

POL191 - Finance – Writing Off Accrued Interest

Applies to:	Finance Staff
Officer Responsible:	Chief Financial and Information Officer
Associated Documents:	Special Rate Variation Application
Legislation:	The Local Government Act 1993
History:	Draft January 2009 Adopted April 2009
G&R Meeting Date:	
Council Meeting:	
Council Minute Number:	
TRIM File Number:	A09/4353 INT/2009/00722 INT/2014/02053
Review Date:	March 2014 – to be reviewed annually
Reasons for Change:	Complies with Branding Following Application for Special Rate Variation

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Sect: 567 Writing off of accrued interest

The council may write off accrued interest on rates or charges payable by a person if, in its opinion:

- (a) the person was unable to pay the rates or charges when they became due and payable for reasons beyond the person's control, or
 - (b) the person is unable to pay the accrued interest for reasons beyond the person's control, or
 - (c) payment of the accrued interest would cause the person hardship.
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1. Objectives

1.1 To outline what circumstances that Council considers to be beyond the persons control in relation to payment of rates and charges.

1.2 To cover situations where a ratepayer believes that they have suffered financial hardship by way of interest accrual.

1.3 To ensure that Council complies with Section 567 of the Local Government Act, 1993 (LGA)

2. Eligibility

2.1 This policy is available to the ratepayers of all land categorized as Residential for rating purposes within the Armidale Dumaresq Council area and is subject to a number of limitations as disclosed in the 'provisions' section of this policy.

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3. Provisions

- 3.1 Relief will be afforded to all ratepayers where there has been an error by Council.
- 3.2 Applications for hardship are to be submitted to Council in writing using the approved form.
- 3.3 Any relief under Sect 567 LGA will only be available to properties that are categorized and rated “**Residential**”.
- 3.4 The property must be the ratepayer’s principal place of residence, the ratepayer must only be the owner of one (1) property, within the specified Council area and that ratepayer must have owned the property (for which the application is made) for a period of not less than 10 years.
- 3.5 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 developments properties are excluded from the hardship provisions due to the tax-deductible nature of the rates and other operating expenses.
- 3.6 Applications for relief under this policy will be accepted on the following grounds:
 - 3.6.1 An error by Council,
 - 3.6.2 Terminal Illness - a medical certificate will be requested,
 - 3.6.3 Temporary Illness - where the applicant cannot work for a period of one month or more - a medical certificate will be requested,
 - 3.6.4 Unemployment – Quarterly updates will be required to be given to Council on the financial position of the ratepayer,

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- 3.6.5 Natural Disasters (Bushfire, Flooding, etc) - full details of losses will be required,
- 3.6.6 Maintaining any Special Payment Arrangement, with Council, which was entered into through a Hardship Application,
- 3.6.7 If the repayments of any accrued interest represent more than 5% of the Gross Household Income, and
- 3.6.8 The applicant is not the subject of current legal action in relation to debt recovery.

4. Calculation

- 4.1 Gross Household Income:
is the calculation of income which includes but not limited to: income from pensions/salaries; investment income; deemed income from assets; deemed rental from non-owner residents.
- 4.2 Maximum Permissible Relief as per sub-paragraphs:
 - 3.6.1 - for a period up to but not exceeding two (2) years,
 - 3.6.2 - for the life of the applicant, with review every two years,
 - 3.6.3 - for the length of the illness, for review monthly,
 - 3.6.4 - for the period of unemployment,
 - 3.6.5 - for a period up to but not exceeding two (2) years,
 - 3.6.6 - for the term of the agreement, and
 - 3.6.7 - for interest accrued over the preceding two (2) years.

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5. Consideration

- 5.1 Consideration for waiving of interest under sub-paragraphs 3.6.1 - 4 will commence from the date of satisfying the provision for the application. This will be subject to any future changes in satisfying the criteria.
- 5.2 Consideration under sub-paragraph 3.6.5 will be in the form of Council forgoing extra interest charges after entering an agreement with the ratepayer for a periodical payment of rates and charges as per Sect 564 LGA and , and is subject to the ratepayer maintaining the payments as per the agreement.
- 5.3 Consideration under sub-paragraph 3.6.6 will only be given if the repayments of the interest would be greater than 5% of Gross Household Income over a two year period. Consideration for write off will only be given for the period covered by the two (2) years preceding the date of application.
- 5.4 Any write offs will be in accordance with Council's delegations.
- 5.5 All final decisions, in the granting of hardship considerations, are to be by Council resolution.

