

# Rates and Charges Financial Hardship Policy

<b>Approved by</b>	<b>Council resolution</b>
<b>Responsible Officer</b>	Rates Officer
<b>Council Service Unit</b>	Finance
<b>Next Review Date</b>	December 2021

## Version Control

Ref	Date	Description	Council Resolution
0.1	12 December 2017	Presented to Council	07/12/2017

## Purpose

To provide financial assistance to ratepayers who are experiencing genuine financial hardship with the payment of Council's rates and charges.

To provide a decision making framework for the appropriate assessment of financial hardship applications.

## Scope

This policy applies to eligible ratepayers within the Cootamundra-Gundagai Regional Council Local Government area who are experiencing genuine financial difficulties in paying their rates and charges.

## Legislative Framework

Local Government Act 1993

## Review Period

This document is to be reviewed every four years.

## Policy Statement

Council recognises there are cases of genuine financial hardship requiring respect and compassion in special circumstances. This policy establishes guidelines for assessment of a hardship application applying the principles of fairness, integrity, confidentiality and compliance with statutory requirements. It applies to all applications for alternative payment arrangements or writing off rates, fees, annual charges and interest accrued on such debts.

The General Manager has the delegated authority to assess applications due to hardship and payment arrangement plans from any customer after receiving a written request and in cases of genuine hardship each

case is to be referred to Council for consideration in accordance with Councils adopted policy.

To establish guidelines for the General Manager and staff when dealing with ratepayers, suffering genuine financial hardship, with the payment of their rates and charges.

To fulfill the statutory requirements of the Local Government Act, 1993 with respect to the ability to grant provision and give special consideration to ratepayers subject to financial hardship.

## **Determination of Eligibility**

The criterion for financial hardship involves an inability of the ratepayer to pay their rates, rather than an unwillingness to do so. Hardship may result from any of, but is not limited to, the following:

- Loss of employment by ratepayer or family member.
- Family breakdown.
- Ongoing or long term illness of the ratepayer or family member.
- Death in the family.
- Loss of income due to natural disasters or drought.
- High rate levy increase due to revaluation.

To request consideration for a concession under the hardship policy, the ratepayer must submit in writing a signed and dated application stating the nature of the hardship and the estimated period over which the hardship will be experienced.

- Evidence confirming the ratepayer's hardship status must accompany the application in one of the following forms:
- Evidence in writing from a third party such as the ratepayer's bank manager or accountant;
- Copy of recent bank statements for all accounts.
- Evidence in writing from a recognised financial counsellor;
- Statutory declaration from a person familiar with the ratepayer's circumstances who is qualified to provide Council with a clear, unbiased assessment of the ratepayer's hardship status, such as a carer, power of attorney or a medical practitioner.

Council may request additional information to confirm the ratepayer's hardship status if deemed necessary and may also request the ratepayer attend an interview to assist Council in the understanding of the issues causing hardship.

## **Hardship Concession Provisions**

Once the ratepayer has submitted the application, the Revenue Officer will make an assessment based on the merit of the individual case against the eligibility conditions within this policy, and will make a recommendation to Council regarding the actions they may take in relation to the particular hardship case. Available options are:

### **Defer outstanding amounts for a set period of time**

#### **Periodic Payment Arrangements**

- Section 564 of the Local Government Act provides that Council may enter into a formal agreement with

a ratepayer eligible for alternative periodical payments for due and payable rates and charges. A periodic payment agreement will be offered in accordance with Council's Debt Recovery Policy. Interest will apply unless specifically stated otherwise on outstanding balances but allow ratepayers the required time to make payments without any legal action being undertaken by Council to recover rates and charges.

### **Charge interest rate of 0% on overdue amounts for a set period of time**

#### **Writing off accrued interest and costs**

- Accrued interest on rates or charges payable by a person may be written off under Section 567 of the Local Government Act 1993, if:
- The person was unable to pay the rates or charges when they became due for reasons beyond the person's control,
- The person is unable to pay accrued interest for reasons beyond the person's control, or
- Payment of the accrued interest would cause the person hardship.

#### **Extend pensioner concession to avoid hardship**

- Section 577 of the Local Government Act, 1993 enables Council to make an order deeming certain persons who are jointly liable with an eligible pensioner(s) or solely liable, but who are not themselves eligible, to be eligible pensioners for the purpose of a mandatory reduction in rates and charges to avoid hardship.

#### **Pensioner Abandonments**

- Section 582 of the Local Government Act, 1993 enables Council to waive or reduce rates, charges and accrued interest due by any person prescribed by the regulations who is in receipt of a pension, benefit or allowance under the Social Security Act 1991. Thus, council may, in its absolute discretion, further reduce on a voluntary basis (with no subsidy from the state government) rates and charges otherwise payable by an eligible pensioner. Council may also agree to allow the remainder of pensioners' rates, after concessions have been deducted, to accrue against the future estate or sale of the land in appropriate cases.

#### **General Revaluation of the Local Government Area**

- Section 601 of the Local Government Act, 1993 provides that where any ratepayer who suffers substantial hardship as the consequence of the making and levying of a rate following a new valuation, may apply to Council for rate relief.
- Council will not consider hardship applications under this provision, as valuations are independently determined by the NSW Valuer General. Council will encourage ratepayers to make an appropriate application under the appeal provision of the NSW Valuation of Land Act 1916.

#### **Any combination of the above.**

### **Assessment Process**

Each case will be considered individually and on its merits and will take into account, but will not be limited to:

The property for which the hardship application applies must be the principal place of residency of the applicant/s if categorised as "Residential" for rating purposes.

- The property for which the hardship application applies must be categorised as "Residential" or

“Farmland” for rating purposes.

- The applicant must be the owner or part owner of the property and be liable for the payment of rates on the property.
- The ratepayer’s financial circumstances, including income and expenses from all sources.
- The amount of rates levied compared to the average rates levied of the rate category or sub-category.
- Repayment history, including any previous defaults or arrangements.

Council will consider hardship applications in closed meetings and personal information will remain confidential. The ratepayer will be informed of Council’s decision in writing and if not satisfied with the outcome can request the Council to reconsider its decision.

If the ratepayer continues to experience hardship after the concession period approved by Council has expired, then a new application must be made by the ratepayer. In such circumstances evidence provided with the initial application may be used to confirm the ratepayer’s hardship status, however Council may request additional information to confirm the ratepayer’s current hardship status if deemed necessary.

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