



Title of Policy	Economic Hardship		
This applies to	All Council staff and ratepayers in the Central Darling local government area		
Author	Greg Hill	Date approved:	23 October 2019
Position of Author	General Manager	Authorised by:	Council, Minute 05-10-19
Legislation, Australian Standards, Code of Practice	Local Government Act 1993 Local Government (General) Regulation 2005 Valuation of Land Act 1916		
Related Policies/Procedures	Privacy Management Plan Debt Recovery Policy		

OBJECTIVE

The objectives of this policy are to:

- Provide assistance where possible, in accordance with the provisions of the Local Government Act 1993 (LGA) and the Local Government (General) Regulation 1993 (LGGR), to those ratepayers who are experiencing substantial financial difficulties in paying their rates and charges; and
- Provide an administrative process to determine economic hardship applications.

POLICY

This policy recognises that due to exceptional circumstances, ratepayers may at times encounter difficulty in paying rates and charges. The policy provides the framework to be followed in providing assistance to those ratepayers who are suffering substantial financial hardship. A ratepayer in substantial hardship is someone who is identified by themselves, the council or an independent financial counselor as having the intention, but not the financial capacity to make the required payments within the timeframe set out in the rates and charges notice. Where a ratepayer falls within this definition, the Council may apply the provisions of this policy.

The LGA specifies in sections 567 and 601, a range of assistance measures that Council can provide to ratepayers who are experiencing substantial financial hardship, including those addressed in this policy.

ELIGIBILITY

This policy is available to the ratepayers of all land categorized as Residential or Farmland for rating purposes within the Central Darling local government area, subject to the “definitions” and “provisions” as outlined in this policy.

DEFINITIONS

Ratepayer

The person or persons liable for payment of the rates of the property for which economic hardship is being claimed.

Residential or Farmland categorization for rating purposes

All land categorised as Residential or Farmland for rating purposes in accordance with sections 515 and 516 of the LGA.

Principal place of residence

The property that the ratepayer occupies as their sole or dominant residence.

Property ownership qualifying period

The applicant, having been the ratepayer on the property for which the application is being made for a period of not less than 1 year.

Mixed developments

Those properties which are subject to a Mixed Development Apportionment Factor (MDAF) furnished to Council by the Valuer General and are rated in accordance with the MDFA as part Residential and part Business. The part of the property that is subject to an MDAF and rated as Residential only, is to be considered in the calculation of the increase.

Rates payable calculation test

The increase in the general rates levied as a result of a General Revaluation must be, at the minimum, 25% above the previous year’s rate levy, including any permissible rate increase adopted by Council in accordance with sections 506 and 508(a) of the LGA.

SECTION 567(C): WRITING OFF OF ACCRUED INTEREST

As provided by section 567(c) of the LGA, accrued interest on overdue rates and charges may be written off where payment of the accrued interest would cause the ratepayer financial hardship.

Provisions

1. The applicant must be the ratepayer of the property.
2. Economic hardship relief will not be considered if the ratepayer has been convicted of fraud

within the past 10 years.

3. The property for which the ratepayer is requesting assistance is the only property in which the ratepayer has an interest.
4. The property must be the ratepayer's principal place of residence.
5. The property must be categorised as either Residential or Farmland for rating purposes.
6. Only the residential component of mixed developments will be considered for the economic hardship assistance.
7. The ratepayer must enter into a payment agreement in accordance with section 564(1) of the LGA, facilitated by Council's Debt Recovery Policy, for settlement of overdue rates and charges.
8. Interest on overdue rates and charges will be written off, provided that the ratepayer honours the payment agreement entered into in accordance with section 564(1) of the LGA relating to the payment of overdue amounts. If the payment agreement is not adhered to, the accrued interest on the overdue rates and charges will not be written off.
9. Only one successful application will be granted within the current ratepayer's ownership period.

SECTION 601: HARDSHIP RESULTING FROM CERTAIN VALUATION CHARGES

A ratepayer who suffers substantial financial hardship as a consequence of the making and levying of a rate on the most recent valuation may apply to Council for deferral of payment of the calculated amount as stipulated in the provisions below. The rate will not be waived or reduced.

Provisions

1. Assistance is only available in relation to general purpose rates. No assistance is provided for any other charges or special rates levied on the property.
2. Assistance is only available in the first year that the new valuations are used to levy the general purpose rate, i.e. only to 30 June of the financial year in which the general purpose rate was levied.
3. The application must be made within 3 months of the posting date of the Rates and Charges Notice in the first year of the use of the General Revaluation for rating purposes.
4. The applicant must be the ratepayer of the property and satisfy the property ownership qualifying period.
5. Economic hardship relief will not be considered if the ratepayer has been convicted of fraud within the past 10 years.
6. The property must be the ratepayer's principal place of residence.
7. The property must be categorised as either Residential or Farmland for rating purposes.

8. Only the residential component of mixed developments will be considered for the economic hardship assistance.
9. Applications for assistance must meet the 'rates payable calculation test'.
10. The ratepayer must enter into a payment agreement in accordance with section 564(1) of the LGA, facilitated by Council's Debt Recovery Policy, for settlement of the deferred amount.
11. Interest on outstanding deferred amounts will not accrue, provided that the ratepayer honours the payment agreement entered into in accordance with section 564(1) of the LGA relating to the payment of the deferred amount. If the payment agreement is not adhered to, interest, in accordance with section 566 of the LGA will apply from the date of the default.

PROCEDURE

1. Applications for economic hardship assistance must be made on the Economic Hardship Application Form available from Council's website or from Council's office.
2. All economic hardship applications will be determined in accordance with Council delegations (Director of Business Services) and where considered necessary, will be discussed only in a meeting of Council which is closed to the public.
3. Further information, supporting documentation or an interview with the ratepayer may be requested, if considered necessary, to fully understand the issues causing hardship.
4. All economic hardship applicants will be advised in writing of Council's decision within 30 days of receipt of the application.
5. Any applicant dissatisfied with Council's decision may request that the application be reconsidered. Such requests must be made within 7 days of being advised that the initial application was unsuccessful.
6. All applicants have the obligation of informing Council within 21 days of any change in circumstances that may affect ultimate eligibility under the Economic Hardship Policy.
7. All data collected through the Economic Hardship application process will be dealt with in accordance with Council's Privacy Management Plan.
8. Sections 564(2), 567(a) and 567(b) of the LGA allow Council to write off or reduce interest accrued on rates and charges if a person complies with an agreement as to periodical payment or if the person was unable to pay the rates and charges by the due date for reasons beyond that person's control. These sections do not refer to financial hardship and are therefore covered in Council's Debt Recovery Policy.