



DRAFT

Hardship Policy

Policy Number	Created By	First Adopted by Council	Last Modified	Review Period
	Chief Financial Officer	10/12/2014		10/12/2015

Presented to Council 10th December 2014

Background:

The *Local Government Act, 1993* provides Council with options for providing assistance to ratepayers who are finding it difficult to pay their rates because of financial hardship. Sections of the Act which covers hardship and other rates related matters addressed in this policy are –

- Section 601 – Hardship resulting from certain valuation changes
- Section 564 – Agreement as to periodical payment of rates and charges
- Section 567 – Writing off of accrued interest
- Section 577 – Extension of concession to avoid hardship

Purpose:

This policy seeks:

- a) To provide assistance to ratepayers who are experiencing genuine difficulties with the payment of their rates; and
- b) To provide a process for the appropriate assessment of all financial hardship applications.

Statement:

Council will consider applications for assistance in accordance with the following principles:

- Council will individually assess cases of financial hardship.
- Council will not reduce rates or annual charges, but will consider alternative available approaches to dealing with cases of financial hardship.
- Council may consider a scheme of periodical payment outside the due dates in cases of hardship or extenuating circumstances.
- Council may consider the write off of accrued interest and costs.
- Council may consider deferral of rates due to certain valuation changes.
- Council may consider waiving or reducing of Council fees.
- A register of approved applications will be maintained.

Essential Eligibility Criteria:

This policy is available to the ratepayers of all land categorized as Residential or Farmland for rating purposes within the Narromine Shire Council local government area, subject to the following limitations –

- The property must be the ratepayer's principal place of residence
- The applicant must be the owner of the property and must be liable for the payment of rates and charges on the property
- Genuine financial hardship can be displayed
- The application for hardship must be accompanied with supporting documentation which may include, but is not limited to:

- Details of monthly income and expenditure
- Copies of most recent bank statements
- Details of assets and investments
- A letter from a recognised financial counselor/planner, or community funded counseling/support service provider, outlining support for the application. This letter must give the reason for applying for financial hardship and the period of time for which the hardship relief is being sought.
- In cases of illness, a letter from a medical professional confirming medical conditions causing hardship.

The following assistance is available:

1. Section 564 - Hardship Assistance by Periodical Payment Arrangements

Council may enter into a formal agreement with an eligible ratepayer for alternative periodical payment arrangements for overdue and payable rates and charges. Council or the ratepayer may initiate a proposal for a periodical payment agreement. In accordance with section 568 of the Act, payments will be applied towards the payment of rates and charges in the order in which they become due. The length of the arrangements is set out in Council's Debt Recovery Policy.

2. Section 567 - Hardship Assistance by Writing off Accrued Interest and Costs

Council may apply interest rates to the maximum allowable under section 566 of the Act. However Council may write off accrued interest on rates or charges payable by a person under section 567 of the Act and the Local Government (General) Regulation 2005 where:

- a. The person was unable to pay the rates or charges when they become due for reasons beyond the person's control, or
- b. The person is unable to pay accrued interest for reasons beyond the person's control, or
- c. Payment of the accrued interest would cause the person hardship.

Council may write off interest and costs in accordance with section 567(3) of the Act under the following circumstances:

- The ratepayer is experiencing genuine hardship. In such cases, Council may request the completion of a hardship relief application;
- The ratepayer is a "first-time" defaulter, had previously had a good payment record and there are mitigating circumstances;
- Prolonged or serious illness has prevented the ratepayer meeting their financial obligations to Council;
- The ratepayer has complied with all criteria with respect to a section 564 periodic payment agreement;
- Council is satisfied that the circumstances giving rise to the default are temporary.

3. Section 601 - Hardship Assistance due to Certain Valuation Changes

Under section 601 of the Act, any ratepayer who incurs a rate increase following a new valuation of land values may apply to Council for rate relief in the first year the valuation is used for rating purposes, if the new rate payable causes the ratepayer to suffer substantial hardship. This assistance will only be available under the following conditions –

- Council will only consider the deferral of the payment until the next rating period.
- Assistance is only available in relation to general purpose rates and will not be considered on any other charge levied on the property.
- Assistance is only available in the first year that the new valuations are used to levy the general purpose rate.
- The ratepayer must enter into a payment agreement for settlement of the deferred amount
- Interest on outstanding deferred amounts will accrue, however Council may write these off provided that the ratepayer honours the payment agreement entered into. If the payment agreement is not adhered to, interest in accordance with section 566 of the Act will apply from the date of the default.

4. Hardship Assistance in Relation to Council Fees

The General Manager will have the delegated authority to make such decisions in relation to the waiving or reducing of fees up to the amount of \$5,000. For amounts over \$5,000 the decisions must be a resolution of Council.

Any application for hardship assistance in relation to Council fees or charges other than annual charges by waiving or reducing fees under section 610(E) of the Act will be assessed in accordance with the same eligibility criteria used to assess hardship assistance in respect to rates and annual charges.

Assessment Process:

In cases of genuine hardship each case is to be referred to Council for consideration except for Council fees which will be reviewed by the General Manager on amounts up to \$5,000. Amounts over \$5,000 will be decided by a resolution of Council.

In assessing applications, consideration will be given to personal and family circumstances including age, physical or mental disability, injury and illness of the resident ratepayer or family members living with them.

In some instances, it may be prudent to refer applicants to welfare agencies or agencies that facilitate financial advice.

Financial hardship cases will only be discussed in Closed Council Meetings as allowed under Section 10A(2)(b) of the *Local Government Act 1993*.

General Conditions:

All applicants for rates and water hardship relief and for Council fees over \$5,000 shall be advised in writing of Council's decision within 30 days of the Council meeting at

which the application was considered. All hardship applicants for relief from Council fees under \$5,000 shall be advised in writing of the General Manager's decision within 30 days of receiving the application.

Privacy will be maintained in accordance with the NSW Privacy and Personal Information Protection Act 1998.

Applications for hardship relief must be made on the appropriate hardship relief form which is attached or which is available for download on Council's website or at Council's offices.

NARROMINE SHIRE COUNCIL HARDSHIP RELIEF APPLICATION FORM

APPLICATION FOR HARDSHIP RELIEF FOR THE WHOLE OR PART OF THE YEAR COMMENCING 1 JULY

Please answer all questions relevant to you using block letters and ticking appropriate boxes.

Assessment Number.....(from your rates invoice)

I,
(Full name in block letters)

of.....
(Address)

Telephone number..... , apply for a concession on the basis of financial hardship.

(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 Pension Concession Card issued by the Commonwealth Government? Yes No

PCC No. Date of Grant

(3) Have you claimed a pensioner or 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 (eg: 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?.....

(11) What is the cause of the financial hardship?

.....

(12) How long have you been experiencing hardship?

(13) Please state gross weekly amount received in dollars from the following sources of income:

- a) Your income \$
- b) Pensions and benefits \$
- c) Compensation, superannuation insurance
or retirement benefits \$
- d) Spouse's income \$
- e) Income of other residents of the property \$
- f) Casual/part-time employment \$
- g) Family allowance \$
- h) 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		

(16) Please list your assets.

Signed Date.....

Please do not forget to include your supporting documentation. Additional pages can be added if required. If you have any enquiries, please contact Council's Chief Financial Officer on 6889 9999.