

**Blayney Shire Council**



**Policy Register**

**Policy No 5E**

<b>Policy Title</b>	Pensioner and Hardship Assistance Policy
<b>Document/File No</b>	
<b>Officer Responsible</b>	Manager Financial Services
<b>Last Review Date</b>	12/11/2012

**Objectives**

To provide a framework for responding to applications from owners/ratepayers and customers experiencing genuine hardship with the payment of their rates, annual charges and fees.

**Policy Statement**

**Blayney Shire Council**



**Pensioner and Hardship Assistance Policy**

## **Policy Statement**

1. Council recognises that ratepayers may experience hardship in some circumstances in paying rates, annual charges, and fees. The Local Government Act 1993 provides for the following assistance to ratepayers and customers:
  - Periodical payment arrangements for overdue rates and charges [S. 564];
  - Writing off or reducing interest accrued on rates or charges [S. 564 & 567];
  - Waiving, reducing or deferring the payment of the increase in the amount of rate payable because of hardship resulting from general revaluation of land in the Local Government Area [S. 601];
  - Waiving, or reducing rates, charges and interest of eligible pensioners. [S. 575, 582]
  - Waiving or reducing Council fees when the inability to pay is due to hardship [S. 610E]
2. Council will consider each application for assistance on its merits. A ratepayer may be eligible for consideration for Hardship Assistance in the payment of overdue rates, annual charges, interest, and fees, where:
  - the person is unable to pay due rates, charges fees or accrued interest when due and payable for reasons beyond the persons control; or
  - payment when due would cause the person hardship.
3. In determining eligibility Council require the request to be made in writing to the General Manager, providing reasonable proof of financial hardship. Council may also request details of assets, income and living expenses, and such other information required to make a valid assessment. It may also be requested that the ratepayer attend an interview to assist Council in the understanding of the issues causing hardship.
4. The criteria for assessment will be, but is not limited to, the following:
  - the amount of any rate increase when compared to the average rate increase for the rate category,
  - income from all sources,
  - living expenses,
  - reason for financial hardship,
  - length of occupancy.

## **Assistance to Eligible Pensioners**

1. Council will provide a rebate of rates to eligible pensioners who are granted a mandatory pensioner concession under Section 575 of the Local Government Act 1993.
2. Council will provide assistance to eligible pensioners who are experiencing financial difficulties, by offering alternative payment arrangements and reasonable extension to payment timetables. All payment arrangements must pay the balance owing within a reasonable time frame, not exceeding two years from the date of the arrangement being made, and should

include future rates and charges which will be levied during the arrangement period.

3. Under section 577 of the NSW Local Government Act 1993, in order to avoid hardship, Council may extend the pensioner concession to ratepayers who jointly occupy a dwelling and are jointly liable for rates and charges with an eligible pensioner, if it considers proper to do so.

### **Backdating of Pensioner Rebates**

1. Backdating of pensioner rebate claims pursuant to Section 579 of the NSW Local Government Act 1993 is limited to one (1) previous rating year only, or part thereof.
2. Backdating is only to occur where adequate substantiation can be provided to satisfy the essential criteria of the granting of a rates and charges pensioner concession.
3. Claims made beyond one (1) previous rating year must be requested in writing and referred to Council.

### **Hardship Assistance by Periodical Payment Arrangements**

1. 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 will provide information on the amounts due and payable on relevant notices.
2. Council may also write off or reduce the accrued interest and costs on rates and charges if the person complies with the periodical agreement (section 542(2)). If the ratepayer fails to make the periodical payment in accordance with the agreement, the payment plan may be cancelled. Full payment of the amount outstanding will be due immediately.

### **Hardship Assistance by Writing off Accrued Interest and Costs**

Council applies interest rates to the maximum allowable under section 566 of "the Act". However Council may write off accrued interest and costs on rates or charges payable by a person under Section 567 of "the Act" and the Local Government (General) Regulation 2005 where:

- the person was unable to pay the rates or charges when they became due for reasons beyond the person's control, or
- the person is unable to pay accrued interest for reasons beyond the person's control, or
- payment of the accrued interest would cause the person hardship.

### **Hardship Assistance Due to Certain Valuation Changes**

Under Section 601 of "the Act", any ratepayer who incurs a rate increase following a new valuation of land values may apply to Council for rate relief, if the new rate payable causes the ratepayer to suffer substantial hardship. [Section 601 (1)]

Council will encourage aggrieved ratepayers to make an appropriate application under the appeal provisions of the NSW Valuation of Land Act 1916. Council may provide assistance, by offering alternative payment arrangements and reasonable extension to payment timetables. All payment arrangements must pay the balance owing within a reasonable time frame, not exceeding two years from the date of the arrangement being made, and should include future rates and charges which will be levied during the arrangement period.

### **Writing off of Rates, Charges and Interest**

In the cases where Council determines to write off rates, charges or interest, the General Manager shall write off debts to the maximum amount allowable under Council delegation register. Any amount above that may only be approved by a Council resolution.

