



RATES AND CHARGES POLICY

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1. OBJECTIVE

Section 86B of the *Local Government Act 1993* (Tas) (the **Act**) provides that all councils must adopt a policy on the levying of rates and charges.

In accordance with section 86B of the Act, this document constitutes George Town Council's (the **Council**) policy on the levying of rates and charges on rateable land (the **Policy**).

2. TYPE OF POLICY

As per section 8 of Policy GTC-12, this Policy is categorised as a Council Policy. This categorisation is consistent with the definitions as stated in Policy GTC-12 which are as follows:

- **Council** - Policies pertaining to the Governance of the Council and the activities of its elected members, including the establishment of Committees, and the government of the municipality including resident and ratepayer compliance policies and by-laws.
- **Operational** - Policies pertaining to the operational, administrative, and internal matters of the Council, including internal governance, internal committees, and operational matters of service delivery.

3. SCOPE

To achieve the aims of its strategic plan, long-term asset management, and financial sustainability obligations, Council must raise revenue sufficient for the purposes of governance, administration and to provide for the delivery of appropriate goods and services to the community.

In exercising its powers, and performing its functions, under Part 9 of the Act, Council's practices and decisions are underpinned by the following principles:

- accountability, transparency and simplicity;
- efficiency, effectiveness and timeliness;
- equitable distribution of the rate responsibility across the community;
- consistency with Council's strategic, corporate and financial directions and budgetary requirements; and

- compliance with the requirements and intent of relevant legislation and accepted professional conventions and ethics.

This Policy is designed to assist the community and ratepayers in understanding the basis of rates and the judgements that are made by Council in the setting of rates and charges.

This Policy applies to Councillors in setting rates and charges for the community.

4. DEFINITIONS

Where a term used in this Policy has a definition in Part 9 of the Act (including without limitation section 86 of the Act), that definition applies for the purposes of interpreting this Policy unless the contrary intention appears.

5. LINK TO STRATEGIC PLAN

Council will consider the following when setting the rates and charges for a particular financial year:

George Town Council Community Strategic Plan 2020-2030

Future direction 1 – Progressive well-resourced communities

Communities have the public infrastructure resources to function well, and there are no barriers to fully participating in community life. roads, pathways, drains, water and sewer, parklands, sports fields, halls and public toilets, mobile phone and internet access, underpin community life and health.

Future direction 4 – Leadership and accountable governance

Knowledge and understanding of governance principles and accountability enables the equitable and fair operation of all groups across the municipality.

George Town Council Annual Plan

George Town Council Annual Budget

George Town Council Financial Management Strategy

6. RELATED LEGISLATION

Local Government Act 1993 (Tas), in particular Part 9 which includes the following section:

"86A. General principles in relation to making or varying rates

- (1) *A council, in adopting policies and making decisions concerning the making or varying of rates, must take into account the principles that –*
 - (a) *rates constitute taxation for the purposes of local government, rather than a fee for a service; and*
 - (b) *the value of rateable land is an indicator of the capacity of the ratepayer in respect of that land to pay rates.*

- (2) *Despite subsection (1), the exercise of a council's powers to make or vary rates cannot be challenged on the grounds that the principles referred to in that subsection have not been taken into account by the council.”*

Fire Services Act 1979 (Tas)

Valuation of Land Act 2001 (Tas)

Local Government (Rates and Charges Remissions) Act 1991 (Tas)

Local Government (Rates and Charges Remissions) Regulations 2024 (Tas)

Waste and Resource Recovery Act 2022 (Tas)

7. RISK CONSIDERATIONS

There is a risk that inaccurate, inequitable, or untimely application of council rates—including rate setting, differential rating, rebates, concessions, and recovery actions—may cause significant financial instability for Council, reputational damage, low community satisfaction, and non-compliance with legislation.

8. POLICY

8.1 Valuation Methodology

Under the Act, Council has the choice of three categories of land value as the basis for determining its annual general rate:

- Land value – value of the property excluding all visible improvements (eg building structures);
- Capital value – total value of the property including land value; or
- Assessed annual value (AAV) – gross annual rental value, excluding GST, council rates and land tax. Legislation stipulates the AAV must not be less than 4% of the capital value.

