

POLICY TITLE **HARDSHIP POLICY**

VERSION I: 11 May 2015

Last reviewed: -

OBJECTIVES

To establish guidelines for the assessment of applications from ratepayers who are experiencing genuine financial hardship with the payment of rates and charges by applying the following principles:

- Social justice, fairness and integrity
- Compliance with relevant statutory requirements
- Appropriate confidentiality

POLICY STATEMENT

Council recognises that ratepayers may experience hardship in some circumstances in paying rates and charges. The Local Government Act 1993 provides for the following assistance to ratepayers:

- Periodical payment arrangements for overdue rates and charges (Section 564):
- Writing off or reducing interest accrued on rates and charges (Section 564 & 567);
- Waiving, reducing or deferring the payment of the increase in the amount of rate payable because of hardship resulting from general revaluation of land in the Local Government Area (Section 601);
- Waiving, or reducing rates, charges and interest of eligible pensioners (Section 575 & 582)

A ratepayer may be eligible for consideration for hardship assistance in the payment of overdue rates, charges and interest where:

- The person is unable to pay rates or accrued interest when due and payable for reasons beyond the person's control; or
- Payment when due would cause the person hardship

Council will consider applications for assistance on merit and in accordance with the following principles:

- Council will individually assess cases of financial hardship;
- Council will not reduce rates or charges, but will consider alternative available approaches to dealing with financial hardship;
- Council will consider a scheme of periodical payment outside the due dates in cases of hardship or extenuating circumstances.

Applications for Hardship must be made in writing on the appropriate Hardship Rate Relief Application Form. Council may also request the ratepayer attend an interview to assist Council in the understanding of the issues causing hardship.

- The applicant must be the owner/spouse or part owner of the property and be liable for the payment of rates and charges on the property.
- The property to which the hardship application applies must be categorised as residential or farmland for rating purposes.
- The property to which the hardship application applies must be the principal place of residence of the applicant.
- The application for hardship must be accompanied with supporting documentation which may include but is not limited to:-
 - Reasons as to why the person was unable to pay the rates and charges when they became due and payable;
 - Copy of recent bank statements for all accounts;
 - Details of income and expenditure
 - Letter from a recognised financial counsellor or financial planner confirming financial hardship.

Assistance to Eligible Pensioners

- Council will provide a rebate of rates to eligible pensioners who are granted a mandatory pension concession under Section 575 of the Local Government Act 1993.
- Council will provide assistance to eligible pensioners who are experiencing financial difficulties by offering alternative payment arrangements for due and payable rates and charges. All payment arrangements must be paid within a reasonable time frame, not exceeding one year from the date of arrangement being made, and should include future rates and charges which will be levied during the arrangement period.

Hardship Assistance by Periodical Payment Arrangements

- Council may enter into a formal agreement with a ratepayer eligible for alternative periodical payment arrangement for due and payable rates and charges. Council or the ratepayer may initiate a proposal for a periodical payment agreement. In accordance with Section 568 of the Act, payments will be applied towards the payment of rates and charges in the order in which they become due.
- All payment arrangements must be paid within a reasonable time frame, not exceeding one year from the date of arrangement being made, and should include future rates and charges which will be levied during the arrangement period.
- Council may also write off or reduce the accrued interest and charges if the person complies with the agreement (Section 564(2)).
- If the ratepayer fails to make the periodical payment in accordance with the agreement, the payment plan may be cancelled. Full payment of the amount outstanding will be due immediately.

Hardship Assistance by Writing off Accrued Interest and Costs

Council applies interest rates to the maximum allowable under Section 566 of the Act. However Council may write off accrued interest and costs on rates and charges payable by a person under Section 567 of the Act and the Local Government (General) Regulation 2005 where:

- (1) The person was unable to pay the rates and charges when they become due for reasons beyond the person's control, or
- (2) The person is unable to pay accrued interest for reasons beyond the person's control, or
- (3) Payment of the accrued interest would cause the person hardship.

Assistance due to General Revaluation of the Local Government Area

With respect to Section 601 of the Local Government Act 1993 (valuation changes), Council will not consider hardship applications under this provision as valuations are independently determined by the NSW Valuer General. Council will encourage aggrieved ratepayers to make appropriate application under the appeal provisions of the NSW Valuation Act 1916 or may provide assistance by offering alternative payment arrangements. All arrangements must pay the balance owing within a reasonable time frame, not exceeding one year from the date of the arrangement being made and should include future rates and charges which will be levied during the arrangement period.

Hardship Concession Termination

The concessions granted may be withdrawn for any of the following reasons:

- The ratepayer no longer owns the land;
- The ratepayer advises Council that the hardship no longer applies;
- The ratepayer defaults on a payment arrangement if a payment arrangement has been entered into;
- Council receives information that proves the hardship no longer exists.

Where the property ownership changes on any assessment with a deferred payment agreement in place, all rates and charges must be fully paid at the point of this change. Hardship concessions are not transferable.

Writing off of Rates, Charges and Interest

In the cases where Council determines to write off rates, charges or interest, the General Manager shall write off debts to the maximum amount allowable under Council delegation register. Any amount above that may only be approved by Council resolution.

Date Policy Adopted	Minute No	Authority
25 June 2015	36763	Council resolution