



**MEDIA RELEASE**  
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**Release of the Local Government Rates Capping and Variation Framework Consultation Paper**

The Essential Services Commission today released its Consultation Paper for the Local Government Rates Capping and Variation Framework Review. The Review is being conducted at the request of the Minister for Local Government and the Minister for Finance.

The Commission is required to develop a framework under which rate increases will be capped. Councils will need to submit proposals for increases above the cap to the Essential Services Commission.

“This Framework will affect all Victorians and we want to give as many people as possible the opportunity to comment on how it works,” said the Commission’s Chairperson, Dr Ron Ben-David.

“We’ll be making every effort to get out and speak with communities and councils across Victoria about the design of the framework.”

The Consultation Paper outlines the principles that the Commission intends to use to guide its design of an effective framework. The principles recognise the diversity of the sector, the responsibilities of councils in delivering services, and the need for councils to engage with their communities when prioritising their expenditures and setting their rates.

“Councils are responsible for the services they provide and therefore the rates they levy and the legacies they leave. Our framework will promote accountability and transparency in how councils make their decisions about services and rates,” said Dr Ben-David.

“The proposed principles clearly place the onus on councils to demonstrate that their rates are being set in line with the services they provide to their communities and in line with the long-term interests of their ratepayers,” Dr Ben-David added.

The framework is to take effect from the middle of next year (affecting council rates for 2016-17).

The Commission is required to advise Ministers on options and a recommended approach for a rates capping framework by the end of October. The Consultation Paper and the Terms of Reference are available on the Commission's website: [esc.vic.gov.au](http://esc.vic.gov.au).

Submissions on the Consultation Paper close on 15 May 2015.

The Commission will release a draft report for further public consultation in July 2015.

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