Each of these values are determined by the Valuer-General under the *Valuation of Land Act 2001 (Tas)* and supplied to Council.

Effective 1 July 2026, Council has chosen Annual Assessed Value (AAV) as the basis for determining general rates within the municipality.

8.2 Rating System

Applicable principles

In adopting policies and making decisions concerning the making or varying of rates, Council will take into account the following principles:

- rates constitute taxation for the purposes of local government, rather than a fee for a service; and

- the value of rateable land is an indicator of the capacity of the ratepayer in respect of that land to pay rates.

General rate

In accordance with section 90 of the Act, each year Council sets one general rate for all rateable land (including tenements) within the municipality.

A number of properties within the municipality are exempt from the general rate because of the operation of section 87 of the Act (e.g. they are owned and occupied exclusively for charitable purposes).

Minimum general rate

Section 90(4) of the Act allows Council to set a minimum amount payable in respect of the general rate for all rateable land in the municipality.

Council sets a minimum rate to ensure that all ratepayers make a reasonable base contribution to services and infrastructure provided for the whole community, including recreational and community engagement facilities.

Variations to the general rate, and minimum amount

Section 107 of the Act permits Council to vary the general rate, and the minimum amount payable, according to any, or all, of the following:

- use or predominant use of land;
- non-use of land;
- locality of land;
- planning zones; and
- any other prescribed factor, which includes subcategories of the use or predominant use of land set out as uses of land in the most recent Land Use Codes provided to councils by the Valuer-General (*Local Government (General) Regulations 2025*, regulation 40(c)).

Council currently varies the general rate by land use, and the zoning prescribed by the *Tasmanian Planning Scheme – George Town*.

While all residents benefit from Council's total infrastructure and service provision, the aim of varied rates is to collect revenue to ensure that services can be delivered to all ratepayers in the municipality.

Council has decided to apply differential rates according to the Land Use Codes provided by the Valuer-General listed below, and planning zones determined with reference to the *Tasmanian Planning Scheme – George Town*:

- Industrial use;
- Commercial use;

- Residential use – averaged area rating; and
- Port and Marine use.

Averaged area rate

Under Part 9 - Division 6A of the Act, Council can make an averaged area rate (**AAR**) for residential purposes, on the same day it makes a general rate.

Council will take into account the principles in section 86A(1) of the Act in its adoption of AAR for properties used for residential purposes within the municipality.

Council considers that an AAR provides the means of ensuring all residential ratepayers within a location contribute equally to the delivery, maintenance, renewal, upgrade and administration of Council's existing and additional infrastructure, and services.

In making an AAR Council must consider the following:

- locality to which the AAR relates;
- categories of rateable land; and
- whether the AAR is limited to a range of values of land.

In the municipality, the AAR has been applied to land used or predominantly used for residential purposes in the following localities:

- Beechford;
- Bellingham;
- George Town;
- Hillwood;
- Lefroy;
- Low Head;
- Lulworth;
- Mount Direction;
- Pipers Brook;
- Pipers River; and
- Weymouth.

The AAR is determined by ascertaining the total revenue that would ordinarily be collected at the rate in the dollar set by Council annually on the basis of the sum of all relevant amounts

of individual properties in a locality, and dividing the revenue by the total number of properties in each locality (see section 109B of the Act).

8.3 Services Rates and Charges

The *Fire Protection Rate* is levied on behalf of the State Government to contribute towards the funding of the Fire Commission. The Fire Protection Rate is determined by the Fire Commission.

Council sets an annual *Waste Management Charge* that is applied equitably to each rateable land assessment within the municipality at a rate set by Council's annual Rates Resolution. The purpose of the charge is to maintain Waste Services at Council's Waste Transfer Station, and maintenance of waste bins in all public open spaces.

Kerbside waste collection charges for garbage and recycling collection are charged to all residential and general rates properties where there is a current dwelling.

Commercial/industrial premises may elect to have kerbside waste collection at the current charge. Vacant properties (i.e. properties without an approved dwelling) are not entitled to kerbside collection. Council (through the General Manager) may require or permit kerbside waste collection in special circumstances or for specific applications.

