

# Rates Concessions Policy

## Council Policy



Policy Name	Rates Concessions Policy		
Type	Council Policy		
Owner	Chief Executive Officer		
Responsible Officer	Director Corporate Services		
Decision Number	22763	Approval Date	26/09/2023
Records Number	D2023/015062	Next Review Date	26/09/2026

### 1 Purpose

Rates income is the primary and most reliable source of revenue that Alice Springs Town Council uses to deliver services to the community. However, Council recognises that individuals can sometimes experience difficulties in meeting their responsibility for the payment of rates, and that it may be appropriate where financial hardship has been demonstrated to grant a concession to the payment of rates. As per the *Local Government Act 2019 (NT)*, concessions may also be applied to ratepayers who advance public benefit purposes, or to correct anomalies in the rating system.

This policy provides a framework to promote a consistent and efficient approach to rates administration and applying rate concessions to eligible ratepayers.

### 2 Definitions

For the purposes of this policy, the following definitions apply:

Term	Definition
<b>Deferment</b>	Rate relief granted to the ratepayer for the property, where rate payments are deferred for recovery at a later time, either when the ratepayer's circumstances change, or when the property is sold. Deferment can be subject to any conditions determined by Council. Deferred rates remain a debt against the property. Interest penalties do not apply to deferred rates.
<b>Financial hardship</b>	A ratepayer is unable, because of illness, unemployment or another reasonable cause, to discharge their financial obligations towards Alice Springs Town Council.
<b>Income test</b>	The annual net income or deficit determined from the applicant's statement of income and expenses related to basic living needs.
<b>Rate concession</b>	A waiver in whole or part of rates or a component of rates, or a deferment in whole or part of an obligation to pay rates or a component of rates.
<b>Ratepayer</b>	The registered owner of the property. Applications by third parties, other than the ratepayer, required written approval from the property owner.
<b>Special payment arrangement</b>	An arrangement negotiated between Council and a ratepayer to pay rates by instalment according to an agreed schedule. Once a payment arrangement has been approved, no interest will be charged on overdue amounts unless there is a default or the arrangement is removed.
<b>Waiver</b>	Removal of the liability to pay, and may include the whole or part of rates and/or legal charges.

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### 3 Policy Statement

In accordance with the *Local Government Act 2019 (NT)*, a rate concession is a:

- a) waiver in whole or part of rates or a component of rates; or
- b) deferment in whole or part of an obligation to pay rates or a component of rates.

Council must not agree to grant a rate concession for a financial year that does not fall wholly or partly within the current term of the Council.

A rate concession may be granted for the following reasons:

- a) to alleviate financial hardship; or
- b) to correct anomalies in the rating system; or
- c) to advance public benefit purposes.

The concession granted will be either a waiving of rates levied or a deferment.

A special payment arrangement for eligible ratepayers is another option that may be used.

#### 3.1 Financial Hardship Rate Concession

Council strongly encourages ratepayers to meet their rate and charges payment responsibilities. However, ratepayers experiencing financial hardship may apply for a rate concession as per the following:

- 3.1.1 A ratepayer demonstrating financial hardship can apply for a concession to **defer** the payment of part or all of the rates levied, providing that the application is for the ratepayer's principal place of residence.
- 3.1.2 Rates that are 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.
- 3.1.3 A rate concession on the grounds of financial hardship shall not apply to businesses. Businesses, however, can apply for special payment arrangements (refer to Item 3.3); the applicant must be the property owner.
- 3.1.4 A rate concession cannot be applied to charges levied for services provided by Council, for example: waste management, garbage collection, etc.
- 3.1.5 An application for a concession should be submitted before 30 September and applies for one financial year only; a new application is required for subsequent years.
- 3.1.6 An occupier of a residential property may make an application under this section providing the owner's consent has been obtained.
- 3.1.7 To apply for a rate concession, the applicable form detailing the ratepayer's income and expenditure needs to be submitted to Council.
- 3.1.8 No interest will be charged on approved deferred rate amounts unless there is a default, or the arrangement is removed.
- 3.1.9 The CEO also has discretion to **waive** rates in relation to financial hardship applications where there is evidence of severe financial hardship or extenuating personal circumstances.

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### 3.2 Special Payment Arrangement

A total deferral of owed rates can cause a secondary instance of financial stress when bills are eventually owed. Therefore, in most circumstances, Council will encourage property owners who are unable to pay their rates by the due date to enter an arrangement to pay by instalments, according to an agreed schedule, instead of a deferral. No recovery action will occur while the arrangement is being maintained, and no interest will be charged while payments are maintained as per the agreed schedule. Interest will be accrued, and legal action may proceed, if an arrangement fails through non-receipt of agreed payments.

The maximum life of a special payment arrangement is 12 months following the end of the financial year the arrangement was entered into.

### 3.3 Removal of a Rate Concession or Special Payment Arrangement

A payment arrangement or rate concession will be withdrawn for any of the following conditions:

- 3.3.1 The applicant gives Council any information which is false or misleading in respect of their application;
- 3.3.2 Any default in the arrangement;
- 3.3.3 The applicant advises that the hardship condition/s no longer exist; or
- 3.3.4 The applicant no longer owns the property.

### 3.4 Assessing Financial Hardship

Financial hardship is a change of circumstance that will impact the long-term ability of a ratepayer to pay rates and charges. Financial hardship may arise from a range of circumstances, including but not limited to unemployment, sickness or injury, or family breakdown.

