

Council rate cap for 2022–23 set at 1.75 per cent

Following advice from the Essential Services Commission, the Minister for Local Government, Shaun Leane has announced council rates will be capped at 1.75 per cent for the 2022–23 financial year.

Victorian councils now have until 31 March 2022 to [apply for an increase above the 1.75 per cent cap](#).

The average rate cap set is the maximum percentage increase allowable in councils' average rates for the forthcoming financial year.

Any council that considers the average rate cap insufficient for its needs can apply to the commission for a higher cap.

In a first since rate caps were introduced in 2016–17, all councils are on the same cap with none having sought a higher cap for the current year.

A council seeking to increase rates above the minister's cap must 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 2022–23 financial year must be lodged with the commission by 31 March 2022.

The commission has been engaging with councils across Victoria to discuss their obligations under the Victorian Government's Fair Go Rates system and the process for 2022-23 higher cap applications.

A [recent commission report](#) showed that all 79 Victorian councils complied with the average rate cap set for 2021–22.

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