

TITLE:	Rates Exemption and Concession Policy		
DIVISION:	Corporate Services		
ADOPTED BY:	Barkly Regional Council		
DATE OF ADOPTION:	22 March 2018	DATE OF REVIEW:	February 2022
MOTION NUMBER:	OC 59/18		
POLICY NUMBER:	CP000038		
AUTHORISED:	Barkly Regional Council		

THIS POLICY APPLIES TO:

All employees of the Barkly Regional Council and its Elected Members.

SUMMARY

This policy details the framework by which the Local Government Act is applied in regard to

- Exempt land (S144); and
- Rates concessions (Part 11.8)

OBJECTIVES

To establish the circumstances under which applications for concession or exemption from rates and charges may be granted.

The authority to levy rates on property is vested in the Council by the *Local Government Act*. In some circumstances it may be considered appropriate for the payment of rates to be deferred or for a rates concession to be granted. Efficient administration of the Council's rating system requires that officers have the authority to act on Council's behalf and this policy sets out the framework under which this delegated authority may be exercised.

BACKGROUND

The Local Government Act S144 sets out where land is to be exempt from the payment of rates. These include

- Crown land
- Council land (except where leased for a non-exempt purpose)
- Public places including parks, playgrounds, sportsgrounds, cemetery, roads etc.
- Land belonging to a religious body if it is a place of worship, residence of a minister of head of the religious body, or institution for training
- Public Hospital
- Land used for non-commercial purposes by a public benevolent institution or public charity
- Youth centre
- Kindergarten, School, University or other tertiary educational institution
- A public library or public museum
- Common property under the Real Property (Unit Titles) Act

- Land Trust or Aboriginal community living area association land (except where regulated as rateable, has a lease or used for commercial purpose.)
- Land exempted under other Acts.

S144 also states that where there is more than one purpose and one of those is non-exempt the property is rateable.

In most instances the exemption is determined by the class of owner. However in the instance of land used for non-commercial purposes by a public benevolent institution or public charity the land use will determine the exemption.

The *Local Government Act* (Part 11.8) provides that a Council may grant a rate concession unconditionally or on conditions determined by the Council. This concession may be in the form of a waiver of all or part of rates payable or in the form of a deferment.

Applications must be made in writing, explaining the need for financial assistance. Sufficient information and supporting documentary evidence so as to satisfy the statutory and assessment criteria must be included.

A concession may be granted:

- On the grounds of financial hardship on application by a person who establishes to the Council's satisfaction that the person will suffer financial hardship if the concession is not granted. (Section 165)
- To correct anomalies in the operation of the rating system. The Council may grant a rate concession to a ratepayer or ratepayers of a particular class if satisfied that it is necessary to do so in order to correct anomalies. A concession of this type may be granted on the Council's own initiative or on application by an affected ratepayer. (Section 166)
- For the purpose of public benefit: The Local Government Act provides that the Council may grant a rate concession under this section on its own initiative or on application by a ratepayer if satisfied that the concession will advance one or more of the following purposes:
 - Securing the proper development of its area;
 - Preserving buildings or places of historical interest;
 - Protecting the environment;
 - Encouraging cultural activities;
 - Promoting community health or welfare
 - Encouraging agriculture;
 - Providing recreation or amusement for the public.

However, a rate concession of this type may only be granted if authorised under a policy formally adopted by resolution of the Council and is subject to limitations and conditions specified in that policy. (Section 167)

As the granting of such concessions is discretionary a framework is needed to ensure an equitable and transparent process.

POLICY

1. Exempt Land (S144)

- A person may apply to the council to amend the classification of an allotment under S154.
- Where this application is to amend the classification of the allotment to “land used for non-commercial purposes by a public benevolent institution or public charity” the applicant must provide documentary evidence that
 - The organisation is in fact a public benevolent institution or public charity
 - The allotment is being used for a non-commercial purpose. Non-commercial does not include
 - Leasing arrangements where a commercial rent is applied
 - Operation of a business enterprise

