



Policy Name	General Rates, Special Rates and Concessions	
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Responsible Officer:	Chief Corporate Officer	
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1. PURPOSE

The purpose of this policy is to set out a consistent, transparent and impartial process for the Council to manage rates and to consider rate concessions.

2. SCOPE

This policy applies to ratepayers, the Council, Chief Executive Officer, Chief Corporate Officer, and delegated staff.

3. DEFINITIONS

In the context of this policy the following definitions apply:

Interest on Unpaid Rates and Charges means an extra amount is owed to the Council if property rates and charges are overdue.

Rates are a tax on the land that provides income for Council. Rates are charged to property owners based on the Unimproved Capital Value (UCV) of their properties.

Rates Concession means that the Council waives some or all of a requirement to pay rates. It can also mean the Council postpones a rate payer's obligation to pay some or all of the rates.

Relevant Interest Rate means the percentage interest that the Council uses if rates and charges are overdue.

Remission of Interest means that the Council waives some or all of the interest owed to the Council.

Special rates are a tax on rateable land that is to be collected from a defined area, and used for a defined purpose.

Waiver (and waiving) means that the Council writes off some or all of a debt owed to the Council.



4. POLICY STATEMENT

Rating Principles

Council rates are a form of property tax levied by local government as a key source of funding for the many mandatory and discretionary services provided by Council. Rates are administered in line with the *Local Government Act*. This Policy sets out how Council sets and collects rates from its community in line with the following principles:

- Council's rates concessions provisions will reflect the best interests of the whole community and be compassionate, transparent, accessible, impartial, and consistently applied.
- The rates concession process will be accessible for a range of different rate payers (e.g. information available in plain English, particularly applicants who may require assistance).
- The rating system will be easy to apply, understand and comply with. Administrative simplicity will be applied and relates to the costs involved in applying and collecting rates.
- Confidentiality will be applied with all information provided treated as strictly confidential. All information pertaining to ratepayers will be stored securely.

Setting Rates

General rates, special rates and Council service charges are set in accordance with applicable legislation and regulations.

Exempt land, conditionally rateable land, and land rate exemption for public benevolent institutions, are subject to the application of legislation, including the commencement date for provisions of that legislation.

Rates and service charges will be reviewed each financial year as part of the budgetary process. In setting rates Council will take into account both the Consumer Price Index (CPI), and Local Government Cost Indexing (LGCI) provided by the Local Government Association of the NT, and any major increase in costs to Council (e.g. utility charges).

Annual rating will be based on land valuation, calculated as a proportion of the assessed unimproved capital value of each allotment to provide an overall approved level of revenue.

Levying of Special Rates

Council may make a decision to levy a special rate to fund a particular purpose. A special rate must be:

- Based on the rating principles
- Only be levied against those properties in the area that is the beneficiary of the special rate.
- The subject of consultation with opportunities for feedback by those ratepayers affected.
- Spent in accordance with the purpose for which the special rate was levied.

Notice of Rates

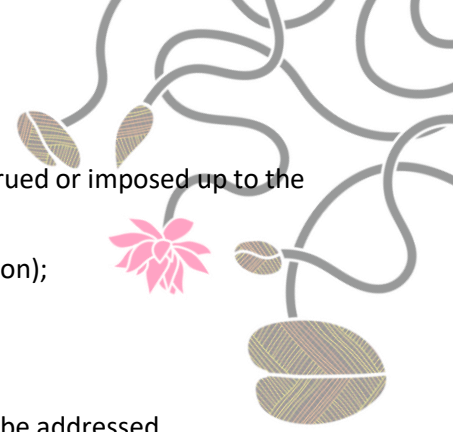
In accordance with the requirements of the *Local Government Act*, Council will issue rates notices at least (28) twenty-eight days prior to the due date of the first instalment. The notice will state the due dates and amounts for all instalments for the financial year.

