

# Frequently asked questions –Special Variations

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Below, you will find answers to the questions:

- What is a special variation (SV)?
- How does IPART assess an SV application?
- If an SV is approved, will my rates increase by the same percentage as the SV?
- Can an SV be approved if the community opposes it?
- How does an SV affect waste, water and sewerage rates and charges?
- I cannot afford the new rates, what should I do?
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- Are SV increases on top of any land revaluations?
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## What is a special variation (SV)?

Each year, we set the percentage amount by which each council may increase its general income for a financial year. This is called the rate peg. For most councils, general income is the total income the council receives from ordinary rates and some (but not all) special rates.

If elected councillors decide that a council needs more revenue than the applicable rate peg allows for, a council can apply to IPART for a 'special variation' to increase its general income by more than the applicable rate peg. IPART assesses these applications against criteria set by the Office of Local Government. Please see our [FAQs about special variations](#).



## How does IPART assess an SV application?

IPART assesses each application against criteria that are set by the Office of Local Government. These require councils to:

1. demonstrate the need for the additional income
2. provide evidence that the community is aware of the need for and extent of a rate rise
3. establish that the impact on affected ratepayers is reasonable
4. exhibit, approve and adopt relevant planning documents
5. explain and quantify the council's productivity improvements and cost containment strategies.

We may also assess anything else we consider relevant.

IPART takes into account the particular circumstances of individual councils and the scale of the SV applied for.

We do not assess the merits of council spending decisions or spending priorities, such as how a council has decided to allocate its funds for future projects. We also cannot audit council finances as part of our assessment process as this is not part of our delegated functions.



### If the SV is approved, will my rates increase by the same percentage as the SV?

An SV sets a limit on how much a council can increase its general income each year—it does not apply directly to individual rates.

It is up to the council to decide whether to apply the full permitted increase and how to spread any increase across ratepayers, so individual rates might go up by more or less than the SV percentage if the council changes its rates structure.



### Can an SV be approved if the community opposes it?

Yes, an application may still be approved if the community opposes it.

IPART assesses SV applications against set criteria (see 'How does IPART assess an SV application?'). One of these criteria requires the council to show that the community is aware of the need for and extent of the rate rise. It does not need community support to have an SV application approved.

Our assessment looks at how well the council consulted with ratepayers, rather than whether ratepayers supported the proposed increase. The elected council must resolve to apply for an SV and it does this after reviewing the community consultation materials and the feedback provided to the council by the community.

IPART has rejected some SV applications, or approved smaller increases than requested, when we have decided councils didn't provide enough information to the community.



### How does an SV affect waste, water and sewerage rates and charges?

An SV does not apply to waste, water and sewerage rates.

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There are different types of rates and charges on your rates notice, but not all of them are subject to the rate peg or SV. Most people pay 'ordinary rates' which are affected by the SV. This covers things like roads, parks, community services, and includes libraries, swimming pools, and planning work.

Some councils also charge extra for specific services like water, sewerage, waste, and stormwater management. These charges are usually not affected by an SV.

These charges are usually separate from your ordinary rates and are usually only paid by those who receive these services. If you don't receive these services, you will generally not be levied these charges. For example:

- if a domestic waste management service is not available for your property, you should not be paying an annual charge for these services.
- if you live in an area that receives a water supply service from your council, you'll pay a water charge or rate.

The money collected from the fees for these services is typically kept separate by the council to ensure it's used for its intended purpose.



### I cannot afford my rates, what should I do?

If you find that you cannot afford your rates bill, we encourage you to explore the available support options.

First, you can reach out to your local council to inquire about their hardship policy, which may provide assistance or flexible payment arrangements tailored to your situation.

Additionally, you can visit the NSW Ombudsman's website on "[Having trouble with your rates and charges](#)" for further guidance and resources related to rates and charges, which may help you understand your rights and access additional support.



### Land values have increased – did the council get more revenue?

No, just because land values have increased does not mean the council has received more revenue.

Routine changes to land valuations do not increase the total amount of general income the council can recover from ratepayers. A council's permissible general income is limited by the rate peg or a special variation determined by IPART. Routine changes in land valuations can mean individual ratepayers may pay either higher or lower rates but do not affect the overall level of general income that the council can recover from ratepayers.



## Are SV increases on top of any land revaluations?

No. For instance, if your land doubled in value on the basis of the Valuer General's revaluation (an extra 100%) and your council was approved for a 20% SV, this does not mean that your rates will increase by 120%.

The council would be permitted to increase its general income by a maximum of 20%.

The change in land value may still impact your rates. The impact depends on how much your land value has increased compared to others in the local government area.

- If your land value has increased by more than the average in your local government area, you may pay a larger portion of the council's total general income.
- Or, if your land value fell or did not increase, but other ratepayers' land values did increase, then you may pay a smaller proportion of the council's total general income.



## I am not happy with an IPART decision, can I request a review?

IPART's rate peg and special variation decisions are not subject to merits review.

### For more information

If you have any questions about the SV assessment process, please reach out to us via [localgovernment@ipart.nsw.gov.au](mailto:localgovernment@ipart.nsw.gov.au) or on 02 9290 8400.

For queries about your individual rates, please contact your council. You may also find relevant information about this on:

- OLG's website: **Rates, Charges and Pensioner Concession**
- NSW Ombudsman's website: **Having trouble with your rates and charges?**

If you have enquiries regarding your land valuation, please contact your council or the **NSW Valuer-General**.

[Fact sheet: Is your council talking about a special variation](#)

[Fact sheet: Frequently asked questions – rates, fees, charges and land valuations](#)

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