



**Policy Owner:** Director Corporate Services

**Category:** 5. Our Civic Leadership

## 1. STATEMENT OF INTENT

- 1.1 To cover situations where ratepayers believe that they have suffered financial hardship by way of North Sydney Council utilising a General Revaluation for rating purposes for the first time i.e. hardship caused from the use of new valuations.
- 1.2 To ensure Council complies with s.601 of the *Local Government Act 1993*.

## 2. ELIGIBILITY

- 2.1 This Policy is available to all North Sydney local government area ratepayers of all land categorised as Residential for rating purposes, subject to a number of limitations as disclosed in Sections 3 and 4 of this Policy.
- 2.2 s.601 of the *Local Government Act 1993* is only applicable in the first year of the using of valuations for rating purposes following the receipt of a General Revaluation.

## 3. DEFINITIONS

- 3.1 Ratepayer - the person liable for payment of the rates of the property for which hardship is being claimed.
- 3.2 Residential categorisation and rating - all land categorised as Residential for rating purposes in accordance with s.516 of the *Local Government Act 1993*.
- 3.3 Principal place of residence - the property that the ratepayer occupies as their sole or dominant residence.
- 3.4 Property ownership - the applicant having been the ratepayer on the property for which the application is being made for a period of not less than 10 years.
- 3.5 Mixed developments - those properties subject to a Mixed Development Apportionment Factor (MDAF) furnished to Council by the Valuer General and are rated in accordance with that MDAF as part Residential and part Business. The part of the property that is subject to an MDAF and rated as residential only is to be considered in the calculation of the increase.

- 3.6 Rates payable calculation test - the calculation of the difference between the previous financial year rate amount and the current financial year rate amount, in accordance with the policy as adopted by Council.
- 3.7 Gross household income test - the calculation of gross household income included in the policy as adopted by Council, and including but not limited to:
- a) Gross household income from pensions/salaries;
  - b) Investment Income;
  - c) Deemed Income from assets; and
  - d) Deemed rental from non-owner residents.
- 3.8 'Rate relief' - refers to the 'rates payable' calculation only when it exceeds 5% of the gross household income.
- 3.9 Maximum permissible rate increase - an increase in rates payable by more than the increase allowed for the year by the Office of Local Government.
- 3.10 Calculation methodology - the rates payable for the year must have increased in accordance with Section 3.9 and must exceed 5% of the gross household income.

#### **4. PROVISIONS**

- 4.1 Any relief under s.601 of the *Local Government Act 1993* will only be available to properties that are categorised and rated as "Residential".
- 4.2 The property must be the ratepayer's principal place of residence, the ratepayer must only be the owner of one property and the ratepayer must have owned the property (for which the application is being made) for a period of not less than 10 years.
- 4.3 The residential component of mixed developments can only be considered for the hardship provisions. The income stream from the business is required to be included as gross household income. Business/mixed development properties are excluded from the hardship provisions due to the tax-deductible nature of the rates and other operating expenses.
- 4.4 Applications for relief under this Policy will only be considered if they are received within six months of the posting date of the rates notice in the first year of the use of the General Revaluation for rating purposes.
- 4.5 Applications for relief under this Policy must pass both the 'Rates payable calculation' (Section 3.6) and 'Gross household income' (Section 3.7) tests as well as the other listed 'provisions'.

## 5. RESPONSIBILITY/ACCOUNTABILITY

- 5.1 Council's Financial Services Department is responsible for receiving, processing and responding to all applications.
- 5.2 Council's Manager Revenue Services is responsible for reviewing all processed applications and for reviewing this policy prior to the next general land revaluation.
- 5.3 Council's Manager Financial Services is responsible for reviewing and responding to any complaints.
- 5.4 The applicant is responsible for providing accurate and timely information to Council.

## 6. RELATED POLICIES/DOCUMENTS/LEGISLATION

The Policy should be read in conjunction with the following Council policies and documents:

- Debt Management Policy
- Financial Management Policy
- Long Term Financial Plan (within Council's Resourcing Strategy)

The Policy should be read in conjunction with the following documents/legislation:

- Local Government Act 1993

Version	Date Approved	Approved by	Resolution No.	Review Date
1	27 June 2004	Council	580	2008/09
2	16 February 2009	Council	61	2012/13
3	18 February 2013	Council	61	2016/17
4	25 June 2018	Council	214	2020/21