

# FACT SHEET

## GLENELG SHIRE COUNCIL DRAFT BUDGET 2022-23



Victorian  
Farmers  
Federation

### BACKGROUND

In April 2021 Glenelg Shire Council proposed to reduce its primary produce rebate offered to farmers on their local government rates. Since 2011, the shire has used a rebate method to help offset high rates on farm land rather than using a differential rate. With the support of the VFF the local farming community successfully staved off this challenge.

At the start of 2022, Council then put forward a proposal to reduce the rebate with a 70% differential rate. The proposal was based on Council receiving gross, rather than net rate payments from farmers. Therefore, it wrongly assumed farmers contribute \$11,431,588 to the budget when in reality, farmers only contribute \$8,002,112 due to the application of the primary producer rebate.

This proposal was strongly rejected by farmers and the VFF as our analysis showed it would result in a 19% average rate increase for every ratepayer in the shire - not just farmers. The VFF also argued the proposed increase was designed to circumvent the Victorian Government's Fair Go Rate Cap policy, which sets the total increase in the amount a council can collect from rates at 1.75% for 2022-23.

Council has gone forward with this proposed rating strategy and has used it as the basis for its 2022-23 Draft Budget.

For more information, [click here](#) to read the VFF's submission to Council's consultation process on the rating strategy change.

### COUNCIL'S 2022-23 DRAFT BUDGET

Under Glenelg Shire Council's draft budget, total rate revenue will increase from \$25.1 million to a staggering \$28.8 million.

The average rates for a farm assessment will increase from \$2,877 to \$3,538 - representing a 23% increase, whilst the average general rate will increase from \$1,811 to \$2,065 - representing a 19% increase.

The imbalance in the rate increase between sectors is due to the asymmetry in property valuations over the past year. Farm land value have increased by 38% compared to general

residential land values increasing by 36%. It is important to note however that the proposed significant increase to rates has nothing to do with the significant land value hikes, but rather, Council's decision to capture an additional \$3.4 million in rate revenue from ratepayers.

This will make Glenelg Shire Council one of the highest taxing council's in regional Victoria.

**WE NEED EVERY FARMER AND EVERY MEMBER OF  
THE COMMUNITY TO MAKE THEIR VOICE HEARD AND  
OPPOSE THIS BLATANT TAX GRAB.**

**TURN OVER THE PAGE TO SEE HOW YOU CAN HELP.**

## HAVE YOUR SAY

The VFF is strongly encouraging Glenelg Shire farmers and all other ratepayers to have their say as part of Council's community consultation process.

We need every farmer to make sure their voice is heard to oppose this blatant tax grab. To assist you in having your say, we have prepared some suggested comments that you can include in a submission to Council. You will find an online submission form on Council's website - [www.yoursay.glenelg.vic.gov.au](http://www.yoursay.glenelg.vic.gov.au)

Please share this fact sheet with other community members to encourage them to put forward a submission. **Consultation closes at 5pm on Wednesday 1 June 2022.**

*Please use the text below in your submission.*

*Feel free to copy and paste the text, or alter it as you wish:*

### Summary of the Submission

- This submission opposes Council 14% average rate increase on the community and recommends

### Details of the Submission / Comments

- This submission strongly rejects Council's proposed rating increase contained in its 2022/23 Draft Budget which forces an average 14% rate increase on the whole community.
- Council has ignored the views of the local farming community and the advice provided by the Victorian Farmers Federation that its plans to remove the primary producer rebate would unfairly increase rates for everyone.
- The proposed rating strategy would force average farm rates to increase by 23% whilst average residential rates will increase by 19%. This will lead to the burden of rates being forced more onto the agriculture sector.
- Council has provided no justification for the substantial increase in rate revenue.
- This submission supports the conversion of the primary producer rebate to a differential rate for primary producers being set at 70% of the general rate, based on the net revenue Council has historically received from farm ratepayers.
- The conversion of the rebate to a differential rate should not be used as a mechanism to capture additional rating revenue that Council has never received previously, or to circumvent the Victorian Government's rate capping policy.

In addition to the above points - we highly recommend that you describe the impact the rate increase will have on your business.

## Victorian Farmers Federation

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