

One in five councils give ratepayers a break, holding rates steady due to pandemic

17 December 2020

Local government

One in five Victorian councils decided to give ratepayers a break by holding rates steady at 2019–20 levels according to [a report by the state's economic regulator](#).

The Essential Services Commission report shows 16 of the state's 79 councils kept rates steady for 2020–21 due to the coronavirus pandemic.

The commission's executive director of pricing, Marcus Crudden says the move to keep average rate increases to zero showed a recognition of an expected hit to household incomes.

"Sixteen councils decided to forego the approved two per cent average cap in place for this financial year, while several others restricted increases to below the cap.

"Some councils also put in place targeted assistance to help ratepayers affected by the pandemic," he said.

Mr Crudden says the report also shows most Victorian councils complied with the state government cap.

"Three councils – Darebin, Frankston and Pyrenees – were slightly over but had reasonable explanations for how the errors occurred and have taken steps to address the mistakes and make sure ratepayers are not detrimentally affected," he said.

The report shows three councils who had approved higher caps – Warrnambool, Towong and West Wimmera – all opted to limit increases under their approved higher rate.

The commission is currently talking to councils across Victoria to discuss their obligations under the Fair Go Rates system and the process for 2021–22 higher cap applications.

The commission reports annually on council compliance with the average cap set by the Minister for Local Government as part of its role in monitoring the rate capping system.

For general enquiries

Phone: [\(+61 3\) 9032 1300](tel:+61390321300) or [1300 664 969](tel:1300664969)

Email: reception@esc.vic.gov.au

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