

RATEPAYERS HARDSHIP POLICY

OBJECTIVE:

To provide assistance where possible in accordance with the Local Government Act, 1993 NSW and the Local Government (General) Regulation 2021 NSW, to those ratepayers who are experiencing substantial financial difficulties in paying their ordinary rates and annual charges.

LEGISLATIVE REQUIREMENTS:

- *Local Government Act 1993.*
- *Local Government (General) Regulation 2021 (NSW).*
- *Valuation of Land Act 1916 NSW*

RELATED POLICIES AND PLANS:

- Debt Recovery Policy
- Pensioner Policy
- Privacy Management Plan

POLICY:

Council requires all ratepayers to pay their rates in full by the due date(s) being:

<i>Instalment</i>	<i>Due date</i>
1	31 August
2	30 November
3	28 February
4	31 May

However, this policy recognises that due to exceptional circumstances, ratepayers may at times encounter difficulty in paying rates and charges. This policy provides the framework to be followed in providing assistance to those ratepayers who are suffering substantial financial hardship. A ratepayer in substantial financial hardship is someone who is identified by themselves, Council or an independent financial counsellor as having the intention, but not the financial capacity to make the required payments within the timeframe set out in the rates and charges notice. Where a ratepayer falls within this definition, Council may apply its hardship provisions upon application from the ratepayer.

The *Local Government Act 1993 NSW* specifies a range of assistance measures that Council can provide to ratepayers who are experiencing substantial financial hardship, including those addressed in this policy – sections 564 (1), 567(c) and 601.

Sections 564 (2), 567(a) and 567(b) of the Act allow Council to write off or reduce interest accrued on rates and charges if a person complies with an agreement as to periodical payment or if the person was unable to pay the rates and charges by the due date for reasons outside their control. These sections do not refer to financial hardship and are therefore covered in Council's Debt Recovery Policy.

For assistance specific to those receiving a Centrelink or Department of Veterans Affairs pension, please refer to Council's Pensioner Policy.

Definitions and abbreviations:

Act	<i>Local Government Act 1993 NSW</i>
Council	<i>Tamworth Regional Council</i>
Regulations	<i>Local Government (General) Regulation 2021 (NSW)</i>
Rate / Rates	Ordinary Rates and Annual Charges (excluding Stormwater Management Charge)
Pensioner	An eligible pensioner as defined in Division 4 Pensioners of the <i>Local Government (General) Regulation 2021 (NSW)</i>
Principal place of residence	The property that the ratepayer occupies as their sole or dominant residence
Rateable Person / Ratepayers	Includes the Crown in respect of rateable land owned by the Crown and a) an owner in any case where the Act, provides that a rate is to be paid to the Council by the owner, and b) a holder of a lease in any case where the Act, provides that a rate is to be paid to the Council by the holder of the lease.
DSS	Department of Social Security/Centrelink
DVA	Department of Veterans Affairs
VG	Valuer General

Eligibility:

1. The applicant/s must be the ratepayer/s of the property
2. The applicant must apply annually and their circumstances must remain unchanged from the previous year; if circumstances change and the applicant no longer qualifies, Council will negotiate a repayment plan for accrued arrears.
3. The property for which the ratepayer/s is requesting assistance is the only property in which the ratepayer/s has an interest.
4. The property must be the ratepayer/s principal place of residence
5. The property must be land categorised as either Residential or Farmland for rating purposes and the property is used for residential purposes only and that the property has no more than a single dwelling house or residential unit erected upon it.
6. The application for hardship must be accompanied with supporting documentation which may include but is not limited to:
 - a. reasons why the person was unable to pay the rates and charges when they became due and payable;
 - b. copy of recent bank statements for all accounts;
 - c. details of income and expenditure;
 - d. details of assets and investments;
 - e. letter from a recognised financial counsellor, financial planner or community funded counselling/support service provider. The aim being to ensure appropriate financial support is available to all applicants suffering financial hardship.
7. The ratepayer/s must enter into a payment agreement in accordance with s 564 (1) of the Act, facilitated by Council's Debt Recovery Policy, for settlement of the overdue rates and charges.

The Local Government Act 1993 NSW

Section 564 - Agreement as to periodical payment of rates and charges

Under this policy a ratepayer may at any time make an arrangement to pay off their outstanding rates by regular payments, subject to the following guidelines:

- a) the amount and frequency of the payments under the arrangement are acceptable to Council;
- b) arrangement extends beyond the current financial year

If payments will result in the debt being paid by the end of the current financial year, please refer to Council's Debt Recovery Policy.

Provisions of application:

1. Council may write off or reduce interest accrued on rates if the person complies with an agreement made with Council as to periodical payment of those rates
2. In accordance with Section 568 of the Local Government Act 1993, payments will be applied towards the payment of rates in the order in which they became due.

Section 564 - Deferral of rates where increase is above CPI

Deferral of Rates given under Section 564 will only be considered if the rates payable exceed 5% of the gross household income which must be assessed by an independent financial counsellor and is determined by but is not limited to pensions/salaries; investment income; deemed income from assets; deemed rental from non-owner residents.

