

POLICY NAME: FINANCIAL ASSISTANCE (HARDSHIP)
RATES AND CHARGES

POLICY REF: F08

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OBJECTIVE

To provide financial assistance to ratepayers who are experiencing genuine and significant financial difficulties in paying their rates and charges.

To provide a decision making framework for the consistent and equitable determination of all financial hardship applications.

POLICY

Any ratepayer who cannot pay their rates and charges due to genuine financial hardship can apply to Council for assistance.

Rates and charges are deemed to consist of those rates and charges listed on a ratepayer's Rates and Charges Notice.

Each individual case will be considered on its merits.

To be eligible for consideration of hardship rate relief, a ratepayer must complete the Hardship Rate Relief Application Form (those applying for a periodical payment arrangement are not required to complete a Hardship Rate Relief Application Form).

The Hardship Rate Relief Application Form is available for download on Council's website ballina.nsw.gov.au

The completed form is to be returned to Council including details of income, expenditure, assets, liabilities, and such other information required for the Council to make an informed decision.

The criteria for assessment will include, but not be limited to the following:

- The applicant must be the owner of the property and must be liable for the payment of rates and charges on the property
- The property for which the hardship application is made must be the applicant/s principal place of residence (with exception as per Clause 4 below)
- The applicant must not own any other property either within or outside the Council area (with exception as per Clause 4 below)
- The property must be categorised residential or farmland for rating purposes.
- The Hardship Rate Relief Application must be accompanied with supporting documentation which may include, but is not limited to:
 - Details of income and expenditure, assets and liabilities.
 - 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 may apply.

All applications for hardship rate relief will be assessed by an internal Hardship Committee. The Hardship Committee will consist of three Council officers appointed by the General Manager.

The Hardship Committee is to make recommendations to the General Manager for approval of payment terms exceeding 24 months or interest write-offs less than \$1,000.

The Hardship Committee, through the General Manager, is to make recommendations to Council for interest write-offs greater than \$1,000 or other assistance as considered appropriate under extenuating circumstances.

The hardship assistance provisions offered are as follows:

1. Periodical Payment Arrangements – Section 564

Council may enter into payment arrangements with ratepayers who may not meet the criteria outlined in this policy, but are still facing financial difficulties in meeting their normal instalment payments as provided by the LGA.

Authorised Council staff can accept over the phone payment arrangements for weekly, fortnightly or monthly payments that are within a 24 month timeframe. Any requests for periodical payment arrangements greater than 24 months need to be authorised by the General Manager.

Such agreements will continue to be subject to interest charges as per the interest rate for overdue rates and charges detailed in Council's Fees and Charges.

Debt recovery action will be deferred whilst the agreed payment arrangement is adhered to.

If the applicant does not adhere to the payment arrangement, the agreement may be cancelled, and the full amount will become due and payable immediately. Recovery action will recommence in accordance with Council's Rates and Charges Debt Recovery Policy.

2. Interest Free Period – Section 564 and 567

Under Sections 564 and 567 of the LGA, Council may write off accrued interest charges payable by a ratepayer where if, in its opinion, payment of accrued interest would cause the person hardship.

This assistance does not apply to rates and charges levied, but rather the interest accrued on their rates and charges.

Eligibility for such assistance is to be based on the criteria stated in this policy and the completion of Council's Hardship Rate Relief Application.

If eligible, council may grant an interest free period if the full amount owing (including current rates and charges) is finalised by direct debit arrangement within 12 to 24 months of the application. The interest free period will apply from the date of approval. Any requests exceeding 24 months need to be authorised by the General Manager.

3. Deferral of the general rate following a revaluation – Section 601

A ratepayer who is required to pay a higher ordinary rate due to an increase in land value following a revaluation may apply to Council for relief. The ratepayer must demonstrate that the rate increase has caused them to experience significant financial hardship.

Council may 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.

Eligibility for such assistance is to be based on the criteria stated in this policy and the completion of Council's Hardship Rate Relief Application. The additional criteria used to determine eligibility is as follows:

- The percentage increase in land value must be greater than the residential shire wide average increase.

This option is only available in the first year that new land values are used to levy rates.

4. Consideration of Domestic and Family Violence

Persons impacted by domestic and family violence may be required to relocate from the property which was previously their principal place of residence.

Council recognises that domestic and family violence circumstances may prevent a person having any control over the ability to sell property and may not have adequate income or cash assets to settle debts in the short to medium term.

The criteria for assessment requiring the property to be the ratepayer's principal place of residence and the requirement for not owning any other property will not be applied for ratepayers who advise Council they are impacted by domestic and family violence.

A person impacted may still apply for relief options available under this policy, by lodgement of a Hardship Rate Relief Application Form.

This policy also allows staff to place a hold on all debt recovery actions for any rates and charges outstanding, for a period of six months without the lodgement of a Hardship Rate Relief Application Form. Interest charges would continue to apply in that circumstance.

5. Other Ratepayer Assistance

In addition to the above, Council may determine other applications for assistance which are to be submitted to Council on an individual basis for consideration.

6. Cancellation of Hardship Assistance

Hardship assistance may be cancelled as a result of the following:

- Defaulting on a payment arrangement
- The ratepayer no longer owns the land
- The ratepayer advises Council that financial hardship no longer applies
- Council receives information that the financial hardship no longer exists.

Such cancellation will be at the discretion of the General Manager.

BACKGROUND

Council recognises that, at times, ratepayers may have difficulty in paying their rates and charges. This policy outlines the options Council will provide to cases of genuine financial hardship and the process to be followed in providing such assistance.

The Local Government Act, 1993, (LGA) allows Council to provide assistance to ratepayers under the following sections of the Act.

- a) **Section 564** of the LGA provides Council with the option to accept payment of rates and charges due and payable by a person in accordance with a periodical payment arrangement and to write off or reduce interest accrued on rates and charges if the person 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 601** of the LGA provides for ratepayers who incur a rate increase in the first year following a General Revaluation of land values to apply to Council for rate relief if the increase in the amount of rates payable will cause them substantial financial hardship.

DEFINITIONS

Financial Hardship:

- When a ratepayer is willing but unable to pay their rates and charges on time due to unexpected events (e.g. serious injury or illness, spouse bereavement, natural disasters) or unforeseen changes (e.g. unemployment, significant income variations, family separation) that impacts their cash flow.

SCOPE OF POLICY

This policy applies to:

- Ratepayers of Ballina Shire

RELATED DOCUMENTATION

Related documents, policies and legislation:

- Local Government Act 1993
- Rates and Charges - Debt Recovery Policy
- Hardship Rate Relief Application Form
- Fees and Charges

REVIEW

This policy is to be reviewed every four years.