



Bellingen Shire Council **POLICY**

Internal Use Only

External Use

HARDSHIP POLICY

Department: Corporate and Community
 Responsible Officer: Deputy General Manager
 Contact Officer: Manager, Finance
 Date Approved by General Manager:
 Date Confirmed by SCC: N/A

Adopted: 25 September 2013
 Minute No: n/a
 Version: 1
 Date of Next Review:
 IR No.:

1. PURPOSE

This policy is to formalise the procedure dealing with defaulting debtors including:

- To provide assistance to ratepayers who are experiencing genuine difficulties with the payment of their rates and charges; and
- To provide a process for the appropriate assessment of all financial hardship applications; and
- To fulfil the statutory requirements of the *NSW Local Government Act 1993* (LGA) and the *NSW Local Government (General) Regulation 2005*.

2. DEFINITIONS

In this Policy:

“Council” means the Bellingen Shire Council.

“Financial Hardship” means a situation where a customer is unable, reasonably, because of illness, unemployment or other reasonable cause, to discharge their financial obligation to Council, however they reasonably expect to be able to do so with adjustments to their payment obligations. Financial Hardship can be of limited or long term duration.

“Ratepayer” means the owner/occupier of rateable land within Bellingen Shire Council liable for the payment of rates and charges on that land.

“LGA” means the *NSW Local Government Act 1993*.

“Payment arrangement” means a duly signed agreement between Council and the ratepayer formalising a periodic payment plan in order to satisfy financial obligations to Council. If the ratepayer defaults on the payment arrangement, the arrangement is deemed void.

3. POLICY STATEMENT

- 3.1 Due to exceptional circumstances, ratepayers may at times experience difficulty in paying rates and charges. This policy outlines the process to be followed in providing assistance to those ratepayers who are suffering genuine financial hardship.
- 3.2 *The NSW Local Government Act 1993* (LGA) gives Council the authority necessary to provide assistance to those ratepayers under the following sections of the LGA:
 - a) **Section 564** of the LGA provides Council with the option to accept payment of rates and charges due and payable in accordance with an agreement made with

the ratepayer and to write off or reduce interest accrued on rates and charges if the ratepayer complies with the agreement.

- b) **Section 567** of the LGA provides for Council to write off accrued interest on rates and charges payable by a ratepayer if, in Council's opinion the reasons that the ratepayer was unable to pay the rates and charges when they became payable were beyond the ratepayer's control, or that the ratepayer is unable to pay the accrued interest for reasons beyond that ratepayer's control, or that the payment of the accrued interest would cause the ratepayer hardship.
 - c) **Section 575** of the LGA provides for the granting of concession on rates and charges for eligible pensioners.
 - d) **Section 601** of the LGA provides for ratepayers who incur a rate increase as a result of a revaluation of land to apply to Council for financial relief if the increase in the amount of rates payable will cause them substantial financial hardship.
- 3.3 Applications for hardship relief must be made on the appropriate hardship rate relief form which is available for download on Council's website (www.bellingen.nsw.gov.au).
- 3.4 The applicant must meet the following criteria:
- the applicant must be the owner of the property and must be liable for the payment of rates and charges on the property; and
 - the property for which the hardship application is made must be the principle place of residence of the applicant or of the applicants immediate family; and
 - genuine financial hardship can be displayed; and
 - the application for hardship rate relief form 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
 - a letter supporting the application outlining the reason for applying for financial hardship and the period of time for which the hardship relief sought may apply.
- 3.5 A formal payment arrangement must be entered into between Council and the ratepayer. Written confirmation of acceptance of the payment arrangement must be received by Council from the ratepayer.
- 3.6 The General Manager has delegated authority to assess all applications in accordance with the policy.
- 3.7 In the first instance the application will be reviewed by the Hardship Committee appointed by the General Manager
- 3.8 The Hardship Committee will consist of three (3) members from Council, being the Revenue Supervisor, Finance/Revenue Officer and a representative from Council's Community Wellbeing Department.
- 3.9 The Hardship Committee will review the application and recommend to the General Manager any offer of assistance as provided by the NSW Local Government Act 1993, having regard to the circumstances of the applicant.

- 3.10 The General Manager will make a final determination about the application after considering the recommendation of the Hardship Committee.
- 3.11 The applicant will be informed of Council's decision in writing and if not satisfied with the outcome can request Council to reconsider its decision.
- 3.12 After Council reconsiders the application and makes a decision the ratepayer has no further right to appeal.
- 3.13 With respect to Section 601 of the *NSW Local Government Act 1993*, ratepayers can appeal to the NSW Valuer General for a review of the revised land valuation. For this reason Council has elected not to consider hardship applications under this provision.

4. ASSISTANCE AVAILABLE

- 4.1 Writing-off of accrued interest (Section 567);
- 4.2 Agreement as to periodical payment of rates and charges where interest may be written-off or reduced if the payment agreement is complied with (Section 564);
- 4.3 Granting of concessions on rates and charges for eligible pensioners (Section 575);

5. ASSOCIATED DOCUMENTS

Hardship Rate Relief Application Form

Draft Hardship Rate Relief Application Form

HARDSHIP RATE RELIEF APPLICATION FORM

Approved by the Director General of the Department of Local Government, in accordance with clause 135 of the Local Government (General) Regulation 2005 under the *Local Government Act 1993*.

APPLICATION FOR HARDSHIP RATE RELIEF FOR THE WHOLE OR PART OF THE YEAR COMMENCING 1 JULY 200_

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

Assessment No. _____

I, _____
(Full name in block letters)

of _____
(Address)

telephone number _____ apply for a concession on the basis of financial hardship.

Property Description (Lot/Plan) _____
(office use only)

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

PCC No. _____ Date of Grant _____

(3) Have you claimed a pensioner 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? _____ State ages _____

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

(12) How long have you been experiencing hardship? _____

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

a) Pensions and benefits \$ _____

b) Compensation, superannuation insurance or retirement benefits \$ _____

c) Spouse's income \$ _____

d) Income of other residents of the property \$ _____

e) Casual/part-time employment \$ _____

f) Family allowance \$ _____

g) 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		