



RATES CONCESSIONS

Type:	Council – Finance		
Owner:	Chief Executive Officer		
Responsible Officer:	Manager Corporate Administration		
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Legislation Reference:	Part 11.8 of the <i>Local Government Act 2019</i>		

1 PURPOSE

Property owners (ratepayers) in Katherine Town Council's local government area are required to pay rates based on an assessed value of their property.

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 to the payment of rates. Concessions may also be applied to meet public benefits, or to correct anomalies in the rating system.

This Policy provides a framework and guidance for applying rate concessions and outlines the criteria and circumstances for which rate concessions may be granted. There is no guarantee that a rate concession will be granted, as decisions are made on a case-by-case basis.

Katherine Town Council is committed to providing a transparent, impartial, and consistent process of application and consideration for rate concessions and/ or remission of interest accrued on overdue rates.

In accordance with section 251 of the *Local Government Act 2019*, Council must not agree to grant a rate concession for a financial year that does not fall entirely in the term of the Council.

2 SCOPE

This policy applies to all ratepayers in the Katherine Town Council area.

3 DEFINITIONS

Authorised Officer means the Council officer responsible for overseeing rates administration, or a delegated officer approved by the CEO.

Deferment means the postponement of payment, in whole or in part, for recovery at a later time. Deferment can be subject to any conditions determined by Council. Deferred rates are a charge on the land and may continue to accrue interest until the account is paid in full.

Immediate family member means spouse or domestic partner, children, parents or siblings of the ratepayer/owner.

Financial hardship means a ratepayer is unable, because of illness, unemployment or other reasonable cause, to discharge their financial obligations towards Katherine Town Council.

Pensioner Concession means a concession for rates and garbage services provided to eligible members of the Northern Territory (NT) Concession Scheme, funded by the NT Government and facilitated by Katherine Town Council

Public Benefit Concession means concessions outlined in section 250 of the *Local Government Act 2019*. 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.

Rates concession means 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.

Ratepayer means the registered owner of the property. Applications by third parties, other than the ratepayer, require written approval from the property owner.

Relevant interest rate means the rate of interest fixed by Council as the relevant interest rate and outlined in Council's annual Declaration of Rates and Charges.

Remission of interest means a waiver of interest in whole or part.

Special Payment Arrangement means an agreed payment arrangement between a ratepayer and Council whereby a fixed amount is agreed upon and paid in regular instalments, either on a weekly, fortnightly or monthly basis.

Waiver means removing the liability to pay and may include the whole or part of rates and/or legal charges for one rating period.

4 DETAILS

Council's Annual Rates Notices for 1 July – 30 June each year are issued every August with the option to pay in four instalments. Instalment dates are as below:

- 30 September
- 31 November
- 31 January
- 31 March

Payment reminders are advertised in local print media and residents can sign up for a free quarterly SMS reminder service.

Council strongly encourages ratepayers to meet their rate and charges payment responsibilities. However, ratepayers experiencing financial hardship may apply for a special payment arrangement or rate concession. Rate concessions include:

- deferment in whole or part of an obligation to pay rates or a component of rates, or
- waiver in whole or part of rates or a component of rates, or
- Public Benefit Concession for community organisations.

Council may grant a rate concession unconditionally or on conditions determined by the Council. If the ratepayer fails to comply with a condition, the Council may withdraw the concession and require the ratepayer to pay an amount, on or before a date specified in a written notice, to neutralise any benefit to the ratepayer of the rate concession.

In accordance with section 251 of the *Local Government Act 2019*, Council must not agree to grant a rate concession for a financial year that does not fall entirely in the term of the Council.

Unless otherwise stated within this policy, the Chief Executive Officer will make the decision about special payment arrangements and rate concessions and provide a regular report to Council on the number, type and financial implications of rate concessions being applied.

In the case that Council becomes aware of any ratepayer providing false or misleading information to gain a concession for which they would otherwise not 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, including any interest not charged that would have otherwise been payable. Debt recovery proceedings may commence to recover any outstanding amounts.

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 unemployment, sickness or injury, family breakdown, or property values increasing significantly which affects the ability of a pensioner to pay their rates.

Applicants will need to demonstrate they are experiencing financial hardship by providing a range of supporting evidence including (but not limited to):

- advice from a financial counsellor or advisor or legal representative
- evidence of loss of employment
- evidence of commonwealth income support payment, if applicable
- 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
- evidence of commonwealth or northern territory welfare or pensioner concession allowances.

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.

