

HARDSHIP POLICY

Policy | Finance

Provide assistance to ratepayers experiencing hardship in the payment of rates and charges

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Service Unit:	Finance		
Responsible Officer:	Manager Corporate and Community Services		
Responsible Director:	Director Business and Community Services		
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1 Background

1.1 Title of the Policy and Commencement Date

The Hardship Policy will be effective upon adoption by Council.

1.2 Purpose of the Policy

- To provide financial assistance to ratepayers who are experiencing financial hardship with the payment of rates, fees and charges. This includes financial hardship due to the COVID-19 pandemic.
- To provide a decision-making framework for the appropriate assessment of all financial hardship applications
- To fulfil the statutory requirements of the *Local Government Act 1993* and other relevant legislation in relation to the waiving or reduction of rates, charges and interest due to hardship.

2 Objective

2.1 Objectives and Coverage of the Policy

To be fair & equitable according to the guidelines within this policy and the *Local Government Act 1993*.

3 Application

3.1 Application of this Policy

This Policy applies to all Council debtors and ratepayers who are an owner or part owner of their property and who are suffering financial hardship and their rate assessment is categorised as Residential, Farmland or Business for the purpose of rating as per the *Local Government Act 1993*.

4 Definitions

For the purposes of this policy:

Term	Meaning
Rateable person	includes the Crown in respect of rateable land owned by the Crown and means: <ul style="list-style-type: none"> • An owner in any case where the <i>Local Government Act 1993</i>, 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 <i>Local Government Act 1993</i>, provides that a rate is to be paid to the Council by the holder of the lease.
Financial Hardship	Where an individual has had a realised reduction in actual income or increase in expense due to an event occurring such as unemployment, business closure, illness, family violence, death in



	<p>the family, increase in living expenses, or some other realised reduction in income or increase in expense.</p> <p>Unrealised losses such as superannuation balance reduction, shareholding, property value decrease or other investment losses are not considered financial hardship under Council's policy.</p>
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5 Principles/Body

5.1 Procedural Statement

Council recognises there are cases of genuine financial hardship requiring respect and compassion. 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 of rates, annual charges and interest accrued on such debts.

The General Manager has the delegated authority to assess applications due to hardship and payment arrangement plans from any customer after receiving a written request.

5.1.1 COVID-19 Implications

COVID-19 was declared a global pandemic on 30 January 2020. The restrictions placed on all Australians by the Federal and State Governments to contain the spread of the virus has significantly impacted individuals, families and businesses. Rates, fees and charges received from residents and businesses are the primary source of revenue that Council relies on to deliver critical services to the community. However, as the COVID-19 pandemic will cause financial hardship for some community members, Council will, in such circumstances, provide assistance.

Specific relief is available to eligible ratepayers experiencing hardship due to COVID-19, being a rebate included in Council's Community Support Package equivalent to the increase in the rates and charges for 2020/21 financial year compared to the 2019/20 financial year.

In addition, Council will suspend the raising of interest on overdue rates and charges until 30 September 2020 along with the suspension of any debt recovery action on outstanding rates and charges until after 31 August 2020. The due date for the first instalment of the 2020/21 rates have also been deferred to 30 September 2020.

Additional assistance is available via Council's traditional hardship policy clauses as outlined below.

5.1.2 Assistance by Periodic Payment Arrangements

- Section 564 of *The Local Government Act 1993* provides that Council may enter into a formal agreement with a ratepayer eligible for alternative periodic payments for due and payable rates and charges. A periodic payment agreement will be offered via Direct Debit in accordance with Council's Debt Recovery Policy
- Under Section 568 of *The Local Government Act 1993*, payments will be applied towards the payment of rates and charges in the order in which they became due
- Payments must be made on a weekly, fortnightly or monthly basis



- Arranged payments must be of an amount so that all amounts owing are paid in full by a mutually satisfactory timeframe as agreed by Council and the applicant, with the aim being that all amounts are paid for by 30 June.

5.1.3 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.

5.1.4 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, for example Life Tenants.

5.1.5 Assistance due to General Revaluation of the Local Government Area

Section 601 of *The Local Government Act, 1993* provides that any ratepayer who suffers substantial hardship as the consequence of the making and levying of a rate following a new valuation may apply to Council for rate relief. Assistance is only available in the first year new valuations are used for the calculation of rates.

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.

5.1.6 Assessment Process – COVID-19 Rebate

Applications for Hardship related to COVID-19 pandemic must be received in writing on the approved COVID-19 Hardship Application form available via Council's website.

Council will assess any applications and will advise the applicant in writing of the outcome.

5.1.7 Assessment Process – General Hardship

Applications for Hardship unrelated to COVID-19 pandemic must be received in writing on the approved Hardship Rate Relief Application Form also available via Council's website.

Council may also request the applicant to attend an interview to assist Council 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:

- 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



- The property for which the hardship application applies must be categorised as Residential, Farmland or Business for rating purposes
- 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 advisor or financial planner confirming financial hardship
- The General Manager has the delegated authority to assess all applications from any customer after receiving a written request
- 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
- No ratepayer, including pensioners will be permitted to accrue outstanding rates, charges or interest to their estate.

6 Relevant Legislation

Local Government Act, 1993

Local Government (General) Regulation 2005

7 Document Information

Related documents and reference information in this section provides a single reference point to develop and maintain site compliance information.

7.1 Related Documents

Number	Title
POL/6002	Debt Recovery Policy
16/58670	Singleton Council Delegation Register

8 Responsible Officer / Policy Owner

Ownership of this policy rests with the Finance Controller.

9 Responsibilities

Parties or Persons	Responsibilities
Finance Staff	<ul style="list-style-type: none"> • delegated authority to assess all applications from any customer after receiving a written request



10 Approval

As per cover sheet.

11 Monitoring

This policy will be monitored by the Manager Corporate & Community Services to ensure compliance.

12 Review Date

This policy, once adopted, is to remain in force until it is reviewed by Council. This policy is to be reviewed approximately every two (2) years to ensure that it meets legislative requirements.

13 Last Review Date

May 2020

14 Record Keeping, Confidentiality and Privacy

This policy is to be made available for public viewing as required under the *Government Information (Public Access) 2009, NSW*.

15 Breaches and Sanctions

Any breaches of this Policy will be referred to the General Manager for appropriate action.

