



Shelley Hancock
Minister for Local Government
Member for South Coast

MEDIA RELEASE

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KEY RATING REFORMS FOR LOCAL COUNCILS AND COMMUNITIES PASSES PARLIAMENT

Councils and communities across NSW now have a fairer and more flexible rating system while councillors can receive superannuation payments after legislation passed in Parliament.

Minister for Local Government Shelley Hancock said the *Local Government Amendment Act 2021* implements the [Government's response](#) to IPART's review of the rating system and a range of other changes.

"These sensible and well-reasoned reforms will ensure that NSW's local government rating system continues to be fair and equitable, and responsive to changing community needs," Mrs Hancock said.

"The changes provide greater flexibility to make rates fairer in local communities, and help councils cater for population growth and infrastructure costs while protecting ratepayers from unfair rate rises.

"To protect residents from excessive and sudden rate rises, the 17 councils which must harmonise their rates from July will now be able to do it over up to eight years.

"Councils that choose to harmonise rates gradually are required to set out their intended approach over the full eight years to their local communities.

"At the same time, all councils will be able to create more flexible residential, business, and farmland rating subcategories to set fairer rates that better reflect access to local services and infrastructure.

"We are also allowing NSW councils to levy special rates above the rate peg for infrastructure jointly funded with other levels of government without IPART approval to help them deliver much-needed projects to benefit their local communities."

Mrs Hancock said all councils now have the option to make superannuation payments to the state's 1,300 councillors, addressing a long-standing inequity in local government.

"Councillors are dedicated to their residents and communities, and the opportunity to make superannuation payments will also help attract more diversity including women and younger people to serve on our local councils," Mrs Hancock said.

“Councils have the choice as to whether to make councillor superannuation payments in addition to their annual fees from July next year, taking into consideration financial issues and the views of their local community.”

Mrs Hancock said IPART is currently developing a proposed methodology to take population growth into account when it sets the annual rate peg which caps council rating revenue increases each year.

“Modelling by the Centre for International Economics (CIE) reveals NSW councils would receive \$675 million in additional rates over five years, with a net gain of \$400 million once reduced infrastructure contributions are taken into account,” Mrs Hancock said.

“This revenue injection will be pivotal in helping councils overcome growing pains with a reliable and sustainable revenue stream to provide key infrastructure for growing communities into the future including roads, drainage and open space.

“It’s the new residents moving into these areas who will primarily cover the extra rating incomes.

“IPART will lodge its final report in September, with a new population growth methodology expected to be implemented from July 2022.”

More information can be found on the IPART website [here](#).

MEDIA:

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