



**TITLE:** RATES CONCESSION POLICY  
**ADOPTED BY:** COUNCIL  
**RESPONSIBILITY:** DIRECTOR CORPORATE SERVICES  
**DATE TO TAKE EFFECT:** 24/02/2021  
**NEXT REVIEW DATE:** 24/02/2023

<b>Version</b>	<b>Reviewed By</b>	<b>Adoption Date</b>	<b>History</b>
1	Chief Executive Officer	24/05/2016	Final
2	Administration Manager	23/02/2021	Adopted

## 1. Purpose

Part 11.8 of the Local Government Act 2019 gives Council the power to grant a concession for rates/or charges and details the circumstances in which this power may be exercised.

## 2. Definitions

<i>Act</i>	<i>Local Government Act 2019</i>
<i>KTC</i>	<i>Katherine Town Council</i>
<i>Ratepayer</i>	<i>Person who pays, or is liable to pay, rates or a charge imposed on land under Chapter 11 of the Act</i>
<i>Rates Concession</i>	<i>Either a rebate on, or the deferment of Council rates</i>

## 3. Principle

To assist ratepayers in meeting financial obligations to Council by providing alternative rate concession relief options and payment arrangements, where financial hardship is proven to exist.

This policy gives ratepayers the opportunity to present their circumstances and to ensure they are treated in a consistent, fair, equitable and confidential manner.

Council may grant a rate concession on application by the ratepayer.

Rate concessions include:

1. A waiver in whole or part of rates or a component of rates; or
2. A deferment in whole or part of an obligation to pay rates or a component of rates; or
3. Public Benefit Concession

In the case that Council becomes aware of any ratepayer providing false or misleading information to gain assistance for which he/she would otherwise no be eligible, the agreement with Council will become null and void.

Any charges which would have been waived or deferred will be restored to the full amount, in addition including any interest not charged that would have otherwise been payable.

## 4. Application of Policy

### 1. Waiver in whole or part of rates or a component of rates

#### 1.1 Definition

A waiver is a one-off abandonment of payment, which removes the liability to pay whole or part of a rates debt and/or a component of rates e.g., whole or part of interest charges.

#### 1.2 Crown Lease

Council recognises that incorporated community associations on having been granted tenancy 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 the Crown Lease.

It is appropriate that where the specific purpose of the Crown Lease satisfies the requirement of Part 11.8 of the Local Government Act 2019, Council will waive (abandon) all rates and charges until such as the association 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.

### **2.3 Public Benefit Concession**

Council will as a matter of course, pursuant to Chapter 11 Section 250 of the Local Government Act 2019, waive that portion of any rates or charges in excess of the minimum rate for properties occupied by organisation operating substantially for the benefit of the youth, arts and culture, within the community.

## **2. Interest Wavier**

### **2.1 Interest waiver resulting from an anomaly or omission**

Anomaly or omission errors include:

- a) When a ratepayer has notified Council regarding a change of address and Council has not amended the assessment record
- b) Where Council has not been notified of a property sale or transfer
- c) Internal financial processing of a payment where the payment has been allocated to another property, resulting in interest being charged incorrectly.

### **2.2 Interest waiver on compassionate or financial hardship grounds**

Ratepayers may have interest waived where they have demonstrated compassionate grounds. The ratepayer will be required to enter into a special payment arrangement, to pay the outstanding amount. Waiver of compassionate grounds shall be one off and ratepayers will need to apply on each occasion such a waiver is sought. Acceptable compassionate grounds would generally relate to family illness or death.

### **2.3 Eligibility and Conditions of Interest waiver**

- a) Evidence outlining an anomaly or omission
- b) The ratepayer must satisfy Council regarding compassionate or hardship grounds.  
Refer to Section 6
- c) The ratepayer must request the wavier in writing to Council.
- d) The ratepayer has a record of payment on time (or in the case of a new ratepayer be able to demonstrate why the penalty interest should not have been charged)
- e) Enter into a payment arrangement where a set amount is to be paid weekly, fortnightly, or monthly
- f) Make a new application each year for subsequent years before the first instalment is due.

