

Media Release

The Hon Shaun Leane MLC
Minister for Local Government
Minister for Suburban Development
Minister for Veterans



Wednesday, 29 December 2021

VICTORIAN COUNCIL RATE CAP SET FOR NEXT FINANCIAL YEAR

A new rate cap of 1.75 per cent has been set for all Victorian councils for the 2022/23 financial year, to help ease cost of living pressures for Victorians.

Minister for Local Government Shaun Leane announced the cap today, under the Andrews Labor Government's Fair Go Rates system.

The Fair Go Rates system began in 2016 to limit uncontrolled rate hikes and to provide councils with a clear framework to guide their budgeting while ensuring essential services continue to be delivered.

The cap is set each year by the Minister for Local Government with advice from the Essential Services Commission, guided by the Consumer Price Index.

Before the Fair Go Rates system was introduced residents faced an average rate increase of 6 per cent every year. The current rate cap of 1.5 per cent is the lowest since the system was first introduced.

Councils collect rates from residents annually to fund and deliver essential community infrastructure and services such as local parks, libraries, community centres, roads, kindergartens, waste collection and sports grounds.

Councils individually set rates for their municipalities every year through their budget process and must consult with their communities on decisions relating to budgets, rates, and other charges.

To find out more about how rates are set visit localgovernment.vic.gov.au.

Quotes attributable to Minister for Local Government Shaun Leane

"We introduced the Fair Go Rates system to help reduce cost-of-living pressures for Victorians by preventing uncontrolled rate hikes from local councils across Victoria."

"Community members have the chance to engage with their local councils as they make decisions about rate rises through their budget process each year."