

Policy

Financial Hardship (Rates and Charges Relief)

1 Background

The NSW Local Government Act 1993 (LG Act) enables councils to provide relief to ratepayers experiencing hardship in relation to payment of rates and charges. It does not permit rates and charges to be deferred, waived or reduced.

A ratepayer experiencing financial hardship is someone who is identified as having the intention, but not the financial capacity to make the required payments within the timeframe set out in the rates and charges notice. Where a customer falls within this definition, Greater Taree City Council (GTCC) may apply this Financial Hardship Policy.

2 Policy Statement

GTCC recognises there are cases of genuine financial hardship requiring respect and compassion in special circumstances. Those experiencing financial hardship are encouraged to enter a payment arrangement that ensures regular payment of rates and charges. Debt recovery is a last resort.

3 Principles

This policy guides the assessment of hardship applications applying the principles of social justice, fairness, integrity, appropriate confidentiality, and compliance with relevant statutory requirements.

Merit based consideration is also given when rate payers, whose income is adversely affected by one off events such as Natural Disasters, are unable to make immediate payment of rates due.

4 Scope

This policy applies to all ratepayers experiencing hardship and wishing to apply for rate relief.

5 References and related documents

- NSW Local Government Act 1993
- NSW Local Government (General) Regulation 2005
- Financial Hardship Procedure (Rates and Charges Relief)
- Financial Hardship Relief Application form
- Debt Recovery Policy

6 Attachments

Financial Hardship Relief Application form

7 Review Date

Within four years

8 Responsible Officer

Senior Leader Finance

Policy

Donations

1 Background

This policy provides a framework for provision of donations by Greater Taree City Council (GTCC) to not for profit organisations and community groups.

2 Policy Statement

2.1 Processes and decision-making in relation to making of donations is consistent, equitable and transparent in accordance with guidelines that are reviewed on an annual basis.

2.2 The donations budget allocations are distributed in accordance with the following categories:

Discretionary component	Community capacity building and development
Non discretionary component	Rates subsidy to groups identified in Appendix A
Fixed component	Provision of an annual donation, of the nominated amount , to the following: <ul style="list-style-type: none"> • Black Head Surf Life Saving Club (\$5,000) • Crowdy Head Surf Life Saving Club (\$5,000) • Old Bar Surf Life Saving Club (\$5,000) • Taree Volunteer Rescue Association (\$3,000) • Taree City Band (\$6,400)
In kind <i>Nil Budget</i>	Waiving or reducing Council fees or charges which results in lost income to Council but provides a gain to the recipient.

2.3 Discretionary donations made by GTCC to community organisations aim to meet at least one of the following objectives:

- Facilitate the establishment of new, innovative projects and services that align with the Manning Valley Community Plan and Delivery Program.
- Develop existing community projects and services that build capacity to enhance the lives of those living in Greater Taree.

- c) Demonstrate a shared contribution to community projects and services, by the applicant and Council.
 - d) Support 'not for profit' organisations and community based groups that provide a service to meet a demonstrated need within the community, where alternate funding can not be sought.
- 2.4 All applications made through the donations policy will be assessed by a panel of Councillors appointed by Council for a period of two years.

Where necessary, advice may be sought from relevant Council Advisory Committees as part of the annual assessment of applications.

- 2.5 The Panel will annually review and confirm the Guidelines that support this policy.

3 Principles

3.1 Values and principles

The following values and principles guide the implementation of this policy:

- Equity – all eligible recipients have equal opportunity to apply for donations.
- Value for money – obtaining the best mix of services to meet the community's needs with available funding and selecting the mix of resources that delivers the best possible outcomes.
- Transparency and integrity– funds are assessed and allocated transparently to recipient projects that demonstrate integrity in their delivery.
- Capacity building and community ownership – recognition that the best outcomes can be achieved through building upon the skills and assets that already exist in the community; and meaningful empowerment of the people to fulfill community desires and aspirations.
- Sustainability – that community infrastructure is built, developed and maintained in a way that ensures long term viability and minimal impact on Council's ongoing maintenance budget.
- Consistency - funding administration procedures should be consistent within programs, across individual Council sections and as new funding programs evolve.
- Collaboration – the best outcomes can be achieved for people and the community through collaboration between Council, Council departments, community groups and organisations, business and individuals.
- Probity – funding administration must be conducted with integrity, honesty and scrutiny.

