



Legislative Council Economy and Infrastructure Committee

Inquiry: Inquiry into Local Government funding and services

Hearing Date: 8 October 2024

Question[s] taken on notice

Directed to: Essential Services Commission

Received Date: 29 October 2024

1. **Bev McARTHUR, Page 28**

Question asked:

Bev McARTHUR: Commissioner Brody, can you please confirm that the new code of practice for gas distributors that came into force on 1 October 2024 requires that Victorians ‘pay up-front installation costs for new gas connections’?

Gerard BRODY: I will have to take that one on notice.

Response:

Currently and historically, for new electricity and water connections, residential customers usually pay some of the costs for installing new assets upfront. In gas, connection costs were largely socialised across all customers. From 1 January 2025, charges for new gas connections will take a similar approach to electricity and water, with proponents paying for connections up front.

2. **Michael GALEA, Page 32**

Question asked:

Michael GALEA: Sure. Thank you. In that reporting that you do, though, do you have any data that shows how much the waste charges have increased over time, and, if possible, could that be broken down by those five regions as well?

Gerard BRODY: Yes, we could probably provide some of that information on notice. As I mentioned, there has been a higher increase for waste charges compared to the rates cap. I think for 2023–24 it is budgeted at least that there will be an annual increase of 16.7 per cent per rateable property, whereas the general rates are capped at 3.5 per cent. But we can look to provide a further breakdown; we are able to do that.

Michael GALEA: That would be terrific. Thank you. Thank you, Chair.

Response:

The attached rates and charges data spreadsheet provides data by council

group on the change in services rates and charges (waste charges) based on annual reports between 2014-15 and 2022-23. We have also included budget data for 2023-24 and 2024-25 (annual report data for these years is not yet available).

3. **Gaelle BROAD, Page 32**

Question asked:

Gaelle BROAD: Thank you very much for appearing today. Just on the application of rates and the percentages, do you know what the highest increase has been on an individual property?

Gerard BRODY: We might have to take that one on notice as well. As I said at the outset, we have seen 40 per cent of ratepayers experience a decrease in rates, but 44 per cent have received an increase in their rates. In terms of the highest, I am not sure whether I have that information, but I can look into it.

Response:

We do not collect rates and property information from councils for individual ratepayers, so we are not able to provide information on the highest increase for an individual property.

We do have some data on the growth in capped rates per property by property type from our 2023 Outcomes report (Essential Services Commission 2023, The Outcomes of Rate Capping: 26 May). This data (see attached property type spreadsheet) shows that the growth in capped rates per property (adjusted for inflation) decreased or stayed the same for all property classes (except for rural properties in interface councils) when comparing outcomes before (2012-13 to 2015-16) and after (2015-16 to 2021-22) the introduction of rate capping.