A rates notice will contain:

- The name of the ratepayer to whom the notice is addressed;
- The number and description of the allotment to which the notice relates;



- Particulars of the amount payable (including any interest and penalties accrued or imposed up to the date of the notice);
- The basis of calculations of the rates (including, where relevant, the valuation);
- A description of the ways to make payment; and
- A short statement of the consequences of a failure to pay by the due date.



Council will issue reminder letters to rate debtors if there is an overdue amount to be addressed.

Rates Payment

Rates payments are due in full by the due date, unless application for a payment plan has been approved. No concessions are applied to rates paid in full by the due date. The exact dates that rates fall due, and the various options for making payment of rates, are included on the rates notice.

Where a ratepayer is experiencing financial hardship and anticipates difficulty in paying the next rate instalment notice, Council will work with the ratepayer to make alternative arrangements via payment plan. These arrangements will be treated confidentiality.

Payment arrangements can attract penalty interest for overdue rates, which will continue to accrue unless a rates concession has been granted to the rates debtor.

Rates Concessions

The Council may provide rate concessions to assist ratepayers experiencing financial hardship, to correct rate anomalies, or for public benefit. Applications for rate concessions should include how the applicant satisfies one of these reasons for rates concession.

A rate concession can be a deferral of the whole or part of rates amount owing, or a waiver of the whole or part of rates amount owing.

Under the *Local Government Act*, a rate concession cannot exceed the term of the Council.

Deferment of Rates

The Council may postpone some or all of a rate payer's obligation to pay rates.

The Council may postpone some or all of a rate payer's rates and charges, although rates and charges will continue to be levied subject to compliance with the following conditions:

- An application in writing must be submitted to the Chief Executive Officer by the ratepayer or the ratepayer's representative, providing evidence from an independent financial counsellor, whose assessment is that a person will suffer financial hardship if the rate concession is not granted. The Chief Executive Officer will determine the application outcome. Financial hardship applications will include an appropriate payment plan as part of the process, which may include specific conditions if granting the rates concession.
- A postponement may be on a fixed or on an ongoing basis until the property is disposed of, or sold.

The Council may charge interest on postponed rates at 50% of the Relevant Interest Rate.

Remission of Interest Accrued on Overdue Rates

- The Council charges interest on a daily basis on overdue rates.
- The Council will consider applications from ratepayers for remission of interest in situations of proven financial hardship, or to correct rate anomalies.



- Ratepayers must enter into a viable payment agreement and maintain it over the agreed time.
- The payment agreement shall not result in a debt growing larger.

Waiver of Rates, Charges or Fees

- The Council may provide a rate concession by waiving some or all of the rates.
- The Council may provide a rate concession unconditionally or on conditions that are determined by Council. If the ratepayer fails to comply with a condition, then council may, by notice to the ratepayer, withdraw the concession and require the ratepayer to pay an amount on or before a date specified in the notice, so as to neutralise any benefit to the ratepayer of the rate concession.
- Applications for waiving rates, charges or legal fees shall be submitted in writing to the Chief Executive Officer. The Chief Executive Officer or delegate shall determine amounts less than \$400. The Council will consider a confidential report and determine amounts greater than \$400.
- Any waiver shall be a one-off waiver in response to circumstances presented at the time.

Correction of Anomalies

- The Council may grant a rate concession to a ratepayer, or ratepayers of a particular category, in order to correct anomalies in the operation of the rating system.
- The Council may grant a rate concession on the Council's own initiative or on application by an affected ratepayer.
- A written application by the affected ratepayer or the ratepayer's representative outlining the anomaly shall be submitted to the Chief Executive Officer.
- The Chief Executive Officer or delegate shall determine amounts less than \$400. The Council will consider a confidential report and determine amounts greater than \$400.