4 Scope

- 4.1 This policy applies to donations and in kind support made by Greater Taree City Council to eligible 'not for profit' organisations and community groups.
- 4.2 Individuals and commercial organisations are ineligible for a donation under this policy.
- 4.3 This policy does not include sponsorship.

5 References and related documents

- 5.1 Donations guidelines
- 5.2 Donations application form

6 Definitions

- 6.1 Donation – A cash contribution or equivalent to for a specified purpose.
- 6.2 In kind support – is the donation of goods or services, time or expertise. This could be, but is not limited to, services or goods provided for which GTCC would normally receive revenue.
- 6.3 Not for profit organisation –an organisation whose income, assets and surplus funds is used to achieve its purpose and objectives and is not distributed to members, owners or shareholders while it is operating and ceases to operate. The legal status of these organisations may include incorporated associations, companies limited by guarantee, charities and co-operatives.
- 6.4 Community based groups – is a group with a clear purpose and objectives, however may not have progressed to the point of having legal status. The group must be open, be managed by a committee, maintain up to date financial records and contribute in a positive way to the wellbeing of Greater Taree residents.
- 6.5 Eligible organisations – not for profit organisations and community based groups that operate and deliver activities in the Greater Taree local government areas.
- 6.6 Ineligible organisations – are individuals and commercial organisations.

7 Attachments

- 7.1 List of eligible organisations for rates subsidy

8 Review Date

Every two years

9 Responsible Officer

Senior Leader Governance

ATTACHMENT 1 - List of eligible organisations for rates subsidy

Public Halls

- Bobin School of Arts Hall
- Bulga Soldiers Memorial Hall
- Burrell Creek Hall
- Caffreys Flat Public Hall
- Coopernook School of Arts Hall
- Cundletown Soldiers Memorial Hall
- Hannam Vale Hall
- Harrington Memorial Hall
- Killabakh Community Hall
- Krambach School of Arts Hall
- Lansdowne School of Arts Hall
- Marlee Public Hall
- Mitchell's Island School of Arts Hall
- Mondrook Hall
- Moorah Creek Hall
- Mount George School of Arts Hall
- Old Bar Soldiers Memorial Hall
- Oxley Island School of Arts Hall
- Tinonee Schools of Arts Hall
- Upper Lansdowne Memorial Hall
- Wherrol Flat Hall

Community Organisations

- Manning District Bowhunters
- Manning Media Coop Ltd
- Manning River Canoe Club
- Manning River Rowing Club
- Manning River Sailing Club
- Old Bar Community Pre School
- Oxley Island Pony Club
- Snuggopot Day Care Centre
- Taree Arts Council
- Taree Tennis Club
- Wingham and District Pre School

Surf Life Saving Clubs

- Black Head
- Crowdy Head

Name of Policy:	Hardship Assistance		
Policy Code:	PL-FIN-009		
Date Originally Adopted:	14/04/2009 SC	Minute No.:	032
Date Last Reviewed:		Minute No.:	
Date Last Amended:		Minute No.:	
Responsible Division:	Corporate & Community Services		
Responsible Section:	Finance		
Related Council Documents:	Policy (PL-FIN-002) - Pensioner Rate Rebates - Extension of Procedure (PR-FIN-006) - Debt Recovery		
Relevant Legislation :	Local Government Act 1993 Local Government General Regulations (2005)		

Objective:

1. To provide assistance to ratepayers suffering substantial financial difficulties with the payment of rates and charges.
2. To provide an administrative process to determine applications for financial assistance.

Legislative Options/Hardship Provisions:

The Local Government Act 1993 provides Council with the following options to assist ratepayers with financial hardship:

1. Arrangements (Section 564)

The Local Government Act 1993 permits Council to accept payment of rates and charges by a person in accordance with an agreement made with that person.

