

**POLICY PURPOSE**

To provide officers of Council with the necessary authority in order to promote consistent and efficient administration of Council's rating system pursuant to the *Local Government Act*.

To address the granting of rates concessions recognising the issues associated with financial hardship and that public benefit can be gained in specific instances. Providing future certainty for rate relief granted by differentiating between rates waived and rates deferred.

**POLICY STATEMENT**

The authority to levy rates on property in the municipality is vested in the Council by the *Local Government Act 2008*. The basis and conditions of rates and charges levied are laid out by Council each financial year in the Declaration of Rates and Charges, pursuant to *section 155* of the *Local Government Act 2008*.

The provision of efficient administration of the Council's rating system requires that officers have the guidance and authority to act in certain matters on Council's behalf. The authority provided is laid out in the Rates and Charges Procedural Statement and Directives document that supports this policy.

A rate concession on the grounds of financial hardship shall only apply to;

- A natural person(s) who uses the rated property as their principal place of residence.

A rate concession on the grounds of financial hardship shall not apply to;

- Businesses.
- Charges levied for services provided by the Council, example: waste management, garbage collection, etc.

A rate concession may also be provided by Council to a ratepayer(s) pursuant to *section 167* of the *Local Government Act 2008*, 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:

- Securing the proper development of the Council's 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 concession granted will be either a waiving of rates levied, or a deferment.

- Rates waived, pursuant to *section 164* of the *Local Government Act 2008*, will not be recovered at a future time.
- Rates deferred, pursuant to *section 164* of the *Local Government Act 2008*, 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.

**Refer to attached document "Rates and Charges Procedural Statement and Directives" that supports this policy.**



## **Procedural Statement and Directives No. RT001**

# **Rates and Charges**

**Related Council Policy:** Policy 510 Rates and Charges – Administration

**Revision Year:** 2008

**Responsible Department:** Finance

**Responsible Position:** Rates Officer

**Adopted by Council:** 24<sup>th</sup> November 2008

**Resolution Number:** 14745

**Next Review Date:** 2010

### **Strategic Plan Outcomes:**

Strategy 5.4.1: Provide Council with effective financial services

Strategy 5.4.3: Efficiently manage Council's administration and records

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## 1. PURPOSE

The purpose of these procedures are:

- To promote consistent and efficient administration of the Council's rating system pursuant to Council policy, the *Local Government Act 2008* and the *Local Government (Accounting) Regulations 2008*.
- To address the granting of concessions from the payment of rates as levied, by implementing a simple administrative system that recognises the issues associated with financial hardship and that public benefit can be gained in specific instances. Providing future certainty for rate relief granted by differentiating between rates waived and rates deferred.

## 2. BACKGROUND

The authority to levy rates on property in the municipality is vested in the Council by the *Local Government Act 2008*. The basis and conditions of rates and charges levied are laid out by Council each financial year in the Declaration of Rates and Charges, pursuant to *section 155* of the *Local Government Act 2008*.

## 3. POLICY STATEMENT

A rate concession on the grounds of financial hardship shall only apply to;

- A natural person(s) who uses the rated property as their principal place of residence.

A rate concession on the grounds of financial hardship shall not apply to;

- Businesses.
- Charges levied for services provided by the Council, example: waste management, garbage collection, etc.

A rate concession may also be provided by Council to a ratepayer(s) pursuant to *section 167* of the *Local Government Act 2008*, 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:

- Securing the proper development of the Council's area.
- Preserving buildings or places of historical interest.
- Protecting the environment.
- Encouraging cultural activities.
- Promoting community health and welfare.
- Encouraging agriculture.
- Providing recreation or amusement for the public.

(Continued...)

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

- Rates waived, pursuant to *section 164* of the *Local Government Act 2008*, will not be recovered at a future time.
- Rates deferred (or postponed), pursuant to *section 164* of the *Local Government Act 2008*, 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.

#### **4. DEFINITIONS**

**"Act"** refers to the Local Government Act 2008.

**"Deferment"** means that rate relief granted, pursuant to *section 164(1)(b)* of the *Local Government Act 2008*, to the ratepayer for the property is deferred for recovery at a later time either when the ratepayer's circumstances change, or when the property is sold, deferred rates remain a debt against the property. Interest penalties do not apply to deferred rates.

