



POLICY

DISCRETIONARY RATE REBATE POLICY

Approved by: *Council. Date 28 April 2008*

Next Review Date: **Four years from approval date.**

Responsible Officer

Position: Team Leader – Rates and Valuation

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ACC2007/134663

1. INTRODUCTION

- 1.1 Under the previous Local Government Act, 1934, organisations defined as Proclaimed Bodies were exempt from council rates. Under the Local Government Act, 1999 the exemption for these proclaimed bodies was continued until 2005/2006 where Councils were then required to individually assess applicants under either mandatory or discretionary rate rebate provisions, dependant upon the services provided.
- 1.2 The majority of these previously proclaimed bodies were community based organisations which had never paid council rates, and therefore there is likelihood that the associated additional financial burden of paying rates for these not-for-profit organisations for the first time, would have a significant impact on their service delivery.
- 1.3 In order to review the applicants in regards to their eligibility under the legislation, the following options were considered :-
 - Provide a discretionary rebate to all bodies who were previously exempt to provide full exemption
 - Do not grant discretionary rebates to any applicants, only apply under Mandatory Rebate criteria.
 - Develop a Council Policy to enable an equitable and consistent decision making process for discretionary rebate applications. This is the recommended option and forms the basis of this council policy document.
- 1.4 The Local Government Act 1999 ("the Act") sets out in Sections 159 to 166, those provisions applicable to the council granting a rebate of rates to bodies or persons representing a body.
- 1.5 This policy will provide a clear basis to assist council in its decision making functions relating to the operation of the rate rebate provisions contained in the Act.
- 1.6 It will also provide guidance to the community for the grounds on which a body or person representing a body may be entitled to receive a rebate of rates and the matters that the council will take into account when deciding an application for a rebate.
- 1.7 In accordance with the rebate provisions contained in the Act, this Policy sets out the types of land use which the council may grant a rebate of rates and the percentage that rebate may be, and those types of land use where the council has discretion to grant a rebate of rates.
- 1.8 This policy does not cover rebates associated with strategic development outcomes (ie development, heritage or environmental).
- 1.9 This policy should be read in conjunction with the Council Rating Policy.

2. DEFINITIONS

Rebate

The refund of a portion of rates paid or payable. The full amount of annual rates are raised and billed to the ratepayer. A specified amount is then refunded back to the ratepayer.

Mandatory Rebates

A rebate which has been applied under the Local Government Act 1999, Section 159-165.

Rebates of 100% will be for either health services, religious purposes, public cemeteries or the Royal Zoological Society.

Rebates of 75% will be for either community services or educational purposes.

Council has the discretion to provide an additional discretionary rebate for these applicants.

Discretionary Rebates

A rebate which has been applied under the Local Government Act 1999, Section 166. Rebates can be categorised as not-for-profit purposes or for strategic development outcomes.

3. POLICY OBJECTIVES

- 3.1 This policy will assist council in meeting its legislative requirements, under the Local Government Act, 1999.
- 3.2 This policy has an overriding principle that except in circumstances of financial hardship impacting on service delivery, all ratepayers should contribute an amount to basic service provision
- 3.3 This policy will define the criteria under which an assessment which has successfully met the Mandatory requirements of the Act will be allocated a discretionary increase of 25%. This will apply where the appropriate policy statements below have been met and the policy criteria below have been sufficiently satisfied for each community service organisation.
- 3.4 This policy will define the criteria for assessments which have not met the mandatory requirements of the Act, but have provided sufficient support for a discretionary rebate under Section 166.
- 3.5 This policy will streamline the decision making process for discretionary rebate determinations and provide a consistent framework under which to apply determinations.
- 3.6 This policy will be utilised to apply discretionary rebate determinations to a number of pending historic applications, following the enactment of the changes to the Local Government Act for Rebates, which came into effect in 2005/06.
- 3.7 This policy will provide transparency in regards to the discretionary rebates granted by council, and provide for a regular review process to be undertaken in terms of the financial support provided by Council.

