

## Extra Ordinary Meeting

**Meeting Date:** Tuesday, 15 May, 2018  
**Location:** Council Chambers, City Administrative Building, Bridge Road, Nowra  
**Time:** 4.30pm

**Membership** (Quorum - 7)  
All Councillors

**Please note:** Council's Code of Meeting Practice permits the electronic recording and broadcast of the proceedings of meetings of the Council which are open to the public. Your attendance at this meeting is taken as consent to the possibility that your image and/or voice may be recorded and broadcast to the public.

## Agenda

1. **Apologies / Leave of Absence**
2. **Declarations of Interest**
3. **Notices of Motion / Questions on Notice**
  - CL18.105 Rescission Motion - CL18.84 - Foreshore Reserves .....1
  - CL18.106 Notice of Motion - Foreshore Reserves .....2
  - CL18.107 Rescission Motion - CL18.95 - Request for Funding Support -  
Broughton Vale / Berry Rural Fire Station - Site Works .....3
  - CL18.108 Notice of Motion - Request for Funding Support - Broughton Vale /  
Berry Rural Fire Station - Site Works .....4
4. **Reports**
  - CL18.109 Amendment to POL16/202 Revenue Pensioner Rates and Charges -  
Arrears and Interest .....5

## CL18.105 Rescission Motion - CL18.84 - Foreshore Reserves

HPERM Ref: D18/141117

Submitted by: Cllr Nina Cheyne  
Cllr Kaye Gartner  
Cllr John Levett

### Purpose / Summary

The following Rescission Motion, of which due notice has been given, is submitted for Council's consideration.

### Recommendation

That Council rescind the Motion relating to Item CL18.84 of the Council Meeting held on 24 April 2018.

### Background

The following resolution was adopted at the Council Meeting held Tuesday 24 April 2018 (MIN18.294).

*That Council recognises the social and economic benefits that greater activation of many of our foreshore reserves delivers to the overall prosperity of our city. With this in mind Council affirms that it is philosophically committed to ensuring that our foreshore reserves are both well-maintained and ideally suited to an increased and sustainable level of passive recreation. Community members should be encouraged to actively participate in this new and exciting "unlocking" of our foreshore areas by:*

- 1. Registering in an "on-line" format to mow and maintain designated foreshore areas. (to be set up by staff)*
- 2. Donation of appropriate outdoor furniture be encouraged through service clubs, community groups and inspired individuals.*
- 3. Provide a much greater opportunity for both local residents and visitors to our city, to gain an absolutely stimulating appreciation of the foreshore vistas on offer in the fabulous Shoalhaven.*
- 4. A briefing be provided to Councillors and a possible review of the Park Management Policy*

CL18.105

## CL18.106 Notice of Motion - Foreshore Reserves

**HPERM Ref:** D18/141164

**Submitted by:** Cllr Nina Cheyne  
Cllr Kaye Gartner  
Cllr John Levett

### **Purpose / Summary**

The following Notice of Motion, of which due notice has been given, is submitted for Council's consideration.

### **Recommendation**

That Council continue to manage foreshore reserves in accordance with existing policies that are in line with the CSP & Our Coast Our Lifestyle, ie. to protect vegetation and habitat, particularly salt marsh communities.

### **Note by the General Manager**

This Notice of Motion will be dealt with if the presiding Rescission Motion is carried.

CL18.106

## **CL18.107    Rescission Motion - CL18.95 - Request for Funding Support - Broughton Vale / Berry Rural Fire Station - Site Works**

**HPERM Ref:**     D18/141350

**Submitted by:**    Clr Mitchell Pakes  
                              Clr Greg Watson  
                              Clr Andrew Guile

### **Purpose / Summary**

The following Rescission Motion, of which due notice has been given, is submitted for Council's consideration.

### **Recommendation**

That Council rescind the Motion relating to Item CL18.95 of the Council Meeting held on Tuesday 24 April 2018.

### **Background**

The following resolution was adopted at the Council Meeting held Tuesday 24 April 2018 (MIN18.314).

