

RATES AND CHARGES POLICY

JUNE 2020

1. PURPOSE

The purpose of the policy is to:

- To provide a clear rationale to guide council's decision-making process.
- To inform the community.
- To meet council's obligations under S86B of the *Local Government Act 1993* (the Act).

The purpose of this policy will be achieved by:

- levying property rates and charges in an equitable manner;
- taking into account the varying nature of property characteristics;
- relative capacity to pay within the community; and
- Fulfilling council's obligations in accordance with relevant legislative requirements.

2. POLICY STATEMENT

Clarence City Council is committed to levying property rates and charges in an equitable manner, taking into account the varying nature of property characteristics, relative capacity to pay within the community and Council's obligations under the law.

3. SCOPE

This policy provides a high-level framework within which Council will set rates and charges to be levied on properties within its municipal area. It is intended to inform 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. LEGAL REQUIREMENTS

The Act requires council's policy to take account of the following matters:

- That 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.

5. POLICY DETAILS

In response to its own Policy Statement above and legislative requirements under which it is bound, council determines the following policy detail:

- 5.1. Rates will be levied on all rateable properties (unless otherwise determined by legislation, this policy or related council policies), regardless of the extent to which council functions and services are used by or apply to the owners or residents of those properties. This is consistent with the principle of rates being a form of taxation (as determined by section 86A(1) of the Act).
- 5.2. 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 (CV) of each parcel of land. This is consistent with the value of land being an indicator of capacity to pay (as determined by section 86A(1) of the Act).
- 5.3. Council will levy a general rate on all rateable property (unless otherwise determined by legislation, this policy or related council policies). This rate will recover the cost of council functions and services for which specific users cannot readily be identified, or for which a regime of full cost recovery through user charges has not been established by council. The general rate will be made up of two components:
 - 5.3.1. A fixed charge in recognition that each rateable property should bear a reasonable portion of the total rate burden; and
 - 5.3.2. A rate in the dollar consistent with the principle of rates being a form of taxation (as above).
- 5.4. Section 87 of the Act provides for an exemption from the general on land as specified in the Act.
 - 5.4.1. A request for an exemption within this section is to be subject to written application to the General Manager. The General Manager is hereby provided with delegation to make determination with respect to such applications.
- 5.5. Council will levy one or more service rates for fire protection, with associated minimums. These will be levied in accordance with notifications provided by the State Fire Commission under relevant legislation.

- 5.6. Council will levy a service charge in respect of waste management. This will be based on a fixed sum per property where the service is available.
- 5.7. Council will levy a stormwater removal rate on properties with substantial access to a stormwater removal service.
- 5.8. 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.
- 5.9. Variations to rates will be applied (or, where provided, additional rates 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:
 - 5.9.1. To properties other than commercial, industrial, public purposes, or quarrying and mining in respect of the general rate and stormwater rate. This is in recognition that at times the market value of the property class so identified may broadly move in a different market cycle to that of commercial, industrial, public purpose and quarrying and mining properties.
 - 5.9.2. In respect of the waste management charge in recognition of variations in the level of service provided including bin size and/or frequency of service. The variation in service level will include the provision of larger bins and/or multiple bins at property owners' request.
 - 5.9.3. In respect of fire protection in accordance with statutory notice provided to council by the State Fire Commission.
- 5.10. Rebates will be applied to general 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. Specific rebates will be applied:
 - 5.10.1. In respect of pensioners eligible for a rate remission under the Local Government (Rates and Charges Remissions) Act 1991 in recognition that this group represents a significant section of the community which, as a whole, has a limited capacity to pay a taxation burden.
 - 5.10.2. In respect of owners of large rural properties in recognition of the unique characteristics of those properties, the limited services provided by council, and the role the rural sector plays in the community.



