



Name	FIN06 Rates Concession Policy
Policy Type	Administrative Policy
Responsible Officer	Chief Executive Officer
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1 Purpose

Litchfield Council is committed to transparent and accountable decision making. As per Part 11.7 and Part 11.8 of the Local Government Act, Council has the ability to provide a concession for rates and/or remission of interest accrued on overdue rates.

This policy outlines the process for application and consideration of rate concessions other than rate concessions stipulated by the Northern Territory Government. In addition it outlines assistance for ratepayers for rates/charges levied on their principal place of residency/principal place of living or institutions that fall under Section 167 Local Government Act.

2 Principles

Policies of Litchfield Council are guided by principles of sustainability, good governance, advocacy, regulation and service provision. Council is also committed to providing a transparent, impartial and consistent process of recognition and consideration of applications for rate concessions and/or remission of interest accrued.

3 Definitions

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

Term	Definition
Rate concession	A rate concession can be a deferment of payment and/or waiver of rates and/or waiver of legal fees and/or remission of interest accrued on overdue rates. Rate concessions can be granted as a singular concession or as a recurring concession. The rate payer applying for a rate concession is to identify the scope of the concession in the application.
Ratepayer	This policy outlines assistance for ratepayers for rates/charges levied on their principal place of residency/principal place of living or institutions that fall under Section 167 Local Government Act. Rates and charges payable on rental residential properties are excluded from assistance.
Deferment	A deferment of payment can be provided in whole or in part and can be for a specified period and subject to any conditions determined.
Debtor	Any individual, corporation, organisation or other entity owing money to Council.
Waiver	A waiver removes the liability to pay and may be offered to include the whole or part of rates and/or legal charges.
Relevant interest rate	The relevant interest rate is a rate of interest fixed by Council as the relevant interest rate and outlined in the Fees and Charges in line with Section 162 (3) Local Government Act.
Remission	A remission of interest is a waiver of interest wholly or in part as per Section 163 Local Government Act.

Financial Hardship	Financial hardship is defined as a situation where a customer is found to be unable, because of illness, unemployment or other reasonable cause, to discharge their financial obligations towards Litchfield Council. Financial hardship can be of limited or long term duration. Financial hardship basically involves an inability of the rate payer to pay rates, rather than an unwillingness to do so. Situations where a customer is simply experiencing temporary payment difficulties would not necessarily be addressed by this policy. Financial hardship shall be proven by providing evidence from an approved Financial Counsellor of such circumstances.
Public Benefit Concessions	As per Section 167, Council may grant a rate concession if satisfied that the concession will advance one or more of the following purposes: a) Securing the proper development of its area b) Preserving buildings or places of historical interest c) Protecting the environment d) Encouraging cultural activities e) Promoting community health or welfare f) Encouraging agriculture g) Providing recreation or amusement for the public

4 Policy Statement

4.1. Remission of Interest accrued on overdue rates

- 4.1.1. As per Section 162 of the Local Government Act, Council charges a relevant interest rate on a daily basis on overdue rates. The complete annual rates fall overdue if an instalment date is not met.
- 4.1.2. Ratepayers can request a remission of interest under Section 163 Local Government Act. Council officers under delegation can consider applications for remission of interest for reasons that fall under the following two categories:
 - 4.1.2.1. Administrative reasons, error or omissions which caused or significantly contributed to the failure to pay rates in a timely manner; or
 - 4.1.2.2. Proven Financial Hardship - Ratepayers must enter into a feasible payment schedule and maintain such agreement. Such payment schedule shall not result in the debt growing larger.

4.2. Deferment of Rates

- 4.2.1. As per Section 164 (1)(b) of the Local Government Act, a rate concession can be a deferment in whole or part of an obligation to pay rates or a component of rates.
- 4.2.2. Ratepayers may have rates and charges or a part thereof postponed, although rates and charges will continue to be levied subject to compliance with the following conditions:
 - 4.2.2.1. The ratepayer must be experiencing undue and unavoidable hardship.
 - 4.2.2.2. An application in writing must be submitted to the Chief Executive Officer by the ratepayer or the ratepayer’s representative providing evidence from an approved Financial Counsellor of such circumstances referred to in 4.2.2.1 above. The Chief Executive Officer will determine whether a postponement is approved.
 - 4.2.2.3. The postponement can be on a fixed or on an ongoing basis until the property is disposed of or sold.
- 4.2.3. Interest on postponed rates will be levied at 50% of the relevant interest rate.

- 4.3. Waiving of Rates, Charges or Legal Fees
- 4.3.1. As per Section 164 of the Local Government Act, a rate concession can be a waiver in whole or part of rates or a component of rate.
- 4.3.2. 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 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, to neutralise any benefit to the ratepayer of the rate concession.
- 4.3.3. Any waiver of rates, charges or legal fees under 4.3 less than \$400 shall be determined by the Chief Executive Officer or their delegate. Amounts greater than \$400 will be presented to Council for consideration in a confidential report. Applications are to be submitted in writing.
- 4.3.4. Any waiver is a one off waiver in response to circumstances presented at the time.
- 4.4. Correction of anomalies
- 4.4.1. As per Section 166 of the Local Government Act, Council may grant a rate concession to a ratepayer or ratepayers of a particular class if satisfied that it is necessary to do so in order to correct anomalies in the operation of the rating system.
- 4.4.2. Council may grant a rate concession on the Council's own initiative or on application by an affected ratepayer.
- 4.4.3. Application in writing must be submitted to the Chief Executive Officer by the ratepayer or the ratepayer's representative outlining the anomaly.
- 4.4.4. Any correction under 4.4 of less than \$400 shall be determined by the Chief Executive Officer or their delegate. Amounts greater than \$400 will be presented to Council for consideration in a confidential report. Applications are to be submitted in writing.
- 4.5. Public Benefit Concessions
- 4.5.1. As per Section 167 Council may grant a rate concession if satisfied that the concession will advance one or more of the following purposes:
- 4.5.1.1. Securing the proper development of its area
- 4.5.1.2. Preserving buildings or places of historical interest
- 4.5.1.3. Protecting the environment
- 4.5.1.4. Encouraging cultural activities
- 4.5.1.5. Promoting community health or welfare
- 4.5.1.6. Encouraging agriculture
- 4.5.1.7. Providing recreation or amusement for the public.
- 4.5.2. Any rate concession under 4.5 shall be presented to Council for consideration in a report. An application for a rate concession requires a written submission.
- 4.6. Confidentiality
- Any information provided will be treated as strictly confidential. Information will be securely retained by Council officers.

5 Associated Documents

Northern Territory Local Government Act
Northern Territory Local Government (Administration) Regulations
Northern Territory Local Government (Accounting) Regulations
Ministerial Guidelines
By-laws

Fines and Penalties (Recovery) Act
Goods and Services Tax Act 1999

6 References and Related Legislation

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