Ratepayers seeking a rate concession should state their case in writing to the Chief Executive Officer, including whether the request is for a special payment arrangement, waiver or deferment and the relevant evidence of financial hardship. The Chief Executive Officer must be satisfied that the ratepayer will suffer increased financial hardship if a special payment arrangement or rate concession is not granted. All information will be treated as confidential.

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

- commercial businesses
- clubs or organisations that hold a licence to sell liquor and/or operate gaming machines
- charges levied for services provided by Council, for example garbage collection.

DEFERMENT OF RATES

Ratepayers experiencing severe financial hardship can apply for a deferment in whole or part of their rates.

Deferment of rates will only apply to residential allotments which are the principal place of residence of the applicant or to other properties used solely for residential purposes and will only be applicable for the current rating period.

A deferment of rates will not be back dated for previous rating period.

Application for deferment of rates because of severe financial hardship must be made on an annual basis.

Interest will not accrue against the deferred rates where severe financial hardship has been proven.

Council can decline or terminate a deferment application if the total outstanding balance of the rates and charges exceed 50% of the properties Unimproved Capital Value (UCV) as determined by the *Valuation of Land Act 1963*.

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 (see section 255 of the *Local Government Act 2019*).

SPECIAL PAYMENT ARRANGEMENT

Ratepayers experiencing financial hardship who are unable to pay outstanding rates and charges through the four instalments options may apply for a deferment of rates by applying for a special payment arrangement, subject to the following conditions:

- the arrangement will only apply to the financial year the agreement was approved
- interest may continue to accrue on the outstanding rates and charges
- any default in the special payment arrangement may end the arrangement and result in the commencement of legal proceedings.

No recovery action will be taken while the arrangement is being maintained and where financial hardship conditions continue to exist.

Ratepayers must be experiencing severe financial hardship, for a remission of interest to be considered as a part of the Special Payment Arrangement.

WAIVER IN WHOLE OR PART

Ratepayers experiencing severe financial hardship can apply for a waiver in whole or part of their rates for the current financial year.

Council recognises that ratepayers 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. In this situation, Council will waive all rates until the association concerned has substantially achieved the purpose of the relevant Crown lease and are therefore deemed to be in occupation of the parcel of land in question.

REMISSION OF INTEREST

Where rate payments are not received by the due date, the account will be deemed to be in arrears. Accounts in arrears will incur a penalty interest charge (at the relevant interest rate), calculated daily on the outstanding balance from the date the instalment became overdue until the date the account is paid in full.

Ratepayers experiencing severe financial hardship may apply for remission of interest on arrears (a waiver) relating to the current financial year. Applications must demonstrate hardship in accordance with Council's financial hardship criteria listed above.

The CEO may consider applications for a one-off remission of interest on compassionate grounds, assessed on a case-by-case basis. Acceptable compassionate grounds may include, but are not limited to:

- serious illness of the ratepayer or an immediate family member; or
- the death of an immediate family member.

In cases assessed on compassionate grounds, compliance with full financial hardship criteria is not required. Applicants seeking remission on compassionate grounds must provide supporting documentation, which may include;

medical invoices or statements; and/or

copy of a funeral notice or similar

Remission from interest granted because of severe financial hardship will cease if the ratepayer:

- is no longer experiencing financial hardship
- sells or no longer occupies the property as the principal place of residence, or
- there has been a breach of any conditions applied to the remission of interest.

Remission of interest may also be provided if the interest was applied because of an anomaly, error or omission, such as:

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

Remission of interest due to an anomaly, error, omission or due to a sale where the interest has accumulated during the settlement process will be granted by the authorised officer on a case-by-case basis.

Remission of interest will not be considered if the ratepayer has remitted payment towards the incorrect assessment due to an error or omission committed by the ratepayer.

CORRECTION OF RECORD BY COUNCIL

Council may, on its own initiative, amend an entry in the assessment record.

Corrections will be administered by the authorised officer on a case-by-case basis as part of normal operational requirements. In determining whether a correction is required, consideration may be given to matters including, but not limited to, where:

- an allotment is incorrectly classified as rateable land when it is not rateable;
- an allotment should be, but is not, classified as urban farm land;
- the recorded use of an allotment is incorrect;
- the entry contains another relevant misclassification or misdescription of an allotment;
- ownership or occupation of an allotment is recorded incorrectly;
- the applicant is incorrectly designated as the principal ratepayer for an allotment;
- the entry takes effect from an incorrect date; or
- the entry contains any other relevant error.

Where an assessment record reflects an incorrect use, misclassification, or misdescription of an allotment, Council may assess and request inspection of the property to determine whether the assessment should be amended.

For example, where an allotment is zoned Central Business but is demonstrated to be used solely for residential tenancy or occupation, Council may consider amending the assessment classification, subject to verification.

