

Two councils considering higher rate caps

Mansfield and Warrnambool councils are considering applying for a rate increase above the 2.5 per cent cap set by the Minister for Local Government.

In December, Minister Adem Somyurek announced a 2.5 per cent cap would apply to the state's 79 councils for the 2019–20 financial year, unless they have a higher cap approved by the commission.

Councils have until 31 March 2019 to apply for approval to exceed the cap which is the maximum percentage increase allowed in councils' average rates for the financial year ahead.

The commission's director of price monitoring and regulation, Marcus Crudden, says councils need to show they have a long-term funding need, supported by good long-term planning.

"Applications need to show councils have effectively engaged with their communities and demonstrate how they've considered reprioritising expenditure and explored alternative funding options," he said.

Councils can apply for a higher cap for one year, or multiple years up to a maximum of four years.

Mr Crudden says the quality of applications has varied significantly since [Fair Go Rates](#) was introduced by the Victorian Government in 2016–17.

"Councils with good plans, policies and practices around community engagement and long-term financial planning are best placed to demonstrate a long-term funding need," he said.

More information for councils and ratepayers on rate capping in Victoria is on the commission's website at www.esc.vic.gov.au/local-government

Key dates in the Fair Go Rates system	Timeframe
A council seeking approval for a higher cap may choose to notify the commission of intention to apply	By 31 January 2019
Councils submit their applications for a higher cap	1 February to 31 March 2019
The commission notifies councils of decisions	Within two months of receipt of application
Councils formally adopt budget	No later than June 2019

The 'intention to notify' date is intended to help smooth the application process by providing councils early advice and support.

**For further information call: Michelle Byrne, Senior Manager, Strategic Communication,
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Victorian councils who may apply for higher rate caps

