

Media Release

The Hon Melissa Horne MP
Minister for Casino, Gaming and Liquor Regulation
Minister for Local Government
Minister for Ports and Freight
Minister for Roads and Road Safety



Friday, 22 December 2023

COUNCIL RATES CAP TO KEEP COSTS LOW FOR VICTORIAN FAMILIES

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

Minister for Local Government Melissa Horne today announced the rate cap of 2.75 per cent for 2024-25 under the Labor Government's Fair Go Rates system.

The Government accepted the recommendation of the Essential Services Commission regarding the cap, which is equal to the forecast Consumer Price Index for 2024-25. The rate cap limits the amount all Victorian councils can increase their total revenue from general rates and municipal charges.

Ministerial Guidelines have also been released for service rates and charges for the collection of kerbside waste and recycling from properties. Service rates and charges used to fund waste collection and management are not subject to the rate cap.

The Guidelines detail that services that provide a general benefit to the whole municipality, such as tree planting, graffiti removal and street cleaning, should not be funded by service rates or charges to individual ratepayers.

The Labor Government introduced the Fair Go Rates system in 2016 to reduce the cost of living pressures and that has been achieved. In the decade before the introduction of the rate cap, council rates increased by an average of 6 per cent per annum. The average rate cap between 2016-17 and 2023-24 was 2.25 per cent.

Councils are able to apply for a higher rate cap if they can demonstrate community support and a critical need for spending on services or projects that require a rate rise above the capped amount. There were no applications for an exemption this financial year, when the cap was set at 3.5 per cent.

For more information go to localgovernment.vic.gov.au/council-innovation-and-performance.

Quotes attributable to Minister for Local Government Melissa Horne

"Fair Go Rates mean households have certainty over their council rates and in 2024-25, the increase will be kept to the forecast inflation rate."

"The rates cap has made a real difference to household budgets over the past eight years and we'll keep working to reduce costs for families."