6. Responsibility / Accountability

- 6.1 The Revenue section is responsible for receiving, processing and responding to all applications, and passing on any write off recommendations to the General Manager for consideration.
- 6.2 The Revenue Manager is responsible for reviewing all processed applications and for submitting the outcome to Council for resolution if required.
- 6.3 The Chief Financial Officer is responsible for reviewing and responding to any complaints and resubmitting to Council if necessary.
- 6.4 The Revenue Manager is responsible for reviewing this policy in line with review procedures.
- 6.5 The applicant is responsible for providing accurate and timely information to Council.

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7. Application Form

DLG - Hardship Rate Relief Application Form attached.

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Hardship Rate Relief Application Form

Approved by the Director General of the Department of Local Government, in accordance with clause 135 of the Local Government (General) Regulation 2005 under the *Local Government Act 1993*.

**APPLICATION FOR HARDSHIP RATE RELIEF FOR THE WHOLE OR PART OF
THE YEAR COMMENCING 1 JULY 200_**

**please answer all questions relevant to you using block letters and ticking appropriate boxes.*

Assessment No. _____

I, _____

(Full name in block letters)

of _____

(Address)

telephone number _____ apply for a concession on the

basis of financial hardship.

Property Description (Lot/Plan) _____

(office use only)

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(1) Is this application due to a General Revaluation of your property?
Yes No

(2) Do you receive any pensions or benefits? Yes No

If Yes, please provide type of pension and amount received per fortnight.

Pension: _____ Amount: _____

(2) Do you have a current Pensioner Concession Card issued by the Commonwealth Government? Yes No

PCC No. _____ Date of Grant _____

(3) Have you claimed a pensioner concession on any other property this year?
 Yes No

If Yes, state the address of the other property _____

(4) Is this property your sole or principal place of living? Yes No

The property for which I am claiming has been my sole/principal place of living since _____

(5) I am liable for the payment of rates and charges on this property, together with others as listed below. (If no others, write "SOLE OWNER") _____

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Please provide details of all “other” persons indicated in Question 5. **(ALL OWNERS**

other than the applicant should be listed, including your spouse):

Name	PCC Holder Y/N	Pension No	Date of Grant	Relationship to me (eg: spouse, father, co-owner etc)	Resident of Property Y/N	% of ownership

Evidence of joint ownership is attached/has been provided to council previously (circle whichever is applicable).

(6) Is the property owned as shares in a company title? Yes No

If you do not own or rent the property, please explain why you are liable to pay the rates _____

(7) Are there people living at the property other than those listed at Question 5?

Yes / No

(8) Please indicate who these people are?

- Self
- Spouse
- Children (State ages _____)

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- Boarders
- Relatives
- Other (please specify)

(9) Do you own (either fully or partially) any other land or buildings?

Yes/No

If yes, list addresses.

(10) How many children do you support? _____ State ages _____

(11) What is the cause of financial hardship? _____

(12) How long have you been experiencing hardship? _____

(13) Please state gross weekly amount received in dollars and cents from the following sources of income:

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- a) Pensions and benefits \$ _____
- b) Compensation, superannuation insurance \$ _____
or retirement benefits
- c) Spouse's income \$ _____
- d) Income of other residents of the property \$ _____
- e) Casual/part-time employment \$ _____
- f) Family allowance \$ _____
- g) Interest from banks/credit unions/building societies \$ _____

(14) Please provide name and current balance of all bank, credit union or building society accounts held by you.

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(15) Please state details of fortnightly outgoings.

Outgoing	Owed to	Amount
Rent/Home Loan		
Other mortgages		
Personal loans/Hire purchase		
Health Costs		
Council rates and charges		

Please attach a separate page with any other relevant information you feel may assist your application.

I hereby declare that the information provided is true and correct. **If you make a false statement in an application you may be guilty of an offence and fined up to \$2,200.**

Signature: _____ Date: _____

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Customer Consent

For the sole purpose of authorising the council to confirm with Centrelink whether or not the detail I have provided to the council matches Centrelink or other Commonwealth portfolio department or agency records in relation to the current status of my Commonwealth Benefit:

I _____ (full name) authorise the council to confirm with Centrelink the following details:

- Pension No.
- Name
- Address
- Postcode, and
- That I am a valid concessional card holder

I agree that, unless I revoke my consent, this Customer Consent record is a permanent consent, and may be relied on by the council until such time as I revoke it.

I may revoke this Customer Consent record at any time by giving the council **written** notice that my consent is revoked. I understand if I revoke this consent, I may not be eligible for the concession given by the council.

I acknowledge I have read and understood this Customer Consent record.

Signature: _____ Date: _____

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Privacy and Personal Information Protection Act 1998

Compliance with Section 10

The information contained in this application form and any information requested for the purpose of assessing eligibility for a pensioner concession is required under the Local Government Act 1993 and the Local Government (General) Regulation 2005.