

CITY OF HOBART RATES AND CHARGES POLICY



City of **HOBART**

Document Control

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Acknowledgement of Country

In recognition of the deep history and culture of our city, we acknowledge the Tasmanian Aboriginal People as the Traditional Custodians of this land. We acknowledge the determination and resilience of the Palawa People of Tasmania who have survived invasion and dispossession and continue to maintain their identity, culture, and rights. We recognise that we have much to learn from Aboriginal People today, who represent the world's oldest continuing culture. We recognise the value of continuing Aboriginal knowledge and cultural practice. We pay our sincere respects to Elders past and present and to all Aboriginal People living in and around Hobart.

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1. Introduction

Rates and charges are an important revenue source for local government, comprising approximately 65% of the City of Hobart's (Council's) annual income. In setting its rates and charges Council has the challenge of balancing the need to fund existing services, the continual demand for increased services, the need to maintain and renew essential infrastructure required of a Capital City and the desire to keep increases to rates and charges to a minimum.

Council uses the revenue collected from rates and charges to fund the provision of more than 300 programs and services to the community and provide the infrastructure required and expected of a modern, well serviced and growing Capital City.

Following a 12-month review of the City's rating practices, which included community consultation, at its meeting on 29 April 2024 Council adopted a Rating and Valuation Strategy to guide the City's rating practices.

This document sets out the City of Hobart policy for setting and collecting rates from its community and meeting the requirements of Part 9 of the *Local Government Act 1993* (the Act) in accordance with the City of Hobart Rating and Valuation Strategy 2024-28

This Rates and Charges policy will explain:

- The relationship between Council's Strategic Plan, budget and rates;
- Council's goal in setting its rates and charges;
- The principles Council uses when setting its rates and charges;
- How Council sets its rates and charges for the year;
- What rates and charges are levied in the Hobart municipal area;
- The services that rates and charges fund for the benefit of the community;
- Rates rebates and remissions;
- How and when to pay rates and the consequences of late payments; and
- Ratepayer objection rights.

The City of Hobart Rates and Charges Policy will be reviewed at least every 4 years by 31 August unless a change occurs that requires Council to amend its Rates and Charges Policy under section 86B(4) of the Act.

2. Relationship between Council's Strategic Plan, Budget and Rates

The Rates and Charges Policy has been prepared within the context of Council's integrated planning and reporting framework, which aligns the City's annual planning and reporting with performance evaluation and continuous improvement and ensures the Capital City Strategic Plan and Long-term Financial Management Plan are put into action through the City's Annual Plan and Annual Budget Program. In setting its rates, Council gives primary consideration to the Community Vision for the City, strategic directions, financial sustainability and the likely impacts on the community.

The Council has worked with the community to develop a community vision for the City, set out in the document Hobart: A community vision for our island capital, to guide the City's strategic planning.

The Capital City Strategic Plan 2023 puts the community vision into action. The plan is built around eight pillars from the community vision and will guide the City's work over the next 10 years. Each pillar has outcomes that detail what the City is trying to achieve and the strategy it will use to get there.

Performance in achieving the major actions and initiatives outlined in the Annual Plan are reported to the community through Council's Annual Report.

2.1 Pillars

Pillar 1 – Sense of place

- Hobart keeps a strong sense of place and identity, even as the city changes.
- Hobart's cityscape reflects the heritage, culture and natural environment that make it special.

Pillar 2 – Community inclusion, participation and belonging

- Hobart is a place that recognises and celebrates Tasmanian Aboriginal people, history and culture, working together towards shared goals.
- Hobart is a place where diversity is celebrated and everyone can belong, and where people have opportunities to learn about one another and participate in city life.
- Hobart communities are active, have good health and wellbeing and are engaged in lifelong learning.
- Hobart communities are safe and resilient, ensuring people can support one another and flourish in times of hardship.

Pillar 3 – Creativity and culture

- Hobart is a creative and cultural capital where creativity is a way of life.
- Creativity serves as a platform for raising awareness and promoting understanding of diverse cultures and issues.
- Everyone in Hobart can participate in a diverse and thriving creative community.

Civic and heritage spaces support creativity, resulting in a vibrant public realm.

Pillar 4 – City economies

- Hobart's economy reflects its unique environment, culture and identity.
- Diverse connections give people opportunities to participate in the economic life of the city and help the economy, businesses and workers thrive.
- Hobart is a place where entrepreneurs and businesses can grow and flourish.
- Hobart's economy is strong, diverse and resilient.

