
POLICY TITLE: RATES RELIEF - HARDSHIP

FOLDER NUMBER: F2007/00307

POLICY OWNER / DIVISION: Corporate Support Division

POLICY OWNER / BRANCH: Financial Services

FUNCTION: Rates

RELEVANT LEGISLATION:

POLICY ADOPTION/AMENDMENT DATE: 8 April 2015 **REPORT NUMBER:** CS6/15

REVIEW YEAR: 2024

AMENDMENT HISTORY: 12 April 2006 (Report CC20/06)
11 April 2007 (Report CC11/07)
13 June 2007 (Report CC52/07)
8 April 2009 (Report CC12/09)
20 April 2011 (Report CC10/11)
17 April 2013 (Report GM2/13)

RELATED POLICIES:

POLICY PURPOSE / OBJECTIVES:

To provide a protocol in respect of the provision of financial relief to ratepayers who are experiencing hardship in paying their rates.

POLICY STATEMENT:

1. Council requires all ratepayers to pay their rates in full by the due date(s). However, some ratepayers experience genuine financial hardship from time to time and may consequently request Council to consider alternative arrangements in respect of the timing of their rate payments. In this situation, these ratepayers must advise Council in writing or by e-mail requesting consideration be given to an alternative payment arrangement or schedule.
2. Council offers assistance to ratepayers who are experiencing genuine financial difficulties in paying their rates and charges. This assistance may take the form of:
 - Extending the period of time in which the outstanding rates may be repaid.
 - Writing back any accrued interest.
 - Deferring amounts owing against the estate in extreme situations.

3. As a guide, waiving of interest and/or the deferral of the payment of rates will only occur for ratepayers in the following circumstances, and subject to satisfactory completion of the Hardship Application form:
 - Pensioners
 - Extended Illness/Hospitalisation
 - Unemployed – Upon production of written evidence
 - Mortgage Relief – Upon production of written evidence

The situation for each ratepayer where there is an agreement to defer payment of rates, is reviewed annually.

4. In relation to writing back accrued interest on rates and charges, Section 567 of the Local Government Act 1993 (the Act) states inter alia:

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

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.”

5. Generally speaking, there is no retrospectivity in respect of accrued interest charged on unpaid rates and charges.
6. Specific assistance to pensioners is referred to in the Local Government (General) Regulation 2005 (the Regulation), which sets out the definition of an eligible pensioner. Ratepayers so classified are entitled to a pensioner concession in respect of their annual rates and charges.
7. Council may write off unpaid rates and charges in the circumstances outlined in paragraph 131 of the Regulation. Such write off can only occur at present by resolution of Council (paragraph 131 (2) of the Regulation).
8. Pensioners’ rates and charges may be written off in accordance with Section 582 and 583 of the Act.
9. Section 577 of the Act allows an extension of the pensioner concession to avoid hardship and permits Council to issue an order specifying a person who is not an eligible pensioner and satisfies the criteria in paragraph (1)(a) to be an eligible pensioner for the purposes of this Section and therefore qualify for the full pensioner rate concession in respect of the property for the term of the order.
10. Section 601 of the Act refers to hardship arising from land valuation changes. Paragraph 1 states that if a ratepayer “..suffers substantial hardship...” as a result of the most recent land valuation “...used for the making and levying of a rate...may apply to Council for (rate) relief under this section”. Under paragraph 2, Council may waive, reduce or defer all or any of the increase referred to above “...as it thinks fit”.
11. Any ratepayer who is experiencing genuine financial difficulties should in the first instance contact Council’s Rates Team on 9847-6777 to discuss the situation.
12. A Hardship Rate Relief Application Form will normally be sent to an applicant experiencing financial difficulties and requesting hardship relief.

13. As a guiding principle, ratepayers are encouraged to pay outstanding rates promptly, and any deferral of payments or waiving of interest charges will be granted only in extreme cases.
14. As a deterrent for late payment of rates, Council adopts the maximum interest rate advised by the Minister for Local Government, to all overdue rates.