

1. Introduction

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.

2. Application

This Policy applies to an owner or part owner that is suffering financial hardship and their rate assessment is categorised as “Residential” or “Farmland” for the purpose of rating as per the *Local Government Act 1993*.

3. Definitions

Rateable person – includes the Crown in respect of rateable land owned by the Crown and means:

- An owner in any case where the *Local Government Act 1993*, provides that a rate is to be paid to the Council by the owner, and
- A holder of a lease in any case where the *Local Government Act 1993*, provides that a rate is to be paid to the Council by the holder of the lease.

4. Principles

4.1 Procedural 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 waiving, alternative payment arrangements or writing off rates, 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 Council's adopted policy.

4.2 Assistance by 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 periodic payments for due and payable rates and charges.
- *Section 568* of the *Local Government Act*, payments will be applied towards the payment of rates and charges in the order in which they became due.

4.3 Assistance by 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 charge when they became due for reasons beyond the person's control, or
- 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.
- A pensioner meets the eligibility criteria as detailed in clause 4.4 of this policy “Assistance to Pensioner Ratepayers”.

4.4 Assistance to Pensioner Ratepayers

For the purpose of this policy, a pensioner ratepayer is one who meets the requirements of section 575 of the Local Government Act 1993.

Pensioner ratepayers will be assisted in keeping their rate accounts current by waiving any interest charges raised during the year provided their account has no arrears of rates and charges owing as at the first day of the rating year (i.e. 1st July) and the current years rates and charges are all paid by the last day of the rating year (i.e. 30th June).

During the year end process the Senior Finance Officer shall present to the General Manager a list of interest charges raised during the year for write-off, if:

- The ratepayer was an eligible pensioner for the rating year, for which the interest is to be waived.
- The ratepayer has paid all rates and charges owing with the exception of any interest charges that are to be waived.

4.5 Assistance to 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.

4.6 Assistance due to 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. Assistance is only available in the first year new valuations are used to calculate.

Section 601(2) of the Local Government Act, 1993 provides that the Council has discretion to waive, reduce or defer the payment of the whole or any part of the increase in the amount of the rate payable by the ratepayer in such circumstances, for such period and subject to such conditions as it thinks fit.

4.7 Assessment Process

In cases of genuine hardship each case is to be referred to Council for consideration in accordance with Council's adopted policy.

Application for Hardship must be received in writing on the approved 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.

In determining eligibility, Council will use the criteria used by Centrelink for granting of a pensioner concession, including the assets and income test.

- a) The applicant must be the owner or part owner of the property and be liable for the payment of rates and charges on the property.
- b) The property for which the hardship application applies must be the principal place of residency of the applicant(s).
- c) The property for which the hardship application applies must be categorised as "Residential" or "Farmland" for rating purposes.

- d) The application for hardship must be accompanied with supporting documentation which may include but is not limited to:
- Reasons 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 counselor or financial planner confirming financial hardship.
- e) The General Manager has the delegated authority to assess all applications from any customer after receiving a written request.
- f) With respect to *Section 601* of the *Local Government Act, 1993*, 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 an appropriate application under the appeal provisions of the *NSW Valuation of Land Act 1916*.

5. Reporting

Any Council rates and charges, accrued interest charges or legal costs reduced or waived under this policy MUST be detailed in the Abandonments Register. Overall details of all write-offs shall be provided in Council's Annual Report.

6. Relevant Legislation

Local Government Act, 1993

Local Government (General) Regulation 2005

7. Related and Associated Council Policy and Procedures

Liverpool Plains Shire Council Debt Recovery Policy