

Rates and Charges Policy 2026

1. PURPOSE

The purpose of this policy is to:

- provide guidance on setting equitable rates and charges, considering the nature of property characteristics and relative capacity to pay within the community
- provide transparency to the community on the setting of rates and charges, and
- meet council's obligations under section 86B of the *Local Government Act 1993* (Tas).

2. OBJECTIVE

This policy is designed to:

- provide a clear rationale to guide Council's decision-making process for setting rates and charges

3. SCOPE

The policy provides a framework within which Council will set rates and charges to be levied on properties within its municipal area.

The policy informs the decision-making process, however, does not represent the making of specific decisions with respect to property rating. Such decisions will be made annually, or as required, in accordance with relevant legislative requirements.

4. DEFINITIONS

The following definitions apply to this policy:

Council	means the elected members (the councillors) of the City of Clarence
council	means the organisation responsible for administering City of Clarence functions and services
policy	means this policy
AAV	means the assessed annual value as determined by the Valuer General under the <i>Valuation of Land Act 2021</i> (Tas).
Act	means the <i>Local Government Act 1993</i> (Tas).
Capital Value (CV)	means the capital value as determined by the Valuer General under the <i>Valuation of Land Act 2001</i> (Tas).

Council stormwater system	means any infrastructure component of any public stormwater system operated and maintained by council within the Clarence municipal area in accordance with the <i>Urban Drainage Act 2013</i> (Tas).
Land Use Code (LUC)	means the land use code as determined by the Valuer General under the <i>Valuation of Land Act 2021</i> (Tas).
Split Tenure	means apportioning the total Capital Value of the property in accordance with the individual AAV tenancies as provided by the Valuer General.

5. POLICY STATEMENT

The City of Clarence is committed to levying property rates and charges in an equitable and efficient manner, considering the nature of property characteristics, relative capacity to pay within the community and council’s obligations under the law.

6. POLICY ELEMENTS

7.1 RATES

Rates, being a form of taxation, will be levied on all rateable properties (unless otherwise determined by legislation or Council policy) regardless of the extent to which council functions and services are used by or apply to the owners or residents of those properties.

The primary basis for determining the level of general rates (and, where determined appropriate, other rates) levied on individual properties will be the Capital Value of each parcel of land. Under section 86A(1) of the Act, Capital Value is considered an indicator of capacity to pay.

General Rate

The City of Clarence will levy a general rate on all rateable property (unless otherwise determined by legislation or Council policy). This rate is set to recover the cost of council functions and services where specific users cannot readily be identified, or where a regime of full cost recovery has not been established by Council.

The general rate comprises two elements:

1. a fixed charge in recognition that each rateable property should bear a reasonable portion of the total rate burden, and
2. a rate in the dollar consistent with the principle of rates being a form of taxation.

Fire Protection Rate

The City of Clarence will also levy one or more service rates for fire protection, with associated minimums. These will be levied as advised by the State Fire Commission in accordance with relevant legislation.

Waste Management Rate

The City of Clarence will levy a service charge in respect of waste management (refer Council's adopted Waste and Resource Recovery Services Policy 2024) based on services provided. Services are provided to all residential dwelling units to which council supplies or makes available a kerb side domestic refuse collection service.

The City of Clarence will also impose a waste levy to offset the waste levy payable by council to the State Government under the *Waste and Resource Recovery Act 2022*. The levy is imposed on refuse bins only (not recycling or green waste bins) and the cost depends on the size of the bin.

Stormwater Removal Rate

The City of Clarence will levy a stormwater removal rate on all land which:

- drains into a council stormwater system, or
- which does not drain into a council stormwater system, but where the nearest boundary of the land is within 30 metres of a council stormwater system, which is designed to remove stormwater from adjacent land, and council is satisfied that it is reasonable to make a connection from that land into the council stormwater system.

