

POLICY

Rates & Valuations - Hardship

Date adopted by Council	31 May 2021
Minute number	H.05.1
Endorsed by	Council
CM Ref	CD-32/21
Due for review	September 2024
Related documents	Local Government Act 1993 Delegations of Authority from Council Office of Local Government Debt Management and Hardship Guidelines
Responsible officer	Director of Corporate Services
Department/Section	Corporate Services / Revenue
Category	Financial & Asset Management
Community Strategic Plan goal	Goal 8 Provide Community Leadership
	CS 35 Ensure long-term financial sustainability through short, medium and long term financial planning



Policy Statement

It is important for Council to recover debt fairly and equitably. Council's policy is to give consideration to people facing hardship and limit fees, interest and legal costs and avoid causing additional financial stress in difficult times.

Objective

To give relief to ratepayers suffering genuine financial hardship with the payment of their rates, annual charges and fees. It applies to all applications for waiving and writing off rates, fees, annual charges and interest accrued on such debts.

To clearly state the circumstances under which Council will consider the personal financial hardship of ratepayers. To be fair and equitable to all ratepayers.

Scope

- Council may write off interest charges in accordance with an arrangement to finalise a debt owed to Council by a ratepayer who is suffering personal financial hardship under sections 564 and 567 of the Local Government Act 1993.
- The General Manager has delegated authority from Council to write off amounts up to \$1,000. The Director Corporate Services has delegated authority from Council to write off amounts up to \$500. Amounts over \$1,000 will only be approved by resolution of Council.
- The General Manager and Director Corporate Services may determine whether a ratepayer is suffering personal financial hardship.
- Under section 577 of the Local Government Act 1993, Council may write off rates due to hardship where a pensioner is solely responsible for the rates on a property.
- Council may wave or reduce Council fees when the inability to pay is due to hardship under section 610E.
- Council may waive or reduce rates, charges and interest of eligible pensioners (section 575, 582)
- Under section 601 of the Local Government Act 1993, Council may write off rates due to hardship in the first year of new valuations. In general, no general rates and annual charges are written off by Council in relation to the personal financial hardship of ratepayers in these circumstances.

Definitions

All terms used in this policy have the standard dictionary definition.

Policy Details

- Full confidentiality will be maintained by all staff at all times in regard to applications and reports to Council.
- Council or Council staff will consider each application for assistance on its individual merits.



- Council, the General Manager or the Director of Corporate Services under delegated authority from Council may reduce or write off overdue rates, annual charges, interest or fees if they are of the view that;
 - The person was unable to pay the rates or charges when they become 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.
- The applicant must be the owner or part owner of the property and be liable for the payment of rates on the property.
- The property for which the hardship application applies must be the principal place of residence of the applicant.
- Hardship will only be considered on properties categorised as residential or farmland.
- The residential component of mixed development land only will be considered for hardship relief.
- Rental or investment properties are excluded due to the taxation advantages of negative gearing and rates being tax deductible.
- Interest may be waived, where a group or area of ratepayers is affected by natural disaster or a significant event such as fire and drought.
- The application must be accompanied with supporting documentation eg: reasons why the person was unable to pay the rates and charges by the due date. Documents may include but not limited to, bank statements, letter from financial counsellor or financial planner confirming hardship, details of income and expenditure or any other information that would assist in making a reasonable assessment.
- A ratepayer who is suffering personal financial hardship may apply to Council to pay a debt to Council by making regular payments in order to finalise that debt. (Section 564). Council may write off or reduce the accrued interest and costs on rates and charges if the person complies with the periodical agreement. (section 542 92). If the agreement is not maintained, the plan may be cancelled and full payment will be due.
- Relief through Hardship will only be given for a maximum period of 12 months. After the twelve month period has expired the ratepayer must reapply for hardship and demonstrate that a genuine attempt is being made to clear the debt or is continuing to working with a financial counsellor to improve their situation.
- Hardship relief will only be considered from the date of the application or back to the 1 July of the current financial year.

Responsibilities

Councillors

Should be familiar with and follow the policy guidelines and not make commitment to individuals that are outside of the guidelines.



Director of Corporate Services

Will review hardship applications and make recommendation of course of action to be taken, including amounts to be written off, period of time hardship consideration is given and advise of any terms or conditions that may apply to the application.

Revenue Officer

Will process that application with the recommendation as advised by the Director of Corporate Services

All Staff

Will treat all customer's information with confidentiality and be respectful to people's situations at all times.

References and Related Legislation

- Local Government Act 1993
- Office of Local Government Debt Management and Hardship Guidelines
- Delegations of Authority from Council
- This policy was adopted by Council at its meeting on 31 October 2016. It replaces that of the same title adopted by Council at its meeting on 25 February 2013.
- INT-29114/16

Version History

Version No.	Date	Reason for Review
1	25/02/2013	
2	31/10/2016	
3	01/02/2021	