The amount of the relief under Section 564 will be the difference between the total rates payable on the property for the previous year with the allowable rate percentage increase applied for the current year (i.e. the rate pegging increase allowable under section 506 of the Act) and the total rates payable on the property.

Provisions of application:

1. Council will defer payment if eligible on the amount of the relief to the following year. This is subject to one quarter of the deferred amount being added to each instalment due in the following rating year.
2. Interest will not be charged on the deferred amount, unless it remains unpaid when the following rate instalment it was added to, becomes overdue.
3. The ratepayer/s must enter into a payment agreement in accordance with section 564 (1) of the Act, for settlement of the deferred amount.

Section 564 – Deferral of rates against the estate

This option is only available to aged pensioners and self-funded retirees that satisfy the eligibility criteria to defer payment of part or all of their rates against their estate. Pensioners should refer to Council's Pensioner Policy.

Provisions of application:

1. Interest charges for approved applicants will be charged in accordance with 566 of the Act.

2. The self-funded retiree would suffer substantial financial hardship if required to pay rates when they fall due;
3. The applicant must have owned the property for at least five years;

Section 567 - 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 Act 1993 and will be considered on a case-by-case basis, if:

- a) The person was unable to pay the rates or charges when they became 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.

Section 601 - Hardship resulting from certain valuation changes

A ratepayer who suffers substantial financial hardship as the consequence of the making and levying of a rate following a new valuation, may apply to Council for relief via deferral of payment of the calculated amount as stipulated in the provisions below. The rate will not be waived or levied.

Rate relief given under Section 601 will only be considered if the rates payable exceed 5% of the gross household income which must be assessed by an independent financial counsellor and is determined by but is not limited to pensions/salaries; investment income; deemed income from assets; deemed rental from non-owner residents.

The amount of the relief under Section 601 will be the difference between the Ordinary Residential Rate payable on the property for the previous year with the allowable rate percentage increase applied for the current year (i.e. the rate pegging increase allowable under section 506 of the Act) and the Ordinary Residential Rates payable on the property in the rating year that General Revaluations are being used for the first time.

If the ratepayer is eligible, Council will defer payment on the amount of the relief to the following year. This is subject to one quarter of the deferred amount being added to each instalment due in the following rating year.

Provisions of application:

1. Assistance is only available in relation to general purpose rates. No assistance is provided for any other charges or special rates levied on the property.
2. Application must be submitted within 3 months of the posting date of the rates notice in the first year of the General Revaluation for rating purposes i.e. only to 30 June of the financial year in which the valuation came into effect.
3. The ratepayer/s must enter into a payment agreement in accordance with section 564 (1) of the Act, for settlement of the deferred amount.
4. Interest on outstanding deferred amounts will not accrue, provided that the ratepayer/s honours the payment agreement entered into in accordance with section 564 (1) of the Act relating to the payment of the deferred amount. If the payment arrangement is not adhered to, interest, in accordance with section 566 of the Act will apply from the date of the default.

Assessment Process

Application for Hardship must be received in writing on the appropriate form available on Council's website (www.tamworth.nsw.gov.au) or from any of Council's offices. Council may also request further information, supporting documentation or an interview to assist Council in the understanding of the issues causing hardship.

Applications for relief under this policy, will be assessed on its merits and determined against:

- a) whether hardship exists, and if so;
- b) the scope of the relief to be given; and
- c) whether interest is to be written off.

All applications will be assessed by the Financial Services Division and endorsed by the Revenue Accountant. All hardship applicants will be advised in writing of Council's decision.

Any ratepayer, who is dissatisfied with a determination by the Finance Department under this policy, may request that the Rates Relief Review Panel review the decision.

The Rates Relief Review Panel includes the following Council Officers: General Manager, Chief Financial Services Officer and Financial Services Manager. If a request is made for the review of a decision by the Financial Services Division, an appropriate Financial Services staff member will convene a meeting of the panel. At that meeting, the panel will review the information presented to Council by the ratepayer, give consideration to the reasons why the Financial Services Division made the original determination and come to a majority decision on whether to grant rate relief or not. Once a decision is made by the Rates Relief Review Panel, a Financial Services staff member will formally notify the ratepayer of the outcome.

Privacy and Confidentiality

Council Officers will conduct themselves with courtesy and respect when dealing with ratepayers and shall maintain the privacy and confidentiality of all ratepayers' personal circumstances as per Council's Privacy Management Plan. Personal information collected as a result of this policy will only be used for the purpose of assessing eligibility under the policy and will not be used for any other purpose, or disclosed to any other person, unless required by law to do so, or authorised to do so by the person to whom that personal information relates.

Roles and Responsibilities

The Revenue Accountant is responsible for the implementation of this policy

Communication

The policy will be posted on Council's web site for public access.

Policy Review

This policy may be amended or revoked at any time and must be reviewed on an annual basis to ensure continuing compliance with all relevant legislation and related regulations.