A minimum amount will be levied in respect of the stormwater removal rate in recognition that each rateable property should bear a reasonable portion of the total rate burden relating to stormwater removal.

Variations to Rates

Variations to rates will be applied (including where additional rates are set), in accordance with the Act, in circumstances where Council determines there is a reasonable basis for charging differentiation to occur. In particular, variations to rates will be applied:

- based on the property land use code and if applicable subsequent classification within these codes:

R – Residential

C – Commercial

I – Industrial

L – Primary Production

P – Public Service, Institution and Utility

Q – Quarrying and Mining

S – Sporting Facility/Recreation

V – Vacant Land

- in respect of fire protection in accordance with statutory notice provided to council by the State Fire Commission.

Split Tenures

The general rate is determined by the land use code applied by the Valuer General when determining the valuation of properties. Where a property has multiple uses, the main use of the property is used to determine the land use code provided by the Valuer General.

In the case of land, which has multiple uses, the Valuer General may separately determine the AAV of those portions if they are satisfied that the land is capable of separate occupation.

These separate AAV's enable council to provide rating via Split Tenures – only council owned properties or properties which are exempt from rates under section 87 of the Act or as determined by Council, will be considered for Split Tenure rating.

7.2 RATE EXEMPTIONS

Section 87 of the Act provides for a rate exemption in limited circumstances, including:

- land owned and occupied exclusively by the Commonwealth; land held or owned by the Crown that is not land to which a relevant right to occupation relates and that is land that meets specific use provisions
- land, held or owned by the Crown, that is a seabed
- land owned by the Hydro-Electric Corporation or land owned by a subsidiary
- land or part of land owned and occupied exclusively for charitable purposes
- Aboriginal land, within the meaning of the *Aboriginal Lands Act 1995 (Tas)*, which is used principally for Aboriginal cultural purposes, and
- land or part of land owned and occupied exclusively by a council.

Requests for exemption from rates in accordance with section 87 of the Act must be made in writing to the Chief Executive Officer.

7.3 REMISSION

While the City of Clarence will provide rate remissions through this policy in identified circumstances, council is committed to the principle that social welfare responsibilities lie with Tasmanian and Australian Governments and the mechanisms established by those levels of government to administer social welfare. Remissions will be applied to rates otherwise payable in respect to specific properties and/or classes of ratepayers where Council determines there is social, economic, or equity benefit to the community in providing such rebates.

7.3.1 Boat shed

Those ratepayers that lease land from the Crown and upon which there is constructed a boat shed or a jetty used for private purposes.

7.3.2 Cemeteries

Where private land is used exclusively as a cemetery and where the owner of the land does not receive financial consideration for the operation of the cemetery.

7.3.3 Concession Card Holders

In respect of eligible concession card holders, as determined by State Revenue Office, (*Local Government (Rates and Charges Remissions) Act 1991*).

7.3.4 Conservation Protection Areas

Where land is subject to conservation protection arrangements, a remission applies as notified by the Tasmanian Department of Natural Resources and Environment.

7.3.5 Large rural properties

In respect of owners of rural properties and in recognition of the size and unique characteristics of those properties, a remission is provided in respect of component (a) of the General Rate, (as per clause 2.1), per table below.

To be eligible for the remission, the rateable land is 50 hectares or greater in area, with a LUC of R5 – Rural Residential and is wholly or partially zoned pursuant to the Tasmanian Planning Scheme – Clarence Local Provisions Schedule, as Agriculture, Rural Living, Landscape Conservation or Rural.

Area of Land	Proportional Remission of component (a) of the General Rate
Not less than 50 hectares and not greater than 80 hectares	20% of component (a) of the general rate
Greater than 80 hectares	30% of component (a) of the general rate

For all other properties that were eligible for the remission in 2025-26, their remission will be reduced by 10% each year until extinguished. The table below shows the reduction in their remission until extinguished.

