

# Is your council talking about a Special Variation?

17 September 2024

Councils may apply to IPART for a 'Special Variation' which allows them to increase their general income by more than a 'rate peg' that they can automatically apply. General income is typically made up of income from rates.

## What is the community engagement about?

Councils must engage with their communities when they intend to apply for a Special Variation (SV). This happens **before** the application is finalised and submitted to IPART. Community consultation is an important part of the process and is a factor in IPART's assessment.

A council's engagement should explain and seek community feedback on the purpose, need for and impact of a proposed SV which may include current and planned service levels. It should also talk about alternatives considered and efficiencies it has found. The elected council should review the feedback when making its final decision to apply to IPART for an SV.

**We encourage community members to engage with their councils.** In some cases, councils may adjust their spending or the size of the SV they apply for in response to community feedback. On the next page, we explain some ways you can do this. You can also submit your views to IPART after your council has submitted its application (see the timeline below).

If the council does decide to apply for an SV, it will then have to demonstrate to IPART that its application meets the criteria set out in the [Office of Local Government \(OLG\) Guidelines](#).

## Timeline

Councils often do their consultation sometime between June and December in the year before the applications are due, which is usually in February. However, consultation may happen at any time before the application due date.

IPART will also seek community feedback on each application after applications have closed. This is to ensure community members have access to the final application to comment on and so that IPART can hear directly from stakeholders.

IPART will release its decisions on each application around May/June each year.



## Steps to engage effectively with your council



### Step 1: Talk to your council about the proposed SV

We encourage you to raise any concerns about a proposed SV directly with your council. If a council applies for an SV, it must provide evidence that its community is aware of the need for, and extent of, the proposed rate rise. A council may seek your views about its proposed SV in a variety of ways, such as:

- community information sessions
- drop-in booths
- a dedicated webpage about the proposed SV
- online or mailed surveys
- social media
- accepting posted letters and emails.



### Step 2: Engage with council consultation and exhibition under the Integrated Planning and Reporting (IP&R) Framework

We encourage the community to be familiar with the IP&R Framework, as all councils in NSW follow this framework to guide their planning and reporting activities. The IP&R Framework includes a suite of integrated plans that set out a vision and goals for the community, and strategic actions to achieve them.

If a council is applying for an SV, it will need to include some details about the proposed SV in the relevant IP&R documents, such as the Community Strategic Plan, Delivery Program and Long-Term Financial Plan. These should be available on a council's website.

There are some requirements for councils to exhibit and get feedback on these IP&R documents. During the exhibition process, ratepayers will have an opportunity to directly comment on these documents.



### Step 3: Read the Office of Local Government's SV criteria

We encourage you to familiarise yourself with the assessment criteria set out in Office of Local Government's guidelines. This is what IPART uses to assess the council's applications.

## How does IPART assess an 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 consider 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.

### 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.

[Submit feedback »](#)

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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**.