



Council Policy
Hardship Rate Relief

Hardship - Rate Relief

PURPOSE

- To provide financial assistance to ratepayers who are experiencing genuine financial hardship with the payment of rates and charges due to Council.
- To provide a decision making framework for the appropriate assessment of financial hardship applications.

POLICY STATEMENT

Council will offer help to ratepayers who are experiencing genuine financial difficulties in paying their rates and charges.

This policy provides a framework to be followed in providing assistance to those ratepayers who suffer genuine financial hardship.

LEGISLATIVE PROVISIONS

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

1. ARRANGEMENTS – Section 564

Section 564 of the LGA allows Council to accept payment of rates and charges differing to the original four instalments. This is the most common form of assistance elected for use by Council. A ratepayer can enter into an arrangement with Council to pay their rates weekly, fortnightly or monthly. Council offers the availability for these arrangements to be set up through direct debit to further assist the ratepayer in making the agreed payments on the agreed dates. Council requests all such arrangements to be formalised in writing. Council may also write off or reduce interest accrued on outstanding rates and charges if the person complies with the agreement under this section.

2. ACCRUED INTEREST – Section 567

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 the person was unable to pay the rates and charges when they become payable were beyond the persons control, or: that person is unable to pay the accrued interest for reasons beyond that persons control, or; that the payment of the accrued interest would cause the person hardship.

3. EXTENSION OF CONCESSIONS – 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.



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4. PENSIONER ABANDONMENTS – 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 1991*.

5. VALUATION CHANGES – Section 601

Every three years the Department of Land & Property Information will provide Council with a general revaluation of all properties for rating purposes.

General revaluations can include large swings in value from one property to another.

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

Section 601 of the LGA provides Council with guidance in assisting a ratepayer who may suffer substantial hardship due to a valuation change to their land value. This assistance is only available when a later base date valuation is used to what has previously been used by Council for the making and levying of a rate.

Council has the discretion to waive, reduce or defer payment of any part of the increase.

6. OTHER ASSISTANCE

A system is currently in place to refer persons to welfare agencies which can assist ratepayers with financial grants and family related counselling.

ELIGIBILITY

1. Available to ratepayers of land categorised for rating purposes within the residential and mixed development categories.
2. Ratepayers applying to defer rates must be of an age to qualify for the age pension.
3. The property subject to the application for hardship must be the sole or principal place of abode of the ratepayer.
4. Ratepayers will be required to submit an application for each financial year.
5. Ratepayer financial hardship must be genuine and able to be displayed. The ratepayer will be required to submit details of income, expenses, assets and any other relevant information.
6. If the application for Hardship is under Section 601, the application must be submitted within six months of the posting date of the rates notice with a higher rate resulting from the General Revaluation of Land Value for rating purposes.
7. Rate relief given under Section 601 will only be considered if the rates payable exceed 5% of the gross household income of the applicant(s).