

Media Release

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NSW councils apply for rate increases

Four councils across NSW have applied to the Independent Pricing and Regulatory Tribunal (IPART) for a special variation to increase their income from rates above the rate peg and one council has applied to increase their minimum rate in 2022-23.

Large increases were sought by Central Coast Council, Hunter's Hill Council and Snowy Valleys Council (details in table below).

"Last year we received over 6,000 community submissions on special variation applications. We also expect a high level of community engagement this year," said IPART Tribunal Chair Carmel Donnelly.

IPART has set the rate peg for 2022-23 at 0.7% for councils with zero and below population growth. The rate peg is the maximum percentage amount by which a council can increase its income from rates.

Councils requiring additional revenue can apply to IPART for increases above the rate peg, known as special variations. They can also apply to change the level of the minimum rate that they charge. IPART assesses applications against criteria established by the NSW Office of Local Government.

"Councils are required to demonstrate the need for the additional revenue, evidence of community consultation and an assessment of the impact on affected ratepayers,

"Community members can make submissions directly to IPART until 7 March and we will consider these submissions as part of our determination," said Ms Donnelly.

IPART will determine all applications by mid-May.

Details about each council's proposal can be found on IPART's website which also has details about the assessment criteria for special variation and minimum rate applications, as well as instructions on how to lodge a submission.

Special Variations

Council	Application	Stated Purpose
Central Coast Council	15.55% single year increase starting in 2024-25, retained temporarily in the rate base for seven years until 2030-2031.	To extend previous temporary special variation and repay the outstanding balance of the \$150 million in emergency loans obtained to resolve the financial crisis.
Hunter's Hill Council	29.52% cumulative increase over next two years, retained permanently in the rate base.	To complete capital works programs for roads, footpaths, kerb and gutter, seawalls and environmental works and to reduce council's asset backlog.

Kyogle Council	2.5% single year increase, retained permanently in the rate base.	To improve the council's financial sustainability and continue delivering existing services and infrastructure.
Snowy Valleys Council	35.95% cumulative increase over 2 years, retained permanently in the rate base.	To eliminate the council's operating deficit, which would enable the council to continue delivering existing services, recover from natural disasters and manage grant-funded new assets.

Minimum Rates

Council	Application	Stated Purpose
Cumberland City Council	Increase minimum rates for residential properties to \$715 in 2022-23, \$785 in 2023-24 and \$860 in 2024-25	To apply the rating burden equitably across ratepayers.

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