Pillar 5 – Movement and connectivity

- An accessible and connected city environment helps maintain Hobart's pace of life.
- Hobart has effective and environmentally sustainable transport systems.
- Technology serves Hobart communities and visitors and enhances quality of life.
- Data informs decision-making.

Pillar 6 – Natural environment

- The natural environment is part of the city and biodiversity is conserved, secure and flourishing.
- Education, participation, leadership and partnerships all contribute to Hobart's strong environmental performance and healthy ecosystems.
- Hobart is a city supported by ecologically sustainable waste and water systems.
- Hobart is a leader on climate change moving toward a zero-emissions and climate-resilient city.
- Hobart's bushland, parks and reserves are places for sport, recreation and play.

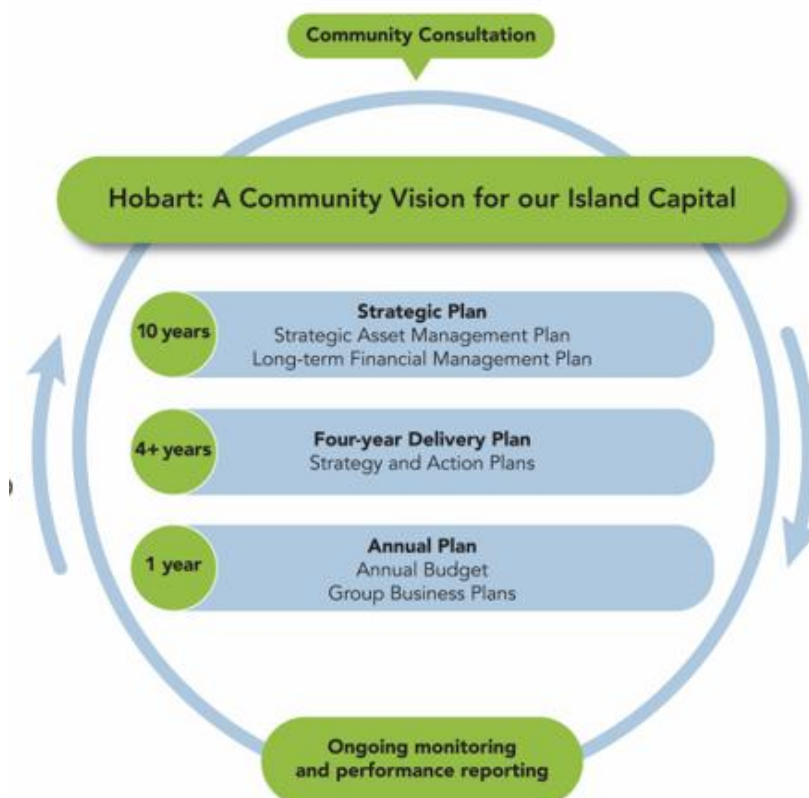
Pillar 7 – Built environment

- Hobart has a diverse supply of housing and affordable homes.
- Development enhances Hobart's unique identity, human scale and built heritage.
- Infrastructure and services are planned, managed and maintained to provide for community wellbeing.
- Community involvement and an understanding of future needs help guide changes to Hobart's built environment.

Pillar 8 – Governance and civic involvement

- Hobart is a city that is well governed that recognises the community as an active partner that informs decisions.
- Hobart is a city that delivers public value and excellence by being a financially responsible, high performing and accountable organisation that is responsive to the needs of the community.

The City's Integrated Planning and Reporting Framework is outlined in the following diagram:



2.2 Long-term Financial Management Plan

Council's Long-term Financial Management Plan (LTFMP) provides a plan to resource Council's future directions outlined above and ensure Council's financial sustainability in the long-term. Council defines financial sustainability as follows:

"A Council's long-term financial performance and position is sustainable where planned long-term service and infrastructure levels and standards are met without unplanned increases in rates or disruptive cuts to services."

Financial sustainability is particularly important for local government because councils hold assets worth in the billions of dollars (large relative to their revenue bases), that have lives of in some cases well over 100 years.

Council has over \$2 billion in physical assets, managed through Asset Management Plans, including buildings, parks infrastructure, plant, vehicles and equipment, playground equipment, road infrastructure, stormwater infrastructure and The Doone Kennedy Hobart Aquatic Centre. The expected life of Council's infrastructure assets varies from 3 years to 150 years. It is important for Council to adequately fund asset management to ensure its assets achieve their full expected service life but can also be renewed without incurring large rates increases in the future.

Council's LTFMP is used in the preparation of its annual budget and Council's rates and charges policy is prepared within its context. Information on how rates and charges are calculated is included in section 5 and 6.

