

Fact Sheet – Review of Local Government Rating System



22 August 2016



WHAT

IPART has released its Draft Report for the *Review of Local Government Rating System*.

The Draft Report contains 34 draft recommendations. Importantly, rates per household would not increase, on average, in real terms as a result of our recommendations. Our draft recommendations include:

- ▼ providing councils with the option to use the market value of the property (a 'Capital Improved Value' method) or the current 'Unimproved Land Value' method when setting rates
- ▼ allowing councils' total rates income to grow as the communities they serve grow from new developments
- ▼ providing more options for councils to set residential rates to better reflect local community preferences
- ▼ replacing the current pensioner concession scheme with a rate deferral scheme operated by the State Government
- ▼ modifying rate exemptions so eligibility is based on land use rather than ownership
- ▼ allowing councils to levy a new type of special rate, that would not require regulatory approval, to fund joint infrastructure projects with the State or Federal Government
- ▼ creating two new rating categories for environmental and vacant land
- ▼ giving councils better options to set rates within the business and farmland rating categories, and
- ▼ allowing councils to choose between purchasing valuation services directly from the market or from the NSW Valuer General.



WHY

The NSW Premier requested IPART to conduct this review in December 2015.



WHO

This review will affect all councils in NSW, as well as ratepayers, businesses, and a range of government agencies and other institutions including those currently receiving exemptions from rates.



WHAT NEXT

The Draft Report, along with further information on IPART's review, is available on [IPART's website](#).

You can have your say on the draft recommendations, or any other issues you consider relevant to this review, until **14 October 2016**. We prefer to receive comments [online](#), or alternatively via [email](#) or post to:

Review of Local Government Rating System,
IPART
PO BOX K35
Haymarket Post Shop NSW 1240

We will hold a Public Forum in [Sydney on 19 September 2016](#) and in [Dubbo on 10 October 2016](#). These Public Forums are an opportunity to present your views in person. Click on the above links to Register.

We will provide a Final Report to the Minister for Local Government in **December 2016**.