

Financial Hardship – Payment Arrangements and Waiving of Interest Policy

Reference number:	POL 102
Approval date:	22 May 2023
Policy owner:	Chief Financial Officer
Next review:	September 2029

Council's Financial Hardship – Payment Arrangements and Waiving of Interest Policy is to provide a formal process for the administration of assisting those ratepayers who are experiencing genuine financial hardship with the payment of their rates and/or charges.

Council's processes include but are not limited to offering payment arrangements, placing on hold debt recovery for a period of time, and/or potential on-referral to other local support agencies via Council's debt recovery agency.

Whilst this policy recognises instances where ratepayers who are experiencing genuine financial hardship may be eligible for interest charges to be written off, it does not allow for the ability to write off rates or charges. If there are no payment defaults during the agreed payment arrangement period, the interest charged to the account during the payment arrangement period will be recommended for write off (subject to General Manager approval under Council Delegation 1.57 (less than \$1,000) or Council approval (greater than \$1,000)).

Purpose

To provide a formal process for the administration of assisting those ratepayers who are experiencing genuine financial hardship with the payment of their rates and/or charges.

To fulfil the statutory requirements of the Local Government Act 1993 with respect to hardship applications.

Scope

This Policy applies to any ratepayer experiencing financial hardship with respect to the payment of rates and/or charges.

This Policy will be implemented through the provisions contained in the Policy, including departmental advice relating to special variations and rate pegging limits and any developed guidelines that may exist from time to time.

Policy Provisions

Conditions

The following conditions apply to all applications under this Policy:

- An actual hardship exists (see examples of situations that could cause hardship below).
- A mutually acceptable repayment schedule is entered into which takes into account future rates and charges levied against the property, is for a maximum two-year period and is to be reviewed after the first 12 months.
- Interest is charged and may be written off where the agreed repayment schedule is adhered to.
- Where a default occurs in relation to the repayment schedule, the levying of interest charges will remain, noting that some discretion may be applied if contact is made prior to the due date.
- All applications by ratepayers for financial hardship must complete a Hardship Rate Relief Application which includes details of all income and expenditure (via a monthly budget analysis)

Examples of Financial Hardship Situations

- Loss of employment, causing loss of normal income, which renders or rendered the ratepayer unable to meet payments for a specified period.
- Death, terminal illness, illness or injury causing loss of normal income, which renders or rendered the ratepayer unable to meet payments and is evidenced by a medical certificate and proof of loss of normal income.
- Serious accident causing loss of normal income, which renders or rendered the ratepayer unable to meet payments and is evidenced by a medical certificate and proof of loss of normal income.
- Natural disaster (bushfire, flooding, drought, etc) causing loss of normal income, which renders or rendered the ratepayer unable to meet payments for a specified period.
- Pandemic situations (COVID-19 as an example) causing loss of normal income, which renders or rendered the ratepayer unable to meet payments for a specified period.

Section 601 Applications

All applications for hardship caused through a General Revaluation must be received within two (2) months following the due date for payment of the first instalment notice for the rating year for which the hardship application was made. Hardship applications, as a result of a General Revaluation, will only be considered for the rating year of the application. For hardship, on the basis of revaluation the rates payable for the year must have increased by more than the rate pegging limit or special variation amount announced by the Independent Pricing and Regulatory Tribunal (IPART).

Legislative Context

- Section 564 of the Local Government Act 1993, as amended, affords Council the power to accept payment of rates and charges due and payable by a person in accordance with an agreement made with the person and also to write off or reduce interest accrued on rates or charges if the person complies with the agreement.
- Section 567 of the Local Government Act 1993, as amended, affords Council the power to write off accrued interest on rates or charges payable by a person if, in Council's opinion the reasons that the person was unable to pay the rates or charges when they became due and payable were beyond the person's control, or that the person is unable to pay the accrued interest for reasons beyond their control, or that the payment of the accrued interest would cause the person hardship.
- Section 582 of the Local Government Act 1993, as amended, affords Council the power to waive or reduce rates, charges and interest due by any person prescribed by the regulations who is in receipt of a pension, benefit or allowance under the Social Security Act 1991 of the Commonwealth.
- Section 601 of the Local Government Act 1993, as amended, provides for ratepayers who incur a rate increase in the first year following a revaluation of land values to apply to Council for rate relief if the increase in the amount of rates payable would cause them substantial hardship. In such circumstances Council has the discretion to waive, reduce or defer the payment of the whole or any part of the increase in the amount of the rate payable for such period and subject to such conditions that Council deems appropriate.
- Section 23A Debt Management and Hardship Guidelines produced by the NSW Office of Local Government in conjunction with the NSW Department of Justice, must be considered by all councils in developing and implementing debt management and hardship policies.

