



Rates and Charges Deferment and Financial Hardship Policy 2010

City of Boroondara

Responsible Directorate:	Corporate Resources
Authorised By:	Council
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Rates Deferment and Financial Hardship Policy 2010 City of Boroondara

1. Introduction

1.1. Purpose

The purpose of the Rates Deferment and Financial Hardship Policy is to establish Council policy in relation to:

- Management of the payment of rates and charges by special arrangement;
- Applications to defer payment of rates and charges;
- Applications to have rates and charges waived; and
- Levying of penalty interest on outstanding rates and charges.

1.2. Scope

The Rates Deferment and Financial Hardship Policy applies to all applications to Council that wish alternate arrangements for payment of rates. Typical applicants for arrangements include, but are not limited to, ratepayers suffering financial or emotional hardship.

2. Background

Currently approximately 300 ratepayers apply to make special arrangements to pay rates and charges each financial year. A further 22 ratepayers have applied to defer payment of their rates and charges.

Section 170 of the *Local Government Act 1989* enables Council to defer the payment for rates, charges and interest.

Section 171 of the *Local Government Act 1989* enables Council to waive the whole or part of any rate, charge or interest for particular classes of ratepayers e.g pensioners.

Section 171A of the *Local Government Act 1989* enables Council to waive rates and charges, based on financial hardship, upon application from the ratepayer.

Section 172 of the *Local Government Act 1989* enables Council to charge interest on unpaid rates and charges.

The penalty interest rate is fixed by the Attorney-General under Section 2 of the *Penalty Interest Act 1983* and reviewed each year.

2.1. Methodology

This policy is to ensure that a fair and consistent approach is applied to all ratepayers that seek financial relief from Council in regard to the payment their rates and charges, deferring payment of rates and charges and the application of penalty interest to overdue rates and charges.

2.2. Context

To allow all applicants the opportunities to better manage their financial situation without adding undue stress and to ensure that Council collects revenue entitlements.

2.3. Consultation

Under this policy consultation will be undertaken with the applicant ratepayer for assistance to ensure that the most appropriate payment option or rates deferral option is offered.

2.4. Corporate framework

This policy supports the following enabler in the Council Plan 2010-2015:

- Responsible Resource Management
 - Financial Management

3. Policy statement

3.1 Council Rebate

Ratepayers who are in receipt of an Extremely Disabled Adjustment (EDA) pension shall be granted a Council rate rebate equivalent to the rebate allowed under the *State Concessions Act 1986* and Section 171 of the *Local Government Act 1989*, subject to the following conditions:

- a) The ratepayer must complete an application form on an annual basis (**Appendix 1**);
- b) The ratepayer must supply documentary evidence of eligibility, being a current Pension Concession Card or Gold Card specifying "EDA" issued by Centrelink or the Department of Veteran Affairs;
- c) The property must be the ratepayers principal place of residence and used exclusively for residential purposes;
- d) The ratepayer cannot have applied for the pension concession rates concession directly with the Department of Human Services for the financial year.

Administration of applications for the annual Council EDA rebate shall be the responsibility of the Coordinator Revenue and Property Services. Monthly reports on application received shall be provided to the Manager, Financial Services and the Director, Corporate Resources.

3.2 Deferring Rates and Charges

Ratepayers may have rates and charges, or part thereof, deferred subject to the following conditions:

- a) The ratepayer must be able to demonstrate they are experiencing undue and unusual financial hardship;
- b) A confidential statement must be submitted by the ratepayer as evidence of such circumstances (**Appendix 2**);
- c) The acceptance by the ratepayer that interest will accrue on the deferred rates and charges;
- d) Where a ratepayer has complied with clauses (a) to (c) the rate or charge or part thereof may be deferred until the property is sold or transferred or the ratepayer's financial circumstances improve.

Administration of applications for deferment shall be the responsibility of the Coordinator, Revenue and Property Services. Monthly reports on applications received shall be provided to the Manager, Financial Services and the Director, Corporate Resources. This report should also include details of any arrangements entered into with eligible pensioners under clause 3.5(d) of this policy.

3.3 Waiving of Rates and Charges

Rates and charges will generally not be waived. However, under *Section 171A of the Local Government Act 1989*, Council may waive rates and charges if Council considers that a ratepayer is suffering financial hardship.

3.4 Special Payment Arrangements

Ratepayers experiencing financial difficulties and unable to pay outstanding rates and charges via the full payment option, the four equal instalments option or the direct debit options can apply to pay via a Special Payment Arrangement, subject to compliance with the following conditions:

- a) The ratepayer must be able to demonstrate they are experiencing financial hardship;
- b) A payment agreement request must be completed (**Appendix 3**);
- c) The acceptance by the ratepayer that interest will be levied until the account is paid in full;
- d) The arrangement will have a limited life of not greater than twelve (12) months following the end of the financial year the arrangement was entered into;

- e) Any default in the arrangement may end the arrangement and result in the commencement of legal proceedings.