*That Council advises the District Manager, Shoalhaven RFS that Council is unable to fund the estimated \$400,000 (exc GST) additional cost of the Berry & Broughton Vale Rural Fire Service Station.*

CL18.107

## **CL18.108 Notice of Motion - Request for Funding Support - Broughton Vale / Berry Rural Fire Station - Site Works**

**HPERM Ref:** D18/141366

**Submitted by:** Cllr Mitchell Pakes  
Cllr Greg Watson  
Cllr Andrew Guile

### **Purpose / Summary**

The following Notice of Motion, of which due notice has been given, is submitted for Council's consideration.

### **Recommendation**

That Council advises the District Manager, Shoalhaven RFS that Council will fund the estimated \$400,000 (exc GST) additional cost of the Berry & Broughton Vale Rural Fire Service Station, via a specific allocation in the 2018-2019 financial year.

### **Note by the General Manager**

This Notice of Motion will be dealt with if the presiding Rescission Motion is carried.

CL18.108

## **CL18.109 Amendment to POL16/202 Revenue Pensioner Rates and Charges - Arrears and Interest**

**HPERM Ref:** D18/151327

**Group:** Finance Corporate & Community Services Group  
**Section:** Finance

**Attachments:** 1. Proposed POL16/202 Revenue Pensioner Rates and Charges - Arrears and Interest [↓](#)  
2. Proposed Amendments to Revenue Hardship Policy [↓](#)

### **Purpose / Summary**

POL16/202 Revenue – Pensioner Rates and Charges – Arrears and Interest allows an interest free period to eligible pensioners with no arrears provided they pay their current rates and charges before the end of May each year. It will not be possible to replicate Council’s policy in the new corporate business system. An alternative to the “interest free period” provision is proposed.

### **Recommendation**

That Council:

1. Agree to the removal of the Interest Free Period provision from POL16/202 Revenue – Pensioner Rates and Charges – Arrears and Interest, effective 1 July 2018
2. Adopt the amended policy POL16/202 Revenue – Pensioner Rates and Charges – Arrears and Interest
3. Adopt the expanded hardship assistance policy, POL16/200 Revenue Hardship Policy, attached to this Report

### **Options**

1. Resolve as recommended and adopt the amended policies.

Implications: Additional support will be provided to eligible pensioner rate accounts who are experiencing hardship.

2. Adopt the amended POL16/202 Revenue – Pensioner Rates and Charges – Arrears and Interest policy and the “no disadvantage” alternative to compensate for the removal of the Interest Free Period.

Implications: Rather than providing relief only to eligible pensioners experiencing hardship, all eligible pensioners will receive a benefit resulting in an additional cost to Council that is unfunded.

3. Not adopt the recommended changes and resolve to adopt another approach.

Implications: This option may result in a greater cost to Council that is unfunded.

4. Not adopt the recommended changes and continue with the extended grace period for eligible pensioner accounts.

Implications: This option has an extreme risk of transactional error occurring with rate accounts. This is due to manual processing “work arounds” being required prior to each

CL18.109

interest processing run completed after each instalment payment date has passed and such will necessitate the manipulation of system generated data. The additional workload in processing concession adjustments between billing periods will require additional resourcing to ensure entitlements are accurately applied. Such an option should not be adopted without first referring to the Risk & Audit committee for comment.

## Background

In 2000, Council adopted a policy allowing eligible pensioners an interest free period should they not pay their rates by the due date(s) but pay any arrears before the end of May each financial year: POL16/202 Pensioner Rates and Charges – Arrears and Interest. The definition of eligible pensioners can be found in POL16/202.

The approach adopted toward eligible pensioners contrasts with that taken to general residential ratepayers. To prevent interest being raised, the latter must pay their rates in full by 31 August each year or opt to pay their rates by the due date for each of four instalments (31 August; 30 November; 28 February; 31 May).

The interest free period is currently accommodated within Council's existing Fujitsu rates system as a result of customised changes to that system. However, it will not be possible to replicate Council's policy in the new corporate business system without significant manual workarounds. Any workarounds have attendant resource implications associated with extract, transform and load (ETL) processes and introduce the risk of error at each stage of that process.

