

**10.7 Policy (Review) - Financial Hardship - Rates and Charges**

**POLICY NAME:** DRAFT REVIEW  
**Financial Hardship Assistance for Rates,  
Annual Charges and Fees**

**POLICY REF:** H01

**MEETING ADOPTED:** 26 August 2004  
Resolution No. 260804 (052)

**POLICY HISTORY:**



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## OBJECTIVE

To provide rate relief to those ratepayers who are experiencing genuine and significant financial difficulties in paying their rates, charges and fees.

## BACKGROUND

Council recognises that, at times, certain ratepayers may have difficulty in paying their property rates, charges and fees. Council is willing to provide financial assistance to ratepayers in this situation.

The Local Government Act 1993 allows Council to provide a range of assistance measures. This policy outlines the options Council will provide to cases of genuine financial hardship.

## DEFINITIONS

**Land value** unimproved land value provided to Council by the Valuer General for the purpose of levying ordinary land rates.

## SCOPE OF POLICY

This policy applies to:

- Ratepayers of Ballina Shire

## RELATED DOCUMENTATION

Related documents, policies and legislation:

- Local Government Act 1993
- Council's rates and charges debt recovery procedure

## POLICY

Council will provide assistance for ratepayers facing genuine and significant financial hardship in the payment of their rates and charges. Rates, charges and fees are deemed to include all rates, charges and fees listed on a ratepayers' Rates & Charges Notice.

The hardship assistance provisions offered are as follows:

### 1. Deferral of the general rate when new land values are used

In accordance with Section 601 of the Local Government Act 1993, if a property owner is eligible, Council will defer payment of the whole of the increase of the ordinary rate due, to the following rating year.

This is subject to one quarter of the amount of the increase being added to each instalment due in the following rating year. Interest is not charged on the deferred amount, unless it remains unpaid when the following rate instalment it was added to, becomes overdue.

The criteria used to determine eligibility is as follows:

- The property must be categorised residential or farmland for rating purposes
- The increase in land value must be greater than the residential shire wide average increase
- The ratepayer must own the property and also occupy the property as their principal place of abode
- The ratio of ordinary rates payable to gross household income must be greater than 3.5%
- The ratepayer will suffer substantial financial hardship if required to pay rates and charges when they fall due. The ratepayer must provide details of their income and expenses, with supporting evidence as required by Council
- This option is only available in the first year that new land values are used to levy rates.

## 2. Deferral of rates and charges against the estate

This option is offered in accordance with section 564 of the Local Government Act 1993. 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 and charges against their estate.

Interest charges for approved applicants will be charged at the reserve bank cash rate. This interest rate will be reviewed annually on 1 July. This rate will then be effective for the entire financial year.

The criteria to be used to determine eligibility is as follows:

- The aged pensioner or self-funded retiree would suffer substantial financial hardship if required to pay rates and charges when they fall due. The applicant must provide details of their income and expenses, with supporting evidence as required by Council
- The property must be categorised residential or farmland for rating purposes
- The applicant must have owned the property for at least five years
- The applicant must occupy the property as their principal place of abode
- 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 re-payment plan for accrued arrears
- All applications for this type of assistance must be approved by the elected Council

## 3. Other Assistance

In addition to the options outlined Council will provide financial arrangements for ratepayers, who may not meet the criteria outlined in this policy, but are still facing financial difficulties, to pay their outstanding rates, charges and fees.

These agreements, which will be authorised by the General Manager, will generally allow the ratepayer an extended period of time to pay their account. Such agreements will be subject to interest charges as per the interest rate for overdue rates and charges detailed in Council's Schedule of Fees and Charges.

## REVIEW

This policy is to be reviewed every four years.