Applications seeking amendment on the basis of residential use must demonstrate that the allotment is used exclusively for residential purposes. The applicant must provide the following:

- a copy of the current residential tenancy agreement for the allotment;
- a statutory declaration confirming that the allotment is not used for any commercial or business purposes; and
- access to the allotment to enable an authorised officer to inspect the property and assess its current use and capabilities.

Council will assess each application on its merits, having regard to the evidence provided and the outcome of any inspection.

Where a ratepayer is significantly impacted by a correction, Council may grant a concession in the form of a payment extension, allowing the ratepayer to discharge the rates liability by the end of the relevant rating period without recovery action being implemented.

The correction of the record is a reviewable decision under the Act and ratepayers have the right to apply to the CEO for a review within 28 days after the date of the correction was registered.

Applications for review will be reviewed by an Administrative Review Committee, and their recommendation will be received by Council to make the final decision.

Adversely affected ratepayers may apply to NTCAT to review Councils final decision.

SEPARATE PARTS OR UNITS WITHIN AN ALLOTMENT

Where a correction of record by Council has been conducted, the authorised officer may grant a concession to waiver in whole or part any additional separate parts or units if upon application, a ratepayer can provide evidence that ascertains that:

- the separate part or unit is solely occupied and for the use of a immediate family member/s
- proof of residence (not an investment)
- that the ratepayer and occupant of separate part or unit declares that no rent/board is payable in respect of the family member/s occupying the separate part or unit

PUBLIC BENEFIT CONCESSIONS

A rate concession waiver in whole or part may be granted to a ratepayer (usually a community organisation) if the Chief Executive Officer is satisfied that the concession will advance one or more of the purposes outlined in the Act and the organisation operates substantially for the benefit of youth, arts and culture, within the Katherine community.

Any application for a Public Benefit Concession requires a written submission by the organisation explaining why the submission should be considered and how it satisfies consideration as a public benefit.

Sporting and community organisations cannot apply for a rate concession on a property that caters for gambling or that holds a licence related to gambling.

A public benefit concession will not be permitted if the business or organisation primarily operates with the aim of making profits and/or is the recipient of alternative funding sources or income streams.

PENSIONER CONCESSION

Eligible pensioner concession members of the Northern Territory (NT) Concession Scheme may receive concessions on local council rates and garbage services, subject to eligibility criteria.

A ratepayer can receive \$200.00 per annum for council rates, and up to \$150.00 per annum for garbage services (varying between regions) based on eligibility criteria.

Only one eligible member per household may receive the pensioner concession.

A claim for concession to the NT Concession Scheme must be made within:

- 6 months of a ratepayer incurring the cost or
- the financial year - whichever is greater.

A ratepayer can receive a concession on rates if they are a member who is:

- registered as the title holder and
- the person responsible for rates (the principal ratepayer)
- the property must be your primary place of residence

A concession will not be granted where:

- the applicant seeks concessions on more than one property within a rating year
- the rate notice is issued under a lease arrangement
- the rate notice is issued in a business or company name

For all initial claims, the concession amount will be reimbursed by direct deposit into the ratepayer's nominated bank account by the NT Concession and Recognition Unit.

For subsequent years, the NT Concession and Recognition Unit will automatically notify Council of eligible ratepayers prior to rates being levied.

Council will apply the approved concession directly to the ratepayer's assessment on behalf of the NT Concession and Recognition Unit.

5 ASSOCIATED POLICIES/DOCUMENTS

Rating Strategy Policy (annual)

Declaration of Rates and Charges (annual)

Privacy Policy

Confidential Information Policy

Customer Service Charter

6 REFERENCES AND RELATED LEGISLATION

Local Government Act 2019

Valuation of Land Act 1963

Local Government (General) Regulations 2021

Revision History

Version	Approval date	Details of change	Responsible officer
1	24/5/2016	Created	CEO
2	24/2/2021	Revision for consistency with <i>Local Government Act 2019</i>	CEO
3	23/08/2022	Simplification and revision to clarify decision-maker is CEO; strengthened hardship provisions; removal of waiver of deferred rates after five years	CEO
4	27/08/2024	Revision for consistency with new introduced concession and Financial Management Practice Handbook	Manager Corporate Administration
5	17/04/2026	<ul style="list-style-type: none"> • Revision and adoption of policy within 12 months of commencement of Council – 13th Council term. • Inclusion of Pensioner Concession Rebate. • Inclusion of new definitions including: <ul style="list-style-type: none"> ○ authorised officer ○ pension concession and ○ immediate family member in relation to separate parts or units concession. 	Rates and Regulatory Affairs Coordinator