

Media Release

27 February 2024

Nine NSW councils apply for rate increases

Nine NSW councils have applied to the Independent Pricing and Regulatory Tribunal (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 Blayney Shire, Goulburn Mulwaree, Griffith City, Kempsey Shire, Narrandera Shire, Randwick City, Snowy Valleys, Tamworth Regional and Willoughby City councils.

"Some councils have applied for large increases over one, two or three years", Ms Donnelly said.

"The Tribunal will assess each application against the criteria established by the Office of Local Government, which require councils to demonstrate the need for the additional revenue, provide evidence of community consultation and detail the impact on affected ratepayers.

"Community feedback is an important part of the Tribunal's assessment of special variation applications and 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 every council in NSW which caps the amount by which councils can increase the revenue they collect from rates. For 2024-25, the core rate pegs range from 4.5% to 5.5% across NSW. Some councils are eligible for an additional population factor.

Councils seeking to increase their rates revenue by more than the rate peg must apply to IPART for a special variation. 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.

"IPART recently highlighted ongoing stakeholder concern with the financial sustainability of councils and with the affordability of rising rates, and the NSW Government has recently accepted our recommendation for an independent inquiry into the current financial model of councils", Ms Donnelly said.

"IPART is also currently seeking feedback on a draft Terms of Reference for an investigation into the financial model for NSW local councils."

All special variation applications for 2024-25 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 18 March 2024, and on the draft Terms of Reference for the council financial model review until 15 March 2024. IPART will release the final decision on special variation applications in May 2024.

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Attachment 1 – List of special variation applications

Table 1 Special variation applications

Council	Cumulative increase	Reasons provided	Annual increases		
			2024-25	2025-26	2026-27
Blayney Shire Council	33.1% over 3 years	To match growing costs and continue providing services at current levels.	10.0%	10.0%	10.0%
Goulburn Mulwaree Council	51.2% over 3 years	To cover increasing costs and continue providing services and assets to meet growing demand.	22.5%	16.0%	6.4%
Griffith City Council	34.9% over 3 years	To ensure financial sustainability and to maintain existing services.	10.5%	10.5%	10.5%
Kempsey Shire Council	42.7% over 3 years	To improve financial sustainability, maintain existing services and service levels, address current and forecast infrastructure backlogs for asset renewals and meeting special cost pressures faced by the council.	7.9%	15.0%	15.0%
Narrandera Shire Council	48.1% over 2 years	To cover increasing costs and continue providing services at current levels. Commencement of the major capital works project, Narrandera CBD stormwater infrastructure duplication project.	25.5%	18.0%	-
Randwick City Council	11.67 % in 1 year	To retain the Environmental Levy permanently in the rate base. The Levy has been subject to four separate approvals since 2004, each temporary for 5 years.	11.67%	-	-
Snowy Valleys Council	42.38% over 3 years	To improve council's financial sustainability by reducing the operating deficit, deliver existing services, adequately fund ongoing asset maintenance and renewal and reduce council's reliance grant funding for asset renewals.	12.5%	12.5%	12.5%
Tamworth Regional Council	36.3% over 2 years	To achieve financial sustainability and maintain fit for purpose infrastructure. A significant component of the proposed SV is to ensure that Council has sufficient funds to maintain and renew its road infrastructure.	18.5%	15.0%	-
Willoughby City Council	15.0% in 1 year	To recover from recent financial impacts, have a long-term financially sustainable future, maintain and renew community assets, maintain existing highly valued services and improve public area maintenance and urban tree canopy outcomes.	15.0%	-	-

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).