- 5.10.3. In respect of new commercial development, as a temporary measure only, to assist in stimulating the ongoing economic development of the city. Rebates will apply in accordance with Appendix A.
- 5.10.4. 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.
- 5.11. Rebates will be applied to waste management charges 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. Specific rebates will be applied as follows:
 - 5.11.1. A full rebate of waste management charges in respect of commercial, industrial, public purpose, primary industry and quarrying and mining properties where the waste management service is not used, and alternative arrangements are made for a waste management service to the satisfaction of the General Manager. This is in recognition that council's waste management service may not meet the specific needs of all such operations.
 - 5.11.2. A full rebate of waste management charges in respect of residential properties located in the South Arm Peninsula area south of the Lauderdale Canal which are demonstrably not the primary residence of the ratepayer, where no waste management service is required by the ratepayer, and where alternative arrangements are made for a waste management service to the satisfaction of the General Manager. This is in recognition that the service is unlikely to be utilised by such property owners.
 - 5.11.3. A full rebate of waste management charges in respect of residential properties where it can be demonstrated to the satisfaction of the General Manager that, due to exceptional circumstances, a waste management service is not practical or able to be used and that alternative refuse disposal arrangements are in place.
 - 5.11.4. Where a ratepayer has been issued with a 120 litre mobile garbage bin and demonstrates that they actively participate in the recycling and greenwaste services provided by council and that the immediate family unit residing at the property consists of six or more people. The rebate will be the difference between the charge for a 120 litre bin and a 80 litre bin.
 - 5.11.5. All rebates within this section are to be subject to written application to the General Manager. The General Manager is hereby provided

with delegation to make determination with respect to such applications.

- 5.12. Rebates will be provided in respect of the following additional matters, subject to approval by the General Manager:
 - 5.12.1. A remission in respect of all rates and charges payable by Housing Tasmania where the total amount due for a year is paid on or before the due date of the first rates instalment for that year, determined by the General Manager to be no greater than the additional interest earnings gained by council from the prepayment of such rates instalments.
 - 5.12.2. Where land is subject to conservation protection arrangements a remission of the General Rate of \$5 per hectare applies to the land that is subject to the conservation protection arrangements, with a minimum remission of \$50 applying and a maximum remission of \$500 applying.
 - 5.12.3. 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 the General Rate is remitted.
 - 5.12.4. All rebates within this section are to be subject to written application to the General Manager. The General Manager is hereby provided with delegation to make determination with respect to such applications.
- 5.13. The general rate will not be charged in respect of a not for profit sporting organisation except where subject to agreement between the council and the organisation or where otherwise the organisation operates a commercial venture to support its own operation. (In this context a "commercial venture to support its own operation" will not include an activity which can reasonably be construed to be ancillary [as opposed to additional] to the normal operations of the club).
- 5.14. While council will provide rate rebates through this policy to various classes of ratepayers from time to time, it is committed to the principle that social welfare responsibilities lie with State and Federal Governments and the mechanisms established by those levels of government to administer social welfare.
- 5.15. Where determined appropriate, and in accordance with the Act, council will cap the increase in rates otherwise experienced by certain ratepayers. This will generally be in response to significant shifts in the rating burden arising



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from changes in valuations or council's rating policy and will be an annual determination made by council.

- 5.16. Where rates remain unpaid after the due date, council will apply interest in accordance with S128 of the Act.



APPENDIX A

Rates Incentives – Commercial Developments

1. A remission of rates may apply to all new private sector non-residential developments within the city which increase the total floor area available for rating.
2. The remission is for the increase in rates arising from the amended capital value issued in relation to a development but does not include that portion of rates relating to State Government charges and levies.
3. The remission applies for 12 months from the date from which the revaluation takes effect for rating purposes.
4. The remission applies to building applications received after the date of council's policy decision and shall only apply where a building permit has been issued by council.
5. Applications for a remission must be received prior to or within the same financial year as the date from which the revaluation takes effect for rating purposes.
6. Where relevant, developers must apply in writing to the General Manager each financial year to gain approval for the remission.
7. Delegated authority is provided to the General Manager to approve such applications within council's policy.