3. Goal

Council's goal in raising rates and charges is to ensure a sufficient revenue base for Council to:

- Continue to provide existing activities, programs and services to the community.
- Provide new or expanded services to the community.
- Ensure a balanced budget and provide a strong financial basis for effective management of expenditure programs to provide for both current and future community requirements.
- Encourage a strong, growing and sustainable local economy with appropriate levels of infrastructure assets and facilities.
- Provide certainty of funding for the provision of infrastructure identified by Council in its Long-term Financial Management Plan and Asset Management Plans.

4. Policy Principles

In adopting its Rates and Charges Policy and making decisions concerning the making of rates, Council has taken into account the following pursuant to section 86A(1) of the Act:

- (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.

Council currently raises revenue for the vast majority of its services through the Capital Value rating system and not through a user pays pricing system. Council's rating system does not separate those aspects of a particular service that may have a public benefit from those that have a more private benefit such as a kerbside waste collection.

Council rates are based on property values and are therefore a property tax. Generally, the Act expects that the higher the value of the property the higher the rates to be paid.

Council determines rates and charges after due consideration of the following:

- The principles of taxation outlined in section 86A(1) of the Act, outlined above.
- The objectives, strategies and actions outlined in the Council's Strategic Plan, Annual Plan and Long-term Financial Management Plan.
- Council's legislative obligations.
- The needs and expectations of the general community.
- The level of the cost of maintaining existing facilities and necessary services.
- The need for additional services and facilities.

In setting its policy on rates and charges, Council has applied the following principles of taxation:

- Equity –by taking into account the different levels of capacity to pay within the local community;
- Wealth Tax – rates paid are dependent upon the value of the ratepayer's property.
- Benefit – by recognising that Council services benefit the community as a whole.
- Simplicity – by using a rating system that is simple, practical and cost effective to administer as practicable.
- Sustainability – the rating system supports the City's financial strategies for the delivery of infrastructure, programs and services in Council's Long-term Financial Management Plan and Strategic Asset Management Plan.
- Efficiency – by supporting the the financial, social, economic and environmental, and other strategic objectives outlined in Council's Capital City Strategic Plan 2023.
- Transparency – by being open in the processes involved in the making of rates and charges.
- Timeliness – by ensuring all ratepayers are given adequate notice of their liability to pay rates and charges.
- Flexibility – by responding where possible to unforeseen changes in the economy.
- Compliance – by complying with the requirements and intent of relevant legislation.
- Capacity to Pay – by including mechanisms to support those with least capacity pay.
- Diversity – by acknowledging that there is considerable diversity in the economic circumstances of households and businesses relative to their income.

5. Property Valuation Base

Under section 89A of the Act Council has the choice of three bases of value of land:

- Land Value – the value of the property excluding all visible improvements such as buildings, structure, fixtures, roads, etc.
- Capital Value - the total value of the property, excluding plant and machinery and includes the land value; or

- Assessed Annual Value (AAV) - the estimated yearly rental value of the property, excluding GST, council rates and land tax, but is not to be less than 4% of the capital value of the property.

Council uses the Capital Value of a property as a basis for valuing land in the municipal area, recognising the benefits of Capital Value and that of all the three valuation bases, it demonstrates the strongest performance of the three bases against the principles of taxation. It is easiest to understand, most equitable (particularly in terms of capacity to pay) and allows Council the flexibility to levy differential rates.

Capital Value reflects capacity to pay rather than the other two bases as it incorporates the developed value of properties i.e. the total value, and therefore most closely aligns with the wealth tax principle in determining the distribution of rates. The Capital Value valuation method takes into account the full development value of the property and hence better meets the equity principle than Land Value and AAV.

Adoption of Valuations

Setting rates based on property values, whether on land value, capital value or the assessed annual value (AAV) as determined by the Valuer-General, is a requirement of the *Local Government Act 1993*.

Under the *Valuation of Land Act 2001* the Valuer-General must determine the land value, capital value and assessed annual value of each property in the Hobart municipal area and provide this information to Council. Council has no role in the process of determining the valuations ascribed to individual properties.

Council adopts the valuations made by the Valuer-General as provided to the Council and uses the valuation of each property as the basis for calculating the rates on that property.

All land within the Hobart municipality is rateable except for land specifically exempt under section 87 of the Act.

Ratepayers are encouraged to contact the Office of the Valuer-General if they have any objections in relation to their property valuation.

6. Rates and Charges

Rates and charges are calculated each year during Council's budget process. The budget process involves Council setting its priorities and expenditure levels to enable the key strategic objectives outlined in Council's Annual Plan to be implemented.

