

# Media Release

25 February 2025

## Six NSW councils apply for rate increases

Six NSW councils have applied to IPART for a special variation to increase their income from rates above the rate peg.

IPART Chair Carmel Donnelly said the Tribunal is now seeking community feedback on applications from Federation, Gunnedah Shire, Northern Beaches, North Sydney, Shoalhaven City and Upper Hunter Shire councils. Gunnedah Shire and North Sydney councils had also applied for minimum rate increases.

"Community feedback is an important part of the Tribunal's assessment of special variation applications," Ms Donnelly said.

"We encourage affected ratepayers and community members to fill out the survey on the IPART website or lodge a submission in relation to any of the applications we've received."

IPART sets a rate peg annually for each of the 128 councils in NSW which caps each council's increase in the income they collect from ordinary rates. For 2025-26, the core rate pegs range from 3.6% to 5.1% across NSW. 72 of the 128 councils also received an additional allowance to reflect an adjusted population factor of up to 3.8%.

In general, the councils that have applied this year have indicated they are applying for a special variation to improve financial sustainability and to maintain their current service levels.

Ms Donnelly said "IPART must assess Special Variation applications against criteria set by the Office of Local Government (OLG). Councils can only apply to IPART for a Special Variation if the elected councillors pass a resolution to go ahead with the application."

As set out in the OLG assessment criteria, IPART will consider whether councils have:


- demonstrated the need for the additional income
- provided evidence that the community is aware of the need for and extent of the proposed rate rise
- established that the impact on affected ratepayers is reasonable
- exhibited, approved and adopted relevant planning documents
- explained and quantified the council's productivity improvements and cost containment strategies.

IPART may also consider other relevant matters.

All Special Variation applications for 2025-26 are available for review on the IPART website, along with a short survey and information about how to lodge a submission. IPART will accept feedback on Special Variation applications until 11:59pm on Monday 17 March 2025.

IPART will release the final decisions on Special Variation and Minimum Rate increase applications by May/June 2025.

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## Attachment 1 - List of Special Variation and Minimum Rate Applications

Table 1 Special variation applications

Council	Cumulative increase	Purpose of the special variation (as advised in Council application)	Proposed annual increases		
			2025-26	2026-27	2027-28
Federation Council	69.94% over 2 years	Improve financial sustainability, addressing infrastructure maintenance and renewal shortfalls and maintaining other legislated services and non-legislated services where possible.	52.01%	11.80%	Rate peg
Gunnedah Shire Council	37.67% over 2 years	Improve council's financial sustainability, maintain general fund assets, particularly roads, buildings, and open space assets, reduce reliance upon grant funding for asset renewals, address the backlog of asset maintenance and renewal works, particularly those related to roads and buildings, and address council's unrestricted cash position that is currently forecast to go into a negative balance in year three of long term financial plan.	18.00%	16.67%	Rate peg
Northern Beaches Council	39.6% over 3 years	Secure long term financial sustainability, address backlog in infrastructure and maintenance requirements, expand environmental and natural risk reduction programs and provide capacity to manage an increasing number of natural disasters and, provide additional funds to improve current services and undertake major asset renewals.	12.10%	11.70%	11.50%
North Sydney Council	87.05% over 2 years	To create financial strength and sustainability to support the delivery of essential services, infrastructure maintenance, and community priorities.	45.00%	29.00%	Rate peg
Shoalhaven City Council	12% over 1 year	Move towards achieving financial sustainability and maintaining a greater level of fit for purpose infrastructure. Have a long-term financially sustainable future, recover from recent financial impacts and be in a strong position to maintain and renew community assets and meet community expectations.	12.00%	Rate-peg	Rate peg
Upper Hunter Shire Council	33.10% over 3 years	To enable council to continue delivering essential services and to maintain infrastructure, continue to provide essential services such as road maintenance and community facilities without interruption.	10.00%	10.00%	10.00%

**Note:** All proposed special variations are for permanent increases. An approved special variation typically replaces the rate peg applicable to a council for the approved year/s.

Table 2 Minimum Rates application

Council	Application	Purpose of Minimum Rate application (as advised in Council application)	Proposed annual increases	
			2025-26	2026-27
Gunnedah Shire Council	<b>Residential and Farmland</b> 2024-25: \$555 2026-27: \$733	To ensure an equitable allocation of the rating burden across Council's rating categories is maintained.	Residential and Farmland: \$83.00	Residential and Farmland: \$95.00
	<b>Business</b> 2024-25: \$544 2026-27: \$718		Business: \$81.00	Business: \$93.00
North Sydney Council	<b>Residential</b> 2024-25: \$715 2026-27: \$1,548	To improve Council's financial sustainability and to improve the equity between those on the minimum rate and those on the ad-valorem.	Residential: \$485	Residential: \$348
	<b>Business</b> 2024-25: \$715 2026-27: \$1,806		Business: \$685	Business: \$406