

# RATING EXEMPTION POLICY

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## Purpose

The purpose of this policy is to outline the principles and methodology used when exercising the Council's powers in determining the granting of an exemption, concession or waiver on the payment of rates whilst ensuring an equitable distribution of rating is achieved across the community.

## Definitions

The **Act** means the *Local Government Act 1995*.

**Council Member** means a person who is currently serving a term of office as an elected member of the Council in accordance with the Act.

**Not for Profit (NFP) Community Group** is an organisation of people who are formed (including a group that is incorporated under the *Associations Incorporations Act 2015*) to promote a community or sporting activity which has a positive effect on the community of the City of Karratha.

## Policy Principles

### 1. Exemptions from rates

The City requires organisations seeking exemption from rates under Section 6.26 of the Act to make application in accordance with the Application for Rate Exemption form available from the City's rates department. The exempt properties are to be reviewed annually for continued eligibility.

In the situation where a rateable property is being leased to a not-for-profit (NFP) community group that meets Council's rate exemption criteria, consideration will be given to providing a rate exemption proportional to the area leased by the NFP tenant e.g. if 30% of the property is leased to a not-for-profit community group, then the property owner will be considered for a 30% rate exemption.

### 2.State Agreements

The City will continue to work collaboratively with State Government and the Resource Industry to challenge rate exemption clauses from State Agreements. Those now and in the future, that have a rate exemption clause contained within them, will continue to reduce the capacity of the City to raise revenue to achieve a balanced budget, maintain service delivery and ensure long-term financial sustainability. Two of the Principles of Rating, being fairness and equity, can be compromised in this instance.

### 3. Concession/Waiver on rates

The City will accept applications from NFP community groups within the City of Karratha and consider granting a concession or waiver of rates annually in accordance with its discretionary powers provided by Section 6.47 of the Act.

Any rate waivers or concessions for the next financial year will be subject to consideration at the time of adopting the annual budget. Initial applications by not-for-profit community groups for a waiver or

concession will be accepted or rejected subject to the applicant providing information as detailed on the Application for Rate Waiver/Concession Not-for-Profit Community Groups form.

Not-for-Profit Community Groups will be rated in the following cases:

- Where a club or group hold a license issued under the *Liquor Licensing Act 1988*, the licensed area and any residential area of the property only is rated.
- Where a club or group provides accommodation for members, guests or staff, the accommodation area only is rated; and
- Where land is undeveloped or not used in the delivery of the group's services.

#### 4. CEO Delegation

The CEO has delegation to accept applications out of budget cycle and will assess on an individual basis.

Related Documents

Legislation & Local Laws	<i>Local Government Act 1995</i> <i>Local Government (Financial Management) Regulations 1996</i> <i>Associations Incorporations Act 2015</i> <i>Liquor Licensing Act 1988</i>
Relevant Delegations	1.20 Rate Record objections
Strategies & Plans	<u>Strategic Community Plan 2020-2030</u> <u>Long Term Financial Plan</u> City of Karratha Annual Budget
Related Council Policies	<u>CF-10 Rating Policy</u>
Procedures, Documents & Forms	Enterprise budgeting process Concession & waiver application form Exemption application form

#### Policy Owner

Directorate	<i>Corporate &amp; Commercial</i>
Department	<i>Financial Services</i>

#### Review Management

Next review due:	<i>January 2029</i>
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#### Version Management

Version	Date	Council Resolution #	Description
1.0	Mar 1992	5462	Original Policy Adopted
2.0	Sept 2002	12738	

3.0	Oct 2004	13497	
4.0	Oct 2007	14223	
5.0	Feb 2013	152396	
6.0	Apr 2015	153108	
7.0	Apr 2017	153768	
8.0	Jul 2019	154386	
9.0	June 2025	OCM250630-09	