Through the budget process Council also specifies its capital requirements to renew infrastructure assets, plant and equipment and create new essential infrastructure for the City; as well as the community programs and services it will provide in the next financial year; and how much these will cost.

A Council budget also estimates the revenue to be collected from other sources such as parking fines, Commonwealth and State grants, distributions from Council's ownership interest in TasWater, rents, interest income and parking and other fees and charges. Using these

estimates Council determines the amount of revenue it needs to collect in rates revenue to meets its financial responsibilities for the coming year.

Council uses property values as the basis for calculating how much each property owner pays in rates. Property values are not calculated by Council; they are provided to Council by the Office of the Valuer-General.

After identifying how much it needs to collect in rates and charges, Council calculates the total amount required to fund waste management services, food organics and garden organics collection services, stormwater removal services, the State Government fire levy and the State Government landfill levy, leaving the balance required from General Rates.

Generally, the rate in the dollar is calculated by dividing the total amount of money the City needs to raise from each land use to provide infrastructure, programs and services by the total capital value of all rateable properties in the Hobart municipal area by land use.

Council varies the rates by applying a higher rate in the dollar to specific land uses to maintain an equitable distribution of the rate burden in the move to Capital Value rating.

The rate in the dollar for each land use is then multiplied by the value of a property, using the capital value, to establish the amount to be paid by each property owner plus service rates and charges.

The formula for calculating General Rates, excluding service rates and charges, arrears or additional supplementary rates is therefore:

$$\text{Valuation (Capital Value)} \times \text{Rate in the Dollar (Differential Rate Type)}$$

The rate in the dollar for each rating differential category is included in Council's annual Rating Resolution.

Council sets its budget annually to ensure it raises the budgeted amount required. Valuations do not determine the rates income of a Council, and as a result, Councils do not gain windfalls from valuation increases and an increase in property values does not cause a rate rise.

Council raises its rates and charges through the following:

6.1 General Rate

Pursuant to section 90 of the Act, the General Rate is levied on all rateable properties within the Hobart municipality and provides revenue to fund over 300 Council programs and services, except those related to Council's stormwater removal services, waste management services including landfill rehabilitation services, food organics garden organics collection services, the State Government fire levy and the State Government landfill levy.

The Council varies the general rate based on the use or predominant use of the land to maintain the equitable distribution of the rates burden amongst property owners.

The Council limits the increase on the general rate at 5% using a maximum percentage increase cap to help mitigate significant rate increases in the move to Capital Value for land used or predominately used for commercial and industrial purposes.

The maximum percentage increase cap does not apply to a supplementary valuation issued by the Valuer-General.

Short Stay Visitor Accommodation and Vacant – Residential Land

The Council also varies the general rate for properties used for short stay visitor accommodation and vacant – residential land.

The objective is to ensure housing stock is retained and ensure owners of residential land used for the commercial purpose of short stay visitor accommodation contribute to the provision of Council services and facilities that are associated with that commercial use e.g. economic development, tourism, communications and marketing; and for properties with a land use of vacant – residential, to encourage development of vacant land for housing and other purposes, promote the development of all properties to their full potential thereby stimulating economic growth and development in all areas of the municipal area, to discourage the holding of land; and to ensure vacant land owners contribute an equitable share of the rate burden compared to other types of land owners.

6.2 Stormwater Removal Service Rate

Pursuant to section 93 of the Act, the Stormwater Removal Service Rate is levied on all rateable properties within the Hobart municipal area. It provides revenue that covers the operation and maintenance of the piped and non-piped stormwater systems and the waterways, which includes major rivulets and a host of minor watercourses.

In addition, this revenue funds Council's flood management activities and provides for the replacement of elements of the stormwater and waterways asset base. This includes the kerb and guttering and underground stormwater pipes along Council's roads and the general maintenance of Council's rivulet's and their tributaries. As such these services have a public and community-wide benefit.

The Stormwater Removal Service Rate also contributes towards stormwater works in all roads, which allows residents to travel along those roads safely during rainfall.

Council also has in place litter traps within stormwater systems and waterways to limit the amount of pollution entering the Derwent Estuary.

The Council varies the stormwater removal service rate based on the use or predominant use of the land to maintain the equitable distribution of the rates burden amongst property owners.

6.3 Fire Service Rate

Pursuant to the *Fire Services Act 1979*, local government acts as a collection agent for this State Government tax, which is paid directly to the State Fire Commission.

Council has no control over the level of the Fire Service Rate. It is required to collect this revenue on behalf of the State Government which is then passed onto the Tasmanian Fire Service.

