



Council Policy

Rates and Charges Financial Hardship Policy 2019

Unit: <i>Revenue Unit</i>	First Implemented: <i>March 2003</i> Effective From: <i>Immediately</i> Review Date: <i>1 July 2019</i> Version: <i>5</i> Trim Reference: <i>E698</i>	Origin: Responsible Officer <i>Finance Manager</i> Authorising Officer: <i>Endorsed by Council – 18 July 2017</i>
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PURPOSE/OBJECTIVES

The purpose of this Policy is to provide a standard process of receiving and considering applications for the deferment and/or waiver of rates and charges (including interest and other related charges) in accordance with Sections 170 and 171 of the Local Government Act 1989.

As a general rule the preferred outcome, subject to consideration of the application, will be to defer rather than waive payment.

SCOPE

This policy applies to all ratepayers of the Mansfield Shire. In particular, the policy applies to those ratepayers who have been identified, either by themselves, Council Officers or by an independent accredited financial counsellor, as having the intention to pay, but who does not have the financial capacity to make the required payments.

This policy applies to revenue included on the ratepayers rate notice (rates, waste charges, fire services property levy, legal costs, interest and other relevant charges).

DEFINITIONS

Payment Arrangements

In such circumstances the Council, or its delegate, may provide relief by offering a payment arrangement of a rate and charge for a specified period of time with or without interest and on terms and conditions as may be considered appropriate, subject to the determination of the facts as presented in the application.

Deferment of Payment

In such circumstances the Council, or its delegate, may provide relief by deferring part payment or the whole of a rate and charge for a specified period of time with or without interest and on terms and conditions as may be considered appropriate, subject to the determination of the facts as presented in the application.



Waiver – Interest Only

In such circumstances the Council, or its delegate, may provide relief by waiving the whole or part of interest due on a rate or charge for a specified period of time. In the event of a waiver of interest, the amount of relief is written off and no liability for that part of the interest due is retained as a charge against the property, occupier or owner of the premises.

POLICY STATEMENT

Council is committed to providing a range of assistance options with respect to rates and charges, as allowable under Sections 170 and 171 of the *Local Government Act 1989*.

There are several options available to persons seeking to apply for rate relief due to financial hardship or other defined circumstances, including:

- Payment arrangements;
- Deferment; and
- Waiver.

In general terms, waiving of rates or special charge scheme contributions is not considered to be appropriate in providing relief. However, each case shall be judged on its merits and in accordance with the mode of application, and the exceptional necessitous circumstances which may apply – eg. complete loss of a property due to a fire.

Nothing contained in this policy precludes an offer to an applicant for consideration to defer if an application for a request to waiver rates or charges is denied.

Whilst each case must be judged on its merits and on the responses set out in the formal application, the following criteria and considerations should also be the basis of a standard approach:

- a) Financial hardship should relate to what may be considered reasonable and consistent financial management relating to an average individual or family household operation.
- b) Specific circumstances of:
 - employment difficulties
 - additional costs and hardship relating to ill health
 - financial hardship resulting from causes beyond the ratepayer's control.
- c) The objective of this policy is to assist those persons who genuinely require or would benefit from relief rather than to encourage unnecessary applications.
- d) The applicant/s will be provided the opportunity to attend an interview with Council's nominated Financial Counsellor and that officer's comments may form a part of the report to the Management Team.



Exclusion

This policy does not cover Council's ability to provide rate and concessional benefits pursuant to Section 169 of the *Local Government Act 1989*. Accordingly, rating agreements and special consideration on economic development are specifically excluded.

This policy does not cover, include or relate to the waiver of that part of the rates and charges subject to or pursuant to the States Concessions Act 1986 (ie. pensioner concessions).

Time frame for lodging applications

No time frame for lodging of applications for rate relief has been included as it is considered that financial and necessitous circumstances or undue hardship can occur at any time.

Rates and Special Charge Scheme contribution to remain a charge on properties in certain circumstances

In certain circumstances it is sometimes necessary for a confidential report to be placed before Council to outline the reason why rates or charges (including special charges) on a particular property should remain as a charge with interest accruing, until such time as the property will be sold in the future.

These circumstances can apply to absentee owners who may be overseas, complex legal situations involving estates or the winding up of businesses or companies, or the inability of a property owner to act due to adverse health circumstances.

Eventually the Council will recover all accrued rates and interest charges once the property is offered for sale.

RESPONSIBILITIES

All Mansfield Shire Council employees and Councilors are responsible for adhering to and implementing this policy.

Adherence to the Financial Hardship / Rate & Debtor Relief Policy will be overseen by the Finance Manager, with any associated procedures implemented by the Revenue Coordinator.

Management and employees are to be familiar with, and competent in, the application of this Policy, and are accountable for the delivery of that policy within their areas of responsibility.

The Finance Department is the owner of this policy. Any reviews of this Policy must be made in consultation with the Revenue Coordinator and Finance Manager.

The Finance Manager is responsible for the administration of this policy.

REFERENCES

Sections 156, 163, 170 & 171 of the *Local Government Act 1989*



DELEGATION

Applications for Deferment

Decision relating to an application for deferred rates and charges to a maximum of \$2,000 on any one application for periods up to two (2) years duration is hereby delegated to the Finance Manager. Any application received seeking deferment for an amount greater than \$2,000 but less than \$5,000 is hereby delegated to the Chief Executive Officer and applications for greater than \$5,000 are to be referred to Council.

