

Local councils rate cap set for 2019-20

20 December 2018

Local government

Victoria's 79 local councils have until 31 March 2019 to apply for a rate increase above the 2.50 per cent cap set by the Minister for Local Government, the Hon Adem Somyurek MLC.

The minister has announced the average rate cap, which is the maximum percentage increase allowable in councils' average rates for the forthcoming financial year.

If any council considers the average rate cap is insufficient for its needs, the council can apply to the Essential Services Commission for a higher cap.

The Victorian Government established the rate cap under the Fair Go Rates system in 2015 to address concerns over increasing rates.

A council seeking to increase rates above the minister's cap has to demonstrate community engagement and a long-term funding need, supported by good long-term financial planning.

[Applications for variations from the rate cap](#) for the 2019–20 financial year must be lodged with the commission by 31 March 2019.

We recently released our 2018-19 [council compliance report](#), which shows that most councils were compliance with the average rate cap or higher cap during that financial year.

For media enquiries

If you have a media enquiry, please contact:

Michelle Bryne

michelle.bryne@esc.vic.gov.au

0437 677 385

(03) 9032 1324

Clayton Bennett

clayton.bennett@esc.vic.gov.au

0447 933 140

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[Our advice on setting the rate cap for council rates](#)

We provide the minister with advice on the average rate cap for each financial year.

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