Council's Debt Recovery Procedure includes the following:

“Arrangements to Pay Overdue Amounts:

- 1. Ratepayers or debtors experiencing difficulties in paying overdue amounts are encouraged to enter into an arrangement with Council.*
- 2. Council will not enter into an arrangement involving an extension of time greater than three (3) months without a substantial payment being received.*
- 3. Council will consider any reasonable offer to finalise overdue amounts within a twelve month period. Arrangements must include weekly, fortnightly or monthly payments.*
- 4. Council may consider longer term arrangements if in its opinion the ratepayers or debtors financial circumstances warrant such arrangement. Any longer term arrangement will include regular reviews of the ratepayers or debtors financial circumstances.*
- 5. An arrangement is considered terminated if payments are not maintained.*
- 6. Interest charges in accordance with the Local Government Act will be charged on all overdue rate assessments.”*

The above arrangements are available in accordance with Council's Debt Recovery Procedures however the Local Government Act 1993 (Section 564) is very open, and as such Council could consider enhancing arrangements for ratepayers suffering from extreme financial hardship.

These enhanced arrangements could include but are not limited to:

- Writing off or reducing accrued interest if the ratepayer complies with the arrangement.
- Defer the payment of outstanding rates, charges or property related debt for extended periods of time.
- Defer payment of all or part of outstanding rates, charges or property related debts until the property is sold or to be paid out of a ratepayer's estate.

2. Writing Off of Accrued Interest (Section 567 (c))

The council may write off accrued interest on rates and charges payable if in its opinion payment of the accrued interest would cause the person hardship.

3. Extension of Concession to Avoid Hardship (Section 577)

Council currently has an existing policy regarding the extension of the Pensioner Rate Rebate (concession) and it is not proposed to alter such policy.

4. Abandonment of Rates and Charges – Pensioners (Section 582)

Council may waive or reduce rates, charges and interest due by any person prescribed by the regulations who is in receipt of pension, allowance under the Social Security Act.

5. Hardship Resulting from Certain Valuation Changes (Section 601)

Every three years the Department of Lands will provide Council with a general revaluation of all properties for rating purposes.

General revaluations usually include large swings in value from one property to another. In this Council area it is not uncommon for properties with significant water views to increase in value at a substantially greater rate than properties without water views.

This resulting disparity in the increase in property values can have a dramatic impact on the level of rates payable by ratepayers.

The Local Government Act provides council's with the ability to provide assistance to ratepayers in such circumstances.

Section 601 provides:

- (1) A ratepayer who, as a consequence of the making and levying of a rate on a valuation having a later base date than any valuation previously used by a council for the making and levying of a rate, suffers substantial hardship, may apply to the council for relief under this section.

(2) The council has **discretion** to waive, reduce or defer the payment of the whole or any part of the increase in the amount of the rate payable by the ratepayer in such circumstances, for such period and subject to such conditions as it thinks fit.

(3) An applicant who is dissatisfied with a council's decision under this section may request the council to review its decision and the council, at its discretion, may do so.

Impact of Options Available to Council

It is not possible to determine the number of applications for financial assistance that Council would receive in any given year.

Any option provided in Council's Hardship Policy that involves the writing off of interest or rates will have a direct impact on Council's revenue.

Any option included in Council's Hardship Policy that involves the deferral of amounts payable will not (unless there are large volumes of applications) have a direct financial impact on Council or adversely affect Council's outstanding balance ratio.

Hardship Policy

Part 1 – Hardship Committee

All applications for hardship will be reviewed by a hardship committee. The hardship committee will comprise Council's Director Corporate & Community Services, Revenue Accountant, Senior Revenue Co-Ordinator and the Recovery Officer.

Applicants dissatisfied with the decision of the Committee may request a review by Council's General Manager.

Part 2 – Deferral of Rates

Council will permit the deferral of payment of part of the ordinary rates levied on the following basis:

- Ordinary rates in excess of the average rate for the category or sub category may be deferred.
- Vacant land zoned rural 1a and rated within the farmland category are to be excluded from the calculation of the average ordinary farmland rate.
- Service charges such as Domestic Waste cannot be deferred.
- All payments received will be allocated in accordance with the provisions of the Local Government Act.