Given that the OneCouncil solution from TechnologyOne is not able to split due dates for specific rate account groups, an analysis was performed to determine the number of eligible pensioners who take advantage of the interest free period, the financial implications of the policy and any income derived from overdue interest charges.

## Analysis

For the 2016/17 rating period, of the 57,090 rateable assessments, there were 10,844 eligible pensioners (18.9% of the total) comprising:

1. 76% of eligible pensioners who pay within normal payment terms
2. Approximately 2,000 eligible pensioners (18% - 19%) who take advantage of the interest free period
3. 605 eligible pensioners (5.6%) who had not made a payment by the end of May. These pensioners obtain no benefit from the interest free period and are either pensioners who became eligible prior to 1 July 2015 and can defer their rates or are potential hardship cases whose account accrues interest on outstanding rates and charges

To illustrate the impact, the situation of four hypothetical eligible pensioners is presented below:

	Current Pensioner Numbers	% Eligible Pensioners
Pensioner A – pays by 31 August	8,239	76%
Pensioner B – pays by quarterly instalments		
<b>Pensioner C – takes up interest free and pays by 31 May</b>	<b>2,000</b>	<b>18%</b>
Pensioner D – does not pay by 31 May – charged interest	605	6%
	<b>10,844</b>	<b>100%</b>

CL18.109

Based on the 2016/17 average residential rate of \$1,027 and pensioner concession of \$250, each hypothetical pensioner has the following payment patterns:

	Instalment 1	Instalment 2	Instalment 3	Instalment 4	Total Cost /Pensioner	Maximum Total Impact to Council
<b>Due</b>	<b>31-Aug-16</b>	<b>30-Nov-16</b>	<b>28-Feb-17</b>	<b>31-May-17</b>		
<i>Interest days for quarter</i>	91	90	92	92		
Pensioner A	\$777.00				\$777.00	
Pensioner B	\$194.25	\$194.25	\$194.25	\$194.25	\$777.00	
Pensioner C				\$777.00	\$777.00	
Interest foregone (max)	\$3.63	\$7.18	\$11.02			-\$43,660
Pensioner D						
Rates + interest due					\$835.28	\$35,259

However, the estimate of foregone income resulting from the application of the interest free period differs between quarters as a result of changes to the number of pensioners eligible for the concession in that quarter and the take-up rate of the interest free period. In addition, payment can occur at any time over the interest free period but the analysis only applies as at the due date for each instalment. In accordance with section 566(3) of the Act, the maximum rate of interest payable on overdue rates and charges was 7.5% per annum in 2016/17 (simple interest calculated on a daily basis).

For 2016/17, the analysis shows:

	Instalment 1	Instalment 2	Instalment 3
<i>Total owing</i>	\$481,433.85	\$536,596.81	\$623,928.68
<i>Assessments</i>	2,085	1,977	2,015
<i>Interest days for the quarter</i>	91	90	92
<i>Estimated interest</i>	\$9,002.15	\$9,923.37	\$11,794.82
<i>Estimated interest per pensioner</i>	\$4.32	\$5.02	\$5.85

In contrast to the hypothetical scenarios, the foregone interest can range from about \$5 to just over \$15, rather than the \$21.83 shown for Pensioner C.

The interest earned from eligible pensioners who did not pay their rates by the due date(s) and did not pay any arrears before the end of May was \$2,024 in 2016/17 for the first three instalments.

In considering the removal of the interest free period, there are three main considerations:

1. Providing support to pensioners experiencing hardship
2. Maintaining assistance to pensioners currently taking advantage of the interest free period
3. Administrative efficiency

These considerations are the basis of the alternatives presented below.

#### Alternatives

Implementing a new corporate business system has presented Council an opportunity to review the effectiveness of previously adopted practices. The above analysis shows that the interest free period benefits a relatively small percentage of ratepayers (approximately 3.5% of all rateable assessments).