Administration of applications to commence a Special Payment Arrangement shall be the responsibility of the Coordinator, Revenue and Property Services. Monthly reports on applications received shall be provided to the Manager, Financial Services and the Director, Corporate Resources.

3.5 Calculation of Interest

Interest will be charged on overdue rates and charges in accordance with Section 172 of the *Local Government Act 1989*, namely:

- a) On the lump sum payment option from the date of declaration of the rates and charges;
- b) On the four equal instalment payment option from the date the instalment was due;
- c) The interest be calculated at the rate fixed by the Attorney-General under Section 2 of the *Penalty Interest Rates Act 1983*;
- d) That the penalty interest rate applied to rates and charges debts of those ratepayers eligible for the pensioner rate rebate and suffering financial hardship be determined each year during Council's Annual Budget development to be equal to the projected investment earning rate for the forthcoming year.

3.6 Late Payment of Rates and Charges

A grace period of seven (7) days after the due date will be allowed on:

- a) The lump sum payment option;
- b) The four equal instalment payment option.

Outstanding second instalments will be charged interest at the prescribed interest rate. However, interest will be waived on late payment of the second instalment, conditional on the payment of the third and fourth instalments being paid by the full payment date, e.g. 15 February.

If as a result of a supplementary valuation the rates and charges increase, payment of the amount due can be made interest free within two (2) months of the supplementary valuation date or the prescribed due date for full payment, whichever is the latter.

Where a supplementary valuation and rate notice is issued one (1) month prior to the prescribed full payment date 15 February, interest will be waived if necessary, if half the outstanding rates are paid within two (2) months and the balance by the remaining instalment payment dates.

3.7 Waiving of Interest

Ratepayers may have interest charges waived where the reason for the late payment, although not related to financial hardship, is considered reasonable, subject to the following conditions:

- a) The ratepayer must have a demonstrated record of payment on time and complete an Application for Waiver of Interest form (**Appendix 4**);
- b) Unless otherwise approved by the Chief Executive Officer or delegate waiving of interest in accordance with this policy item will only be allowed on one occasion over a five year period for any ratepayer.

3.8 Delegation

Unless otherwise stated, the authority to process applications under this policy is with the Chief Executive Officer or delegate.

Reporting on all items processed under this delegation will be provided to the Manager, Financial Services and the Director, Corporate Resources on a monthly basis by the Coordinator Revenue & Property.

Statistics pertaining to matters covered in this policy shall be reported to Council through normal Quarterly Performance Report process.

4. Implementation and monitoring

4.1. Accountabilities

Attachment 1

For all queries or feedback regarding this policy document, please contact the responsible officer below.

Contact	Contact number	Contact e-mail
Coordinator Revenue and Property Services	9278 4444	revenue@boroondara.vic.gov.au

The responsible officer coordinates the implementation, maintenance and review of this policy; ensuring stakeholders are aware of their accountabilities.

4.2 Financial implications

The financial impact of this policy to Council is minimal as since the introduction of the previous policy in 2003, no rates or charges have been waived or written off under section 171A of the *Local Government Act 1989*.

Applications for Interest to be waived under section 172 of the *Local Government Act 1989* are minimal and each application is considered on it's merits.

5. References

5.1. Related documents

- Local Government Act 1989
- Penalty Interest Rate Act 1983
- State Concessions Act 1986



ANNUAL APPLICATION FOR COUNCIL REBATE FOR EDA PENSIONER

01/07/2010 TO 30/06/2011

I declare that the information below is correct to the best of my knowledge and hereby authorise the City of Boroondara to confirm my qualification as an extremely disabled adjustment pensioner. I further declare that the property is my principal place of residence, is used exclusively for residential purposes and that I have not made any other application in respect of any other property for this rating year. (Maximum rebate \$184.30)

Property number (As shown on rate notice):	Rateable property address:
Pensioner's name:	DVA pension number:
Date:	Signature:
Contact Telephone No.	

Please Note: The applicant must provide documentary evidence of eligibility, which consists of a current DVA Pensioner Concession Card or Gold Card clearly specifying **EDA**. Please enclose a photocopy of *both sides* of the relevant card and include it with this application.

Upon completion of the form, please mail to:
City of Boroondara, Private Bag 1, CAMBERWELL, VIC, 3124.

For Office Use only:
 Signature of Coordinator
 Revenue and Property Services

Privacy Statement: The personal information requested on this form is being collected by Council for the purpose of the application of pension rates rebate. The personal information will be used by Council for that primary purpose or directly related purposes. The personal information collected will be disclosed to Centrelink for the purposes of confirming your EDA qualification and will not otherwise be disclosed unless required by law. If the information is not collected Council may be unable to process your application. The applicant understands that the personal information provided is for purpose of the application of the pension rates rebate and that he or she may apply to council for access to and/or amendment of the information. Requests for access and/or correction should be made to Council's Privacy Officer.