4. POLICY STATEMENTS

- 4.1 Where a body is entitled to a mandatory rebate of 75% the council may, pursuant to Section 159(4) and Section 161 of the Act, increase the rebate by a further 25%. Council may grant the further 25% rebate upon application or on its own initiative.
- 4.2 Where no mandatory rebate has been applied, council will determine a discretionary rebate component upon application, under Section 166.
- 4.3 Council supports organisations which provide community services and support to the local community.

Organisations must meet the requirements of at least one particular category of discretionary rebate. The categories relevant to this policy include :-

- where the land is being used for a hospital or health centre;
- where the land is being used to provide facilities or services for children or young persons;
- where the land is being used to provide accommodation for the aged or disabled;
- where the land is being used for a residential aged care facility that is approved for Commonwealth funding under the Aged Care Act 1997 (Commonwealth) or a day therapy centre;
- where the land is being used by an organisation which, in the opinion of the Council, provides a benefit or service to the local community;

Where a mandatory rebate has been granted, under one of the following sections, an additional 25% will be granted under delegation.

- emergency accommodation;
- food or clothing for disadvantaged persons (i.e., persons who are disadvantaged by reason of poverty, illness, frailty, or mental, intellectual or physical disability);
- supported accommodation (i.e., residential care facilities in receipt of Commonwealth funding or accommodation for persons with mental health, intellectual, physical or other difficulties who require support in order to live an independent life);
- essential services, or employment support, for persons with mental health disabilities, or with intellectual or physical disabilities;
- legal services for disadvantaged persons;
- drug or alcohol rehabilitation services; or
- the conduct of research into, or the provision of community education about, diseases or illnesses, or the provision of palliative care to persons who suffer from diseases or illnesses.

Where a mandatory rebate has not been granted, requests for discretionary rebates for community services will be considered under Section 166 (1) (f),(g),(h),(i) and (j), up to a maximum of 100% for any organisations previously proclaimed under the Local Government Act, 1934.

For organisations not previously proclaimed, requests for Discretionary Rebates will be applied up to a maximum of 75%, to ensure all ratepayers contribute an amount towards basic service provision.

- 4.4 Council supports organisations which provide educational services to the local community.

Organisations eligible for educational purposes must meet the requirements of a particular category of discretionary rebate. The relevant categories which relate to this policy include :-

- where the land is being used for educational purposes;

Where a mandatory rebate has been granted, under Section 165, no additional rebates will be provided for education. The maximum for an education rebate will therefore be 75%. This will include land occupied by government schools, non-government schools registered under Part 5 of the Education Act, 1972 and rates on land being used by a university or university college to provide accommodation and other forms of support for students on a not-for-profit basis.

Where a mandatory rebate has not been granted, requests for discretionary rebates for education will be considered under Section 166 (1)(d) up to a maximum of 75%.

- 4.5 Organisations must provide evidence of the use of the land for the purposes defined above, (for example annual reports, current internet site details, organisational brochures) and if necessary, council will undertake a site visit to satisfy the requirements.
- 4.6 Council will grant discretionary rebates for a period of four years.
- 4.7 Council will ensure there is appropriate transparency of discretionary rebates, through reporting as part of the Annual Business Plan and Budget Process and associated reporting framework as well as regularly monitoring the amount and types of organisations receiving these rebates.
- 4.8 If an entitlement to a rebate ceases or no longer applies during the course of a financial year, council will recover rates proportionate to the remaining part of the financial year.
- 4.9 Any person or body who is aggrieved by a determination of the delegated officer in respect of an application for a rebate may seek a review of that decision in accordance with Council's Grievance Policy.

5. POLICY CRITERIA

The following criteria will all be considered together, in the determination of discretionary rates rebates.

- 5.1 Whether the applicant are public sector or a private not-for-profit body or an income tax exempt fund. The declared status from the constitution will be confirmed.