- Interest charges will continue to accrue on ordinary rates deferred.
- All amounts deferred must be paid on either the sale or transfer of the property or from the estate of the ratepayer.

Eligibility Criteria

1. Available to ratepayers of land categorised for rating purposes within the residential category or the farmland category.
2. Ratepayers applying to defer rates must be of an age to qualify for the age pension.
3. The property subject to the deferral must be the sole or principal place of abode of the ratepayer.
4. Ratepayers will be required to submit an application form each year.
5. The ratepayer will be required to submit details of income, expenses and assets.
6. The applicant must have been a ratepayer for a minimum of five years.

Part 3 – Increase in Rates Due To Valuation Increases

Any ratepayer satisfying the eligibility criteria set out below may apply to Council for assistance in payment of the current rates.

Council will provide assistance in the form of an extended arrangement for the payment of rates and charges and provided payments are maintained in accordance with such arrangement Council will waive/write off interest charges in respect to such rates.

Eligibility Criteria

- The rated property must be the sole or principal place of abode of the ratepayer.
- The percentage change in valuation for the property must be ten percent (10%) greater than the average percentage change for properties subject to that rate. (Example: Average increase in valuation for properties subject to the Residential Pacific Palms Rate is 15% the increase on a single property will need to be 25% to be eligible.)

Part 4 – Arrangements

Whilst Council's Debt Recovery Procedure includes various options in regard to arrangements, ratepayers may apply for further assistance in respect to rates levied on their principal place of abode.

Ratepayers suffering from Financial Hardship may apply to Council to have interest charges written off if they maintain payments in accordance with such arrangement.

Council will only write off interest charges raised from the date of the arrangement. Interest charges previously raised will not be written off and must be paid in accordance with the arrangement.

Ratepayers seeking such assistance will be required to complete the appropriate application form and supply information as requested. All applications will be considered by Council's Hardship Committee on a case by case basis.

Policy No. 2.10



Name of Policy:	Hardship Policy
Date of Adoption by Council:	15 October 2014
Last Review Date:	New Policy
Review Timeframe:	Annually or as required
Next Scheduled Review Date:	15 October 2015
Related Legislation:	Local Government Act 1993 Local Government (General) Regulation 2005
Associated Policies/ Documents:	Gloucester Shire Council Debt Recovery Procedure Abandonments Register Hardship Rate Relief Application Form
Responsible Officer:	General Manager

OBJECTIVES

Council recognises that from time to time some ratepayers may experience difficulty in paying their rates and charges.

This policy aims to:

- Provide financial assistance to ratepayers who are experiencing genuine financial hardship with the payment of rates and charges.
- Provide a decision making framework for the appropriate assessment of all financial hardship applications.
- Fulfill the statutory requirements of the *Local Government Act 1993* and other relevant legislation in relation to the waiving or reduction of rates due to hardship.

General Principles

Council is committed to the following principles when considering an application of financial hardship with regard to the payment of rates and charges:

- Application of the principles of social justice, fairness and integrity

- Compliance with relevant statutory legislation
- Respect for the privacy of individuals

1. Definitions

In this Policy:

“Council” means the Gloucester Shire Council.

“Financial Hardship” means a situation where a customer is unable, reasonably, because of illness, unemployment or other reasonable cause, to discharge their financial obligation to Council, however they reasonably expect to be able to do so with adjustments to their payment obligations. Financial Hardship can be of limited or long term duration.

“Rateable person/Ratepayer” – includes the Crown in respect of rateable land owned by the Crown and means:

- An owner in any case where the *Local Government Act 1993*, provides that a rate is to be paid to the Gloucester Shire Council by the owner, and
- A holder of a lease in any case where the *Local Government Act 1993*, provides that a rate is to be paid to the Council by the holder of the lease.

“LGA” means the *NSW Local Government Act 1993*.

“Payment arrangement” means a duly signed agreement between Council and the ratepayer formalising a periodic payment plan in order to satisfy financial obligations to Council. If the ratepayer defaults on the payment arrangement, the arrangement is deemed void.

