



MEDIA RELEASE

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NSW GOVERNMENT WELCOMES NEXT STEP IN IPART'S PROPOSED GROWTH METHODOLOGY

The NSW Government has welcomed the next step in the biggest reform of the local government sector rating system with the release of IPART's draft report into aligning rates with population growth while protecting residents from unfair rises.

Minister for Local Government Shelley Hancock said the NSW Government is committed to bringing into line rating income with population growth to provide much-needed additional revenue to councils to fund key community infrastructure.

"Local councils across NSW need to be in a position where they can provide the infrastructure their growing communities want and need, and in our response to the IPART rating review, the NSW Government has stated it will allow for rating incomes to align with population growth to generate additional revenue for this purpose," Mrs Hancock said.

"Late last year, the NSW Government commissioned IPART to develop a methodology for population growth to be taken into account when it sets the annual rate peg which caps council rating revenue increases each year.

"This revenue injection will be pivotal in helping local councils overcome growing pains with a reliable and sustainable revenue stream.

"It will provide key infrastructure for growing communities into the future including roads, drainage and open space.

"Importantly, it's the new residents moving into these areas who will primarily cover the extra rating incomes.

"In its draft report released today, IPART has recommended a proposed rate peg methodology that allows the general income councils receive through rates to be varied annually in a way that accounts for population growth.

"The proposed methodology would see councils maintain their rates income on a per capita basis as their population grows, with IPART estimating it would have increased the total general income of the local government sector by \$116 million over the past four years."

Mrs Hancock said any interested individuals are invited to attend IPART's online public hearing on July 20.

"Parliament recently passed a range of reforms to our rating system to ensure it continues to be fair and equitable and responsive to changing community needs," Mrs Hancock said.

"I encourage councils and communities across NSW to review the draft report and make a submission about this key area of rates reform by August 6."

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

The draft report can be found on the IPART website at www.ipart.nsw.gov.au/Home/Industries/Local-Government/Reviews/Rate-peg-population-growth/Review-of-the-rate-peg-to-include-population-growth.

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