### **Privacy and Confidentiality**

Council Officers will conduct themselves with courtesy and respect when dealing with ratepayers and shall maintain the privacy and confidentiality of all ratepayers' personal circumstances.

End of Policy

<b>Adopted:</b>	<b>14/11/2011</b>	<b>1111/014</b>
<b>Last Reviewed:</b>	<b>14/11/2011</b>	<b>1111/014</b>
	<b>12/11/2012</b>	<b>1211/014</b>
<b>Next Review:</b>	<b>14/11/2016</b>	



## **Blayney Shire Council**

### **Procedures & Guidelines Register**

**Reference No 5D**

<b>Title</b>	Rates and Debtors Recovery
<b>Document/File No</b>	R3-1
<b>Officer Responsible</b>	Manager Financial Services
<b>Last Review Date</b>	14/11/2011

#### **Objective**

To provide parameters to enable the collection of all outstanding rates and charges due and payable to Council to ensure monies owed are recovered in a timely and effective manner.

### **Blayney Shire Council**



### **Rates and Debtors Recovery**

## Debtor Rate Recovery Procedures

Council recognises that it is in the community interest to maximise the collection of Rates and Charges and to recover interest, cost and expenses where these are necessarily incurred by Council. However, Council recognises that the collection of Rates and Charges needs to be balanced with the identification and consideration of individual cases of genuine hardship.

### Recovery Procedures

Council will take recovery action when rates become overdue, unless the ratepayer enters into a suitable payment arrangement.

1. Council will accept that there are ratepayers who cannot meet mandatory instalment options as provided under section 562 of the Local Government Act 1993. Council may accept by application an alternative payment schedule (hence forth called the 'Agreement').
2. In order for such an agreement to be considered an instalment arrangement form is to be completed and signed in conjunction with Council's Rating Staff. This formalises the agreement and will commit the ratepayer to the payment schedule.
3. The payment can be made by cash, eftpos, Bpay, direct debit or through Centrepay, these facilities are offered daily.
4. Verbal agreements shall not be accepted.
5. Payment Arrangements:
  - if an arrangement is made to pay the outstanding amount, then this would need to include the current year as well as the outstanding amount. This would need to be paid in full before the next full year rate instalment becomes due.
  - other arrangements should clear the total outstanding debt by the end of the current financial year or within a twelve month period at least.
  - Council may extend this twelve month period if they believe exceptional circumstances exist. Such arrangement shall be approved by the Manager of Financial Services or Director of Corporate Services.
  - Council's Revenue Officer will monitor arrangements and refer any failure of payments change in period of payments to Council's Manager of Financial Services.
6. Failure by the applicant to adhere to the agreed payment schedule or the instalment arrangement will result in further recovery action being taken. If a rate payer defaults on a payment arrangement twice and no attempt has been made to contact Council, the debt will be referred to Council's Recovery Agent.

### Reminder Notices

1. A Reminder Notice will be issued within 14 days of the due date of an instalment notice.
2. Such notice will be issued when:
  - no payment has been made;
  - insufficient payment to cover the instalment has been made; or
  - where there is no current valid instalment arrangement.
3. Reminder notices will indicate that:
  - rates are now in arrears;
  - that penalty interest is being charged at the rate set by Council; and
  - failure to make an arrangement or pay the outstanding amount in full within 14 days of receiving reminder notice may result in the commencement of legal action.

## **Debt Collection Agency**

1. Where there is a failure to respond to the Reminder Notice Council will forward outstanding debt information to Councils debt collection agency, who will provide the rate payer with a 14 day final warning letter to pay the arrears or make arrangements to pay Councils outstanding amount referred to in the letter, advising that if no arrangement is entered into or contact is made to council to explain why the account has not been paid then legal action will be taken.
2. Where there is a failure to respond to the final warning letter Council will instruct its debt collection agency to proceed with legal action, if:
  - Rates and charges outstanding are at least \$500.00 and two instalments in arrears; and
  - where there is no current valid instalment arrangement.
3. Where debt recovery costs and fees associated with any course of action (e.g. summons, judgment or writ) are payable then these costs will be passed on to the ratepayer and will subsequently remain a charge on the property until paid.
4. Where any legal action has been issued – and a payment arrangement is entered into then any default on the payment arrangement will result in Council instructing their debt collection agency to immediately continue with legal action.

## **Sale of Land**

Where legal action is unsuccessful and rates and charges are overdue for more than 5 years (1 year in the case of vacant land), the property may be sold by public auction in accordance with S713 of the Local Government Act, subject to a resolution of Council. Once a property is listed to be sold, Council will only accept a payment of 100% on the outstanding balance provided that the balance is forthcoming prior to the date of auction. Unless full payment is received and funds cleared council will continue to proceed with the Sale of Land.

End

	<b>Date</b>	<b>Resp. Officer</b>
<b>Created:</b>	<b>12/08/1996</b>	
<b>Lasted Reviewed:</b>	<b>09/07/2007</b>	
<b>Next Reviewed:</b>	<b>14/11/2014</b>	<b>MFS</b>