## **2.4 Cessation of a waiver of interest charges**

A waiver of interest that has been granted under financial hardship will cease:

- a) If a new annual application is not received before the first instalment due date, or
- b) The ratepayer no longer owns or occupies the property, or
- c) The ratepayer has breached the application and/or policy terms and conditions of the waiver.

## **3. Calculation of interest on overdue rates and rates in arrears**

Interest will be charged on overdue rates and rates in arrears in accordance with Section 244 and 245 of the Local Government Act 2019, from the date the instalment was due.

Interest is calculated at the rate fixed by the Council under Section 245 of the Local Government Act 2019 and in accordance with Katherine Town Councils Rates Declaration.

## **4. Deferring Rates**

### **4.1 Definition**

A deferral of rates is a postponement of a defined proportion of rate charged until the sole purpose of the property ceases to be for residential purposes only, the property is sold or there is a transfer of ownership.

### **4.2 Eligibility**

A deferral of rates will only apply to residential properties or to other properties used solely for residential purposes and is the principal place of residency of the applicant.

### **4.3 Conditions of deferring rates**

The ratepayer must be able to demonstrate they are experiencing undue and unusual financial hardship by providing a confidential statement and proof of financial hardship as evidence of such circumstances.

Deferment of rates payments will be reviewed annually upon application by the ratepayer.

Deferments will be reviewed annually; it is the ratepayer's responsibility to ensure they submit a deferral application before the due date of the first instalment of rates each financial year.

The ratepayer must enter into an agreement with Council on a payment schedule and continue to meet those payment amounts outlined in the agreement schedule.

Under the deferment arrangement, no debt recovery action will be taken whilst the arrangement is in place, maintained and where consistent with hardship and no interest will be charged while payments are maintained.

Council will continue to send rate notices to the ratepayer, to ensure they are aware of the payable amounts.

On the sale or transfer of the property to another owner, Council will collect the outstanding payable amount of rates and interest.

Council can decline a deferral application or cease a deferral arrangement if the total outstanding balance of the rates and charges exceed 50% of the properties Unimproved Capital Value (UCV)

Council will, after the expiration of five (5) years from the date on which the rates of which the deferred amount is a part were levied, waived the amount so deferred, together with any penalty rates accruing thereon, provided that the conditions are set out in (a) have been complied with.

## **5. Special Payment Arrangements**

A payment arrangement is a schedule of payments that is formally agreed between Council and a ratepayer that details the amount and frequency of payments.

Ratepayers experiencing financial difficulties and/or hardship and are unable to pay outstanding rates and charges via the four instalments options may apply for a Special Payment Arrangement.

### **5.1 Special Payment Arrangement Conditions**

- a) The ratepayer has demonstrated a genuine effort to meet payment obligations in the past
- b) The ratepayer must be able to demonstrate they are experiencing financial hardship.
- c) The acceptance by the ratepayer that interest will be levied until the account is paid in full.
- d) The arrangement will only apply to the financial year the agreement was approved.
- e) No recovery action will be taken while the arrangement is being maintained and where consistent with hardship in Section 6. Any default in the arrangement may end the arrangement and result in the commencement of legal proceedings.

## **6. Proof of Financial Hardship**

Financial hardship is a change of circumstance, which will affect the long-term ability of a ratepayer to pay rates and charges.

Council recognises that not all circumstances are alike, and that financial hardship may arise from a range of individual circumstances, including but not limited to, the following situations:

1. Unemployment
2. Sickness or injury
3. Family break down

4. Low income or loss of income
5. A pensioner living in a family home and can no longer afford to pay rates due to the property values increasing over the period of ownership significantly increasing the rates

Relief from payment of rates on the grounds of financial hardship shall 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 shall not apply to:

- Commercial Business
- Clubs or Organisations that hold a licence to sell liquor and/or operate gaming machines
- Charges are levied for services provided by Council, example garbage collection.

The ratepayer is required to submit third party documentation stipulating and outlining the circumstances of their financial hardship, this can be sought through:

- Financial counselling or advisor
- Legal representation
- Other supporting 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
- Loss of employment
- Documentation stipulating the ratepayer is a recipient of welfare or pensioner concession allowances.

## **5. Associated Documents**

- *Local Government Act 2019*