

28/7/2024

## Media Release

FOR IMMEDIATE RELEASE

### Fair Go rate victims

Each year we expect our local Councils to charge fair rates, however most Victorian Councils fail to do this.

Mr Ellerbock has been investigating how Councils have failed to fairly apply the Victorian governments Fair Go Rates system.

He said “Each year typically at least one group of rate payers in each council will be excessively charged more than the Minister’s rate cap.” That was his detailed finding on Indigo Shire over the last eight years.

This year the minister for Local Government The Hon. Melissa Horne has set the general rate increase at no more than 2.75%, after advice from the Essential Services Commission.

The Victorian Local Government minister said, *“Fair Go Rates mean households have certainty over their council rates and in 2024-25, the increase will be kept to the forecast inflation rate.”*

Unfortunately, Victorian ratepayer may believe their general rates will only increase by 2.75% this year, but this may not be the reality for many. Councils are not acting to smooth out rate hikes that are generated from erratic annual valuations.

Recent inquires in 2024 by Mr Ellerbock with Local Government Victoria confirmed that Councils have the necessary financial tools to remedy rate hikes under the Local Government Act.

Mr Ellerbock said, “Councils have been sitting on their hands and have not been acting in the best interest of their communities. Our local councils are failing to apply the Local Government Act and Fair Go Rates system fairly and equitably. I’ve only come across three councils that are applying rate smoothing, one of them being nearby Mansfield Council.”

Last year Indigo Shire Council charged the average farmer almost 6 times the rate cap. This year average residential vacant landowners will pay almost 8 times the Minister’s 2.75% rate cap.

It is time for the Minister and Local government authorities to support their communities and deal with this rate payer inequity, particularly in these difficult economic times.

Council management and elected councillors need to step up and act in the best interest of their communities and apply fair rates for all.

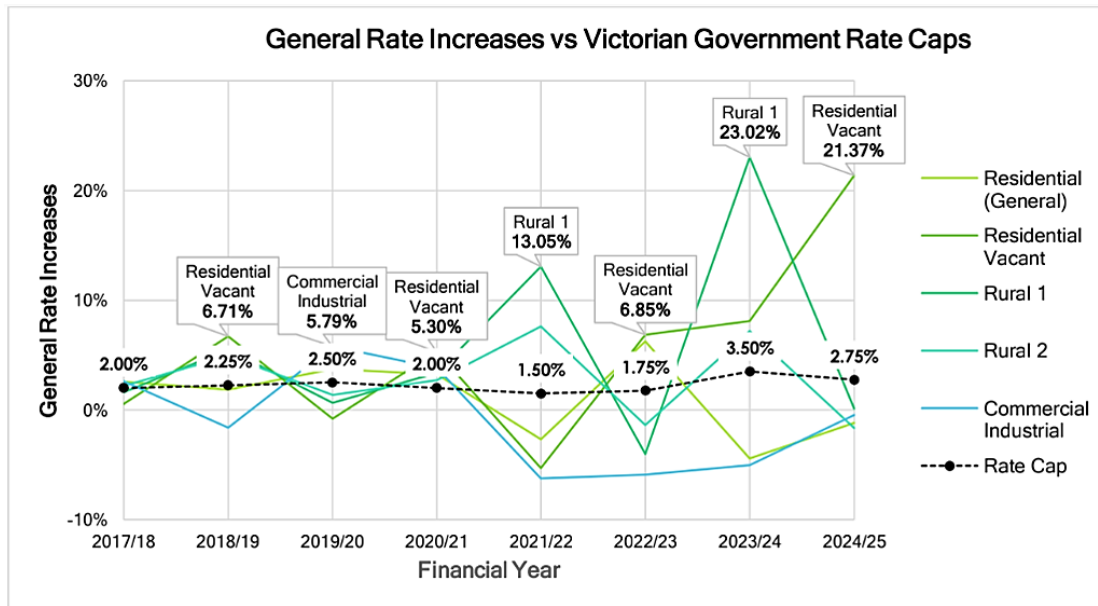
Herb Ellerbock

President

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Extracts from submission to Victorian Inspectorate, Ombudsman, Minister Local Government



The excessively high *General Rate* increases range from 2.3 times the *Rate Cap* in 2018/19 for *Commercial Industrial* properties to 8.7 times for *Rural 1* properties in 2021/22, with significantly high increases for *Rural 1* and *Residential Vacant* properties in 2023/24 and 2024/25.

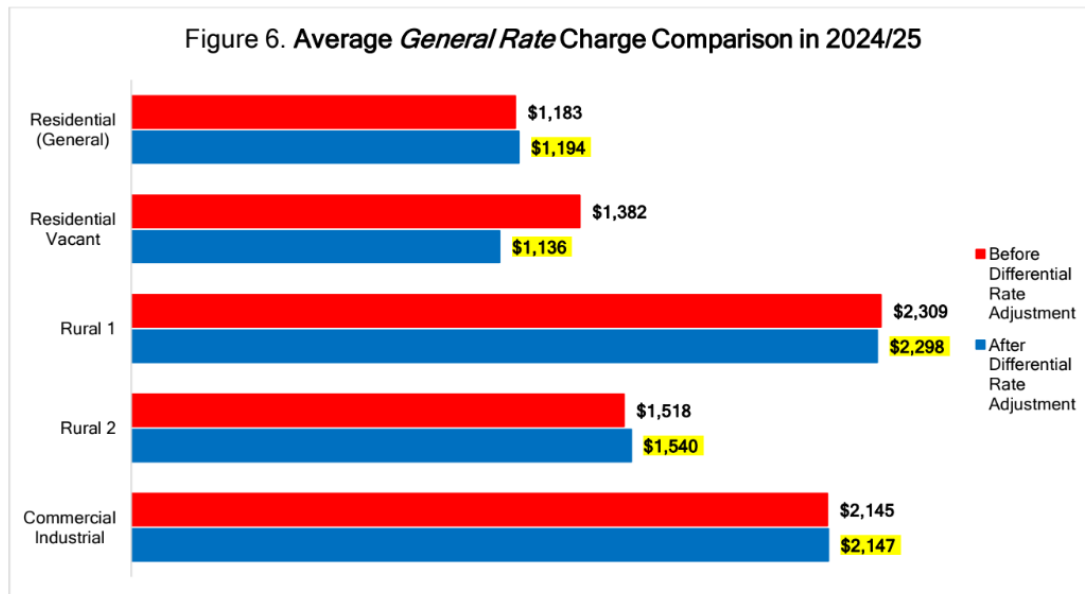


Figure 6 shows that while the adjustments would lead to a substantial **\$246** reduction in the average *General Rate* charge for *Residential Vacant* properties, it would result in relatively minor changes to the average *General Rate* charges for the other property categories.

There would be no net effect on Councils' total *General Rate* revenue.