

KEMPSEY SHIRE COUNCIL

HARDSHIP RELIEF TO RATEPAYERS

Procedure 5.4.4

Policy No. and title	5.4	Financial Management and Control Policy
Procedure	5.4.4	Hardship Relief to Ratepayers
Version	1	
Date Adopted	7 March 2012	

1 OBJECTIVES

To provide relief to those ratepayers who are experiencing genuine financial difficulties in paying their rates and charges.

To detail the eligibility criteria and assistance available to ratepayers suffering hardship in paying rates and charges.

To provide staff with the criteria to determine "Applications by Ratepayers Suffering Hardship".

2 STATEMENT

Rates and charges covered by this procedure include the ordinary rate, annual domestic waste management charges, water and sewer access and usage charges.

This procedure reaffirms the objectives and processes embedded within Council's Recovery of Unpaid Rates and Charges Procedure (5.4.1).

3 THE HARDSHIP ASSISTANCE PROVISIONS OFFERED ARE DETAILED BELOW:

3.1 Hardship resulting from certain valuation changes or a special rate variation:

- a) The hardship provisions of Section 601 only apply when Council makes and levies an ordinary rate on a valuation having a later base date than any valuation previously used.
- b) Hardship provisions may apply when Council makes and levies an ordinary rate which is a result of a special rate variation approval.
- c) The ratepayer must show that they will suffer substantial financial hardship if required to pay the rates and charges when they fall due.
- d) The ratepayer will be required to complete a Hardship Rate Relief Application Form in order to have their application assessed. All information contained within an application shall be treated as being "strictly confidential".

3.2 Assistance Available

- a) The relief shall only be considered in respect of the amount of the increase in rates attributed to the use of the new valuation or special rate variation.

- b) Rates will not be waived or reduced, the relief shall only be to defer the payment of the whole or any part of the increase by either:
 - i) Deferring the payment of the amount of the increase to an agreed time not being later than twelve months from the date of the application determination and write off (waiver) interest charges in respect of the deferral in accordance with Section 567 Local Government Act (NSW) 1993.
 - ii) Enter into a periodical payment arrangement in accordance with clause 4.1 and the waiving of interest charges in accordance with Section 564 Local Government Act (NSW) 1993.

3.3 Assessment Criteria

- a) The property must be categorised residential or farmland for rating purposes. Where the property is categorised as business ratepayers may enter into periodic payment arrangements in accordance with Councils Recovery of Unpaid Debts, Rates and Charges procedure.
- b) In the case of new valuations, the increase in land value must be greater than the residential shire wide average increase or
- c) The increase in ordinary rates levied as a result of a special rate variation must be greater than the applicable category average increase.
- d) The ratepayer must own and occupy the property as their principal place of abode.
- e) The ratio of ordinary rates payable to gross household income must be greater than 3.6% (being the % of the average ordinary rate discounted by the pension concession available over the gross annual income from the single aged pension).
- f) When assessing applications Council will consider personnel and family circumstances impacting the ratepayers ability in meeting their financial obligations.
- g) Hardship Applications are required to be submitted within 30 days of the service of the rate notice.
- h) Relief under this part is only available in the first year that the new land values and or special rate variation are applied ~~used~~ in the levying of the ordinary rate.

4 HARSHIP ASSISTANCE - OTHER

4.1 Assistance by Periodical Payment Arrangements

- a) Section 564 of the Local Government Act provides that Council may enter into a formal agreement with a ratepayer eligible for alternative periodical payments for due and payable rates and charges. A periodical payment agreement will be offered in accordance with Council's Recovery of Unpaid Debts, Rates and Charges Procedure.

Council may write off accrued interest in accordance with section 567 Local Government Act 1993 where the ratepayer can demonstrate that the payment of the accrued interest would cause the person hardship.

4.2 Assessment Criteria

- a) The property must be categorised residential or farmland for rating purposes.
- b) The ratepayer must own and occupy the property as their principal place of abode.
- c) The ratio of ordinary rates payable to gross household income must be greater than 3.6% (being the % of the average ordinary rate discounted by the pension concession available over the gross annual income from the single aged pension).
- d) The ratepayer will be required to complete a Hardship Rate Relief Application Form in order to have their application assessed. All information contained within an application shall be treated as being "strictly confidential".

5 DETERMINATION OF APPLICATIONS

- a) A Rates Review Committee, comprising the Director Corporate Management, Manager Financial Accounting, and Senior Rates Clerk, shall consider each case on its particular merits, and make a determination as to:-
 - i) Whether relief is to be granted or not, and
 - ii) Where relief is to be granted, the form of relief.
- b) Relief shall not be granted except in very extreme circumstances.
- c) Following the determination of the application, Council shall advise the ratepayers in writing of the outcome.
- d) If the ratepayer is dissatisfied with the decision, the ratepayer may request, within seven (7) days, that the decision be reviewed by the Rates Review Committee and shall state any additional reasons for the review.

6 OTHER ASSISTANCE

Council's Recovery of Unpaid Debts, Rates and Charges procedure provides the following assistance to ratepayers who are experiencing difficulties in settling their accounts:-

Pensioners

Properties that are subject to a pension rebate will be granted until the 31 May to settle their current rate account on an interest free basis.

Payment Arrangements

Ratepayers and customers may enter into a mutually agreeable payment arrangement as set out in Council's Recovery of Unpaid Debts, Rates and Charges procedure in order to settle their accounts.

VARIATION

Council reserves the right to review, vary or revoke this procedure which will be reviewed periodically to ensure it is relevant and appropriate.



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 20__

**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)

1 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") _____

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 (e.g. 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 _____)
 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:

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.

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.

Signature: _____ Date: _____