

# Media Release



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## Rating system change a win for farmers

The Victorian Farmers Federation (VFF) has welcomed a proposed change to the way farmland is valued for the purposes of local government rates following the release of the Victorian Government's response to its Local Government Rating System Review.

VFF President Emma Germano said the Victorian Government's commitment to introduce a valuation averaging mechanism by 2022 would help reduce the 'rates shock' many farmers face year after year.

"A key recommendation the VFF made to the review was to see some sort of valuation averaging mechanism brought into the rates system.

"Many farmers across the state, particularly in the Western District have seen their land double in value within the space of three years. This has created uncertainty for farm businesses because you have no idea how much your rate bill is going to be next year."

"The Government's commitment to this change is a win for farmers and we look forward to assisting with its implementation."

Ms Germano however expressed her disappointment at some of the findings contained in the Rating System Review's report, including the suggestion that the rating system was not broken and that farmers paid less in rates than other businesses.

"The review has done nothing to address the inequity between rural and metropolitan ratepayers."

"Country Victorians pay more in rates than people in the city as both a proportion of their income and the value of their property. Until this fundamental inequity in the system is addressed, it will remain broken."

"The rating review has also completely disregarded the fact farmers pay rates across multiple assessments by comparing the rates paid by farm assessments and other commercial assessments.

The average farm will typically contain four properties, whereas the majority of other businesses will operate from one property.

"The data used in the report is comparing apples and oranges and the assertion that farmers don't pay more in rates is blatantly wrong."

Ms Germano said the VFF would continue to focus its attention on individual local councils and their rating strategies moving forward into 2021.

"The Government has made it abundantly clear that councils have a lot of control over how they set their rates. It is no longer good enough for councils to shift blame back onto the state government when farmers voice concerns about unfair rate increases."

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“There are a number of mechanisms councils can use to strike a fairer rating burden including the use of differential rates and the municipal charge. Where councils refuse to do the right thing, the VFF will be ready to help farming communities take action at a local level.”

Ms Germano thanked the Victorian farming community for taking part in the review process throughout 2019 and 2020.

“We saw farmers come out in force attending public forums across the state and putting in their own submissions. Whilst we haven’t seen the total reform that is needed, the effort made by our farming community to stand up for a fairer rating system has resulted in some changes that will be beneficial.”

**ENDS**

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