

28 April 2024

## Media Release

### A Rate Levying Method that eliminates Rate Rise Shock

In 2015, Labor introduced the *Victorian Local Government Rate Cap*, the purpose of which was to ensure that rate increases remain reasonable and manageable for residents and businesses.

However, the *Rate Cap* has **consistently failed to achieve fairness** for ratepayers in local government areas where *Differential Rating* is used, as is the case in **Indigo Shire Council**.

In 2021/22, when the *Rate Cap* was 1.5%, the **average General Rate increase** for Indigo Shire *Rural* properties over 40 hectares was over 13%, **9 times the Rate Cap**.

In 2022/23, when the *Rate Cap* was 1.75%, the **average General Rate increase** for Indigo Shire *Residential* properties was 7% with many residents experiencing *General Rate* rises over 14%, **8 times the Rate Cap**.

In 2023/24, when the *Rate Cap* was 3.5%, the **average General Rate increase** for Indigo Shire *Rural* properties over 40 hectares was 24%, **7 times the Rate Cap**.

There is a viable solution where *Differential Rates* are dynamically adjusted so that the percentage of **all General Rate increases is the same and kept below the Rate Cap**. This method;

- Eliminates the grossly disproportionate *General Rate* rises (rate rise shock);
- Enables ratepayers to predict future *General Rate* increases with greater certainty;
- Does not alter the Victorian Valuer General's property valuations or Council's budgeted rate revenues; and
- Upholds the principles of equity, efficiency, simplicity and sustainability.

This method was proposed to Indigo Shire Council before it adopted its 2022/23 and 2023/24 Budgets and again before it approved its *Draft Revenue and Rating Strategy* for public display at its Council Meeting on 23 April 2024. To date, Council has offered no explanation why it refuses to adopt this innovation which would fairly and equitably distribute rate increases among Indigo Shire ratepayers.

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President

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