

Warrnambool and Mansfield get a nod for higher rates

04 June 2019

Local government

Two of Victoria's smaller councils have had higher rate caps approved after making their case to exceed the 2.5 per cent limit set by the Minister for Local Government.

The commission has approved Warrnambool City Council's application to increase rates by 4.5 per cent for two years (2 per cent over the cap) to raise an extra \$3.4 million for spending on assets including bridges, footpaths, cycleways and parks. Mansfield Shire Council's application to transfer \$1.2 million from waste charges into general rates was also approved.

The commission head of price monitoring and regulation Marcus Crudden says while Warrnambool originally applied for three years, but the commission has limited it to two.

"The commission recognised that Warrnambool had identified significant challenges in the short term, but said it needs to do more in the medium term to stabilise its financial position."

"We expect council to continue its program of service reviews and community engagement as it strives to identify a pathway to financial stability," he said.

Council	Year/s	Approval details	Estimated average impact 2019–20 (excluding 2.5% cap)*
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Warrnambool City Council	2 years	4.50 per cent (2 per cent above the cap) for two years (2019–20, and 2020–21) = \$3.4 million additional revenue.	\$37
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Mr Crudden says the commission's approval of Mansfield's application will see revenue currently collected through the waste charge moved into general rates after a recent investigation by the [Victorian Ombudsman on Wodonga City Council's waste service charges](#).

“On paper, it's a 13.94 per cent higher cap but the impact on ratepayers will be muted by a corresponding drop in the annual waste service charge.

Council	Year/s	Application details	Estimated impact 2019-20 (excluding 2.5% cap) *
Mansfield Shire Council	1 year	13.94 per cent for 2019–20 (11.44 above the cap) for \$1.2 million additional revenue.	Revenue neutral - additional revenue offset by \$1.2M reduction in waste charges

*Individual ratepayers may experience higher or lower increases depending on the value of their property in relation to other properties in their area.

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