CL18.109



With the implementation of the new corporate business system, it is proposed to remove the interest free period and apply the same process to eligible pensioners as to other ratepayers; that is, interest will accrue to accounts if payment is not received in full by 31 August each year or by the due date for each of the quarterly instalments.

As an offset for this change, three alternatives are proposed. The first two are based on greater weight being given to one or other of the first two considerations noted above. The third alternative was suggested at the Ordinary Meeting of Council on 24 April 2018.

1. Expanded hardship assistance

The current interest free provision does not distinguish between eligible pensioners who need additional time to pay their rates and charges and those who choose to delay payment of their rates to the last possible date without penalty. Nor does the provision support those eligible pensioners unable to pay their rates by the end of May and, thereby, incur interest on arrears.

Councillors would be aware of the provisions of POL16/200 Revenue Hardship Policy. Council whereby full or partial accrued interest on rates and charges can be written off under Section 567 (c) of the Local Government Act 1993. Assistance under the Hardship Policy is available to all ratepayers for the current rating period. In practice, the interest waiver is, generally, between three (3) to six (6) months, but may extend to twelve (12) months. In any event, the person(s) experiencing hardship is required to meet an agreed payment plan and interest is only waived at the end of each financial year if the agreed payment plan is adhered to.

Use of the hardship policy, in lieu of the interest free period, is a feasible option. POL16/200 Revenue Hardship Policy could be amended to include the following provisions:

- Details of the Hardship Policy and an Application for Hardship Relief form will be sent to eligible pensioners with the 4th Instalment Notice
- If a pensioner can show they are experiencing hardship, then any interest accrued on their rates and charges for that rating year will be waived at the end of each financial year, on the condition of compliance with an agreed payment plan.
- Arrangements for regular payments on the account are put in place for affected pensioners
- Community-based support options to help with financial counselling are provided

2. "No disadvantage"

The maximum foregone amount of interest for each eligible pensioner who takes advantage of the interest free period can range from about \$5 to just over \$15, and the total cost to Council is estimated at \$30,720 in 2016/17.

Given it is not possible to estimate the average or modal outcome for eligible pensioners using the interest free period, the mid-point of \$10 is suggested as the level of a voluntary rebate to the cohort of all eligible pensioners, funded 100% by Council. This rebate is in addition to the maximum rebate of \$250 available to eligible pensioners on their rates/domestic waste bill under Section 575 of the Local Government Act 1993, funded 45% by councils and 55% by the State Government. The additional cost of this option to Council is estimated to be \$78,000, resulting in a total cost to Council of \$108,720.

Council would be aware that there has been no increase to the rebate available under Section 575 of the Local Government Act for many years and, therefore, an additional Council rebate is considered a positive outcome for pensioner account holders.

### 3. Indefinite interest waiver

At Council's Ordinary Meeting on 24 April 2018, it was proposed to adopt an indefinite interest free period for all eligible pensioners and to introduce an incentive for early payment of rates.

The impact of these three alternatives on the situation of hypothetical pensioners C and D was explored at the Councillor Briefing held on 26 April 2018. The following tables show the impact on the hypothetical pensioner together with the total cost to Council of adopting the alternative.

Scenario	Impact	
	Pensioner C	Council
Alternative 1 – hardship	\$777.00	
Interest due	\$21.83	
<i>Interest waived</i>	-\$21.83	-\$43,660 (2,000 pensioners)
Alternative 2 – rebate to all pensioners	\$777.00	
Voluntary rebate to all eligible pensioners	-\$10.00	-\$10 x 10,844 = -\$108,440
Interest due	+\$21.55	\$21.55 x 2,000 = +\$43,100
Alternative 3 – Interest foregone	\$777.00	Indefinite: -\$1.39M (2,000 pensioners; approximated by use of perpetuity formula)
	-\$21.83pa	17 yrs: -\$742,220 (2,000 pensioners; undiscounted)

Scenario	Impact	
	Pensioner D	Council
Alternative 1 – hardship	\$777.00	
Interest due	\$58.28	
<i>Interest waived</i>	-\$58.28	-\$35,259 (605 pensioners)
Alternative 2 – rebate to all pensioners	\$777.00	
Voluntary rebate to all eligible pensioners	-\$10.00	-\$10 x 10,844 = -\$108,440
Interest due	+\$57.53	\$57.53 x 605 = \$34,806
Alternative 3 – Interest foregone	\$777.00	Indefinite: -\$1.10M (605 pensioners)
	-\$57.53pa	17 yrs: -\$592,000 (605 pensioners)

Note that Alternative 3 does not include the impact of any early payment discount.

