



MEDIA RELEASE

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For immediate release

Councils Work to Ensure Fair and Equitable Rating

There has been considerable debate in recent weeks about rating exemptions, with a recent focus on crown leases. The core argument is the same, one of equity.

“It is unfair on the whole community to have some residents or businesses that make little or no contribution to community services and facilities,” says LGAT President, Mayor Doug Chipman.

For many years, councils have levied rates against marine facilities (boatsheds, slipways and jetties) with Public Reserve Classification (including commercial operations such as fish factories) which are on, or adjacent to crown land, based on long running valuation data from the Office of the Valuer-General.

Councils did so believing that the legislation and policy frameworks allowed this, and with the knowledge and support of State Government. Recently, the State Government's Crown Land Services Department identified that the legislation may be deficient in this regard.

Mayor Chipman says, “The Local Government Association of Tasmania has sought the support of the State Government to address the legislative loophole to ensure appropriate rating practice can continue.”

The intent of the exemptions in the *Local Government Act* was to support the intent of the 2003 financial reform agreement between State and Local Government. Under this agreement, national parks, conservation areas, public parks and roads, bridges and associated infrastructure are exempt from rates.

“However, the focus of the financial reform agreement was on public, not private benefit”, says Mayor Chipman.

“The exemptions were not intended to create private or commercial benefit from the use of such land at the expense of other residents and businesses in the municipality.”

“In fact, the agreement states that both the State and Local Government are committed to the principle of non discrimination so that the law is administered on a consistent basis across all taxpayers and that the changes are not to have the effect of imposing an increased tax burden on any other tax payer,” Mayor Chipman said.

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