

DOCUMENT TYPE	Policy
TITLE	RATES EXEMPTIONS FOR CHARITABLE ORGANISATIONS (NON-RATEABLE LAND)
NUMBER:	POL-2005

PURPOSE

To establish a clear and consistent process for assessing applications for rate exemptions under section 6.26 (g) of the *Local Government Act 1995*. It provides guidance on determining when land is not rateable due to its exclusive use for charitable purposes and ensures compliance with relevant legislation.

SCOPE

This policy applies to:

- All organisations seeking rates exemption under section 6.26(g) of the *Local Government Act 1995*.
- The Shire of Wyndham East Kimberley in assessing and determining exemption applications.

DEFINITIONS

Council - The Council of the Shire of Wyndham East Kimberley.

Exemption - A determination that land is non-rateable under section 6.26(g) of the *Local Government Act 1995*.

Financial year - The period from 1 July to 30 June.

Local government - The Shire of Wyndham East Kimberley.

Rateable land - Land subject to rates under section 6.26(g) of the *Local Government Act 1995*.

Waive - A concession that removes a debt owed to the Shire.

Write Off - The recognition that a debt or asset can no longer be recovered or utilised.

POLICY STATEMENTS

This Policy seeks to define under what basis section 6.26(g) of the *Local Government Act 1995* is to be applied.

1) Charitable Purpose Criteria

A charitable purpose, as recognised under section 12 of the *Charities Act 2013*, includes:

- Advancing health, education, social or public welfare, religion, or culture.
- Promoting reconciliation, mutual respect, human rights, security, or safety.
- Preventing or relieving animal suffering.
- Advancing the natural environment or other public benefits.

Certain purposes are disqualified from exemption under section 11 of the *Charities Act 2013*, including:

- Activities that are unlawful or contrary to public policy.
- Promoting or opposing a political party or candidate.

2) Essential Exemption Requirements

For land to qualify as non-rateable under section 6.26(g) of the *Local Government Act 1995*:

- The use of the land, not just the organisation's purpose, must be charitable.
- The land use must provide a public benefit.
- The land must be used *exclusively* for charitable purpose
- Any commercial activities conducted must be incidental to the charitable purpose.
 - If land is used for both charitable and non-charitable purposes, it does not qualify as exclusively used for charitable purposes and will not be exempt from rates.
 - If the use of land for a charitable purpose generates incidental profit as a by-product of its operation, this does not necessarily disqualify the land from exemption, provided the primary use remains charitable.

3) Application Process

Organisations seeking a rates exemption must:

- Submit a written application using the prescribed form.
- Be the property owner or a tenant responsible for rates under a lease.
- Provide supporting documents, including:
 - Constitution of the organisation.
 - Financial statements.
 - Evidence of land use.
- Be a registered charity with the Australian Charities and Not-for-profits Commission (ACNC) or an incorporated Not-for-Profit organisation.
- Reapply every three years.

Applications must be lodged by 31 May for the upcoming rating year. Rates remain payable until an exemption is granted, with refunds provided if applicable.

4) Determination of Exemption

The Shire will assess applications based on:

- Compliance with section 6.26(g) of the *Local Government Act 1995* and Section 12 of the *Charities Act 2013*.
- Submission of required documentation.
- Any necessary additional information requested by the Shire.

Successful applicants will receive written notification, including:

- Date of exemption commencement.
- Review period.
- Value of rates exempted.

Please note that:

- Partial exemptions may apply where a substantial portion of a property is used for charitable purposes.
- Exemptions are not automatically renewed and must be reassessed at the end of each review period.
- If the property was used for the stated purpose as of 1 July in the relevant financial year, the exemption will apply from that date, with refunds issued for any rates paid

prior to determination. If the land use changes mid-year, any exemption granted will only take effect from the date of the change.

- If a property loses its exemption during the financial year, pro rata rates will apply effective from the month following the loss of exemption.
- If a property is sold, pro rata rates will be applied from the date of settlement.

5) Review and Appeal Rights

Applicants may challenge a determination through:

1. Objection under section 6.76 of the *Local Government Act 1995* – If they believe an error has been made in the rate record.
2. Review by the State Administrative Tribunal under section 6.77 of the *Local Government Act 1995* – Within the statutory timeframe from the date of the decision.

RISK

Risk: Failure to appropriately manage rates exemptions may impact revenue and service delivery.

Control: Regular policy reviews ensure compliance with legislation and fair administration.

DOCUMENT AND VERSION CONTROL

Responsible Directorate	Corporate Services		
Responsible Officer	Director Corporate Services		
Statutory References	Local Government Act 1995 section 6.26 (g) Local Government Act 1995 section 6.76 Local Government Act 1995 section 6.77 Charities Act 2013 section 11 Charities Act 2013 section 12		
Related Documents	POL-2002 Strategic Rating Policy POL-3002 Community Grant Program POL-2007 Rates and Charges Debt Collection MOR-2000 Audit (Finance and Risk) Committee Terms of Reference WALGA Best Practice Guideline on Rates Exemptions for Charitable Organisations.		
Amendment History (Adoption and last 3 amendments)			
Version	Date Issued - Resolution Number	Item #	Description of Change
1.0	18/03/2014 – 10344	11.2	Council Adoption at Special Council Meeting
3.2	06/05/2020 – CEO002	--	Reference Updates as per POL-1014 Policy Management
3.3	08/11/2023 – CEO032	--	Reference Updates as per POL-1014 Policy Management (previously CP-FIN-3208)
4.0	TBA	TBA	Review Adopted by Council
Date of Next Review		April 2028	