The overall analysis and the modelling of the hypothetical scenarios suggest that the best outcome for pensioners experiencing hardship, at the least cost to Council, is provided by Alternative 1: Expanded hardship assistance.

CL18.109

## Community Engagement

It is proposed to remove the interest free period for eligible pensioners as indicated in this report. Council is able to include inserts with each quarterly instalment notice to ratepayers and it is intended to undertake an information campaign over the next two billing quarters to highlight the changed arrangements. If the recommendation is adopted by Council, details about the revised Revenue Hardship Policy will be included in the Neighbourhood News.

## Policy Implications

It will be necessary to adopt the amended *POL16/202 Revenue – Pensioner Rates and Charges – Arrears and Interest* attached to this report. Depending on the Option supported by Council, it may also be necessary to adopt the amended *POL16/200 Revenue Hardship Policy*, also attached to this report.

## Financial Implications

If all the pensioners currently utilising the interest free period successfully applied for hardship consideration, the result would be cost neutral. If each instalment were paid on the due date, then using a 3% interest rate suggests a potential net benefit to Council of approximately \$12,000 using the amounts included in this report.

The proposed removal of the interest free period may generate additional interest income from unpaid accounts. Under Alternative 2, this has been offset by the introduction of a voluntary rebate to all eligible pensioners. The net additional cost of this option to Council is estimated to be \$78,000, resulting in a total cost to Council of \$108,720. This is not funded in Council's 2018/19 budget and is not part of the Long Term Financial Plan.

If Council opts to provide additional financial relief to pensioner ratepayers, another expenditure item will need to be reduced to offset that cost.

Alternative 3: Indefinite interest waiver results in the greatest cost to Council. This alternative is also not funded in Council's 2018/19 budget, nor is it part of the Long Term Financial Plan. Its adoption would create a strong financial incentive for eligible pensioners to not pay rates by the due dates and would impact the pattern of Council's cash receipts.



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For more information contact the Finance Corporate & Community Services Group

## Revenue - Pensioner Rates and Charges - Arrears and Interest

**Policy Number:** POL16/202 • **Adopted:** Various Dates • **Reaffirmed:** 6/05/2009, 23/11/2012 • **Amended:** 23/06/2015, 21/07/2015, 15/08/2017 • **Minute Numbers:** MIN89.282, MIN89.534, MIN95.1314, MIN01.15, MIN09.558, MIN12.1286, MIN15.421, D15/211230, MIN17.701 • **File:** 1972E • **Produced By:** Finance Corporate & Community Services Group • **Review Date:** 1/12/2020

### 1. PURPOSE

To articulate Council's position in relation to the charging of interest and collection of arrears of pensioners' rates and charges and ensure the Revenue Management Unit has clearly documented guidelines.

### 2. STATEMENT

This policy statement is based on Council Minute 15.421 and replaces previous minutes of Council 89.282, 89.534, 95.1314, and 01.15. In accordance with the minute 15.421 Council will allow the recovery of rates and charges for pensioners who became eligible on or after 1 July 2015 in conjunction with Council's Revenue - Debt Recovery Policy.

