

FINANCIAL HARDSHIP POLICY - RATES & ANNUAL CHARGES

Detail of Policy

Short Title Financial Hardship Policy - Rates & Annual Charges

Division Corporate Services

Category Finance

Date adopted by Council 18 November 2013

Date amended by Council:

Date ratified by Council:

COUNCIL POLICY

1 LEGISLATION

Local Government Act 1993.

2 PURPOSE AND OBJECTIVES

The purpose of the policy is for Willoughby City Council to provide a statement on its commitment in preventing financial hardship to ratepayers in the payment of annual rates and charges.

The objective of the policy is to:

- Be sympathetic and provide financial assistance to ratepayers who are experiencing genuine financial hardship with the payment of their annual rates and charges.
- Provide a decision-making framework for the appropriate assessment of financial hardship applications.
- Fulfil the statutory requirements of the Local Government Act with respect to the recovery of rates debts.

3 POLICY GUIDELINES

3.1 EXPECTATIONS

3.1.1 This policy recognises that ratepayers may at times encounter difficulty in the payment of rates and charges. The Local Government Act, 1993, allows Council to provide assistance to those ratepayers under the following sections of the Act.

3.1.2 Section 564 of the LGA, provides that Council may enter into an agreement for the payment of rates and charges and may write off or reduce interest accrued on rates and charges provided that the ratepayer complies with the agreement.

- 3.1.3 Section 567 of the LGA, provides that Council may write off accrued interest on rates and charges if, in its opinion, the payment of rates and charges (or interest) was beyond the ratepayer's control, or that the payment of interest would cause the person financial hardship.
- 3.1.4 Section 601 of the LGA, provides that ratepayers who incur a rate increase in the first year following a General Revaluation of land values may apply to Council for rate relief if the increase in the amount of rate payable would cause them substantial financial hardship. Council has the discretion to waive, reduce or defer the payment of the whole or part of the increase in the amount of rates payable. The ratepayer may ask Council to review any decision and the Council, at its discretion, may do so.
- 3.1.5 Application for hardship under Section 601 must be made on the appropriate form which is available from Council's website www.willoughby.nsw.gov.au. Hardship applications under this section are generally only for exceptional circumstances and are limited to residential properties.

ELIGIBLE PENSIONERS:

- 3.1.6 Section 577 of the LGA, provides that Council has the ability to extend the pensioner concession, to an individual eligible pensioner, in order to avoid hardship, where it is satisfied that the person has paid or is likely to pay the whole of a rate or charge. Council may approve a full or partial extension of the rebate. Application for hardship under this section must be made on the appropriate form which is available from Council's website www.willoughby.nsw.gov.au
- 3.1.7 Where payment of rates is likely to cause extreme hardship to an eligible pensioner, the General Manager upon the recommendation of the Revenue Manager may allow rates and interest charges to accrue against the property until the estate of the pensioner is settled. Rates and charges are to be finalised on settlement of the Estate. Beneficiaries, pensioners included, are not entitled to defer rates and charges from a previous Estate. Before allowing rates and charges to accrue against a property, Council Officers will obtain from the ratepayer relevant financial and other details in order to determine that the payment of rates/charges and interest would cause extreme hardship.

4.1 MANAGER'S RESPONSIBILITY

- 4.1.1 The Revenue Manager and associated staff will demonstrate integrity and fairness in decision making and be open and honest in their dealings with others.

5 AUTHORISED BY

Adopted by resolution of Committee on 18 November 2013.

6 EFFECTIVE FROM

Adopted by resolution of Council on 18 November 2013.

7 REVIEW DATE

The policy must be reviewed at least every two years or more frequently if legislative or policy changes occur.

8 RESPONSIBLE MANAGER

Revenue Manager in Financial Services Branch of Corporate Services Division.

9 REFERENCES AND RELATED DOCUMENTS

Debt Recovery Policy
Local Government Act, 1993

10 DELEGATIONS

Delegation will be given to the General Manager to assess applications under the Policy.