The State Fire Commission identifies 3 districts for the Hobart municipality, being:

- Fern Tree Volunteer Brigade Rating District;
- Permanent Brigade Rating District; and
- General Land.

There is a different fire service rate for each district and a minimum fire service contribution. The Council varies the rate for the permanent brigade rating district based on the use or predominant use of the land to maintain the equitable distribution of the rates burden amongst property owners.

6.4 Waste Management Service Charge

Pursuant to section 94 of the Act, the Waste Management Service Charge is levied on all rateable properties within the Hobart municipal area.

In addition to the standard kerbside waste and recycling collections, the waste management service charge provides revenue that covers a number of activities with a more general benefit such as solid waste minimisation initiatives and contributions to a range of recycling initiatives, which have a public and community-wide benefit.

In 2010/11 Council introduced a waste management service charge following its decision to move away from AAV based rates for waste management and introduce a flat charge that all properties would pay. Council felt that this would make the waste management service fairer and more equitable across the community.

Non-residential properties pay double the waste management service charge of residential properties reflecting that a standard garbage collection service means:

- In the case of a residential property, 120 litres of solid waste per week; or
- In the case of a non-residential property, 240 litres of solid waste per week.

The Waste Management Service Charge includes revenue to fund the rehabilitation of the McRobies Gully Waste Management Centre.

From 1 July 2011 Council introduced a temporary ratepayer levy to fund the rehabilitation of the McRobies Gully Waste Management Centre. The levy appeared on the annual rates notice as a Landfill Rehabilitation Service Charge. The temporary landfill rehabilitation service charge was introduced because the McRobies Gully Waste Management Centre was considered to be nearing the end of its life as an active landfill.

The City has a permit to operate the landfill until 2030, at which point it will close and no new permit will be sought to operate a landfill within Hobart. As such the City has a detailed level of certainty on key factors such as how long the landfill has left, how much rehabilitation is required, and how much it will cost to complete the works. The amount to be collected for

landfill rehabilitation was amended to a lower annual amount from 1 July 2018, collected over a longer timeframe, and will be recovered from the rates as part of the Waste Management Service Charge until 30 June 2027.

Non-residential properties pay double the amount of residential properties reflecting the different waste collection volumes, being:

- In the case of a residential property, 120 litres of solid waste per week; or
- In the case of a non-residential property, 240 litres of solid waste per week.

Rehabilitation of the landfill involves installing an impervious layer of capping over the landfill and landscaping. These works are required so as to prevent methane and other greenhouse gasses entering into the atmosphere, and to prevent rainwater entering the landfill, and are required by law under the permit issued by the Environment Protection Authority to rehabilitate the landfill upon closure.

6.5 Food Organics Garden Organics Collection Service Charge

Pursuant to section 94 of the Act, a Waste Management Service Charge for food organics garden organics collection is levied on all rateable properties within the Hobart municipal area to which Council supplies or makes available a food organics garden organics collection service utilising a food organics garden organics collection bin. The Council offers a standard fortnightly collection and a weekly collection at an additional charge.

Service is provided to residential properties:

- With three or less tenancies;
- A land area between 400m² and 4000m²; and
- Located outside Sullivans Cove, the CBD and Fern Tree.

Properties outside the above area are able to Opt-in to the service.

For more information on the Food Organics Garden Organics waste collection service visit: www.hobartcity.com.au/FOGO.

6.6 Waste Management Levy Offset Service Charge

From 1 July 2022, the State Government introduced a state-wide landfill levy pursuant to the *Waste and Resource Recovery Act 2022* on waste disposed to landfill both as a disincentive to landfilling and as a mechanism to fund strategic investment into Tasmania's waste and resource recovery sectors and circular economy. The City is required to pay the levy to the State Government under the Act. The levy equates to \$20 per tonne of waste disposed to the City's landfill in the first two years, then \$45 per tonne after two years and \$66 per tonne after a further two years.

7. What Programs and Services does Council provide?

Rates and charges revenue funds more than 300 services for the benefit of the Hobart community. Many of Council's services, such as stormwater drainage, are largely invisible, but they may prevent flooding in Hobart streets each year.

8. Rebate of Rates

Under section 87 of the Act Council is required to grant a rebate of the General Rate to specific properties that are owned for specific purposes outlined in the Act.

Applications for the rebate of rates under section 87 of the Act must be made in writing and include appropriate documentation to support the application.

Council's Policy Rates Exemption – Charitable Purposes is available from Council's website at: www.hobartcity.com.au/Council/Council_Policies

For more information contact Council's Rates Office on tel: 03 – 6238 2787 or email: coh@hobartcity.com.au.

