Is your council considering a Special Variation application?

24 August 2026

Councils may apply to IPART for a 'Special Variation' (SV) to increase their general income above the annual 'rate peg'. The rate peg is set each year to reflect changes in councils' costs for delivering services and infrastructure to their communities. A council's general income is typically made up of revenue from rates.

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.

Councils must consult their communities on special variation applications

Councils are required to engage with their communities before they apply for an 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.

Your council's engagement should explain and seek community feedback on the purpose and impact of the proposed SV. It should also outline the alternatives considered, along with any productivity improvements and cost containment measures. These may include changes to current and planned service levels. The elected council should consider community feedback when making its decision to apply to IPART for an SV.

We encourage community members to engage with their councils. Based on community feedback, councils may adjust the size of the SV, spread the increase over a longer period, and/or reduce spending. 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.

IPART's Assessment Timeline

IPART will also seek community feedback on each application after we have published the council's application. This is to ensure community members can comment on the council's final SV proposal and complete application.

IPART will assess the council's application and consider all feedback received and release our decisions 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 ask for your views in several ways, such as:

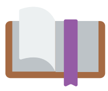
- community information sessions
- drop-in booths
- a dedicated webpage about the proposed SV
- online or mailed surveys
- social media
- accepting posted letters and emails.

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

We encourage the community to become 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 its 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 can directly comment on these documents.



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

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

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 assess any other matter 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 contact us at 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: **Complaints we can help you with**

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

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