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Melbourne, Thursday 21 November 2019

Thursday 14 November 2019

Farmers call for stop to rural rates inequity

The Victorian Farmers Federation (VFF) today called for a total overhaul of council rates and the way local government is funded at a public hearing in Melbourne.

In the VFF's submission to the Local Government Rating Systems Review, Victoria's peak body representing farmers asked for an equalised funding model in which local government rates are redistributed across councils on the basis of equity and need.

"The local government rating system has failed Victorians, and is producing inequitable outcomes for all ratepayers," said Mr David Jochinke, VFF President.

"You know the system is broken when a \$300,000 property in Kerang pays \$2,400 in rates and a similarly valued property in Toorak pays just \$390.

"Victoria's rating system has created a situation whereby rural ratepayers pay more in rates as a percentage of the value of their property than ratepayers in metropolitan Melbourne. What's more, rural ratepayers receive and have access to fewer services from local government than ratepayers in the city.

"That's why the VFF supports a comprehensive overhaul of the rating system through an equalised funding model where the Victorian Government redistributes rates to local government on the basis of equity and need.

"The Government must establish a state-wide general rate in the dollar based on the valuation of all property. Revenue would then be redistributed on the basis of state-wide minimum service and infrastructure levels, equity and need - similar to how the Government already distributes GST money to local governments.

"This proposed model will help create robust and transparent governance within the system, provide a sustainable funding base for disadvantaged rural councils and ensure all councils are more accountable for the dollars they spend.

"In addition to a redistribution of funds, the VFF has called for the reintroduction of minimum and maximum rates alongside five year average valuations for property, separation of house and curtilage from farmland and mandatory differential rates for farmland," said Mr Jochinke.

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About the VFF

The Victorian Farmers Federation (VFF) is dedicated to representing the interests of farmers and making a positive difference to their businesses and communities. We strive to create an environment for our members, our farmers, that enables profitable, safe, sustainable production to ensure an enduring social licence in a community that respects and values the sector.