

PROBLEMS with the current system:-**1. The funding system for rural local governments is broken and unfair.**

Large rural councils like East Gippsland have small populations compared to metropolitan councils, but very large areas, rural road networks, etc. to maintain. Their ability to raise other revenue, eg. parking fines, etc. is greatly restricted compared to metropolitan councils. East Gippsland has one of the lowest socioeconomic populations in the state.

2. Grossly unfair system for farming businesses. (We are in our 3rd year of ongoing drought)

2019-2020 Capital Improved Valuation increased by 21%

Net Annual Valuation increased by 21%

Rates increased by 14%

2018-2019 Capital Improved Valuation increased by 9%

Net Annual Valuation increased by 10%

Rates increased by 6%

IN LAST TWO YEARS Capital Improved Valuation increased by 33%

Net Annual Valuation increased by 33%

Rates increased by 21%

Is this the same for all businesses and homes within the EG Shire??

3. Enormous Impact on Business

Due to these increases in rates we have had to forego investment and maintenance in our business, Ongoing investment and maintenance is critical for farming businesses, especially in these extremely dry times. More money spent on rates means we cannot employ staff even on a casual basis.

4. Property Valuations

a) Annual valuations have lead to enormous volatility in costs. We can no longer roughly predict our rates bill. Extremely difficult for budgeting, especially with the financial burden of ongoing drought, and no way of knowing when weather conditions will return to normal.

b) Valuations are being done without anyone visiting the farm, assessing its real value, etc. The valuers have NO idea of farming values.

c) Carving up of farming properties into small hobby farms has seen a spiralling escalation in land prices. Land values per hectare for lifestyle properties CANNOT be applied to farming properties, where return to capital investment is very low compared to other businesses.

d) For all ratepayers the practice of basing rates on property values is a strong disincentive to improve their home or business. *Everyone pays the same car registration fees, whether their car is clean or dirty.* So why should property owners who improve their home and/or property be penalised by having their rates bill increase every year?

5. Services for Rates paid

Farmers pay a lot of money in rates for very few services. Due to distance from town (52km round trip) we cannot access many council services.

NO bitumen road to front gate.

NO town water

NO sewerage

NO rubbish removal services

NO gas supply to property

These services should be provided on a USER PAYS basis. We have to completely foot the bill for providing all our own water on our property, including the very significant cost of bores, windmills, tanks, dams, piping, etc. Then on top of that we significantly subsidise the cost of these services for other ratepayers.

6. Cost of providing Services for Tourists

The Shire is accessed by large numbers of tourists, who pay nothing towards the cost of providing services they use. Tourism is important for many of the businesses throughout the Shire, but it is ratepayers who foot the bill of providing many of these services. Many of the ratepayers themselves get NO benefit from a lot the tourist facilities.

There needs to be support by either wealthy metropolitan councils or the State Government in helping to pay for many of the tourist facilities.

7. A fairer way is for all rate payers to pay the same charge.

8. Extra Notes

A massive problem with the East Gippsland Shire is their ever increasing spending. Staff numbers and the number of programs being funded have increased substantially over the last 5 – 10 years. Ratepayers are being forced to foot the ever increasing bills, with virtually no say in decisions being made. Councillors themselves often have no influence on many of the decisions being made by council staff. A lot of the council business is being conducted “behind closed doors”, with councillors not being permitted to tell ratepayers what is happening. Councillors will not object to property values unfairly being raised all the time, as it provides the council with more money each year.

In this Shire substantial rates raised are paid by farming businesses, which are in the grip of crippling drought. The ability of these businesses to keep paying ever increasing rates is reaching breaking point.

The current system is failing badly, and needs to be fixed to be fairer for all.