8.4 Objections to Rates Notice

Council will consider any objections to rate notices in accordance with section 123 of the Act.

8.5 Rate Concessions

Concessions are administered by various State Government agencies that determine eligibility and pay the concession directly to Council on behalf of the ratepayers. A reduction on local government rates and charges (capped at a maximum amount each year) is available to a person who on July 1 each year holds a:

- DHS or DVA Pensioner Concession Card;
- DHS Health Care Card; or
- Veterans Affairs Gold Card (TPP).

Application for a rate concession is to be made through the Council. Application forms and instructions are available in person at Council's offices or via Council's website.

The card holder must occupy the property as their principal place of residence and be legally responsible for the rates on that property at the commencement of the financial year. A limit of one concession per year per pensioner household applies.

Ratepayers must not withhold payment of rates pending the outcome of an assessment of an application by the State Government.

8.6 Payment of Rates

Timing of payment

Council allows rates to be paid in four instalments, with payments due as follows:

- 31st August;
- 31st October;
- 31st January; and
- 31st March.

Difficulty in Paying

If any ratepayer may, or is likely to, experience difficulty in making the standard payment schedule, then they should contact the Rates Department at the Council office to make an arrangement (penalty and interest will apply). Such enquiries are treated confidentially by Council.

Those experiencing financial hardship may lodge an application to assistance in line with Council's Financial Hardship Policy-GTC-P8. Application forms for consideration under this policy can be found on Council's website.

(Note: If a ratepayer does not pay the rates on his or her property and does not have an agreed payment arrangement in place, Council may commence legal action to recover the outstanding amount. If Council takes such action the ratepayer will also be liable for legal costs associated with the action).

Methods of payment

- In person at Council office;
- By post - cheque or money order;
- By telephone;
- By direct debit;
- Centrepay (Centrelink direct debit system);
- At Service Tasmania offices;
- Council's website: www.georgetown.tas.gov.au;
- BPay; and
- POSTbillpay (Australia Post).

Late payment of rates

If rates are not paid by the required instalment dates, or by the lump sum payment due date, they will incur penalty and interest, in accordance with section 128 of the Act.

Council charges a penalty of the unpaid rate or instalment at a rate of 5% (maximum rate is 10% under the Act).

Council charges interest in respect of the unpaid rate or instalment for the period during which it is unpaid, on a daily basis, in accordance with the Act.

When a payment is made for rates, Council applies the money received in accordance with section 131 of the Act, as follows:

- First - in payment of any costs awarded to, or recoverable by, the council in any court proceedings undertaken by the council for the recovery of the rates;
- Second - in discharging any liability for interest;
- Third - in payment of any penalty;
- Fourth - in discharging liabilities for rates in the order of which those liabilities arose.

Non-Payment of rates

Section 137 of the Act provides that a Council may sell any property to recover outstanding rates where the rates have been outstanding for three years, or more. Council is required to:

- notify the owner of the land of its intention to sell the land,
- provide the owner with details of the outstanding amounts; and
- advise the owners of its intention to sell the land if payment of the outstanding amount is not received within 90 days. Except in extraordinary circumstances, Council will enforce the sale of land for arrears of rates.

8.7 Remission of Rates

In accordance with section 129 of the Act, Council will consider any application for the remission of all or part of any rates paid or payable by the ratepayer or any penalty imposed or interest charged under section 128 of the Act.

8.8 Disclaimer

In accordance with section 86B(6) of the Act, any rate, averaged area rate or charge is not invalid by reason only that it does not conform with this Policy.

Further, in accordance with section 86A(2) of the Act, any exercise of Council's powers to make or vary rates cannot be challenged on the grounds that the principles referred to in section 86A(1) of the Act were not taken into account by Council.

9. IMPLEMENTATION & REVIEW OF POLICY

Implementation of this Policy rests with Council. This Policy will be reviewed in 2028 or in accordance with legislative requirements.



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Shane Power
GENERAL MANAGER

DATED 28 / 05 / 26