

No councils apply for above-the-cap variations for year ahead in nod to impact of pandemic

All Victorian councils will be held to the approved 1.5 per cent rate cap for the year ahead with none applying for an above the cap variation for the 2021–22 financial year.

The Essential Services Commission has confirmed that the 31 March deadline passed with no applications to exceed the [rate cap set by the State Government](#) being received.

The commission's executive director of pricing, Marcus Crudden says it's the second year in a row with no councils applying for a higher rate cap.

"This a good outcome for Victorian ratepayers with some councils also limiting rate increases for the current year to below approved levels, acknowledging the financial impact of the coronavirus pandemic on households and businesses," he said.

In 2020–21, [16 of the 79 councils kept rates steady](#) at 2019–20 levels, and several others restricted increases to below the cap, due to the coronavirus pandemic.

With no applications for the upcoming 2021–22 year, all 79 councils will be subject to the default rate cap for the first time since the introduction of rate capping in 2015.

Three councils with current higher caps – Warrnambool, Towong and West Wimmera – all expire on 30 June 2020.

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

A [recent commission report](#) showed that in 2020–21 most councils complied with the current rate cap, or an approved higher cap.

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