9. Rates Remissions

9.1 Pensioner Remissions

Pensioners eligible for assistance under the *Local Government (Rates and Charges Remission) Act 1991* may receive a rebate as follows, noting that limits apply:

- State Government - 30% (maximum limits apply)
- State Fire Commission - 20% (of the Fire Service Rate)

Pensioners are eligible for a remission if they hold the following cards:

- Centrelink or Department of Veterans' Affairs Pensioner Concession Card
- Centrelink Health Care Card
- Department of Veterans' Affairs 'Gold Card' endorsed with TPI or War Widow

The card holder must be legally responsible for the rates on the property and be their principal place of residence. In the case of joint ownership, at least one of the owners must meet the eligibility criteria. There is a limit of one remission per year per pensioner household.

Pensioners who received a remission last year should receive a remission automatically. Any pensioner who has not previously received a remission must complete an application form and possess a current Pensioner Concession Card (PCC) with a date of grant on or before 1st July of the current financial year.

An application form is available online from the City's website at: www.hobartcity.com.au/Residents/Rates/Pensioner-discounts or from the Customer Service Centre, 16 Elizabeth Street, Hobart. If you are submitting an application in person it is necessary that current concession cards be presented to Customer Service when submitting an application form. If you are submitting an application online you will need to upload a copy of your current concession card to this application.

Eligibility of a pensioner remission is determined by the State Government - Department of Treasury and Finance and not by Council.

9.2 Rate Remissions

Pursuant to section 129 of the Act, a ratepayer may apply to the Council for remission of all or part of any rates paid or payable or any penalty imposed or interest charged under section 128 of the Act.

Applications for rates remissions should be made in writing and addressed to the Chief Executive Officer.

The Chief Executive Officer is authorised to grant a rates remission up to the value of \$8,000. Where the value of the rates remission exceeds \$8,000 the authority of the Council is required, by absolute majority.

Generally, a property will only receive a remission of the stormwater removal service rates and / or the waste management service charge in the event that:

- The property does not receive and is not capable of receiving a standard garbage collection service or stormwater removal service from the Council whatsoever; and
- Even if the property were capable of receiving such a service, a request to Council for such a service would be denied.

The term 'standard garbage collection service' means:

- In the case of a residential property, 120 litres of solid waste per week; or
- In the case of a non-residential property, 240 litres of solid waste per week.

This does not affect any remissions the Council may grant as part of setting the General Rate and Service Rate and Charges in any given year.

Short Stay Visitor Accommodation

As outlined in section 6.1 above, the Council has adopted a differential general rate for residential short stay visitor accommodation. The differential general rate is 2x the general rate applied to residential land in the Hobart municipal area.

The objective of the differential rate is to ensure housing stock is retained and ensure owners of residential land used for the commercial purpose of short stay visitor accommodation contribute to the provision of Council services and facilities that are associated with that commercial use e.g. economic development, tourism, communications and marketing.

A property will only receive a 50% remission of the residential short stay visitor accommodation general rate where the property is no longer being used for short stay visitor accommodation has demonstrably returned to residential use.

A return to residential use is limited to circumstances where the property is actively and genuinely used for:

- A primary place of residence; or
- A long-term residential tenancy.

A property will not be eligible for a remission where it is vacant, temporarily not listed for short stay accommodation, being marketed for sale, or otherwise not actively used for a residential purpose. These circumstances do not constitute a change in land use for rating purposes.

Applications for remission must be supported by appropriate evidence confirming a genuine change in use. This may include, but is not limited to, current signed tenancy agreement, utility account records, drivers licence, change of address documentation, or a statutory declaration.

Where a remission is approved, the effect of the 50% remission will be to reduce the differential general rate to the differential general rate for land used for residential purposes.

Vacant – Residential Land

As outlined in section 6.1 above, the Council has adopted a differential general rate for residential vacant land. The differential general rate is 2x the general rate applied to other types of vacant land in the Hobart municipal area.

The objective of the residential vacant land rate is to encourage development of residential vacant land for housing and other purposes, promote the development of all properties to their full potential thereby stimulating economic growth and development in all areas of the municipal area, discourage the holding of land; and ensure residential vacant landowners contribute an equitable share of the rate burden compared to other types of landowners.

A property will only receive a 50% remission of the vacant residential land general rate in the event that:

- The property has received a planning permit, a building permit, if applicable and a plumbing permit, if applicable from Council for their property indicating a commitment to develop the land for residential purposes.