- 5.2 The specific section of the Act under which the application is made will be reviewed to ensure this is the most suitable section for the application.
- 5.3 The need for financial assistance in the form of a rebate, including a review of the Annual Report and financial statements.
- 5.4 The extent to which activities provide assistance or relief to disadvantaged persons.
- 5.5 The nature of activities carried out on the premises. Service delivery or administration will be assessed. This will be assessed from the supporting documentation provided, including Annual Reports, Internet sites, Brochures and Reports from the organisation. If necessary, a site visit will be undertaken to clarify the nature of the services delivered from the property.
- 5.6 The community need that is being met by activities carried out on the land and whether the activities are those that council would otherwise need to support.
- 5.7 To what extent the applicant is providing a service within the Council area. The services provided within the council area will be compared to those outside the Council area.
- 5.8 Whether the applicant is in receipt of or is eligible for a community grant. This will include a review of Council's records to determine past or present community grants.
- 5.9 Whether there are any relevant historical considerations. How long has the property been occupied by the applicant. Consider why has the need for a rebate arisen at this particular time.
- 5.10 Whether the timing of the application is appropriate. Has the application form and supporting documentation been received prior to 1 May in the financial year before the rebate is to be applied.

6. LEGISLATIVE REQUIREMENTS AND CORPORATE POLICY CONTEXT

In adopting this policy, it is recognised that there are specific legislative requirements to be met as well as other Corporate goals.

Relevant major legislative requirements are the:

- Local Government Act 1999

This Policy is to be implemented in conjunction with the Council's Strategic Management Plan and other relevant Council Policies and Strategies including:

- Council Rating Policy
- Sponsorship and Grants Scheme Policy
- Grievance Policy

7. KEY PERFORMANCE INDICATORS, MONITORING AND REVIEW

An Operating Project will be developed for Discretionary Rebates, which will provide quarterly updates to council on rebates which have been granted under this policy.

Overall monitoring and review of the effectiveness of the Policy will be undertaken in July 2010 by the Corporate Strategy and Performance Division.

The effectiveness of this policy will be measured by :-

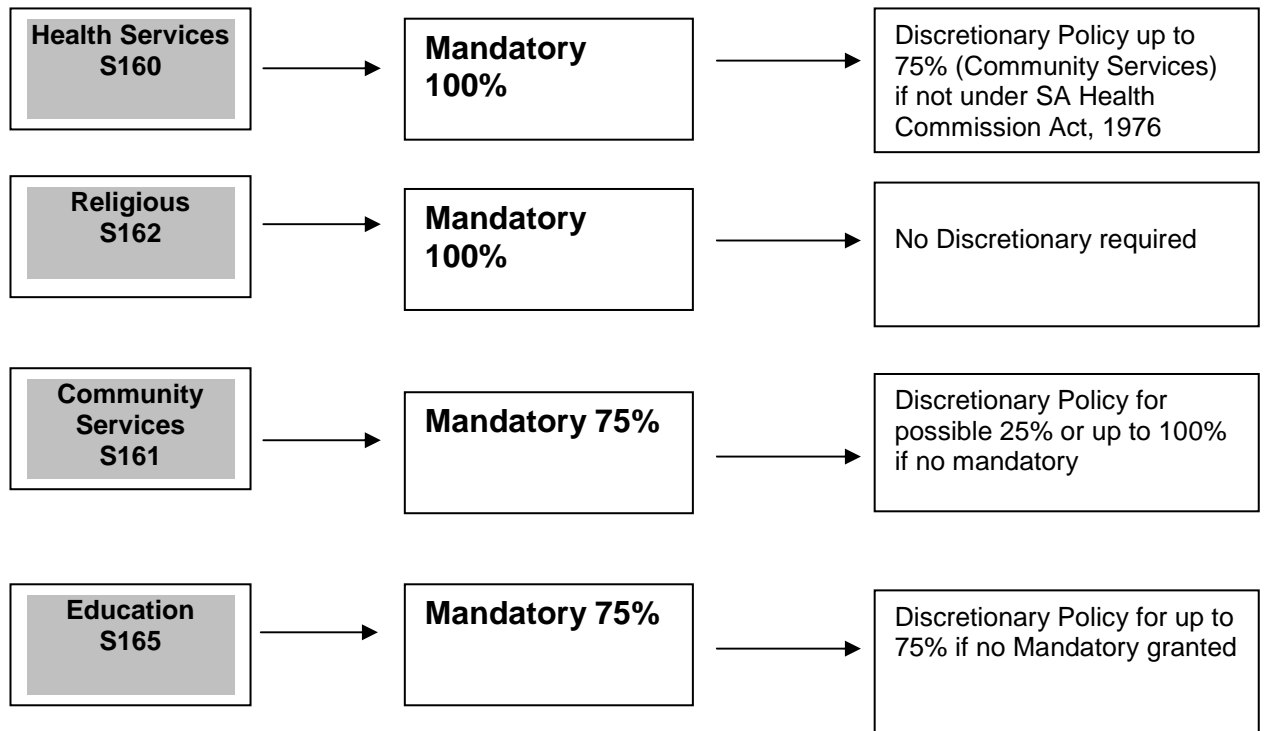
- The extent to which the budgeted allocation of discretionary rebates increases/decreases each financial year.
- Customer Satisfaction – process and outcome.

