

# Most councils ‘under’ the rate cap for third year

12 December 2018

## *Local government*

The vast majority of Victorian councils have complied with the state government’s rate cap for the third year in a row, according to a new report from the body responsible for overseeing the system.

The Essential Services Commission has delivered its [third health report on councils](#) which details whether they have complied with the limit set annually by the Minister for Local Government.

The commission’s Marcus Crudden says 75 of the state’s 79 councils complied with the average rate cap of 2.25 per cent, or with an [approved higher cap](#).

“Four councils were slightly over the cap but had reasonable explanations mainly relating to the timing of property valuations, and all have committed to fixing the error in next year’s rates notices.

“Of the four, the impact on the rates was less than \$1 on average per household for three of the councils, while the fourth, Yarriambiack Shire Council was just over \$5 on average per household,” he said.

Mr Crudden says Yarriambiack advised the error was due to late property valuations affecting budget preparations.

“The error meant setting a rate 0.27 percent over the rate cap which will net the council an additional \$39,000 in revenue in the 2018–19 financial year.

“The council has indicated it will rectify the mistake in the 2019–20 financial year by setting a lower

percentage rate or a credit to each affected property, he said.

<b>Council</b>	<b>Average rate cap</b>	<b>Average rate increase</b>	<b>Impact on average ratepayer in 2018-19*</b>
Corangamite Shire Council	2.25%	2.26%	\$0.21
Hobsons Bay City Council	2.25%	2.28%	\$0.75
Swan Hill Rural City Council	2.25%	2.30%	\$0.91
Yarriambiack Shire Council	2.25%	2.57%	\$5.04

\* The impact on the average ratepayer is the difference between the capped average rate and the maximum allowable capped average rate.

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