If there are pieces of adjacent or other land that cannot be developed for residential purposes in their own right (due to size, easements or boundaries as examples), such as areas that are land locked, the property may be entitled to the 50% remission of rates.

The effect of the 50% remission will be to reduce the differential general rate to the general rate applied for non-use of the land (other types of vacant land).

Penalty and Interest

The criteria for granting a remission of penalty and/or interest charges is based on extenuating circumstances, as follows:

- Penalty was incurred as a result of an error on the part of Council staff such as a receipting error;
- The amount was paid to a past property or using an incorrect property number;
- The ratepayer is able to provide evidence that their payment has gone astray in the post or late payment has otherwise resulted from matters outside their control e.g. a disruption to normal banking service;

- If a new owner receives penalty and / or interest resulting from the Notice of Sale procedure i.e. lateness of issue of sale notice, incorrect postal address or late payment of rates on property settlement.
- Council accepts that there are extraordinary or compassionate grounds for the remission. Examples are:
 - Serious illness or accident of ratepayer or family member at the due date;
 - Death of immediate family member at the due date; and
 - Birth.
- Other extenuating circumstances not outlined above that are considered reasonable by the Chief Executive Officer.

Requests for penalty and/or interest remissions should meet the following conditions:

- Requests must be made in writing to the Chief Executive Officer.
- A good payment history which means that over the past 2 years all instalments of rates have been paid on time and payment is made within a short time following the ratepayer becoming aware of the non-payment.
- No previous penalties or interest amounts have been remitted for the two years immediately prior to the application for penalty and/or interest remission.
- The ratepayer attempted to have the amount paid on time and/or extenuating circumstances exist for its non-payment on time.

Each application will be considered on its merits and remission will be granted where it is considered just and equitable to do so.

10. Payment of Rates

Council levies the rates once a year and issues an annual rates notice to all ratepayers. Rates are due for payment on the following dates each year:

- 15 August
- 15 November
- 15 February
- 15 April

Rates can be paid in full by the first instalment due date, by two equal amounts on the first and third instalment due date or paid in four equal amounts on the instalment due dates shown above.

Council offers a free service to ratepayers who wish to opt-in to receive a SMS reminder when a rates instalment is due. Ratepayers can register to receive the service by completing the registration form online from the City's website or by contacting the Rates Team.

Council does not offer a discount for the early payment of rates or for paying rates in full by the first instalment due date.

Council offers a range of convenient and flexible payment options for the payment of rates, as follows:

Payment in Person

The rates notice should be presented intact when making a payment at the Customer Service Centre, 16 Elizabeth Street, Hobart between 8.15am and 5.00pm, Monday to Friday.

Telephone

Telephone payments can be accepted for holders of Visa or MasterCard by calling the payments hotline on 1300 886 745, 24 hours a day, every day.

Internet

Internet payments can be made by Visa or Mastercard at Council's [Payments page](#). Call your bank, credit union or building society to arrange payment from your cheque or savings account.

BPay

BPay payments can be made from a cheque, credit card, debit, transaction or savings account. Please refer to your rates notice for your BPay reference number.

Mail

Cheques or money orders should be made payable to Hobart City Council and posted to 'The Chief Executive Officer, Hobart City Council, GPO Box 503, Hobart 7001'. Receipts for cheques are subject to due collection of money. Council will not accept postdated cheques.

Australia Post

Payment is accepted at all Australia Post offices in the country. Payment must be made by the due date and the notice presented intact at time of payment.

Direct Debit

Payment can be made by direct debit through weekly, fortnightly, monthly or instalment payments that are automatically debited from your bank account. For further information about payment of rates by direct debit please contact the Rates Office on 03 - 6238 2787, email coh@hobartcity.com.au or complete the online [Direct Debit Request form](#) and return it to Council.

11. Late Payments

Council will exercise its rate recovery powers under the Act in order to reduce the overall rate burden on ratepayers and to better manage the scarce financial resources of Council. It will be guided by the principles of:

- Simplicity – by making the processes used to recover rates arrears straight forward as well as easy and cost effective to administer.
- Transparency - by making clear the obligations of the ratepayer to pay rates and the consequences of failing to pay rates.
- Responsibility – making clear the obligations of ratepayers to pay rates.
- Equity – applying the same treatment and processes for ratepayers with the same circumstances.
- Flexibility by responding where necessary to changes in the local economy
- Capacity to pay – having regards to the financial hardship of individual ratepayers and negotiating support under the City's Financial Hardship Assistance Policy on application.

