



POLICY REGISTER

Financial Hardship Policy

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Issue.	Prepared/Revised by and Date	Action/Amendment Description	Approved By and Date
1.0	Glenn Wilcox A/ General Manager	First Edition	Council Minute No. 220/2021
2.0	Glenn Carroll DGBCS	Second Edition	Council Minute No. 2025/78

OBJECTIVE

To establish guidance for staff when dealing with ratepayers, who are suffering genuine financial hardship, with the payment of their rates, fees and charges.

The policy aims to:

- Provide financial assistance to ratepayers who are experiencing genuine financial hardship with the payment of rates, fees 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.

SCOPE

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.

POLICY 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, confidentiality 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 or nominee has the delegated authority to assess applications due to hardship and payment arrangement plans from any customer after receiving a written request.

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, fees and charges.

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

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.

Assistance to eligible pensioner - reducing rates, charging and interest

Section 575 of the *Local Government Act, 1993*, enables Council, on application to the council and on production to the council of evidence sufficient to enable it to calculate the amount of the reduction, and council may reduce the rates as prescribed by Section 575 of the Act.

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.

Assistance due to General Revaluation of the Local Government Area

Section 601(1) of the *Local Government Act, 1993* provides that 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 council for the making and levying of a rate, suffers substantial hardship, may apply to the council for relief under this section.

Section 601(2) of the *Local Government Act, 1993* provides that 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.

Assessment Process

Application for Assistance with Payment of Rates, Fees and Charges must be made on Council's Hardship Relief Application Form, available from Council's website or Council offices/customer service area. Council may also request the ratepayer attend an interview to assist 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 counsellor 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.
- f) With respect to *Section 601* of the *Local Government Act, 1993*, Council will not consider hardship applications under this provision, as valuations are independently determined by the NSW Valuer General. Council will encourage aggrieved ratepayers to make an appropriate application under the appeal provisions of the *NSW Valuation of Land Act 1916*.

Timeframes for Payment of Rates and Charges

Where an applicant applies to pay rates, fees and charges owing on a property through a payment plan, payment instalments must be sufficient to ensure all outstanding amounts will be fully paid by 30 June in the relevant year.

Where an applicant believes this requirement will cause the applicant severe financial hardship this matter must be discussed with the General Manager or nominee.

Where the General Manager or nominee believes the requirement to pay amounts owing in full by 30 June in the relevant year, the General Manager or nominee may seek Council approval to enter into an alternative repayment schedule to minimise financial hardship to the ratepayer.

Applications for Water consumption Charges to be Separate from Rates

Where an applicant applies to pay outstanding amounts on a payment plan a separate application must be made for each category of charge - that is applications to pay rates by a payment plan must be separate from an application for payment of water and sewer charges on a payment plan.

Payments will be applied to outstanding amounts according to the agreed repayment amounts. Interest will continue to accrue on outstanding rates where applicable.

Failure to Comply with Agreed Payment Plans

Where an applicant fails to comply with his/her agreed payment plan, and fails to rectify this breach within 14 days of the missed instalment being due, all outstanding amounts will be immediately referred to Council's Debt Collection Agency. Where an amount is referred to Council's Debt Collection Agency the applicant will be responsible for all applicable charges in addition to amounts outstanding.

Confidentiality of Information

Council will, at all times, maintain the confidentiality of information provided to it, or its staff members, in relation to an application under this Policy.

Personal information provided will be managed in accordance with the *Privacy and Personal Information Protection Act 1998* (PIIP Act).

Reporting

Any Council rates and charges, accrued interest charges or legal costs reduced or waived under this policy must be detailed in the Rates Write Off Register. Overall details of all write-offs shall be provided in Council's Annual Report.

DEFINITIONS

Rateable person - 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 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.

Debtor: means a person(s) or organisation that owes Council money.

Financial Hardship: Difficulty in paying amounts owing when these are due.

EXCEPTIONS

NIL

LEGISLATION REQUIREMENTS

Local Government Act, 1993

Local Government (General) Regulation 2021

The Privacy and Personal Information Protection Act 1998 (PPIP Act)

RELATED DOCUMENTS

- Policy for Collection of Outstanding Rates
- Policy for Collection of Outstanding Fees and Charges
- Hardship Relief Application Form

POLICY HISTORY AND VERSION CONTROL

Policy Title	Financial Hardship (Assistance with Payment of Rates, Fees and Charges) Policy
Directorate	General Manager
Department	Corporate
Policy Group	Corporate
Responsible Officer	Governance and Risk
History	3.0
Relevant Legislation	<ul style="list-style-type: none">• <i>Local Government Act 1993</i>• <i>Local Government (General) Regulation 2021</i>• Privacy & Personal Information Protection Act 1998