

Rates Review points

1. Potential

A lot of rural properties are rated on the 'potential' of a property if it was used for different purposes and/or split up. This process is currently seeing farmers having their rates ridiculously increased. Additionally, it has seen a few farmers have to sell their properties to pay these rates. As an example, one farmer had his rates increase from just under \$3,000 to well over \$20,000. Which is ridiculous and is being used as a method to force farmers on or near the edge of the smaller towns to sell their properties. I personally find it immoral and unethical that you can rate someone for the potential of a property for something that does not exist or not the use of the property. The act needs to be changed and have this removed.

2. Differentials

Differentials are allowed, and some councils apply them. We are fortunate in our area that the council actually reduces the rural rates by applying the differential. It did seem this was very different across regional areas in Victoria. This may need a bit more consistency.

3. Exemptions

I think exemptions should exist and the discretion of a council to apply them is correct. For churches and charitable orgs such as Salvation Army is appropriate.

4. Rate calculations

There is a large confusion that sits around the calculation of property values. I understand other similar properties sold in an area can be used as a basis for value calculation, which is fine in principle. But the valuers use other properties that are not similar in some instances and is inconsistently applied. The calculation should be on the rates notice and be of full clarity.

5. Rate reductions as per planning act

A property value is supposed to have a reduction applied as per the planning act in the valuation if particular factors apply to a property. Examples such as swamps, unusable areas of property, power line easements, etc. I had my property valued and had all of these factors that should have been applied. When I asked to see the calculation, it was not available and I was told the value was based on other properties in the area, where the planning act definitively states a reduction shall be applied. This needs to be made available to the payer and should be clear how it is applied and calculated.

6. Annual assessments

Rates are now based on annual assessments. I suppose this would mean smaller changes in value over a year and hopefully stop a large increase which may have happened over 3 years. The only issue I can see with an annual assessment may be that incurs more costs for the councils with more assessments required. It may state valuers doing valuations by google or quicker methods instead of on-site assessments. You may be able to retain annual assessments but implement something in the act which forces an on-site assessment every 2 or 3 years.

7. Property valuation

Property valuations are not always done by on-site assessments and seem to be very inconsistently applied. I have seen almost 2 identical rural properties rated differently that the valuation was almost 3 times the value of the other. There needs to be a more definitive formulation of valuing properties to try and get some consistency.

The other issue is by using property value you are making someone who looks after a property and keeps it neat, clean and well-maintained pay more than someone who leaves their property as an

eyesore.

In valuations of properties I still think you need to define property categories for rates application. E.g. residential, rural, farming, commercial, heavy industry, etc. May be worth exploring this system further.

8. VCAT

I personally had taken a rates valuation to VCAT and actually won on the basis that my valuation was not appropriately applied. But when the judge asked the council representative what they intended to do, they said "nothing". The judge then said he was disappointed with the council response but that was it. So, after going through the whole application and appeal process and winning, I ended up no better. It actually cost me more money. The VCAT process for property valuation needs to be fixed and ensure the judge has an ability to enforce a valuation change or somehow make the council accountable.

9. Valuers

In challenging my rates valuation of my rural property I had to get other valuers' assessments. There are very few valuers in our area and when I called the other valuers for an evaluation they asked if it was for a challenge of rates. When they found it was for a challenge, they refused to take it on. I had to get a valuer from another part of the state to agree to a valuation. Our local valuers are in each other's pockets and cover each other. There are not enough valuers that can be adequately accessed.

10. Property value versus Service based calculation.

I totally understand that a rates system is required to enable councils to raise income. There still needs to be some way of assessing differently for residential, rural, commercial and industrial users. However, for residential or rural users that use their property for living at only use council services as required. Surely it is fairer if a user pays for these instances. E.g. if there are 20 residential properties in one street they effectively use or have access to all the same services the council provides. Surely, they should all pay the same or a very similar amount. Whereas if one house was valued three times more than another house, they would pay far more in rates.

Why should a rate payer in the local town pay \$1,500 when a farmer 5 kms out of the town pays \$25,000. The farmer may use roads more but would not get the same services as the rate payer in town. It is not fair and equal.

[REDACTED]
[REDACTED]
My details are that I live on a farm and pay significant more rates than rate payers in the local town but pay more than double they do and get less services from the council.

[REDACTED]