DEFERRED RATES AND CHARGES APPLICATION

Complete this form if you wish to apply to have your rates deferred as per Section 170 of the Local Government Act 1989.

I/We, _____ hereby apply for a deferment of total/part payment of rates and charges.

Property number (As shown on rate notice):	Rateable property address:
Applicant's name:	Applicant's address:
Name of person completing this form	Owner's residential address:

Rates outstanding	Current	Arrears	Total
General Rate			
Interest			
Other charges			
			\$

I/We are aware the owner/s are responsible for the payment of the City of Boroondara rates and charges on the above property address.

I/We declare that payment in full of rates, charges and interest on the premises would cause financial hardship for the following reasons:

Pensioner
Fixed Income
Single Income

Family Illness
Unemployment
Other



DEFERRED RATES AND CHARGES APPLICATION

Please provide details of your circumstances:

Please provide address of any other properties owned and estimated value:

Property Address	Estimated Value
	\$
	\$
	\$

Please provide the names of all dependants who permanently reside at the premises:

DEFERRED RATES AND CHARGES APPLICATION

Rates and Charges will be deferred on the basis that:

- Interest will continue to accrue on all outstanding rates and charges at the prescribed rate fixed under Section 2 of the Penalty Interest Act.
- The rates and charges will be deferred until the property is sold or transferred or your financial circumstances improve.
- A rate notice will be issued annually to the recorded postal address together with a deferred rates renewal form.

Section 170 of the Local Government Act 1989 provides that upon issue of a rate notice:

(a) Council may require part or full payment of any deferred rate or charge by a specified date if:

- it considers the above circumstances have so changed that the payment would no longer cause financial hardship to the person/s; or
- the property is sold.

(b) Council may request payment of interest for the late payment of the rate or charge, as if the deferral had not occurred.

Declaration

I/We declare that the above information is true and correct, and agree to the above conditions:

Date	Signature:
Contact Telephone No.	
Witnessed by:	Signature:

Upon completion of the form, please mail to:

City of Boroondara, Private Bag 1, CAMBERWELL, VIC, 3124.

Privacy Statement

The personal information requested on this form is being collected by Council for the purpose of administering requests for amendments to payment terms on outstanding rate debts. The personal information will be used solely by Council for that primary purpose or directly related purposes. The applicant understands that the personal information provided is to enable Council to process requests for amended payment terms and that he or she may apply to Council for access to and/or amendment of the information. Requests for access and or correction should be made to Council's privacy officer.



PAYMENT AGREEMENT REQUEST RATES AND CHARGES

Rateable property address:	Property number (As shown on rate notice): _____
Ratepayer's name:	Postal address:
Amount Outstanding:	Contact Telephone No. (Home)
Date:	Contact Telephone No. (Mobile)

Please circle one

I /We will pay the amount outstanding by **WEEKLY/FORTNIGHTLY/MONTHLY** payments of \$ _____ commencing _____ / _____ / _____ and acknowledge that the following conditions apply:

1. INTEREST WILL CONTINUE TO BE CHARGED AT THE PRESCRIBED RATE OF INTEREST AS DETERMINED IN ACCORDANCE WITH THE PENALTIES INTEREST ACT UNTIL THE DEBT IS PAID IN FULL.;
2. FAILURE TO MAINTAIN THE AGREEMENT COULD RESULT IN LEGAL RECOVERY ACTION BEING INSTITUTED WITHOUT FURTHER NOTICE;
3. ANY COSTS ASSOCIATED WITH SUCH ACTION CAN BE FULLY RECOVERED BY THE COUNCIL AS PART OF THE DEBT.

Agreement forms are to be returned within seven (7) days, otherwise legal action may continue without further notice.

SIGNATURE: _____

DATE: _____

Privacy Statement: The personal information requested on this form is being collected by Council for the purpose of establishing a payment arrangement. The personal information will be used by Council for that primary purpose or directly related purposes. The personal information collected will not be disclosed unless required by law. The applicant understands that the personal information provided is for purpose of a payment arrangement and that he or she may apply to council for access to and/or amendment of the information. Requests for access and/or correction should be made to Council's Privacy Officer.

Appendix 4

APPLICATION FOR WAIVER OF INTEREST

I/We hereby make application for waiver of interest under section 171(1) of the Local Government Act 1989. The details are:

PROPERTY ADDRESS: _____

COUNCIL PROPERTY NO: _____

RATEPAYER/S NAME: _____

POSTAL ADDRESS: _____

INTEREST AMOUNT: \$ _____

REASON FOR REQUESTING WAIVER:

SIGNATURE/S _____

DATE: _____

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