In this policy, **eligible pensioner** has the same meaning as that defined in the Local Government Act 1993 and Local Government (General) Regulation 2005:

*"eligible pensioner", in Division 1 of Part 8 of Chapter 15, in relation to a rate or charge levied on land on which a dwelling is situated means a person:*

- (a) who is a member of a class of persons prescribed by the regulations, and*
- (b) who occupies that dwelling as his or her sole or principal place of living.*

*134 Eligible pensioners for the purpose of determining pensioner concessions – prescribed classes*

*For the purposes of paragraph (a) of the definition of "eligible pensioner" in the dictionary of the Act, the following classes of persons are prescribed:*

*(a) persons who receive a pension, benefit or allowance under Chapter 2 of the Social Security Act 1991 of the Commonwealth, or a service pension under Part III of the Veterans' Entitlements Act 1986 of the Commonwealth, and who are entitled to a pensioner concession card issued by or on behalf of the Commonwealth Government,*

*(b) persons who receive a pension from the Commonwealth Department of Veterans' Affairs as:*

*Shoalhaven City Council - Pensioner Rates and Charges - Arrears and Interest*

- (i) a war widow or war widower within the meaning of the Veterans' Entitlements Act 1986 of the Commonwealth, or*
- (ii) the unmarried mother of a deceased unmarried member of the Australian Defence or Peacekeeping Forces, or*
- (iii) the widowed mother of a deceased unmarried member of the Australian Defence or Peacekeeping Forces,*

*and do not have income and assets that would prevent them from being granted a pensioner concession card (assuming they were eligible for such a card),*

*(b1) persons who receive a lump sum mentioned in section 234 (1)(b) of the Military Rehabilitation and Compensation Act 2004 of the Commonwealth or are receiving a weekly amount mentioned in that paragraph, and do not have income and assets that would prevent them from being granted a pensioner concession card (assuming they were eligible for such a card).*

*(c) persons who receive a general rate of pension adjusted for extreme disablement under section 22 (4) of the Veterans' Entitlements Act 1986 of the Commonwealth, or a special rate of pension under section 24 of that Act,*

*(d) persons who receive, or who at some point in their life have been eligible for, a Special Rate Disability Pension under the Military Rehabilitation and Compensation Act 2004 of the Commonwealth.*

### **3. PROVISIONS**

#### **3.1. Interest on Arrears of Rates and Charges**

Eligible pensioners are charged interest in accordance with Council's policy 'Revenue – Overdue Interest Rate'. Council commenced charging interest on outstanding rates and charges for properties owned by eligible pensioners from 30 June 1989.

Interest is not payable on any rates or charges that were outstanding as at 30 June 1989, provided that the property (in respect of which the rates and charges were outstanding at that time) was owned by an eligible pensioner as at 31 December 1988.

In the case of eligible pensioners experiencing hardship, relief may be available under the provisions of POL16/200 Revenue Hardship Policy.

#### **3.2.—Interest Free Period**

~~Council will permit eligible pensioners with no arrears an interest-free period until the end of May each year to pay their current rates and charges.~~

#### **3.3.3.2. Deferment of Payment**

Eligible pensioners who became eligible before 1 July 2015 are permitted to continue to defer payment of their rates and charges in accordance with previous Council Policy (POL12/142 version 3). However, interest will accrue in accordance with clause 3.1

Pensioners who became eligible for a pension rebate on or after 1 July 2015 will be required to pay rates and charges levied annually.



**3.4.3.3. Action to Recover Outstanding Rates and Charges**

Council will commence action to secure outstanding rates and charges from eligible pensioners who have deferred their rates and charges in accordance with clause 3.3. Such action to secure overdue rates and charges will only commence after seventeen (17) years and will include issuing a Statement of Claim followed by Default Judgment.

Debt recovery action may be taken against pensioners who became eligible on or after 1 July 2015. Recovery action taken will be in accordance with Council's Revenue - Debt Recovery Policy.

Any pensioner who becomes eligible after 1 July 2015 will receive two Reminder letters and one Final Notice letter prior to the commencement of legal action. Legal action will not commence without the approval of Council by way of a Council Report.

**4. IMPLEMENTATION**

The Finance Corporate & Community Services Group has responsibility to administer this policy.

**5. REVIEW**

This policy will be reviewed within one year of the election of every new Council.

**6. APPLICATION OF ESD PRINCIPLES**

None applicable.