Non Rural Residential	Rating Year				
	2025/2026	2026/2027	2027/2028	2028/2029	2029/2030
Land Size	Proportional Remission of component of the General Rate				
20 - 50 Hectares	20%	10%			
50 - 80 Hectares	30%	20%	10%		
Above 80 Hectares	40%	30%	20%	10%	

Rural Residential (R5)	Rating Year		
	2025/2026	2026/2027	2027/2028
Land Size	Proportional Remission of component of the General Rate		
20-50 Hectares	20%	10%	

7.3.6 Not-for-Profit Organisations

The general rate will be charged in respect of a not-for-profit organisation (including council exclusive use lessees). A not-for-profit organisation may be granted a remission of the general rate if they do not operate a commercial venture (on all or part of the property).

In determining the remission Council will consider the principles of the National Competition Policy, equity for all ratepayers and the frequency and nature of events/activities undertaken by the organisation. All organisations applying for the remission are also required to provide proof of their not-for-profit status to the satisfaction of council. Organisations will be required to renew any general rate remission approved, every two (2) years, or at a time determined by Council based on the property and the usage.

7.3.7 Revaluation

In respect of properties which would otherwise experience unreasonable rate increases resulting from rapid shifts in statutory valuations relative to the average of other properties in the city.

7.3.8 Waste

In respect of properties exempt under council's adopted Waste and Resource Recovery Services Policy 2024.

All remissions within this section are to be subject to written application to the Chief Executive Officer. Some remissions will require applications to be submitted every year.

7.4 LATE PAYMENTS

Where rates remain unpaid after the due date, council will apply interest and penalty in accordance with section 128 of the Act.

Exceptions

If the ratepayer adheres to regular payments through council's direct debit system and the total rates are paid in full by the final direct debit payment date, interest and penalties will not be applied.

Where the ratepayer has adhered to an approved payment arrangement plan or been granted postponement of their rates on completion of council's hardship application, penalties do not apply.

Deceased estates are not charged penalties, and legal action will not commence for a period of twelve (12) months from notification of titled owner's death.

Requests for Special Consideration

The City of Clarence may remit penalty and/or interest if the following conditions are met:

- a request is made in writing to the Chief Executive Officer
- over the past two (2) years all instalments of rates have been paid on time
- no previous penalties or interest amounts have been remitted, and
- the ratepayer has 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 a remission will be granted where it is considered just and equitable to do so.

A remission of interest or penalty within this section are to be subject to written application to the Chief Executive Officer.

7. RELATIONSHIP TO COUNCIL STRATEGIC PLAN

The following Focus Area and strategic objectives are identified in the City of Clarence Strategic Plan 2025 – 2035:

Focus Area 1 - Strategy and Delivery

- 1.2 - Leadership and good governance
- 1.4 - Effective policy and planning
- 1.6 - Responsible and Resilient management.

8. RELATED DOCUMENTS

The legislation and documents listed below form the framework to give effect to this policy.

Legislation (Acts, Regulations and By-Laws)

- *Local Government Act 1993 (Tas)*
- *Waste and Resource Recovery Act 2022 (Tas)*
- *Fire Service Act 1979 (Tas)*
- *Valuation of Land Act 2001 (Tas).*

Council policy, plans, procedures, codes of practice and guidelines

- Waste and Resource Recovery Services Policy 2024
- Recovery of Outstanding Rates Policy 2025

- Financial Hardship Policy 2023
- Pricing and Term of Lease Policy 2006

NOTE: This Rates and Charges Policy 2026 replaces any references to rates in the Pricing and Terms of Lease Policy 2006.

9. ADMINISTRATIVE ARRANGEMENTS

Approvals

Council	15 June 2026	Minute (Reference)	
Review period	Annually		
Date 1	No later than June in any year		
Group Head	Chief Financial Officer Jane Murrell	ECM Reference	

Table of amendments

No.	Date	Brief Details
	June 2026	Revised and adopted by Council