

Council Reference Group: the rate peg methodology

21 June 2024

Background and purpose

In 2023, IPART reviewed the rate peg methodology and decided to make major changes to the methodology to apply from the rate peg for the 2024-25 financial year. IPART undertook to establish a Council Reference Group (CRG) to advise it on the implementation of the methodology.

The purpose of the CRG is to identify any practical issues or unintended consequences that might arise from the implementation of the rate peg methodology and impact communities. The CRG will provide a forum for identifying opportunities for addressing current and emergent issues related to the rate peg methodology. This includes establishing a process for specific adjustment factors to be included in the rate peg for specific costs faced by councils or groups of councils where ratepayers benefit from activities generating the costs and where we have the necessary information to ascertain the quantum of these costs.

The CRG is a consultative body – it will play an important role in informing the Tribunal about issues related to the rate peg methodology but it is not a decision-making body. The Tribunal makes decisions about the rate peg, as the Minister for Local Government's delegate. The IPART Secretariat will facilitate the CRG and report to the Tribunal on matters discussed by the CRG.

Membership

The CRG will comprise representatives from IPART's Secretariat, the Office of Local Government (OLG), Local Government NSW (LGNSW) and at least 10 other members including local government representatives (such as council staff) and local government sector experts. IPART will seek nominations for other members from the OLG and LGNSW.

Members will have expertise, experience and knowledge about local government rates and the rating system, applying the rate peg methodology and impacts of the rate peg methodology.

IPART will determine the final membership of the CRG having regard to the representativeness of the different NSW councils including metropolitan, rural and regional councils and diversity of skills. IPART will publish a list of the members of the CRG on its website.

Meetings

The CRG is expected to be in place for at least 2 years. The Tribunal will consider towards the end of that period whether there would be benefit in keeping the group in place.

The CRG is expected to meet monthly initially and then quarterly and will be chaired by IPART's Chief Executive Officer.

Each year the CRG will workshop the priorities it proposes to consider for the rate peg to be set that year, for consideration and approval by the Tribunal.

IPART will publish meeting agendas and minutes on its website.