

FP016 – Rates Concessions on Commercial Farming Properties Occupied by Pensioners

1. Intention

To provide guidelines that will ensure a fair and equitable process for calculating rate concessions on commercial and farming properties occupied by seniors or pensioners.

2. Scope

This policy applies to ratepayers of the Shire of Waroona.

3. Statement

In accordance with section 28 (2) of the *Rates and Charges (Rebates and Deferments) Act 1992*, the Shire of Waroona has determined an equitable and consistent method of calculating concessions on commercial and farming properties occupied by pensioners/seniors.

On this basis, the following process will take place to determine the method of calculating concessions for properties identified as commercial or revenue producing farming properties.

Eligible pensioners as determined by the *Rates and Charges (Rebates & Deferments) Act 1992*, whose property is identified as being over the size of 5 acres, will be required to complete a declaration to assist Council in determining whether their property is a commercial or revenue producing farming property. The declaration will be filled out on application and reviewed every three years as part of Council's three yearly review process for all pensioners.

Those properties identified as commercial or revenue producing farming properties will have their rebates calculated by one of the following methods as a result of the determination made by the Rates Officer.

3.1 Method 1

A proportionate rebate, based on the area used for residential purposes against that used for commercial or farm (income generating) purposes.

3.1.1 Example 1 – Option A

A pensioner couple occupy a house that is situated on a farm. The farm is worked by their son who resides on a neighbouring property. The house has been constructed on a 5ha block, which has no facilities used for farming operations, that is, no shearing or equipment storage sheds. A single rate notice is issued for the total property including that area occupied by the pensioner couple.

Total rateable area:	1,000ha
Residential portion:	5ha
Rates:	\$2,000.00

Rates proportioned in accordance with Section 28 (2).

By area:	$5/1,000 \times \$2,000 = \10
Rebate:	$\$10.00 \times 50\% = \5

3.2 Method 2

Whereby the residential portion of the property cannot be determined, a proportionate rebate, by applying an arbitrary curtilage of 2ha in respect to the residential component of the rated property.

3.2.1 Example 2 – Option B

A pensioner couple occupy a house that is situated on a farm. The farm is worked by their son who resides on a neighbouring property. The house occupied by the pensioner couple is located amidst the various farm sheds etc. (it may be the original farm house) and cannot be separately distinguished from the rest of the property. A single rate notice is issued for the total property including that area occupied by the pensioner couple. As the residential area is non-specific and cannot be clearly identified, an arbitrary curtilage of 2ha is applied.

Total rateable area:	1,000ha
Curtilage:	2ha
Rates:	\$2,000.00

Rates proportioned in accordance with section 28 (2).

By curtilage:	$2/1000 \times \$2,000 = \4
Rebate:	$\$4 \times 50\% = \2

Rural properties will be asked to complete a declaration on their application for a rebate to determine whether they are an incoming producing farming property.

3.3 Method 3

A minimum or valuation based rate, for example, in the case of hobby farms or where the residence is situated on a distinct identifiable parcel of land that has no commercial use, irrespective of the property size.

3.3.1 Example 3 – Option C

A pensioner couple occupy a house located on a 5 acre block. The couple use the property to grow vegetables for their own consumption and have several small farm animals grazing their land. There are no commercial farming buildings. The farm is primarily for the pensioner couples pleasure rather than profit and is therefore determined to be a hobby farm.

A single notice is issued for the total property including the residential area occupied by the pensioner couple.

Total rateable area:	5ha
Rates:	\$2,000.00

Rates proportioned in accordance with Section 28 (2).

By minimum:	$\$1,010 \times 50\%$
Rebate:	\$505

Should the declaration provided by the ratepayer determine that the property is neither a commercial or revenue producing farming property nor a hobby farm, the full rebate should be calculated.

4. Legislative and Strategic Context

The *Rates and Charges (Rebates and Deferments) Act 1992* and the associated subsidiary legislation provide the broad framework within which this policy operates.

5. Review

This policy is to be reviewed triennially.

6. Associated Documents

Nil.

Division	Finance				
Policy Number	FP016				
Contact Officer	Manager Corporate Services				
Related Legislation	Rates and Charges (Rebates and Deferments) Act 1992				
Related Shire Documents	F3 – Pensioner Declaration Form				
Risk Rating	Low	Review Frequency	Triennially	Next Review	June 2027
Date Adopted	17/12/2009				OCM09/215

Amendments		
Date	Details of Amendment	Reference
25/07/2017	Amended to reflect advice from Office of State Revenue.	OCM17/07/068
18/12/2018	Updated as part of major review.	OCM18/12/126
22/06/2021	Updated as part of major review and reformatted.	OCM21/06/071
25/06/2024	Reviewed without amendment	OCM24/06/090
Previous Policies		
CORP035 – Rates – Concessions on Commercial Farming Properties Occupied by Pensioners		
3.24 – Rates – Concessions on Commercial Farming Properties Occupied by Pensioners		