

RATES AND CHARGES HARDSHIP ASSISTANCE POLICY

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Authorisation	Port Macquarie-Hastings Council ORD 23/5/2012
Effective Date	25/05/2012
Review	Group Manager Financial Services Bi-annually commencing two years after approval
File Number	All documents relating to the policy development, communication, implementation and review must be held on a PMHC registered file. Contact the Records Section.
Associated Documents	Hardship Relief Application Form

1. INTRODUCTION

Council is committed to providing assistance to customers who display a genuine inability to pay their rates and other charges in a timely manner. We recognise that in some circumstances paying by the due date can be a challenge, and believe that we have a responsibility to work with some ratepayers to look at alternative payment options.

2. OBJECTIVES

- 2.1** To provide financial assistance to ratepayers, suffering genuine financial hardship in meeting their commitments in rates, debtors and other fees and charges.
- 2.2** To provide a decision making framework for the appropriate assessment of all financial hardship applications.
- 2.3** To fulfil the statutory requirements of the Local Government Act 1993 and other relevant legislation in relation to the waiving or reduction of Rates and Charges due to hardship.

3. POLICY STATEMENT

3.1 Hardship Provision

This policy recognises that due to exceptional circumstances, ratepayers may at times encounter difficulty in paying rates and charges. The policy provides the framework to be followed in providing assistance to those ratepayers who are suffering genuine financial hardship.

The Local Government Act 1993 allows Council to provide assistance to these ratepayers under the following sections of the Act.

- (a) **Section 564** of the LGA provides Council with the option to accept periodical payments of rates and charges due and payable in accordance with an agreement made with the person and also to write off or reduce interest accrued on rates and charges if the person complies with the agreement.
- (b) **Section 567** of the LGA provides for Council to write off accrued interest on rates and charges payable by a person if, in Council's opinion the reasons that the person was unable to pay the rates and charges when they became payable were beyond the person's control, or that the person is unable to pay the accrued interest for reasons beyond that person's control, or that the payment of the accrued interest would cause the person hardship.
- (c) **Section 601** of the LGA provides for ratepayers who incur a rate increase in the first year following a General Revaluation of land, may apply to Council for rate relief if the increase in the amount of rates levied using the new valuation will cause them substantial financial hardship.

3.2 Hardship Rates and Charges Relief

Applications for Hardship Rate Relief must be made on the Hardship Relief Application Form. This is available from Council's website www.pmhc.nsw.gov.au

- (a) The applicant must be the owner/spouse or part owner of the property and be liable for the payment of rates 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".
- (d) For application under Section 564 the applicant/s must have entered into a mutually acceptable agreement with Council in order to repay the outstanding rates and charges by periodical payments. Where a scheduled repayment default occurs, the levying of interest charges are to be reactivated from the last payment made in accordance with the repayment schedule. The ratepayer must be contacted via correspondence and advised of the repayment default.
- (e) 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 held by the applicants.
 - Details of income and expenditure for all applicants
 - Letter from a recognised financial counsellor or financial planner confirming financial hardship.

- (f) Application for hardship under Section 601 must be submitted within 6 months of the posting date of the rate notice in the first year of the General Revaluation for rating purposes.
- (g) Rate relief given under Section 601 will only be considered if the rates payable exceed 5% of the gross household income which may be determined by but is not limited to pension/salaries, investment income, deemed income from assets and deemed rental from non-owner residents.

The amount of the relief under Section 601 is determined by the difference between the ordinary rates payable in the first year that revaluations are applied, and the rates payable for the preceding year increased by the allowable percentage rate increase.

The maximum amount of relief under Section 601 will be \$150.00 of Ordinary Rates where: the applicant's ordinary rate has been increased in the year of a general revaluation by more than \$200.00 from the previous financial year's ordinary rate levied, and where the rate payer is either:

- (a) A person is in receipt of a pension, benefit or allowance under Chapter 2 of the Commonwealth Social Security Act 1991 or a service pension under Part 3 of the Veterans' Entitlement Act 1986 of the Commonwealth and who is entitled to a Commonwealth Pensioner Concession Card, or
- (b) A person whose income and assets are not in excess of the Commonwealth Government requirements to qualify for a Pensioner Concession Card

4. Writing off of Rates, Charges and Interest

Council may write off rates, charges or interest, subject to this policy. The General Manager shall have a delegation to do so and report such write-offs to Council.

5. Determination of Applications

Applications will be assessed against the criteria outlined in section 2.2 of this document. The assessment will initially be conducted by the Rates and Revenue Co-ordinator who will make a recommendation to the Group Manager Finance. The applicant will then be advised in writing regarding the outcome of their application.

If the applicant is not satisfied with the determination made, they may lodge a written objection stating clearly the reasons for their objection. The matter will then be escalated to the Director Corporate and Business Services who will make a determination after considering the information provided by the applicant. The applicant will then be advised in writing regarding the outcome of their objection.

6. Reference Materials

1. Council Rating and Revenue Raising Manual Department of Local Government (2007)
2. Local Government Act, 1993, as amended.
3. Local Government Regulation (2005).