

## **MEDIA RELEASE**

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### **Pensioners: Council Rate Rule Change Will Increase Bill Pressure for Struggling Households**

The Independent Pricing and Regulatory Tribunal (IPART) has released a final report outlining changes to the rate peg system in NSW.

The rate peg represents the maximum amount that local councils can increase income that is generated through council rates. This figure is set by IPART each year using a set methodology. An individual council may adjust rates based on their own policies but must ensure their total income from rates does not exceed the amount determined by the rate peg.

“CPSA is concerned about how upcoming changes to the system that caps council rate increases will impact people on a low income”, said CPSA’s Senior Policy Officer Ash Fowler.

“Pensioner concessions for council rates have not changed since they were introduced in 1993. Currently, the general rebate is set at a flat \$250, regardless of changes to costs of living and actual council rates”.

“CPSA supports the Independent Pricing and Regulatory Tribunal’s recommendation of a comprehensive state-wide evaluation of existing pensioner concessions with consideration to potential initiatives to enhance support for vulnerable ratepayers”.

Local councils deliver a range of essential services and provide facilities that communities need to function. The upcoming changes have been made to support councils that are struggling with financial sustainability but will inevitably end with ratepayers covering the shortfall. IPART has also recommended an independent investigation into the financial model for councils in NSW.

“CPSA welcomes the recommendation of an independent investigation into the financial model for councils in NSW. Many ratepayers are struggling with increased costs of living and are concerned about the efficiency of councils and the priorities that are reflected in expenditures.”

IPART has stated that it intends to apply the new rate peg methodology from next year, although this may be delayed to 2025-26.

#### **Media Contact**

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