

Department of THE CHIEF MINISTER AND CABINET

Local Government Unit

Conditional rating, exemptions and concessions, sale of land
and debt recovery – *Local Government Act 2019*

Conditional rating

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Conditional rating

Under the *Local Government Act 2019* (the Act), pastoral leases and mining tenements (including mineral leases, extractive mineral permits and petroleum licences) are subject to conditional rating.

Each year, conditional rates need to be set by 28 April, and are set by the Minister for Local Government, in consultation with the Ministers responsible for the pastoral and mining sectors.

Councils may make submissions to the Minister for Local Government by 31 December in the year before the beginning of the relevant financial year.

The rates are then issued and collected by the council for the area where the mining tenement or pastoral lease is located.

What is rateable

Conditionally rateable land is defined as:

- land held under a pastoral lease
- land occupied under a mining tenement (mineral and petroleum titles), or
- other land prescribed by regulation as conditionally rateable.

Rateable mining tenements do not include titles such as exploration licences.

Also, a condition in the 2023-24 Gazette notice, excludes titles without current authorisation for the commercial production of minerals from being rated.

Pro-rata and concessions

If a mining tenement becomes and/or ceases to be rateable during the course of a financial year, it is liable to rates for part of the financial year.

Pro-rata apportionment of rates may be applied to mining tenements, as set out in section 224 of the *Local Government Act 2019*.

A ratepayer may apply to a council for a rates concession, for reasons such as financial hardship.

Rate exemptions and concessions

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Exempt land

Some land is exempt from rates, including:

- Crown land that is vacant and not subject of a lease, or occupied by the NT Government for a public purpose (other than public housing).
- Land of the council (other than land leased for a purpose that is not exempt).
- A public place, such as a park, reserve, cemetery or road.
- NT Government hospitals, medical clinics and health centres.
- Schools, youth centres, libraries and museums.
- Land used for a non-commercial purpose by a Public Benevolent Institution (PBI) or public charity that is registered with the Australian Charities and Not-for-profits Commission.

Charges on exempt land

Councils can impose charges on land, even if it is exempt to rates, when providing works or services to that land such as waste collections, water supply, sewerage services, solar/ power supply, road maintenance and new facilities or upgrades.



Concessions

A rate concession is one or more of the following:

- (a) a waiver in whole or part of rates or a component of rates;
- (b) a deferment in whole or part of an obligation to pay rates or a component of rates.

A council may grant a rate concession on its own initiative or on application by the ratepayer.

Concessions that a council may consider, include for alleviating financial hardship, to correct anomalies in the operation of a rating system and for public benefit.

Council must have a policy on rate concessions on its website, which clearly states on what grounds or in what circumstances a rate concession may be granted.

Debt recovery

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Debt recovery

Rates that are owed to council may be recovered as a debt due to council from the principal ratepayer, or any other ratepayer by action in a court.

The council can commence these proceedings any time within six years after the rates are imposed.

If the rates are not paid by their due date, they become a charge over that land, if the owner of the land is a ratepayer who is liable for the rates that are in arrears.

Debt recovery

Charges for rates in arrears cannot be placed over land in an Aboriginal community living area.

After the rates have been in arrears for six months, the council may apply to the appropriate registration authority for a charge over that land.

If a charge is registered as an overriding statutory charge under the Act, it has priority over all other registered and unregistered mortgages and charges (except previously registered statutory charges).

Sale of land

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Sale of land

Councils in the Territory are given authority to sell land for non-payment of rates.

This can only be done under the following circumstances:

- the rates have been in arrears for at least three years; and
- an overriding statutory charge securing liability for the rates has been registered for at least six months.

It is at the council's discretion whether or not they choose to exercise this power.

Notice of sale

If the council chooses to sell the land for non-payment of rates, they must meet some pre-conditions:

1. The council must give notice to the principle ratepayer for the land at the address, and should note:
 - the period that the rates have been in arrear;
 - the total amount outstanding on the land; and
 - a warning that if the amount is not paid in full within a period of time (at least 1 month), then the council intends to sell the land for non-payment of rates.
 2. The notice must be given to anyone with a registered interest in the land.
 3. If the land is a pastoral lease or other lease granted by the Territory, the Minister administering the legislation under which the lease was granted should also be notified.
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Process of selling the land

If the full amount is not paid by the date stipulated in the notice, the council may sell the land.

If it is a pastoral lease or other lease granted by the Territory, or a mining tenement, then the sale must be approved by the Minister administering the legislation under which the lease is granted.

The sale of land must be by public auction, which must be advertised on the council website, and circulated in a Territory newspaper, on at least two occasions. If the auction fails, then the sale may be made by private contract for the best price that the council can get for the land.

If outstanding rates are paid before the sale, then the council must cancel the sale.

Proceeds of land

There are specific steps to be followed by a council in how it applies the proceeds of the sale of land.

- Firstly, the council must pay off all the costs it incurred in the sale of land.
- Secondly, it must pay off all liabilities secured on the land (including the liability to the council), in order of their priority.
- Thirdly, then what is left must be payed to the person who owned the property prior to the sale.

If the owner is not identified, then the payment should be made to the Public Trustee.

Questions

Questions may be taken on notice or feel free to email your question, at any time, to lgquestions.cmc@nt.gov.au

