



Shelley Hancock
Minister for Local Government

MEDIA RELEASE

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COUNCIL RATING REFORMS ON THE WAY

The NSW Government has released a draft Bill for public consultation to implement key reforms to ensure a fairer and more flexible rating system for councils and ratepayers.

Minister for Local Government Shelley Hancock said the *Local Government Amendment (Rating) Bill 2020* would implement the Government's response to IPART's review of the local government rating system.

"The Government is committed to ensuring NSW has a fair, equitable and flexible rating system for councils and communities across the State," Mrs Hancock said.

"That's why we are providing greater flexibility in the current rating system to improve distribution of the rating burden in local communities to make rates fairer and help councils cater for population growth and infrastructure costs."

Most significantly, the proposed reforms would see rating income growth aligned with population growth to help councils provide for growing communities while still protecting residents from unfair rate rises through the rate pegging system.

"Some councils, particularly in Sydney's growth corridors, have faced a substantial increase in population while their rating bases have come under significant pressure with higher demand for new or upgraded local infrastructure and services," Mrs Hancock said.

"We have commissioned IPART to develop a methodology to allow for population growth to be taken into account when it sets the annual rate peg which caps council rating revenue increases each year."

If passed by Parliament, other proposed reforms in the Bill include allowing the 17 new councils created in 2016 to gradually harmonise rates over four years to protect ratepayers from excessive and sudden rate rises.

Councils would also be permitted to create more flexible residential, business and farmland rating subcategories to enable them to set fairer rates that better reflect access to services and infrastructure.

"These well-reasoned and sensible adjustments to the rating system will help ensure flexibility and fairness for both councils and ratepayers," Mrs Hancock said.

“I encourage councils, ratepayers and other interested individuals and organisations to provide feedback on the draft Bill which will help shape the final package we introduce to Parliament next year.”

A comprehensive consultation guide Towards a Fairer Rating System has been released to explain the proposed changes and assist individuals and organisations to make submissions. The deadline for submissions is 5 February 2021.

More information can be found on the Office of Local Government’s website [here](#).

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