Related Documents

- Financial Hardship Rate Relief Application Form (hardcopy and editable web form)

Definitions

Term	Definition
Financial Hardship	Any situation where the individual is having difficulty paying legally owed debt. This can result from life changes (for example illness, unemployment or changes in financial circumstances) restricting the short-term capacity to pay.
Payment Arrangement	A mutually agreeable payment arrangement signed between the landowner and Council. The payment arrangement takes into account the current balance owing, future land rates levied and the income and expenses of the landowner.
Rates and/or Charges	Includes property rates (including Special Rate Variations), domestic and commercial waste charges, sewer charges and stormwater management service charges.
Writing off Interest	Relief by way of waiving interest charges incurred during the payment arrangement is available to landowners who have been deemed to be

Term	Definition
	in genuine financial hardship. In order for the interest to be waived, the payment arrangement must be adhered to, with no defaults in payments.

Revision History

Revision number	Council resolution	Council meeting date
1		28 August 2007
2	Res No: 09/077	27 July 2009
3	Res No: 13/224.1	26 August 2013
4	General Manager Approval	August 2016
5	Res No: 17/279	28 August 2017
6	Res No: 20/185	25 May 2020
7	Res No: 22/354	17 October 2022
8	Res No: 23/117	22 May 2023
9	Revision approved under General Managers Delegated Authority	24 June 2025

Hardship rate relief application

Payment arrangements and assessing
eligibility for waiving of interest

Confidential

Hardship rate relief application

Confidential

In accordance with the Local Government Act, 1993 Section 567, Writing off of Accrued Interest, Council may write off accrued interest on rates and other associated property charges (eg sewer and waste fees) payable by a person if, in its opinion:

- a) The person was unable to pay the rates or charges when they became due and payable for reasons beyond the persons control, or
- b) The person is unable to pay the accrued interest for reasons beyond the persons control, or
- c) Payment of the accrued interest would cause the person hardship.

In accordance with the Local Government Act, 1993 and Councils adopted Policy and Procedures, Council may allow rate reductions in some cases of financial hardship. Consideration will also be given to cases of hardship on the following grounds:

- a) Terminal Illness – for ratepayer/s who are unable to meet payments consideration will be given to waiving interest on rate/s accounts. A Medical Certificate is required, or
- b) Natural Disasters (Bushfire, Flooding, and Drought) – for ratepayer/s who have suffered a natural disaster, consideration will be given to the waiving of interest for a specific period. Full details of losses required, or
- c) As determined by Council.

Applicant details

Name: _____

Address: _____

Reasons for application of hardship rate relief: _____

For the purposes of this application, I give the following information and that contained in the attached Statement of Position, which I believe to be correct.

Privacy

The information in your application and any information the Council obtains confirming your eligibility for hardship rate relief is private and confidential. Council's employees and any other people dealing with this document are instructed to keep it confidential. If they do not, they may be guilty of an offence.

Ownership of residency details

Property Address: _____

1. Is this property your principal place of residence? ☐ Yes ☐ No
2. Do you rent the property? ☐ Yes ☐ No
3. How many people live at the property?: _____
4. Who lives at the property? ☐ Self ☐ Spouse/Defacto ☐ Children ☐ Relatives ☐ Others (Specify): _____
5. Do you own or have an interest in any other land or buildings? ☐ Yes ☐ No
- If "Yes", state address: _____
6. How many children do you support? _____ State ages: _____

Authority for information confirming eligibility

I authorise the Council to receive and government departments and other institutions to give to Council, information that is necessary for the Council to decide whether I am eligible for rate relief in relation to the property which I have given as my address.

Applicant: _____ Date: _____

Office use only

Property number: _____ Date: _____

Recommendation: _____

Approved by: _____

Personal Details

Debtor/Property Number: _____

Name: _____

Residential address: _____

Postal address: _____

Phone: _____

Employment Details

Employer: _____

Employer address: _____

Employer phone number: _____ ☐ Part-time ☐ Full-time

If you are self-employed, please state:

Type of occupation: _____

Name of business: _____

Address of business: _____

Average weekly gross profit: _____

Dependants

Do you have any dependants? ☐ Yes ☐ No

If yes, what are their ages? _____

Are any of your dependants employed? _____

If the debt is jointly owed, please provide the other debtor's details:

Name: _____

Residential address: _____

Postal address: _____

Phone number: _____

Employer: _____

Employer address: _____

Employer phone number: _____ ☐ Part-time ☐ Full-time

If self-employed, please state:

Type of occupation: _____

Name of business: _____

Address of business: _____

Average weekly gross profit: _____

Name of financial institution: _____

Income

Gross weekly earnings: _____

Rental income or lease income: _____ per week

Residential address of property: _____

If there are any other owners, please state their name/s: _____

Average quarterly interest received: _____

Do you receive a pension? ☐ Yes ☐ No

Pension: _____ per week

Pension number: _____

Pension type: _____

Date of Grant: _____

Total weekly gross income: _____

Assets

House / land: _____

Less mortgage owing: _____

Vehicle (make and registration): _____

Furniture: _____

Personal Property: _____

Liabilities

Credit cards: _____

Personal loans: _____

Total monthly liabilities: _____

Expenses

Mortgage repayment: _____

Property maintenance & insurance: _____

Food: _____

Gas/electricity: _____

Telephone: _____

Vehicle, petrol, rego & insurance: _____

School fees & uniforms: _____

Life insurance / Superannuation: _____

Health insurance / Medical expenses: _____

Other: _____

Total weekly expenses: _____