

RATES REVIEW

WHAT IS WRONG WITH THE CURRENT COUNCIL RATING SYSTEM:

- * A major problem lies with local government setting a rate to raise income for their budget, this gives them the power to keep raising the level without being accountable for their spending. Our local government needs to change their processes to have the same accountability that small business has, eg. streamline and reign in spending to minimise overcharging.
- * The current rating system based on land value is archaic and stems from a feudal economy that is based on an agrarian economy that is outdated and not relevant in today's economic situation. This system penalises farming that relies on huge land parcels to be viable.
- * In contrast many small businesses are service based who have a high income capability but run on low land capital values; and farming is the opposite which have a low income capability and high land capital value. This is totally inequitable.
- * Farming land values are in competition to many other outside influences such as mining, corporate investments and overseas investors that drive the land values upwards. Many of these influences are not as restricted in income earning capacity as farming production.
- * There is common thought that many people think that small business can use their rates as a tax deduction and it really does not matter. This thinking pattern comes from a view comparing private rates to business rates. But business has to make profits and have the cash flow to be able to cover these expenses.
- * The land value rating system falls short when rating government organisations and property that is valued for not-for-profit. For example, government owned land such as hospitals, schools and legal/law institutions (eg the Courts) and their land values, they pay nowhere near what they should be paying. These organisations use rates/taxpayer money to provide the land, building and equipment to function. Yet there are many who use this system for their financial benefit and do not contribute funds toward these rates. Let alone that our rates/taxpayer money also pay for the employees to prop this system up as well. This inequity then puts responsibility back on to other ratepayers. If Australian farming is on the world playing field to be competitive (while it really is not, as most other countries subsidise their farmers) so should our rating system. Our rating system penalises the farming community as we subsidise other very wealthy service providers and tourism. Of which tourism should be subsidised by the business that benefit, eg B&B, motels, retail etc.
- * Our rating system is also inequitable that local government are hypocritical in their application of user pays. In our local area, user pay does not cover the costs in the urban environment eg local pool, town hall, structures such as pedestrian bridges over a river, propping up and building new sporting structures, apparent beautification and improvement along rivers which include building for private enterprise eg restaurant, all of which are mostly used by the urban population. Yet in the farming sector, our old stock saleyards were fully paid for yet funds went into general revenue when sold, and the new stock saleyards built are required to be funded by the farming enterprise under 'user pays'.
- * Farming communities should not be put into urban classifications, as the wants of urban residents are satisfied at the cost of rural needs, eg ROADS.
- * Council should adopt rural tidings and spend the revenue raised in these tidings.
- * Council currently does not have the ability to just maintain its rural roads by simple grading. This does not cost much and is not rocket science rather it indicates incompetencies and negligence.
- * There is also the cost to farmers for repairs + devaluation, both are outside the cost of depreciation, for vehicles and farm equipment from lack of maintenance + quality roads.
- * Quite frankly local government are incompetent to spend their budget wisely, whilst the employee staff grows like a cancer, they need to review its staff a restructure.