

25 OCT 2016	
F157245	
REFERRED TO COUNCIL	
DATE	INITIALS

Our ref: 2016/00613 (01949759)
Enquiries: Noel Utting
Telephone: 9262 1222

Mr Graeme Simpson
Chief Executive Officer
Shire of York
PO Box 22
YORK WA 6302

Dear Mr Simpson

RATES AND CHARGES (REBATES AND DEFERMENTS) ACT 1992

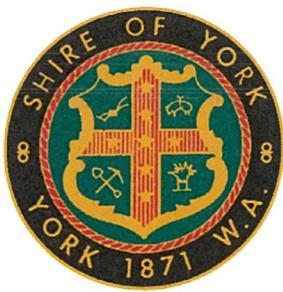
I refer to the attached letter issued on 3 May 2016. The letter requested that you undertake a review of your data to ensure rebates are being calculated correctly in respect of property curtilage factors and ownership/concession card matching.

Feedback received from a number of local governments on the outcome of their review has identified that in some instances where a curtilage calculation is required, the rebate being allowed on local government rates and the emergency services levy (ESL) is being incorrectly calculated. For example:

- Where the senior or pensioner cap is applied as part of the rebate calculation, the same rebate percentage figure is being used to calculate the rebate on both the local government rates and the ESL. It is understood that this may be due to a restriction whereby only one percentage figure can be entered into the rating system being used. This has resulted in the rebate being over-claimed for the ESL amount.

Accordingly, can you please advise me before 31 December 2016 that you have reviewed your calculation processes in regards to this matter and either confirm the calculation used is correct or that changes are being implemented to achieve this by no later than 30 June 2017. This will ensure correct rebates are claimed for the 2017-18 rating year onwards.

This work needs to be undertaken to ensure you are complying with section 28 of the *Rates and Charges (Rebates And Deferments) Act 1992* which provides for the apportionment of prescribed charges where a curtilage factor should be applied.



F 1.7 CONCESSIONS ON COMMERCIAL AND FARMING PROPERTIES OCCUPIED BY PENSIONERS/SENIORS

**SY053-05/17
APPENDIX B**

Policy Objective

To set the method of calculation for pensioner rebates on properties where there is a curtilage, or dual/commercial use.

Policy Scope

This policy applies to the Finance Manager, Finance Officer (Rates and Debtors) and affected ratepayers.

Policy Statement

Introduction

Section 28(2) of the *Rates and Charges (Rebates and Deferments) Act 1992* provides that:

*“Where although land is used as the ordinary place of residence of an applicant or registered person it is not the sole use of that land, the administrative authority may apportion the prescribed charge, and any rebate allowable, according to —
(a) the extent to which the land is so used as a place of residence; and
(b) any other use,
on a basis proportionate to the respective uses.”*

This provision enables an administrative authority (the Shire of York) to allow a concession, in an equitable way, to the part of the rates levied relating to the residential use of a commercial property, if the circumstances warrant. For example, if a pensioner resides in a house that is on land also used for cropping.

This policy was created to identify the method that the Shire of York will use to calculate the pensioner rebate on curtilage/dual use properties.

Principles

Concessional rebates are applied in a fair and equitable manner for all concessional ratepayers.

Provisions

Provision of a proportionate rebate

A rebate shall only be applied if the resident has demonstrated they are entitled to such rebate by completing the appropriate application form, including provision of their concession details.

The Finance Officer is to verify the concession entitlement using the Centrelink Confirmation eServices for businesses, and the ratepayer's ownership of the property using a Landgate title search.

If the ratepayer is eligible the Finance Officer is to use the following method to calculate the rebate to be applied:

Finance Officer is to ascertain area of property that is solely used for residential purposes. This involves consultation with the applicant as well as mapping tools.

SHIRE OF YORK: POLICY MANUAL

The rates levied are to be portioned based on the respective areas:

$$\left(\frac{\text{Area used for residential purposes only (Ha)}}{\text{Total area of property (Ha)}} \right) \times \text{Rates Levied (\$)} = \text{Portion of rates on which a concession can be applied (\$)}$$

For example if the rates levied are \$2,000, the total property area is 60 Ha and the area solely used for residential purposes is 5 Ha the rates on which a concession would be applied is as follows:

$$\frac{5}{60} \times 2000 = 166.67$$

The concession is to be applied on \$166.67

If the ratepayer is a pensioner, and they are entitled to a 50% rebate, the rebate amount to be claimed from the Office of State Revenue would be \$83.33, calculated as follows:

$$166.67 \times 0.50 = 83.33$$

If the area used for residential purposes cannot be determined then an arbitrary two (2) hectares is to be used as permitted by the Office of State Revenue.

The Finance Manager is to ensure compliance with this policy.

Key Terms/Definitions

Not Applicable

Policy Administration

Responsible Directorate/Division: Finance Department

Author/Contact Officer Position: Finance Officer

Relevant Delegation: Not Applicable

Relevant Legislation: *Rates and Charges (Rebates and Deferments) Act 1992* – Section 28(2)

Relevant Documents: Procedural Manual, as at July 2016, Issued under the *Rates and Charges (Rebates and Deferments) Act 1992*. Department of Finance, Office of State Revenue.

Date Adopted: TBC

Reviews/Amendments TBC