**"Financial Hardship"** means difficulty in meeting basic costs of living and the payment of rates levied.

**"Income Test"** means the annual net income or deficit determined from the applicant's statement of income and expenses related to basic living needs.

**"Rates PSD"** refers to this document the Rates and Charges Procedural Statements and Directives.

**"Regulations"** refers to the Local Government (Accounting) Regulations 2008.

**"Waiving"** means that rate relief granted, pursuant to *section 164(1)(c)* of the *Local Government Act 2008*, to the ratepayer for the property is written off and no longer remains a debt against the property.

## 5. PROCEDURES

### 5.1 Types of Rate Concessions

Section 164 of the Act establishes that a rate concession can be in the form of 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.

Pursuant to section 165 of the Act a ratepayer may be granted a concession for the payment of rates on the grounds of financial hardship if the person has established to the Council's satisfaction that they will suffer financial hardship if the concession is not granted. An application should be made in writing.

Council may also grant a rate concession pursuant to section 167 of the Act if it is satisfied that the concession will provide a public benefit refer to section 5.4 Public Benefit Concessions, of this Rates PSD, below, for details of when this applies.

### 5.2 Financial Hardship of Ratepayer Related to a Residential Property

- (i) A ratepayer (as a natural person) demonstrating financial hardship can apply for a concession to defer the payment of part/all of the rates levied providing that the application is for the ratepayer's principal place of residence.
- (ii) A concession granted shall not include relief from charges levied against the property for services provided by the Council, eg., garbage collection charges.
- (iii) An application for a concession applies for one financial year only, and a new application is required for subsequent years.
- (iv) An occupier of a residential property may make an application under this section providing the owner's consent has been obtained.
- (v) An application under this section should be made in writing and include a completed application form for "Relief from Payment of Property Rates on Grounds of Financial Hardship", detailing the ratepayer's income and expenditure.

### 5.3 Assessing Financial Hardship

Financial hardship is assessed by using a four-step process that is applied to an income test.

Income Test	Financial Hardship
1. Including rates, net income test balance is in credit.	No financial hardship exists.
2. Including rates, net income test balance is in deficit (debit).	Some financial hardship exists. Move to next step.
3. Reduce levied rates to the minimum rate for the zone, and the net income test balance is then in credit.	<p>Consider a concession based on payment of the minimum rate for the zone.</p> <p>The amount of the concession is the difference between the levied amount and the minimum rate</p>
4. Reduce levied rates to the minimum rate for the zone, and the net income test balance is then in deficit.	<p>Extreme financial hardship exists.</p> <p>Consider a concession based on payment of nil rates.</p> <p>The amount of the concession is the levied amount.</p>

#### 5.4 Public Benefit Concessions

- (i) Where land would be exempt from rates but for the fact that it is partially used for commercial or other non-exempt purposes, a concession may be allowed under this Rates PSD on the following basis.

Other applications under this section will only be considered individually by Council.

- (ii) A ratepayer(s) can apply pursuant to *section 167* of the *Act* for a concession to waive payment of part/all of the rates levied.
- (iii) Council will consider such applications 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:
- a) Securing the proper development of the Council's area.
  - b) Preserving buildings or places of historical interest.
  - c) Protecting the environment.
  - d) Encouraging cultural activities.
  - e) Promoting community health and welfare.
  - f) Encouraging agriculture.
  - g) Providing recreation or amusement for the public.
- (iv) A concession granted shall not include relief from charges levied against the property for services provided by the Council, eg., garbage collection charges.
- (v) An application for a concession applies for one financial year only, and a new application is required for subsequent years.
- (vi) An application under this section should be made in writing, providing details of the activities undertaken on the property, a statement of income and expenditure, detail of the grounds on which the rate concession is applied for and where relevant a copy of the organisation's constitution.

#### 5.5 Timing of Application

A concession does not apply retrospectively to payments outstanding from an instalment date that has passed.

