Introduction

Council recognises there are cases of genuine financial hardship requiring respect and compassion in special circumstances. This procedure establishes guidelines for assessment of hardship applications applying the principles of fairness, integrity, appropriate confidentiality, and compliance with relevant statutory requirements. It applies to all applications for waiving, deferment & alternative payment arrangements, or writing off of rates, fees, annual charges and interest accrued on such debts.

This procedure provides a framework for responding to applications from owners/ratepayers and customers experiencing genuine hardship with the payment of their rates, annual charges and fees in accordance with the Local Government Act 1993 (NSW) “the Act” and the Local Government (General) Regulation 2005 (NSW).

Definitions

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial hardship</td>
<td>Ratepayers or customers experiencing financial hardship are identified either by themselves, Council or an independent accredited financial counsellor as having the intention but not the financial capacity to make required payments in accordance with Council’s payment terms.</td>
</tr>
<tr>
<td>Ratepayer</td>
<td>A ratepayer is the person liable under the Act to be liable for the payment of rates. In most instances this will be the owner of the property. This definition includes the Crown in respect to the following items:  1. An owner in any case where the Act, provides that a rate is to be paid to the council by the owner, and  2. A holder of a lease in any case where the Act, provides that a rate is to be paid to the council by the holder of the lease. A tenant of a property is not a ratepayer. Hardship assistance can only be applied for by the owner of the property and is not available to a tenant.</td>
</tr>
<tr>
<td>Rates and charges</td>
<td>Rates and charges levied on land under Chapter 15 of the Act:  · Ordinary rate – base rate (Section 498)  · Ordinary rate – ad valorem (Section 499)  · Water access charge (Section 501)  · Sewer access charge (Section 501)  · Urban stormwater charge (Section 496A)  · Domestic base waste management charge (Section 496)  · Domestic waste collection charges (Section 496)  · Commercial base waste management charge (Section 501)  · Commercial waste collection charge (Section 501)  · On-site sewer management annual charge (Section 608 and 107A)</td>
</tr>
<tr>
<td>Sundry debts</td>
<td>Debts owing to Council other than those included in the definition of rates and charges.</td>
</tr>
</tbody>
</table>
**Procedure 5.06.1 Financial Hardship Assistance**

**Version:** 2  
**Issued:** 17 February 2014  
**Next review:** November 2017

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water consumption</td>
<td>Charges for actual use of Council’s water supply under section 502 of the Act. This also includes charges for sewer usage and liquid trade waste usage.</td>
</tr>
</tbody>
</table>

**Hardship provisions as per the Act**

Council recognises that ratepayers/customers may experience hardship in some circumstances in paying rates, annual charges, and fees. In accordance with Section 564 of the Act, Council has resolved to offer hardship assistance in the form of periodical payment arrangements.

A ratepayer may be eligible for consideration for Hardship Assistance in the payment of overdue rates, annual charges, interest, and fees, where:

1. The person is unable to pay due rates, charges, fees or accrued interest when due and payable for reasons beyond the person’s control; or  
2. Payment when due would cause the person hardship.

**Hardship assistance by periodical payment arrangement**

Council may enter into a formal agreement with a ratepayer eligible for alternative periodical payment arrangements for due and payable rates and charges. Council or the ratepayer may initiate a proposal for a periodical payment agreement. In accordance with section 568 of the Act, payments will be applied towards the payment of rates and charges in the order in which they became due.

Council may also enter into a formal payment arrangement for sundry debtors.

The process for applying for a payment arrangement is as follows:

1. Payment arrangements will only be entered into by Council prior to the due date of the debt or before that forwarding of the debt to Councils approved Debt Recovery agency. Once a reminder notice for the debt has been issued, requests for payment arrangements will be referred to Council’s authorised recovery agency.  
2. Formal payment arrangements will be in the form of monthly payments via direct debits. Direct debits are only available from savings or cheque accounts and will be processed on the 15th of the month (or the next working day if the 15th falls on a weekend or public holiday). If a direct debit is defaulted more than once, the arrangement will be cancelled immediately and the account will be subject to the standard debt recovery process.  
3. Any other method or frequency of payment will not be considered a formal payment arrangement and will still be subject to the standard debt recovery process. Refer to Council’s Debt recovery procedure for further information.  
4. Request for payment arrangements should be in writing however Council may, at its discretion, accept over the phone payment arrangements from ratepayer/customer. However, to formalise the arrangement, Council will send to the ratepayer/customer Council’s Payment Agreement form setting out the terms and conditions of the agreement made over the phone. The ratepayer/customer must sign the agreement and return it to Council within 14days of the posting date of the agreement; otherwise the agreement is taken to be not valid and the standard debt recovery process will commence.  
5. If interest is applicable to the type of debt, it will continue to accrue until the debt is paid in full.
Hardship assistance due to certain valuation changes

Valuations are independently determined by the Valuer General. Aggrieved ratepayers should make an appropriate application under the appeal provisions of the *NSW Valuation of Land Act 1916*. Contact details for the Valuer General are provided in the newsletter from the Valuer General that accompanies the annual rates notice or may be obtained from Council’s website.

Assistance to eligible pensioners

Pensioner rates and charges concessions are available under Sections 575-584 of the Act. To receive the concessions, an eligible pensioner must complete an application for Pension concession form. Refer to Council’s Pension concession procedure for further information.

The Act does not provide for the deferral of pensioner rates and charges, apart from the provisions for a formal agreement for periodical payments.

Writing off rates, charges, fees and interest

Unless the imposition of rates, charges, sundry debts, fees and/or interest are deemed to be in error, the waiving of rates, charges, sundry debts, fees and/or interest will not be considered by Council.

Land exempt from rates

The Act provides that certain land is exempt from all or some rates and charges. Refer to *Procedure 5.06.6 Rate Exemptions* further information.

Related policies & procedures

- 5.06.4 Recovery of unpaid rates and charges
- 5.06.5 Pensioner Concessions