

Full compliance from councils on rate increases

All 79 Victorian councils have complied with the average rate cap set for 2021–22, according to a new report from the Essential Services Commission.

The commission, which oversees the rate cap system, [reports annually](#) on whether councils have complied with the average cap set by the Minister for Local Government which is set at 1.5 per cent for 2021-22.

Acting director Dean Wickenton says two councils which did not comply by small amounts last year had taken steps to ensure ratepayers were not disadvantaged.

“Frankston City Council returned funds to each ratepayer in the February quarterly rates notice, and Pyrenees Shire Council limited its 2021–22 rate increase to account for the higher increase last year,” he said.

In a first since rate caps were introduced in 2016–17, no councils applied for or had an approved higher cap for the 2021–22 financial year.

The commission found waste charges, which are not included in the rate cap, had increases between 10 and 27 per cent for some councils.

The commission noted 19 councils increased service charge revenue per property by more than 10 per cent this financial year and indicated it would continue to monitor the trend.

In May, the commission released its [second report into the impact of rate capping](#) which found ratepayers on the whole have benefitted from the Fair Go rates system. The report found councils were in a good place financially to respond to the initial impact of the coronavirus pandemic.

It also found rate caps have cut the average annual increase above inflation to zero per cent compared to three per cent annually in the three years before rate caps were introduced.

The commission is currently talking to councils across Victoria about the process for 2022–23 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.

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