

Media Release

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



Monday, 23 December 2024

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 the rate cap of 3 per cent for the next financial year 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 2025-26. The rate cap limits the amount all Victorian councils can increase their total revenue from general rates and municipal charges.

Rates are set by each local council to fund services and facilities like local parks, libraries, community centres, roads and footpaths, kindergartens and sporting facilities.

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

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 cap, the average rate cap between 2016-17 and 2024-25 is 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.

To learn more about how council rates are set, visit www.localgovernment.vic.gov.au/council-innovation-and-performance/council-rates-and-charges.

Quotes attributable to Minister for Local Government Nick Staikos MP

"Fair Go Rates are there so families have certainty over their council rates, and next financial year the increase will again be in line with the inflation rate."

"This rate cap will mean local councils are able to raise necessary revenue for the services they provide, without adding cost of living pressure on households."

"The rate cap has made a real difference to household budgets since it was introduced – on top of other cost of living support for families like free kinder, capped V-Line fares and the School Savings Bonus."