1. Introduction

To establish guidelines for the General Manager and staff when dealing with ratepayers, suffering genuine financial hardship, with the payment of their rates and charges.

2. Application

This Policy applies to an owner or part owner that is suffering financial hardship and their rate assessment is categorised as “Residential” or “Farmland” for the purpose of rating as per the *Local Government Act 1993*.

3. Principles

3.1 Procedural Statement

Council recognises there are cases of genuine financial hardship requiring respect and compassion in special circumstances. This Policy establishes guidelines for assessment of a hardship application applying the principles of fairness, integrity, confidentially

and compliance with statutory requirements. It applies to all applications for waiving, alternative payment arrangements or writing off rates, annual charges and interest accrued on such debts.

The General Manager has the delegated authority to assess applications due to hardship and payment arrangement plans from any customer after receiving a written request and in cases of genuine hardship in accordance with Council's adopted policy.

3.2 Assistance by Periodic Payment Arrangements

Section 564 of the Local Government Act provides that Council may enter into a formal agreement with a ratepayer eligible for alternative periodic payments for due and payable rates and charges.

Under *Section 568* of the Local Government Act, payments will be applied towards the payment of rates and charges in the order in which they became due.

4. Hardship Assistance

4.1 Assistance by writing off accrued interest and costs

Accrued interest on rates or charges payable by a person may be written off under *Section 567* of the *Local Government Act 1993*, if

- The person was unable to pay the rates or charge when they became due for reasons beyond the person's control, or
- The person is unable to pay accrued interest for reasons beyond the person's control, or
- Payment of the accrued interest would cause the person hardship.
- A pensioner meets the eligibility criteria as detailed in clause 6 of this policy

4.2 Assistance to extend pensioner concession to avoid hardship

Section 577 of the *Local Government Act, 1993* enables Council to make an order deeming certain persons who are jointly liable with an eligible pensioner(s) or solely liable, but who are not themselves eligible, to be eligible pensioners for the purpose of a mandatory reduction in rates and charges to avoid hardship.

4.3 Assessment Process

In cases of genuine hardship each case is to be referred to Council for consideration in accordance with Council's adopted policy.

Application for Hardship must be received in writing on the approved Hardship Rate Relief Application Form. Council may also request the ratepayer attend an interview to

assist Council in the understanding of the issues causing hardship.

In determining eligibility, Council will use the criteria used by Centrelink for granting of a pensioner concession, including the assets and income test.

- a) The applicant must be the owner or part owner of the property and be liable for the payment of rates and charges 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” for rating purposes.
- d) 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
 - Details of income and expenditure
 - Letter from a recognised financial counselor or financial planner confirming financial hardship.
- e) The General Manager has the delegated authority to assess all applications from any customer after receiving a written request.

5. Assistance to Pensioner Ratepayers

For the purpose of this policy, a pensioner ratepayer is one who meets the requirements of section 575 of the Local Government Act 1993.

Pensioner ratepayers will be assisted in keeping their rate accounts current by waiving any interest charges raised during the year provided their account has no arrears of rates and charges owing as at the first day of the rating year (i.e. 1st July) and the current years rates and charges are all paid by the last day of the rating year (i.e. 30th June).

6. Assistance due to General Revaluation of the Local Government Area

With respect to *Section 601 of the Local Government Act, 1993* (valuation changes), Council will not consider hardship applications under this provision, as valuations are independently determined by the NSW Valuer General. Council will support aggrieved ratepayers to make an appropriate application under the appeal provisions of the *NSW Valuation of Land Act 1916*.

7. Reporting

Any Council rates and charges, accrued interest charges or legal costs reduced or waived under this policy will be detailed in the Abandonments Register. Overall

details of all write-offs shall be provided in Council's Annual Report.

8. Relevant Legislation

Local Government Act, 1993

Local Government (General) Regulation 2005

9. Related and Associated Council Policy and Procedures

- Gloucester Shire Council Debt Recovery Procedure
- Abandonments Register
- Hardship Rate Relief Application Form