Through the applicable form, applicants need to demonstrate that they are experiencing financial hardship by providing supporting evidence, such as:

- 3.4.1 Advise from a financial counsellor, advisor or legal representative;
- 3.4.2 Evidence of loss of employment;
- 3.4.3 Evidence of income support payment, if applicable;
- 3.4.4 Documents such as medical bills, notice of legal action pending in court, notice of repossession of assets such as a vehicle, goods or mortgaged property; or
- 3.4.5 Evidence of welfare or pension concession allowances.

The application must also include whether the request is for a special payment arrangement or deferment.

Applications are to be assessed by using a four-step process that is applied to an income test.

Income Test	Financial Hardship
Including rates, net income test balance is in credit.	No financial hardship exists.
Including rates, net income test balance is in deficit (debit).	Some financial hardship exists. Move to next step.

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Income Test	Financial Hardship
Reduce levied rates to the minimum rate for the zone, and the net income test balance is then in credit.	Consider a concession based on payment of the minimum rate for the zone. The amount of the concession is the difference between the levied amount and the minimum rate.
Reduce levied rates to the minimum rate for the zone, and the net income test balance is then in deficit.	Extreme financial hardship exists. Consider a concession based on payment of nil rates. The amount of the concession is the levied amount.

**Rate Concession** hardship applications are assessed by a delegated Council Officer, who will provide a recommendation on whether to support a rate concession or not to the CEO for approval. Council must be satisfied that the ratepayer will suffer increased financial hardship if a rate concession is not granted.

**Special Payment Arrangement** hardship applications are assessed by a delegated Council Officer, who will provide a recommendation on whether to support a special payment arrangement or not to the Director Corporate Services for approval.

## 3.5 Public Benefit Rate Concession

Alice Springs Town Council may grant a rate concession by waiving rates where satisfactory evidence is provided that the activities undertaken on the property are not-for-profit and that the relief will advance one or more of the following benefits for the general public:

- 3.5.1 Securing the proper development of the Council's area;
- 3.5.2 Preserving buildings or places of historical interest;
- 3.5.3 Protecting the environment;
- 3.5.4 Encouraging cultural activities;
- 3.5.5 Promoting community health or welfare;
- 3.5.6 Encouraging agriculture;
- 3.5.7 Providing recreation or amusement for the public.

Council may grant a rate concession related to public benefit on the Council's own initiative, or through an application by an affected ratepayer.

Council will not grant a rate concession to organisations that hold a licence to sell liquor and/or operate gaming machines.

## 3.6 Interest on Rates and Charges in Arrears

Unless otherwise stated in this policy, Council will impose interest – calculated daily after the instalment due date – on instalments of rates and charges that remain unpaid. The rate of interest will be determined annually by resolution. Decisions relating to requests to write off interest, charges, or legal fees as a result of error, oversight, or on compassionate grounds, will be determined on merit.

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### 3.7 Debt Recovery

Debt recovery is based on the following principles:

- 3.7.1 A debt recovery approach must always be non-discriminatory and impartial.
- 3.7.2 Council will comply with privacy and confidentiality obligations, and the relevant requirements of the *Local Government Act 2019 (NT)*.
- 3.7.3 Persons owing the Council money must be treated with sensitivity and respect.
- 3.7.4 Recovery will include any costs reasonably incurred by Council.

As per the *Local Government Act 2019 (NT)*, if rates have been in arrears for at least three (3) years, and an overriding statutory charge securing liability for the rates has been registered for at least six (6) months, Council may initiate proceedings to sell the land.

The Director Corporate Services can write off a balance of up to \$50, and the CEO can write off an existing balance up to \$1,000, where recovery is impracticable. Where the adjustment is due to a correction of an error, no limit applies.

### 3.8 Waiving Rates, Charges, Interest or Legal Fees

- 3.8.1 Any other waiver of rates, charges, interest, or legal fees circumstances not mentioned in this policy, are to be submitted to the CEO in writing, with reasons as to why the waiver should be considered in response to circumstances presented at the time.
- 3.8.2 In the event of a natural disaster or public health emergency, Council may elect to waive interest for a nominated period, and/or defer external recovery action to a later date.
- 3.8.3 Rates, charges, interest or legal fees waived will not be recovered at a future time.

## 4 Responsibilities

Council is responsible for determining the interest on rates annually by resolution. Council is responsible for deciding whether to waive rates/interest and/or defer recovery action in the context of natural disasters or public health emergencies, pursuant to any legislated requirements.

The CEO is responsible for approving all rate concession applications. The CEO has discretion to waive.

The Director Corporate Services is responsible for approving any special payment arrangements.

The Rates Officer is responsible for overseeing rate concession and special payment arrangement processes, including assessing and providing recommendations regarding applications and eligibility, and managing payment and deferral arrangements.

## 5 Related Documents

- *Local Government Act 2019 (NT)*
- *Information Act 2002 (NT)*
- *Privacy Policy*
- *Hardship Rate Relief Application form*

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## 6 Version History

Version	Date	Action/Description of changes made	By
V1.0	24/01/2023	New policy	Director Corporate Services
V0.2	26/09/2023	Revised policy	Acting Director Corporate Services

## 7 Communication and Training

Will this policy be communicated through internal communications?	Yes
Where will this policy be available?	Intranet and ASTC website
Will training needs arise from this policy? If yes, who will be responsible.	Manager Finance