



ATTACHMENT 7

Hardship Relief Policy



POLICY: Rates and Charges – Hardship Relief Policy

STATUS: ADOPTED
ADOPTED: 12.10.2010
LAST REVISION: 7.6.2010
TRIM REF.: 10/083107
ISSUED BY: Finance Department
INQUIRIES: Revenue Coordinator

OBJECTIVE

To provide rates relief to residential ratepayers who are experiencing genuine financial difficulty in paying their annual rates and charges and to provide a decision making framework to ensure a fair and equitable assessment of all Hardship Relief applications.

BACKGROUND

Blue Mountains City Council recognises that due to exceptional circumstances; ratepayers may at times encounter difficulty paying their annual rates and charges. This policy provides the framework to be followed in providing relief to those ratepayers who are suffering genuine financial hardship.

TRIM Reference number: 10/083107

Status: ADOPTED.

Lifespan: 5 Years

Issued by: Community & Corporate – Finance - Revenue

DEFINITIONS

Ratepayer/s: the person/s liable for payment of Rates and Charges levied on the property for which hardship relief is being claimed.

Eligible Pensioner: a ratepayer prescribed by Regulation 134 of the Local Government (General) Regulation 2005.

Rates and Charges: Rates and Charges levied annually and shown on the annual Rates and Charges Notice and may include: Ordinary Rates; Special Rates; Emergency Services Annual Charges; Domestic Waste Charges; On-Site Sewer Management Charges and other annual charges.

Interest: interest calculated daily and charged on overdue rates and charges pursuant to S566 of the Local Government Act 1993.

Residential Rating Category: land categorised for rating purposes pursuant to S516 of the Local Government Act 1993.

Farmland Rating Category: land categorised for rating purposes pursuant to S515 of the Local Government Act 1993.

Principal Place of Residence: the property that the ratepayer occupies as their sole or dominant residence.

PROCEDURES

An application for Hardship Relief must be made on the prescribed form (attachment 1) and supporting documentation must be provided to substantiate the circumstances and claims described therein. Supporting documentation will include (but may not be limited to) copies of: Income statements or payslips, mortgage statements, credit card statements and other banking statements, significant bills including all utilities, medical certificates etc.

The application form is a statutory declaration made pursuant to the Oaths Act 1900 and must be signed before a Justice of the Peace.

The financial hardship experienced by the applicant must be of a permanent nature.

The applicant must be the ratepayer of the property.

The ratepayer must be an eligible pensioner as prescribed by Regulation 134 of the Local Government (General) Regulation 2005 or the ratepayer must demonstrate to the Council that the financial hardship they are experiencing is a direct consequence of a chronic or terminal illness.

The property for which hardship relief is being claimed must be the principal place of residence for the ratepayer and must be categorised for rating purposes as "Residential" or "Farmland".

The ratepayer cannot own or co-own any other property.

The ratepayer must have continuously occupied the property for at least three (3) years.

All approved applications will be reviewed annually or at any other time the Council deems necessary to ensure the circumstances in which the original application was approved remain relevant. The ratepayer must promptly inform the Council of any change to their circumstances which may affect the approved application.

All applications will be assessed on an individual basis.

APPROVAL

Delegated Authority for the approval of the Hardship Relief concession for the payment of rates and charges rests with the General Manager.

POLICY STATEMENT

Blue Mountains City Council will provide relief from hardship to ratepayers who are experiencing permanent financial difficulty. Relief will be granted by the Council agreeing to a payment arrangement with the ratepayer which is less than that required to pay the annual rates and charges in full by 30th June of the rating year. The balance of the rates and charges remaining unpaid will accrue on the land and interest will be charged on the overdue amounts.

All ratepayers with approved hardship applications will be required to make regular payments. The amount and frequency of these payments will be agreed with the individual ratepayers based on the information provided with their individual applications.

Hardship relief can only be approved for maximum period of five years and must be resubmitted at the end of each five year period. A resubmitted application does not guarantee automatic approval and will be subject to the usual review.

Blue Mountains City Council may require payment of the overdue rates and charges and interest once:

- the applicant ceases to be the ratepayer liable for payment of the rates and charges on the property or;
- at the date when the circumstances for which hardship relief was approved have changed, such that the ratepayer/s can afford to pay the rates and charges or;
- at the date a change occurs to the property in the form of a subdivision, acquisition in part or any other like circumstance or;
- at the commencement of the sixth (6th) year from the date when the oldest outstanding rate or charge became due and payable or;
- at anytime after regular payments have ceased being receipted to the account as was agreed with the ratepayer when the application was approved or last reviewed or;
- Any other such time that the Council decides payment of the overdue rates and charges are in the Council's financial best interests and in the best interests of the community.

RELEVANT LEGISLATION

The following Sections of the Local Government Act 1993 are relevant to this policy:

S515 Categorisation as farmland

S516 Categorisation as residential

S550 Charge of rates and charges on land

S564 Agreement as to periodical payment of rates and charges

S566 Accrual of interest on overdue rates and charges

S568 Application of payments

S575 Reductions for eligible pensioners

S712 Special provisions with respect to the recovery of unpaid rates and charges and;

Regulation 134 of the Local Government (General) Regulation 2005:

134 Eligible pensioners for the purposes of determining pensioner concessions-prescribed classes.

Oaths Act 1900.