2. Rates concession to alleviate financial hardship (S165)

- Barkly Regional Council recognises that individuals can experience difficulty in meeting their responsibilities for the payment of rates and that it may be appropriate where financial hardship has been demonstrated to grant a concession in respect to the payment of rates.
- The concession granted can be either a waiving of rates levied (i.e. abandonment), or a deferment (for recovery at a later time).
- Relief from payment of rates on the grounds of financial hardship will only apply to a natural person(s) who use the rated property as their principal place of residence.
- Relief from payment of rates on the grounds of financial hardship will not apply to:
 - Self-employed persons operating their business from their place of residence
 - Businesses
 - Clubs or organisations that hold a licence to sell liquor and/or operate gaming machines
- The concession granted will be either a waiving of rates levied, or a deferment.
- Rates waived will not be recovered at a future time;
- Rates deferred will be recovered at a future time - either when the ratepayer's circumstances change or when the property is sold. Until paid, deferred rates remain a charge against the land.
- Where it is considered that a concession in respect of financial hardship is not warranted the Council may allow property owners who are unable to pay their rates by the due date to enter into an arrangement to pay by instalments according to an agreed schedule, with no interest being charged or recovery action being undertaken while the arrangement is being maintained.

3. Correcting anomalies in operation of rating system (S166)

- Barkly Regional Council may grant a rate concession to a ratepayer or ratepayers of a particular class if satisfied that it is necessary to do so in order to correct anomalies.
- A concession of this type may be granted on the Council's own initiative or on application by an affected ratepayer.
- Rates waived will not be recovered at a future time.

4. Public Benefit Concessions (S167)

- Barkly Regional Council will give consideration to granting a rate concession on its own initiative or on application by a ratepayer if satisfied that;
 - The ratepayer is a *community services organisation* defined as an organisation that
 - Is incorporated on a not-for-profit basis for the benefit of the public; and
 - Provides community services without charge or for a charge that is below the cost to the body of providing the services; and
 - Does not restrict its services to persons who are members of the body.
- The concession will advance one or more of the following purposes:
 - Securing the proper development of its area;
 - Preserving buildings or places of historical interest;
 - Protecting the environment;
 - Encouraging cultural activities; Promoting community health or welfare;
 - Encouraging agriculture;
 - Providing recreation or amusement for the public.
- The quantum of any concession will be decided on a case-by-case basis depending on the circumstances of the organisation with the maximum concession to be 75% of the applicable rate.

Where it has been decided that a concession would be appropriate this will be achieved in the following manner.

 - The rate payer will pay the rates before the due date and upon receipt the Council will donate to the organisation an amount equivalent to 75% of the rates paid by the organisation as a community grant.
 - The intent of this procedure is to provide transparency. To be eligible for a concession rates must be paid before the due date.
- Any concession granted will be for the current rating year only.

5. Community Associations and Crown Leases

- Council recognises that incorporated community associations which have been granted tenancy of a property by way of a Crown Lease for a specific purpose, may experience difficulty in meeting their responsibilities for the payment of rates whilst in the process of substantially achieving the purpose of that Crown Lease.
- Where the specific purpose of the Crown Lease satisfies the requirements of Part 11.8 of the *Local Government Act*, Council will waive (abandon) all rates until such time as the associations concerned have substantially achieved the purpose of the relevant Crown Lease and are therefore deemed to be in occupation of the parcels of land in question.

6. Council Budgets

- From the adoption of this Policy the annual budget of the Council will provide an estimated amount to allow for the refund of rates where a concession has been granted on the grounds of public benefit.

7. Garbage and other charges are essentially a fee for service proceeded and will not be waived.

RISK MANAGEMENT

The Barkly Regional Council when developing policies and procedures is aware that there may be risks that Barkly Regional Council employees, Elected Members, communities and stakeholders may be exposed to in its management and review of policies and procedures. In the implementation of the Barkly Regional Council policy development, all Elected Members, employees, communities and stakeholders are encouraged to communicate any risks they perceive to the Chief Executive Officer.

TERMINOLOGY & DEFINITIONS

Nil

REFERENCES

Nil

LEGISLATION & STANDARDS

Local Government Act

LINKS

Nil

RESPONSIBILITY & DELEGATION

The Chief Executive Officer has delegated authority to implement this policy and to make decisions inconsistent with the policy if, in the Chief Executive Officer's opinion, this is appropriate to meet the Council's operational requirements.

EVALUATION AND REVIEW

This Policy is to be reviewed every four (4) years, and may be reviewed at other times at the discretion of Chief Executive Officer.