

How ratepayers and councils helped shape our first outcomes report

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Local government

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Last week we released our first [outcomes report](#) on the local government sector since the introduction of rate capping in 2016.

It was important for us to engage with ratepayers, the broader community and councils to inform the development of this report. So how did we use engagement to do this?

What our engagement helped us learn



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Ratepayers and other community members offered us a wide range of views about what was important to include in this report and how it should be presented.

Focus group participants were most interested in understanding councils' income sources, expenditure areas and average rates increases.

As well as showing the impact on rates, survey and workshop results from council staff showed they felt it was important that the report include:

- the impact of rate capping on asset renewal and the asset renewal gap
- the long term financial sustainability of councils
- the services councils provide.

Council staff also requested we try and report on existing data to limit the reporting burden on councils, which we did, and that we acknowledge limitations of existing data, which we addressed through a [reader's guide](#).

Overall and individual reports were important to our audience

Both groups of stakeholders thought it was important for the report to contain two types of information - reports on individual councils and an overall comprehensive report on the sector. They also emphasised that the information be presented simply, be comparable with their council group averages and observe trends over time.

Engagement methodology

Ratepayers and community members

Given the complexity of the rate capping framework and our wide audience, we decided to use focus groups with a sample of Victorian community members.

Sixty-three people participated in the research in Melbourne and Bendigo in late 2018. We spoke to residential and commercial ratepayers, and non-ratepayer community members across a wide range of demographic profiles who reside or work in 22 different council areas across metropolitan and rural

areas of Victoria.

The local government sector



Almost half of Victoria's 79 councils attended workshops where we collected feedback on the report.

We sent a survey to councils and local government peak bodies to over 300 of our council contacts in November 2018 and 111 people completed it.

Councils and peak bodies were invited to six workshops across the state so we could update them on the report's progress and ask them which measures they wanted included in the report.

Over 50 Victorian council staff members from almost half (33) of Victoria's 79 councils attended workshops in Melbourne, Wodonga, Warrnambool, Bendigo, Traralgon and online via a webinar.

Based on feedback from the workshops, we sent councils a draft council profile in March for fact checking and feedback. This process helped shaped the way that some of the data was presented as well as providing corrections to data.

The report shows rate capping has reduced rate increases

Once we completed this engagement, we released our report, which found that, in its first two years, rate capping has kept a lid on rate rises without having a significant impact on services to ratepayers and asset renewal.

The report also notes that after two years of rate capping:

- there has been a decline in the growth of rate revenue collected per property, but overall revenue growth has remained relatively stable largely due to population growth
- rate caps do not appear to have led to a notable increase in waste charges (which do not fall under the rate cap)
- council spending on capital and services has increased overall.

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[Local council outcomes report 2019](#)

Every two years, we report on the outcomes of rate capping in Victoria and identify any impacts or trends that might be emerging across the local government sector. Find information about your local council's revenue, expenditure and finances before and after the introduction of rate capping .

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[Our role in council rate capping](#)

We provide advice to the Minister for Local Government on the annual council rate cap and assess, then accept or reject higher rate caps proposed by councils.

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Learn about your rights as a council ratepayer.

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