

## 1. PURPOSE

This policy identifies the applicable rules to determine the eligibility of an organisation to a rate concession on the basis of being a cultural, recreational or charitable organisation.

## 2. INTRODUCTION

Under the *Culture and Recreational Lands Act 1963* Section 4 (1), Council is able to set a separate rating structure for cultural and recreational lands, after having reasonable regard to the services provided and having regard to the benefit derived from such recreational lands.

Additionally some cultural and recreational organisations may also be exempt from rates on the basis of being a charity Under Section 154 (2) (c) of the *Local Government Act 1989*, where “any part of land is not rateable land, if that part is used exclusively for charitable purposes”. There are four heads of charity that can be identified:

1. The relief of poverty
2. The advancement of education
3. The advancement of religion
4. Other purposes beneficial to the community

It is this last head of charity that may be applied to cultural and recreational organisations.

All charities are entitled to be considered for an exemption under Section 154 of the *Local Government Act 1989*.

## 3. SCOPE

This policy applies to all cultural, recreational and charitable organisations within the municipality.

## 4. PRINCIPLES

### 4.1 General Eligibility

- 4.1.1 Charities specifically will be considered for exemption first under the provisions of Section 154 (2) (c) and Section 154 (4) of the *Local Government Act 1989*. They must be used predominantly for charitable purposes and any component of their business that is undertaken for profit must be incidental to the charitable purpose.
- 4.1.2 A charity operating in a commercial competitive environment will be required to provide full and complete financial information to enable the assessment of whether the revenues are incidental or otherwise to its operations.
- 4.1.3 For any concession to apply, the organisation must be a cultural, recreational or charitable organisation under one of the four heads of charity.

- 4.1.4 All profits derived by the organisation must be applied in the promotion of its objectives and must not be used in any way for the payment of any dividend or disbursement to its members.
- 4.1.5 The *Culture and Recreational Lands Act 1963* Section 2 (b) to (f), specifically lists some lands that are to be defined as recreational lands and this includes lands which are used primarily as agricultural showgrounds, and states that land must be used for outdoor activities.
- 4.1.6 To be considered under the *Culture and Recreational Lands Act 1963*, the land must be held in the name of the organisation or leased from council or the crown. It cannot be leased from a third party.
- 4.1.7 Indoor cultural and recreational organisations are not eligible under the *Culture and Recreational Lands Act 1963* and as such may only be considered for exemption under Section 154 of the *Local Government Act 1989* and under the head of charity 4. Other purposes beneficial to the community.
- 4.1.8 An organisations capacity to raise significant income will also be considered in determining whether cultural and recreational organisations receive a 100% rate concession or a 50% concession.

## **4.2 Other principles**

- 4.2.1 A charitable organisation with operations in a commercial and competitive environment will be separately rated for that commercial component wherever it is practical to do so.
- 4.2.2 All cultural, recreational and charities will be exempt from paying the municipal charge.
- 4.2.3 All cultural, recreational and charitable organisations would continue to pay their Fire Services Property Levy.
- 4.2.4 All cultural, recreational and and charitable organisations would continue to pay for garbage charges as and when they utilise this service.

## **4.3 Decision Process – Flow Chart**

A flow chart has been developed to assist in the application of this policy for Culture & Recreational Organisations. It should be read in-conjunction with the above eligibility criteria and definitions.

**See Attachment 1.**

## **5. COMMUNICATION**

This policy will be posted on the Horsham Rural City Council website and intranet, and will be specifically provided to relevant cultural, recreational and charitable organisations as applicable.

## **6. RESPONSIBILITY**

**Policy Owner:** Director, Corporate Services

## 7. DEFINITIONS

Definition	Meaning
<b>Recreational Lands</b>	Recreational lands are defined within the <i>Culture and Recreational Lands Act 1963</i> , to be lands which are vested in or occupied by any body corporate or unincorporated which exists for the purpose of providing or promoting “outdoor” cultural, sporting, recreational or similar facilities.
<b>Cultural and Recreational Organisations</b>	A cultural or recreational organisation must be established for the expressed purpose of promoting or advancing spiritual, cultural or recreational objectives within the community.
<b>Charitable Organisations</b>	There are four heads of charity that can be identified: 1. The relief of poverty 2. The advancement of education, 3. The advancement of religion, 4. Other purposes beneficial to the community
<b>General community benefit</b>	An organisation can be seen as having a “general community benefit” when it provides an activity or service that has a positive spiritual, cultural or recreational outcome for the community without any negative consequences of the activity. (Negative consequences may be from the impact of the activity itself or from related associated activities). Another consideration may be whether the facility is open to the public to utilise most of the facilities without being a member of the organisation. This access may be granted for free or for a very small consideration for compliance purposes or to cover some direct operational costs. e.g. so that a key if given is returned, or to cover direct usage costs such as electricity etc.
<b>Capacity to raise significant income</b>	An organisation will be considered to have a capacity to raise significant income if it has some additional revenue raising capacity that is secondary to the cultural and recreational activity that it is engaged within. This may, for example, be from the provision of a commercial bar and kitchen, gambling activities or commercial facility hire that involves more than just renting out the space.

## 8. SUPPORTING DOCUMENTS

Document	Location
Horsham Rural City Council Rates Strategy	Website/Intranet
<i>Local Government Act 1989 (section 154)</i>	Internet
<i>Cultural and Recreational Lands Act 1963</i>	Internet

## 9. DOCUMENT CONTROL

Version Number	Approval Date	Approval By	Amendment	Review Date
01	1 June 2015	Council	New policy	
02	23 April 2019	Council	Reviewed	23 April 2022

This Flow Chart is for decision making for Cultural and Recreational Organisations not all Charities.