Applications for Waiver of Interest

Decisions relating to any one application for waiver of interest on rates and charges up to \$100 are hereby delegated to the Revenue Coordinator, and amounts between \$100 and a \$1,000 are hereby delegated to the Finance Manager. Any application received seeking waiver of interest in excess of \$1,000 but less than \$2,000 is hereby delegated to the Chief Executive Officer and amounts greater than \$2,000 are to be dealt with by Council.

FORM OF APPLICATION

All applications relating to this policy shall be made on the pro-forma prepared by the Council. A copy of the application form is attached to this policy (Attachment A).

APPLICATION GUIDE

To assist applicants, a brief Application Guide has been prepared. A copy of the Application Guide is attached to this Policy (Attachment B).

IMPLEMENTATION

This policy is effective immediately.


REVIEW DATE

This Policy is to be reviewed by the Chief Executive Officer and endorsed by Council by 1 July 2021.

Council reserves the right to review, vary or revoke this Policy at any time.

AUTHORISATION TO IMPLEMENT POLICY

This Policy must be endorsed by the Mansfield Shire Council.

Signed: 
Councillor

Witnessed: 
Chief Executive Officer

Dated: 25 June 2019



ATTACHMENT A



Rates and Charges Financial Hardship Application Form

APPLICATION FOR

- Deferment of payment of rates**
- Waiver of interest on rates**
- Deferment of payment of special charge schemes**
- Statutory declaration for persons suffering financial hardship**

(One owner per form)

(Refer Sections 156, 163, 170 & 171 Local Government Act 1989)

I.....
(Name in Full)

of.....
(Address)

Occupation.....

Phone Numbers: ah..... bh..... Mobile.....

DO SOLEMNLY AND SINCERELY DECLARE THAT:

1. I am the owner and occupier of the premises known as:

.....



2. The following are the particulars of all persons residing on the said premises:

Name	Relationship	Occupation

3. I receive the following amounts per week for:

- (a) Rental of rooms occupied.....
- (b) Board and/or lodgings.....
- (c) Rental of land.....

4. I own the following assets:

- (a) Land and Buildings.....
- (b) Cash and/or funds held in any financial institution (including shares, unit in a Trust etc.....
- (c) Vehicles, other capital equipment etc.....



5. My total income per annum from all sources is as follows:

- (a) Salaries / wages.....
- (b) Property.....
- (c) Bank interest.....
- (d) Other interest.....
- (e) Pension (State type and amount).....
- (f) Other Centrelink Payments.....
- (g) From any other source.....
- (h) From State and/or Federal Gov. Assistance Schemes.....
- TOTAL.....

6. I am responsible for the following dependents:

Name	Relationship	Occupation



7. The following financial obligations are associated with this property:

Mortgage (total amount outstanding).....Monthly Repayments.....

Other Regular Payments (Please give details) Power, Phone, Water,

Item	Regular payment	Total debt
<i>Eg. Power</i>	<i>\$50.00 per fortnight</i>	<i>\$1000.00</i>

8. I have owned the property since.....

9. I understand that this application does not apply to Service Charges.

10. State/Federal Grant Assistance received



AND I MAKE THIS SOLEMN DECLARATION conscientiously believing the same to be true by virtue of the provision of an Act of the Parliament of Victoria rendering persons making a false declaration liable for wilful and corrupt perjury.

DECLARED ATin the state of Victoria

This.....day ofTwo Thousand and.....

BEFORE ME.....
(Justice of the Peace)

Application is hereby made for consideration by Council for Concession in respect to the above property in which I reside.

Signed:.....

Office use only	
Date Received.....	
Property No.....	
General Rate for period.....	\$
Other Charges	\$
	\$
Interest to date	\$
Total Amount Due	\$



ATTACHMENT B

APPLICATION GUIDE

FOR DEFERMENT AND/OR RELIEF FROM INTEREST ON RATES, SPECIAL CHARGE SCHEME CONTRIBUTIONS (LOANS) OR OTHER DEBTORS

APPLICATION

Applications must be made on the form provided by the Council for that purpose. Additional and supporting information can be attached to the application. If you have any difficulty in completing the form, or you are unsure of any matter, please contact the Council and the appropriate officer will assist you.

CONFIDENTIALITY

Your application will be treated with the utmost respect and confidentiality. Your application is not a public document and the information provided is only used in respect to this application and for no other purpose.

PROCESS

The application will be considered in conjunction with Council's policy relating to applications of this type. A copy of this policy is available should you so desire. Applicants will be provided the opportunity to meet with Council's Financial Counsellor for an interview prior to approval of any arrangements.

DECISION

You will be advised in writing of the decision in respect to your application within one month of lodging it.

GENERAL

If after lodging your application you wish to further discuss any aspect or perhaps add some further information, please feel free to contact the Council office and make the appropriate arrangements.

COUNCIL CONSIDERATION

It is possible that a Council officer may contact you to discuss the application and perhaps clarify a matter. This is a normal process and all your responses will be dealt with confidentially and with respect.

COMPLETION OF FORM

To assist Council in determining the application, all questions must be answered. Blank responses will not be adequate. One form per Property Owner.



SAMPLE FORMULA FOR CALCULATING WAIVED PORTION OF INTEREST ON RATES

Actual fortnightly income (as per application) = X \$600

Less mortgage / loan repayments/ living expenses = Y \$400

Net Income (less liabilities) = Z \$200

Then $1.0 - (Z/X) = \% \text{ Waiver of Interest Charge}$

ie. $1.0 - (200/600) = 33\% \text{ Waiver of Interest Charge}$