costs, while continuing to protect ratepayers from excessive rate increases," Ms Donnelly said.

IPART will be consulting extensively as part of this review and is interested in all stakeholder views.

"We want to hear from both councils and ratepayers about what is and isn't working with the rate peg, and how it could be improved."

IPART expects to publish an issues paper and call for the first round of submissions on 27 September 2022. Workshops on the rate peg methodology will be held in November with a draft report to be released in February. A public hearing will be held in 2023 after the draft report is released. Further information can be found on the IPART website.

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