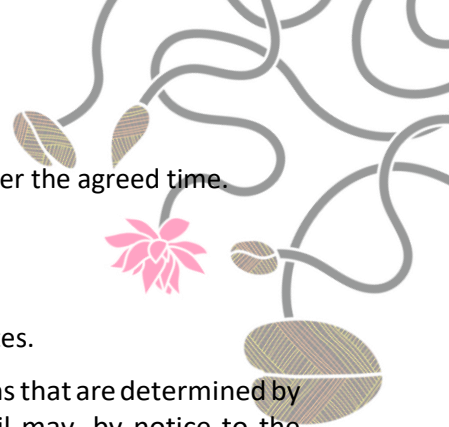
Public Benefit Concessions

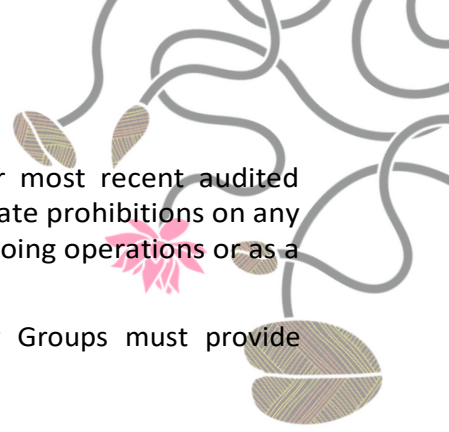
The Council may grant a rate concession if satisfied that the concession will advance one or more of the following purposes:

- 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.

An application for a rate concession requires a written submission to the Chief Executive Officer, and shall be presented to Council for consideration via a Business Paper in the confidential section of the agenda. Exclusions are:

- Sporting and community groups cannot apply for a rates concession on a property that caters for gambling.
- Government agencies.





Community groups must provide, with their application, a copy of their most recent audited financial statements and their Constitution. The Constitution must clearly state prohibitions on any member of the organisation making a private profit or gain, either from ongoing operations or as a result of distributions of assets if the organisation is wound up.

To be considered for rate concessions, Sport and Recreation Community Groups must provide substantial benefit - at least two of the following criteria must be met:

- The facility is regularly used for junior development.
- The facility is regularly used by members of the public other than members of the organisations at no charge.
- Where unrestricted / free access is not possible due to the type of facility, the organisation must provide 'pay as you play' type activities.
- Where unrestricted or un-supervised access is not possible to the facility due to the type of facility, organisations must demonstrate other methods of encouraging the community through open days, and come and try events, etc.

Sport and Recreation Community Groups are considered for rates concessions in three different categories:

- Category 1: Organisations that undertake sporting or recreational activities and rely on player fees and community fundraising only can apply for up to 100% rates concession.
- Category 2: not for profit organisations that undertake sporting or recreational activities and do not hold a liquor license can apply for up to 75% rates concessions.
- Category 3: Not for profit organisations that undertake sporting or recreational activities that hold a liquor license can apply for up to 50% rates concession.

Record of Rates

The CEO will keep a rates record containing, for each allotment of rateable land:

- All rates and charges being levied;
- The interest imposed;
- The amount of rates written off (if any);
- The amount of payments made; and
- Any rates concessions granted on the allotment.

Rates In Arrears

The CEO will, at least once in a financial year, give the Council a report setting out:

- The number of allotments with rates in arrears for more than 2 years and the total amount of those rates in arrears.
- The number of conditionally rated allotments with rates in arrears for more than 2 years and the total amount of those rates in arrears.
- The actions taken to recover the rates in arrears.

For further information on debt recovery, refer to the *Debt Management Policy*.



5. Responsibilities

The Chief Corporate Officer is the Policy Custodian for this policy and is responsible for reviewing the operation of the policy (every 3 years or more frequently as may be required), and for monitoring continuing relevance, effectiveness, and consistency with related documents and the Law.

Following approval of this policy document, the Chief Corporate Officer (or a nominated delegate) is also responsible for ensuring that the implementation and communication plan is implemented and that all Council employees have access to the policy.

6. Related Documents

Legislation and References

Local Government Act (NT)
Local Government (Administration) Regulations
Australian Accounting Standards

Policy documents

Debt Management Policy

Procedures

Nil

Instructions, tools, guidelines, forms and templates

Nil