- A person liable to pay rates receives a rate notice 28 days before the date of the first instalment. That person is required by the *Act* to make payment, either in full or an amount determined as the first instalment amount.
- An application for a concession must be received by the first instalment date, to apply to rates levied for the whole financial year. Applications received after expiry of the first instalment date shall incur interest charges on any unpaid amounts and any concession allowed may be reduced on a proportional basis.

## 6. DELEGATIONS

Pursuant to *section 102* of the *Act*, the CEO delegates to the following Officers:

Delegated Position	Delegated Powers	Conditions of Delegation
Director Finance, Manager Finance, Rates Officer, Finance Officer, Senior Customer Service Officer.	To maintain the Rate Assessment Record.	(i) The Council is responsible for setting the basis of rates and charges, the setting of the relevant interest rate and the imposition of rates and charges under <i>Chapter 11</i> of the <i>Act</i> .
Director Finance, Manager Finance, Rates Officer, Finance Officer.	To calculate rates and charges and to calculate interest and issue rate notices.	(i) Rates and charges are in line with the Council's decision under <i>parts 11.2 and 11.5</i> of the <i>Act</i> .  (ii) Interest is on the basis agreed by Council decision under <i>part 11.7</i> of the <i>Act</i> .
Director Finance, Manager Finance, Rates Officer, Finance Officer, Senior Customer Service Officer.	To prepare and provide certificates of liabilities.	(i) Pursuant to <i>section 256</i> of the <i>Act</i> .  (ii) Payment is received of the fee charged by Council for this certificate.
Director Finance, Manager Finance, Rates Officer, Finance Officer.	To approve a payment arrangement for a ratepayer.	(i) Any such application is received in writing.  (ii) An arrangement to pay rates should be approved to affect payment as soon as practicable, but not later than by the end of the financial year, unless approval granted by the Council.  (iii) Interest charges shall continue to accrue during the arrangement.  (iv) The Council approves any other payment arrangement.

Delegated Position	Delegated Powers	Conditions of Delegation
Chief Executive Officer, Director Finance.	To approve a rate concession.	(i) Any such application is received in writing. (ii) A concession is allowable under this Rates PSD. (iii) The Council approves any rate concession outside this Rates PSD.
Chief Executive Officer, Director Finance, Manager Finance, Rates Officer, Finance Officer.	To write off small balances where recovery is impracticable.	(i) Pursuant to <i>regulation 27</i> of the <i>Regulations</i> . (ii) The amount to be written off does not exceed the following limits: <ul style="list-style-type: none"> <li>• Chief Executive Officer – \$1,000.</li> <li>• Director Finance – \$50.</li> <li>• Manager Finance / Rates Officer / Finance Officer – \$5.</li> </ul> (iii) <i>Note: where the adjustment is due to a correction of an error no limit applies.</i>
Chief Executive Officer, Director Finance, Solicitor.	To instigate recovery action for overdue rates.	(i) Pursuant to <i>part 11.9</i> of the <i>Act</i> . (ii) A charge is registered on the ratepayer's property, pursuant to <i>section 171</i> of the <i>Act</i> , when a debt is in arrears for at least 6 months. (iii) Where rates remain in arrears for over 3 years sale of the land can be instigated under <i>division 4</i> of the <i>Act</i> .
Chief Executive Officer, Any Director, Solicitor.	To institute or waive proceedings on behalf of Council in a Court of Law.	(i) Pursuant to <i>part 19.3</i> of the <i>Act</i> . (ii) Decision made upon consideration of legal advice.

Delegated Position	Delegated Powers	Conditions of Delegation
Chief Executive Officer, Any Director, Solicitor, Manager Rangers Unit, Manager Finance, Rates Officer, Finance Officer.	To represent Council in a Court of Law.	(i) Pursuant to <i>part 19.3</i> of the <i>Act</i> .

## 7. LEGISLATION BASE

- Northern Territory Local Government Act 2008.
- Northern Territory Local Government (Accounting) Regulations 2008.
- Northern Territory Local Government Act 2008 Guidelines.