Rates are due for payment on the instalment due dates outlined in section 10. Council does not send final reminder notices to those property owners that do not pay their rates by the instalment due date.

Where rates remain unpaid after the instalment due date Council will charge a penalty on unpaid instalments in accordance with section 128(1)(c) of the Act, and thereafter interest will be charged monthly.

The purpose of penalty and interest is to act as a deterrent to ratepayers who might otherwise fail to pay their rates on time, to allow Council to recover the administrative cost of following up unpaid rates and to cover any interest cost the council may meet because it has not received the rates on time.

Any ratepayer who may, or is likely to, experience difficulty with meeting the standard instalments and due dates can contact Council to discuss alternative payment arrangements. Requests should be made in writing. It should be noted that penalty and interest will still be levied in accordance with section 128(1)(c) of the Act under any payment arrangement. However, a ratepayer who is having difficulty meeting rate payment obligations to Council can apply to Council for financial hardship assistance, as detailed in section 12 of this Policy, below.

Rates and charges are payable within the period as stated on the rate notice. Should a ratepayer fail to pay within the stipulated period or not enter into an approved arrangement to pay Council may institute the following procedure.

- If rates are not paid, a letter will be sent advising the ratepayer that any arrears will be summonsed unless arrears are paid or a satisfactory arrangement entered into. Council will make every effort to contact ratepayers to collect outstanding rates prior to taking further action.
- In response to approaches by ratepayers who have difficulty in meeting scheduled payments, suitable arrangements for payments will be considered and may be entered into.
- Where rates remain unpaid, a summons for arrears is issued.
- However, if a ratepayer has made satisfactory arrangements with Council to clear rates arrears and has adhered to those arrangements, summons will not be required.

Section 131 of the Act provides that when the Council receives a payment in respect of the rates, the Council applies the money received as follows:

- First – to satisfy any costs awarded in connection with court proceedings
- Second – to satisfy any interest imposed
- Third – to satisfy any penalty imposed
- Fourth – in payment of rates, in chronological order (starting with oldest amount first).

11.1 Sale of Land for Non-Payment of Rates

Section 137 of the Act provides that a Council may sell any property where the rates have been in arrears 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 owner of its intention to sell the land if payment of the outstanding amount is not received within one month.

12. Financial Hardship Assistance

The City recognises that some ratepayers may experience significant financial hardship. The City has adopted a Financial Hardship Assistance Policy to provide assistance to ratepayers in meeting their rates payment obligations to Council.

Ratepayers in the Hobart municipal area experiencing genuine and serious financial hardship and needing assistance should contact the City's Rates Team as soon as possible on 03 – 6238 2787, email coh@hobartcity.com.au or apply online for financial hardship assistance.

To view the City of Hobart's Financial Hardship Assistance Policy or to apply online, visit <https://www.hobartcity.com.au/Council/Rates/Financial-Hardship-Rates-Relief>.

13. Objection Rights

Pursuant to section 123 of the Act a person may object to a rates notice on the following grounds:

- The land specified in the rates notice is exempt from the payment of the rates.
- The amount of the rates is not correctly calculated.
- The basis on which the rates have been calculated does not apply.
- He or she is not liable for payment of the rates specified in the rates notice.
- He or she is not liable to pay the rates for the period specified in the rates notice.

An objection is to be made in writing within 28 days after receipt of the rates notice and lodged with the Chief Executive Officer.

Pursuant to section 109 of the Act a ratepayer may object to a variation in a rate (differential rate) based on a particular use of the land. The only ground for an objection is that the use of the ratepayer's land is not the use of land on which the variation is based.

An objection is to be made in writing within 21 days after receipt of the rates notice, state the use of the land, be accompanied by evidence of the use of the land and lodged with the Chief Executive Officer.

If a ratepayer has enquiries related to their property valuation or is dissatisfied with a property valuation then an objection may be made to the Office of the Valuer-General (OVG) by completing the online objection form at: [Objection Form - Valuation Portal \(dpipwe.tas.gov.au\)](https://dpipwe.tas.gov.au) or contacting:

Office of the Valuer-General
Department of Natural Resources and Environment Tasmania
GPO Box 44
Hobart TAS 7001
Phone: 03 6165 4444 (Option 2)
Email: ovg@nre.tas.gov.au

14. More Information

For more information on Council rates and charges please contact Council's Rates Office on:

City of Hobart Rates and Charges Policy

Tel: 03 - 6238 2711.

Email: coh@hobartcity.com.au

Visit Council's website at: www.hobartcity.com.au/Residents/Rates

Or visit www.hobartcity.com.au/Council/Contact-us