

## Higher cap applications finalised for 2017-18

The Essential Services Commission has approved applications from three councils for rate rises above the 2 per cent rate cap set by the Minister for Local Government for 2017-18. One council's application was not approved.

The commission approved applications from Hindmarsh, Towong and West Wimmera councils however Queenscliffe's application was not approved because it did not adequately demonstrate a long-term funding need. A fifth council, Pyrenees had its application approved in May.

Commission chairman Ron Ben-David says the approved applicants provided analysis that demonstrated a long-term financial need.

"We have approved applications only where there is a clear financial need and a demonstrated commitment shown by councils to working with their communities on assessing the need for the rate increases they're proposing.

"We are satisfied these councils have taken steps to improve revenue and reduce costs to ensure when higher caps are sought, they are kept as low as possible," he said.

Commission guidelines require applications to demonstrate good, long-term financial planning.

"In the case of Queenscliffe, while we recognise the efforts put in by the council, we were not satisfied the application demonstrated a long-term funding need.

"It's important to remember that rate increases tend to last forever, so we only approve them when there is a clear need for extra funding on an ongoing basis," said Dr Ben-David.

In November, the commission will report publicly on councils' compliance with either the cap set by the Minister for Local Government (2 per cent increase) or the higher rate caps approved by the commission (where applicable).

**For further information call: Michelle Bryne, Strategic Communication Manager, 9032 1324 or 0437 677 385**

.....see over

## Higher cap applications 2017-18

Council	Result	Year/s	Application details	Estimated impact 2017-18*
Queenscliffe	Not approved	1 year	4.5% (2.5% above cap) for \$150,000 additional revenue per year from 2017-18	-
Hindmarsh	Approved	1 year	4% (2% above cap) for \$144,000 additional revenue per year from 2017-18 to upgrade assets and maintain service levels	+\$28
Towong	Approved	4 years	5.55% (3.55% above cap) for \$235,000 additional revenue from 2017-18 to maintain service levels and support financial sustainability. Total = \$2.5 million extra revenue over four years	+\$53
West Wimmera	Approved	4 years	3.5% (1.5% above cap) for \$97,000 additional revenue from 2017-18 to maintain service levels and renew assets. Total = \$1.04 million extra revenue over four years	+\$21
Pyrenees*	Approved	2 years	3.5% (1.5% above cap) for \$116,000 additional revenue from 2017-18 for infrastructure renewal e.g. gravel roads. Total = \$356,000 extra revenue over two years	+\$19

\*Estimated impact = the difference in estimated 2017-18 average rates between the approved higher cap and the minister's 2 per cent rate cap. Figures are based on information provided by the councils. Individual ratepayers may experience higher or lower increases depending on the value of their property in relation to other properties. Changes in property values or changes in local municipal charges and differential rates may affect some ratepayers and not others. Special rates and charges, waste collection charges and the fire services levy are not subject to the rate cap.

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