

Frequently asked questions – rates, fees and charges and land valuations

10 October 2024

Below, you will find answers to these questions:

- What limits does IPART put on a council's rate increases?
- My rates have increased by more than the rate peg or special variation percentage. Can the council do this?
- What can IPART do about water and sewerage service quality and charges?
- How much can my council increase annual charges for domestic waste management services?
- How much can councils increase other fees and charges by?
- I cannot afford my rates, what should I do?
- Land values have increased – did the council get more revenue?
- I disagree with my land revaluation. What can I do about it?



What limits does IPART put on a council's rate increases?

IPART has a role in setting the maximum increase to councils' general income. For most councils, general income consists entirely of rates income.

First, each year, IPART sets a 'rate peg' for each council which is the maximum percentage by which a council can increase its general income.

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](#).

The rate peg and special variations do not apply to individual rates, only to the council's total general income.



My rates have increased by more than the rate peg or special variation percentage. Can the council do this?

Individual rates may change by a different amount than the applicable rate peg or special variation. The rate peg and special variations apply to the council's maximum general income. The council sets a rates structure to recover that amount of general income.

There are several reasons that your rates might change by a different amount than the rate peg or special variation. This could be:

1. your land has increased in value by more than other land in your local government area
2. you pay the minimum amount of a rate and the minimum amount has increased by more than the rate peg or special variation percentage
3. the council has restructured its rates and is collecting a larger proportion of general income from your rates category than previously (categories may be residential, business, farmland or mining, and these may have subcategories).



What can IPART do about water and sewerage service quality and charges?

IPART does not have a role in regulating the prices or quality of most council water businesses. The only exception is Central Coast Council.

The water supply and sewerage services in regional NSW are provided by councils. Councils are responsible for making and levying the charges for these services in accordance with the *Local Government Act 1993*.

The Department of Climate Change, Energy, the Environment and Water works with the local water utilities on their service levels. You may find more information here [Local water utilities | Water \(nsw.gov.au\)](https://www.water.nsw.gov.au/).

You may also want to contact your council directly if you want to know how the council has come up with its charges or if you have concerns with the quality of water or sewerage services.



How much can my council increase annual charges for domestic waste management services?

Currently, there is no limit on how much councils can increase annual charges for domestic waste management services. Each year, IPART reviews the annual charges for domestic waste services that councils levy and decides whether there is a need to set a percentage limit (or 'waste peg') for how these charges can change. To date, we have decided each year not to set a waste peg.

Regardless of IPART's decision, councils are required by the *Local Government Act 1993* to ensure that income obtained from charges for domestic waste management does not exceed the reasonable cost to the council of providing those services.



How much can councils increase other fees and charges by?

Councils charge many other fees and charges and they usually publish a list of their fees and charges each year. Some of these, like annual charges for stormwater management services, may be restricted, but many are not.

If you have concerns about changes in fees and charges set by your council, we encourage you to contact your council. For more information, the Office of Local Government may be able to help. See this page for FAQs: [Rates, Charges and Pensioner Concession - Office of Local Government NSW](#)



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.

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.



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.



I disagree with my land revaluation. What can I do about it?

The NSW Valuer-General reviews land prices every 3 years. If you disagree with the land value given, you may be able to lodge an objection with the Valuer-General.

You can find more information on the valuer-general's website here: [How to object to a land valuation and how we review this | NSW Government](#)

 For more information

If you have any further questions about rate setting or the SV assessment process, please see our other fact sheets or reach out to us via 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 on:

- OLG's website: **Rates, Charges and Pensioner Concession**
- NSW Ombudsman's website: **Complaints we can help you with**

For 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: Special variation frequently asked questions](#)

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