

# Media Release

**The Hon Nick Staikos MP**  
Minister for Consumer Affairs  
Minister for Local Government



Tuesday, 23 December 2025

## COUNCIL RATES CAPPED TO KEEP COSTS LOW FOR VICTORIANS

Council rate increases will again be capped at the forecast Consumer Price Index for next year, continuing the Allan Labor Government's drive to reduce pressures on household budgets.

Minister for Local Government Nick Staikos today announced a rate cap of 2.75 per cent for the next financial year, a decision that aims to protect Victorian ratepayers under the Labor Government's Fair Go Rates System.

The rate cap decision accepted the recommendation of the Essential Services Commission and this outcome limits the amount Victorian councils can increase their total revenue from general rates and municipal charges.

Councils across Victoria have also received revised guidelines for their use of waste management charges to combat rising levies across the state.

The new Minister's Good Practice Guidelines for Service Rates and Charges are aimed towards fairer costing and better transparency when charging ratepayers for local kerbside waste and recycling collection.

The guidelines clarify that waste service rates and charges issued to residents should not be higher than the costs incurred by council for providing the kerbside service – including collection, transport, storage, processing and disposal of waste and recycling.

This year's rate cap aims to ease cost of living pressures for Victorian families, while still allowing councils to continue providing services to local communities.

In the decade before the introduction of the Labor Government's Fair Go Rates system in 2016, council rates were increasing by an average of 6 per cent each year.

Since the introduction of the system, the average rate cap between 2016-17 and 2025-26 has been just 2.3 per cent, limiting steep successive increases for Victorian rate payers.

Councils may apply to the Essential Services Commission for a higher rate cap if they can demonstrate a critical need for spending on services or projects that would require a rate rise above the capped amount.

### Quotes attributable to Minister for Local Government Nick Staikos

*"The rates cap has made a real difference to household budgets– and next financial year, the increase in council rates will again be in line with the inflation rate."*

*"Under the new guidelines, waste service rates and charges should better reflect the actual cost of these services and make them more consistent from council to council across the state."*