

Don Dunlop



15 March 2015

IPART

To the tribunal,

I am writing to express my objection to the proposed rate variation by Gloucester Shire Council presently before you for determination.

My wife and I run a beef breeding operation wholly conducted in the Gloucester Shire, in an aggregation of 3 properties spanning about 1500 hectares, producing mainly weaner cattle. These are mainly sold through Gloucester sale yards. We are currently paying \$14,100 in rates to Gloucester Council. These properties once supported 4 families but now struggle to support a single family. The value of our property does not reflect its ability to generate income. In good times this business barely generates an average wage for a single operator. The recent 'cattle slump' and prolonged drought have impacted us greatly, and we have been entirely dependant on off-farm income. I would contend that most other farming families in Gloucester are in a similar situation. Other farming families do not have the luxury of off-farm income.

I do not believe that our property, or most other properties in Gloucester, have the potential to increase productivity or cut costs any further. Therefore if you increase one input cost, that being rates, by 42%, it must either be found in a reduction in the living wage of farmers or a reduction of inputs to the property. This in turn leads to a vicious cycle of lower productivity leading to lower income, leading to degredation of the property. Both scenarios have adverse flow on effects to the town, with farmers having less money to spend in local businesses. Personal communication from local businesses has informed me that they already have worryingly high bad debt levels in the light of recent hard times. A rate increase will worsen this situation further.

Council initially indicated that it was a choice between a rate increase or amalgamation. This seemed to me to be emotional blackmail. Council **does** have alternatives. I believe they should be investigating the option of increasing its rate base by reducing the subdivision area allowable, in line with our neighbouring councils. I have expressed this opinion to council, and they have agreed, but not acted.

Due to the varied locations of our properties, I have attended many of the meetings convened by council to discuss the proposed rate rise. To me it appeared that most people were confused about the actual level of increase, being unaware of the

cumulative effect of the proposed single year figure. I believe this was fostered by many ambiguous press releases by Gloucester Shire Council highlighting single year rate increases. Once people realised the magnitude of the increase, there was overwhelming opposition to the proposal.

In conclusion, a rate rise in excess of 42% for rural rated properties is excessive and will place many farm businesses, including our own, under further financial stress. There is no capacity to pay that level of rate increase. We all need to buckle down, reduce costs, and find efficiencies. Gloucester Council needs to do the same.

Sincerely yours,

Don Dunlop