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For more information contact the Finance Corporate & Community Services Group

## Revenue Hardship Policy

**Policy Number:** POL16/200 • **Adopted:** 1/05/2008 • **Reaffirmed:** 23/04/2013 • **Amended:** 21/07/2015, 15/08/2017 • **Minute Number:** MIN13.363, D15/211230, MIN17.701 • **File:** 20962E • **Produced By:** Finance Corporate & Community Services Group • **Review Date:** 1/12/2020

### 1. PURPOSE

Shoalhaven City Council recognises that financial hardship can arise with some ratepayers and will consider application for financial relief in some instances.

### 2. STATEMENT

This document is to be used as an internal practice and guideline for administering rate hardship provisions.

### 3. PROVISIONS

Council has the option of writing off full or partial interest on rates and charges under Section 567 (c) of the Local Government Act 1993. Under Section 601 of the Local Government Act 1993, Council has a discretion to waive, reduce or defer the payment of the whole or part of the increase in the amount of the rate payable by the ratepayer experiencing hardship resulting from certain valuation changes.

The following criteria apply:

- a) A confidential statement must be submitted by the debtor as evidence that the payment of the outstanding rates and charges would cause hardship to that person(s).
- b) The confidential statement must be on Council's prescribed form and must be signed as a Statutory Declaration of the person's circumstances.
- c) Financial Hardship will only be applied to the primary place of residence.
- d) Financial hardship will not be applied to:
  - \*Investment properties
  - \*Commercial or Industrial properties
  - \*Vacant land
  - \*Small Lot Rural Subdivisions on which building is not permitted
- e) Pensioners who became eligible prior to 1 July 2015 have access to deferral of rates and, therefore, they may only apply for hardship if, in the Hardship Committee's opinion, extreme hardship exists. Interest will only be waived if the full year rates and charges are paid within the current 12 month rating period.

## Shoalhaven City Council - Revenue Hardship Policy

f) ~~The outstanding amount must exceed \$1,500 or be at least twelve (12) months overdue.~~

g) An application covers the current rating period from 1 July to 30 June only. A new application is required to be lodged for each rating period. Applications will not be accepted for a part of a rating year.

Details of the Hardship Policy and an Application for Hardship Relief form will be sent to eligible pensioners, as defined in POL16/202 Pensioner Rates and Charges – Arrears and Interest, with the 4th Instalment Notice.

For the application to be given full consideration, evidence of hardship must be supplied by the person(s). This evidence may take the form of Social Security information, tax return or Workers Compensation details, etc.

If full disclosure is not made by the person(s) or it is found that incorrect disclosures were deliberately made, Council reserves the right to cancel the agreement and collect any interest previously waived.

Personal information will be treated confidentially and all assessments will be made on a case by case basis by the Hardship Committee. The Hardship Committee consists of the Revenue Management Supervisor, Accounts Receivable Officer, Debt Recovery Officer and Chief Financial Officer.

If Council, after review of the application, deems that the payment of any rates or charges would cause financial hardship, Council has the option of writing off full or partial interest on rates and charges under Section 567(c) of the Local Government Act 1993 for a specified period of time as determined by the Hardship Committee.

The interest free period is generally between three (3) to six (6) months, ~~only~~ but may extend to twelve (12) months. In any event, the person(s) must maintain a strict regime of regular payments. The interest is only waived at the end of the period specified in order to ensure that the payments were/are maintained.

If an eligible pensioner can show they are experiencing hardship, then any interest accrued on their rates and charges for that rating year will be waived at the end of each financial year, on the condition of compliance with an agreed payment plan. Arrangements for regular payments on the account are put in place for affected pensioners and community-based support options to help with financial counselling will be provided.

If Council, after review of the application, deems that the payment of any rates or charges would cause financial hardship, Council, under Section 601 of the Local Government Act 1993, has a discretion to waive, reduce or defer the payment of the whole or part of the increase in the amount of the rate payable by the ratepayer experiencing hardship resulting from certain valuation changes for the current rating year.