## 8. ASSOCIATED DOCUMENTS

- Policy 510 Rates and Charges - Administration

## 9. ASSOCIATED FORMS/RECORD KEEPING

- The forms are an integral part of Council's business practices and provide documentary evidence of staff compliance with Procedural Statements and Directives.
- Completed forms are often source documents for data entry into business systems, and are a part of Council's Record Keeping, and
- The forms listed below are directly related to the Administration of Rates and Charges Procedural Statements and Directives

Title	Location	Responsible Officer	Minimum Retention Period
Change of Address	Internet	Finance Manager	7 years
Additional Property Details	Internet	Finance Manager	7 years
Direct Debit	Internet	Finance Manager	7 years
Garbage Bin Applications	Internet	Finance Manager	7 years
Application for Financial Hardship	EDM	Finance Manager	7 years
Rates Instalment Agreement	EDM	Finance Manager	7 years

**ALICE SPRINGS TOWN COUNCIL  
APPLICATION FORM FOR RELIEF FROM PAYMENT OF  
PROPERTY RATES ON GROUNDS OF FINANCIAL HARDSHIP**

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**APPLICATION FORM**

<b>Personal and Property Details</b>			
<b>Name of Applicant</b>			
<b>Organisation Contact Person</b>			
<b>Postal Address</b>	Street		
	Town/City Post Code		
<b>Contact Phone Number (BH)</b>			
<b>Property Details for which Rate Relief is Sought</b>	Assessment Number (From Rate Notice)		
	Property Description (lot number, etc.)		
	Property Location (street, number, etc.)		
<b>Basis of Application</b>	Personal Residence	<input type="checkbox"/> Please tick	
	Increased Valuation of Principal Residence (first year of new valuation)	<input type="checkbox"/> Please tick	
	Community Organisation	<input type="checkbox"/> Please tick	
<b>Income of Applicant</b>	<b>All Sources of Income</b>	<b>Weekly \$</b>	<b>Annually \$</b>
	Income - Pension		
	Income - Superannuation		
	Income – Benefits (specify)		
	Income – Allowances (specify)		
	Income – Other (specify)		
	Total Pre-tax Income		
	(Less Income Tax)		
<b>Total Income</b>			

**ALICE SPRINGS TOWN COUNCIL  
APPLICATION FORM FOR RELIEF FROM PAYMENT OF  
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Basic Living/operational Expenses of Applicant	Details	Weekly \$	Annually \$
<b>Expenses</b>	Mortgage Payments		
	Personal Loans Payments		
	Council Rates		
	Power, Water & Sewerage Charges		
	Childcare Costs		
	Food and Grocery Costs		
	Motor Vehicle Expenses		
	Telephone Expenses		
	Insurances Costs		
	School Fees		
	Clothing Costs		
	Medical Costs		
	Entertainment Costs		
	Other Expenses		
	<b>Total Expenses</b>		
<b>Net</b>	<b>Income/(Expenses)</b>		

**ALICE SPRINGS TOWN COUNCIL**  
**APPLICATION FORM FOR RELIEF FROM PAYMENT OF**  
**PROPERTY RATES ON GROUNDS OF FINANCIAL HARDSHIP**

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**THE NORTHERN TERRITORY OF AUSTRALIA**  
**OATHS ACT**  
**STATUTORY DECLARATION**

(1) Name and address of the person making the declaration. I, (1) \_\_\_\_\_ of \_\_\_\_\_

(2) Here insert the matter declared to, either directly following the word "declare" or, if the matter is lengthy, insert the words "as follows" and thereafter set out the matter in numbered paragraphs. Do solemnly and sincerely declare (2) that the information provided by me to the Alice Springs Town Council in this Application Form (pages 1 to 3 inclusive) for Relief from Payment of Property Rates on the Grounds of Financial Hardship, is true and correct.

Declared at Alice Springs the \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_

(3) Signature of the person making the declaration (3)

(4) Signature of the person before whom the declaration is made. (4)

(5) Title of person before whom the declaration is made. (5)

(6) THIS DECLARATION MAY BE MADE BEFORE ANY PERSON WHO HAS ATTAINED THE AGE OF (18) EIGHTEEN YEARS.

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NOTE: A person wilfully making a false statement in a statutory declaration is liable to a penalty of \$2,000 or imprisonment for 12 months, or both.