Measurements will include :-

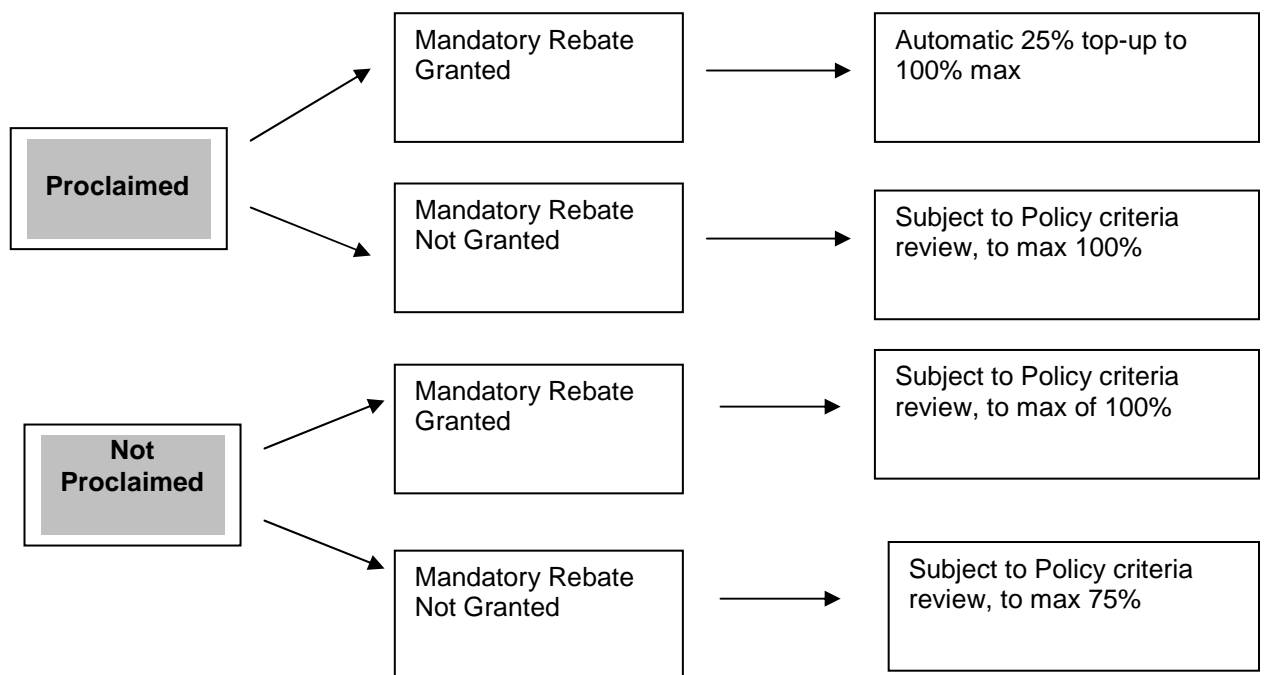
- Time taken to process new or repeat applications.
- How many complaints arise in regards to discretionary rebate decisions.

Appendix - Flowcharts

Mandatory Rebates



Discretionary Rebates
Community Services



Discretionary Rebates Education

