

Local councils rate cap set for 2019-20

Victoria's 79 local councils have until 31 March 2019 to apply for a rate increase above the 2.50% 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:

<https://www.esc.vic.gov.au/local-government/council-compliance-reports>

Fair Go Rates system – key dates	Timeframe
The minister published the rate cap in the Government Gazette	20 December 2018
A council seeking approval for a higher cap may notify the commission of intention to apply*	By 31 January 2019
Councils submit their applications for a higher cap, which we publish on our website	1 February – 31 March 2019
The commission assesses council applications	February – May 2019
The commission notifies councils about decisions	Within two months of receipt of application
Councils formally adopt budget	No later than June 2019

* Councils are not required to complete this step but it does help support the application process.

**For further information call: Michelle Bryne, Senior Manager, Strategic Communication,
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