

Mr Simon Arundell

February 20th 2013

(The following letter is a submission made by Simon Arundell to the Shire of Colac Otway in February 2013 regarding the need for differential rates. Our rates have increased another \$2,000 since that submission.)

A farmer's reply to the Department of Planning and Community Development regarding the need for Differential Rates

Dear Sir/Madam,

The Local Council Ratings on Rural Properties must be reduced. My rates on my farm this year are approximately \$19,000, and I get very little in return.

I am told by a local statistician that my \$19,000 rate is the equivalent of 12 average households in Colac. The 12 average households have between them, after tax, a combined income of \$600,000 to pay the same amount in dollars that I am expected to pay. My farm does not earn anything near \$600,000 annually to pay my rates.

I pay the equivalent of 12 households, but it should be noted that 11 of the equivalent households that I pay for are not allowed to vote and are not allowed to enjoy any of the benefits that the shire provides. The 11 household equivalents are not allowed to visit the shops in Colac, they are not allowed to picnic in the memorial square, use the public toilets, the library and have no say in voting for a council that would recognise their needs. You see, for they are cattle and sheep. About the only benefit they derive is a short ride along a shire road to a Victorian state road on their way to market. Remember, farmers pay a fee for total up keep of sale yards too. City rate payers are not charged an extra fee to use the memorial square park and gardens.

Why is it that I pay for 12 equivalent households and only get 3 votes (my wife, son and I) in the local elections, and yet the 12 equivalents in Colac get 24 votes (as per the statistician)? The thirteen original states that formed the United States of America fought the War of Independence against the British, one of their reasons being that if they had no representation in the British parliament then they should not have to pay taxes imposed by Britain. At the very least, farmers should get extra votes to reflect what they pay in rates and hence, have a fairer say. Personally, my family and I receive very little from local government living 30km's from Colac - no foot path, park, near by library etc. We try to keep travel to a minimum due to high fuel costs and low product returns (cattle prices have not even doubled in 36 years, and milk is cheaper than water). Unlike city dwellers who have enjoyed indexation, they can walk to the "fireworks" (which are an expensive non-essential service) and other amusements the shire rates provide. Why is it that farmers are rated higher? A farmer builds a new shed to hopefully increase productivity and employment and in turn it increases his rates. A city dweller can have a fancy boat or whatever in their front yard but are not rated more harshly because of it.

Many farmers look upon their properties as their superannuation, and are rated on any increase in value, whereas the town rate payer does not pay local council rates on his/her super.

A farmer's share portfolio is his property. The town person is not rated on their share portfolio.

Additional costs to farmers are the up-keep of the road verges that adjoin their properties, the eradication of vermin, rabbits, wild dogs, foxes, blackberries, ragwort, roadside litter and on it goes, even bush fire prevention. Personally, on the 10 kilometres of road adjoining me, I would spend at least \$6,000 to \$7,000 a year on such works. No city person would do this, especially with no compensation or thanks from local council.

These inadequacies need to be addressed. In this case, farm rates need to be drastically reduced. Federal Government has already told us that they would bring in Chinese farmers. The Victorian Government pushes all they can onto local Government. Now no-one enforces spraying of blackberries, ragwort etc. It's a public servants heaven – lots of laws and no work for them to do (since no-one is holding them accountable). Local Government lacks the strength to tell State Government "where to go". All levels of Government cannot keep pushing the costs of their whims and desires onto the rate payers, especially farmer rate payers, since they pay a disproportionate amount towards it, and often derive no benefit. If a section of society wants something, then they should get together and do it for themselves. It will mean more to them, bring people together and will enrich their lives much more than Governments squandering taxes providing it for them, and I am sure the benefits derived would be at a much cheaper price than if they had been performed by any Government.

Farmer's prices are not indexed like everyone else's. Farmers cannot pass on their cost increases, since they have very little control over the prices they receive. When the shire's costs increase above CPI, they pass it on to rate payers without hesitation, rather than reigning in their spending. Farmers cannot pass on the council rate increases to recuperate lost profit. When everyone else's wages are increased due to indexation, our prices fall - since someone has to be handed on other's increases. No one else will work for or accept less, but farmers are forced to do just that. We cannot receive the pension, yet every year it becomes more difficult to make ends meet. Furthermore, when the federal government makes a mess of foreign diplomacy, farmers pay the bill. For example, Julia Gillard's handling of the beef industry, which is dependent upon Indonesia for a market.

Farm rates must be lowered otherwise the day will come when all food will be "grown in China" or on the Mekong Delta riddled with Agent Orange, with none of our food standards. When Australian farmers are gone, then so too will be your food security and your health.

Yours Sincerely,

Simon Arundell