Upon receipt of the Hardship Application, a letter of acknowledgment is to be sent to the person(s) advising that a meeting will be scheduled in the near future. A report is then prepared for submission to the Hardship Committee and, upon determination, a letter is sent to the person(s) advising of the Hardship Committee's determination.



*Shoalhaven City Council - Revenue Hardship Policy*

The Hardship Committee's determination is then entered onto Council's rating system, coded as 'Hardship' along with the account review date for monitoring by the Debt Recovery Officer.

**3 IMPLEMENTATION**

The Finance Corporate & Community Services Group will administer these guidelines.

**4 REVIEW**

The Finance Corporate & Community Services Group will review this Policy within one year of the election of every new council or earlier should circumstances arise to warrant revision.

**5 APPLICATION OF ESD PRINCIPLES**

Apply Council's ESD principles in determining hardship applications with regard to unemployment, low income households, pensioners and residents who are suffering financial hardship.

**6 RELATED POLICIES**

- Revenue - Pensioner Rates and Charges – Arrears and Interest
- Rates Revenue – Overdue Interest Rate
- Rates and Other Monies – Delegation of Authority to Write Off
- Small Lot Rural Subdivisions – Transfer of Land in Lieu of Dealing with Unpaid Rates and Charges
- Jerberra Payment Relief Policy

**7 ATTACHMENTS**

Application for Hardship Relief.

*Shoalhaven City Council - Revenue Hardship Policy*

**APPLICATION FOR HARDSHIP RELIEF**

Council has the option of writing off interest on Rates and Charges under the Local Government Act. The following criteria must apply for this to occur:

1. Payment of such accounts in full is made difficult because of reasons beyond the ratepayers control
2. Payment of such accounts in full would cause the person hardship
3. The property concerned is the applicant/s **primary** place of residence
4. The completion in full of this application form
5. Provision of proof of income/expenses
6. **Suitable** arrangements for **regular** payments on the account

**Privacy Notification**

Shoalhaven City Council, for Hardship Relief purposes, is collecting the information requested on this form. The information will be used solely by Council officials for the purpose mentioned or a directly related purpose and will not be disclosed to any other parties. The applicant understands that this information is provided on a voluntary basis and they may apply to Council for access or amendment of the information at any time.

<p><b>My application is for the payment of \$ _____ per week/fortnight/month toward reduction of the outstanding amount.</b></p> <p><b>You should ensure you contact Council promptly if your circumstances change. This will ensure that Council does not take action to recover the amount outstanding if you do not adhere to the arrangement. Additionally, you may not be entitled to relief under the new circumstances. If any information supplied is found to be false or misleading this agreement becomes null and void.</b></p> <p><b><i>When answering the following questions please use block letters and tick the appropriate box.</i></b></p>
--

Assessment Number \_\_\_\_\_

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Postal Address: \_\_\_\_\_

Telephone: Home: \_\_\_\_\_

Work: \_\_\_\_\_

Mobile: \_\_\_\_\_

Email: \_\_\_\_\_

Property Address: \_\_\_\_\_

(if different to above)

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Do you own the property?

- ☐ By Yourself
- ☐ With another person/s (spouse etc)  
List any other people who reside with you \_\_\_\_\_
- ☐ Other - Please indicate details \_\_\_\_\_

Is the property:

- ☐ Residential Home
- ☐ Vacant Land
- ☐ Rural Land
- ☐ Your Sole or Principal Place of Living Since: \_\_\_\_\_
- ☐ Other - Please indicate details \_\_\_\_\_
- Value of House\Land \$ \_\_\_\_\_
- Mortgage \$ \_\_\_\_\_

Do you have interest in any other properties?

Details including any rental collected \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Are you currently employed?

- ☐ No. Go to next question
- ☐ Full time
- ☐ Part time/casual \_\_\_\_\_ hours per week
- ☐ Name of employer \_\_\_\_\_

Do you receive a pension or benefit?

- ☐ No. Go to next question
- ☐ Yes
- Pension Number \_\_\_\_\_
- Pension Type \_\_\_\_\_

Do you have a health benefits card?

Shoalhaven City Council - Revenue Hardship Policy

☐ No. Go to next question

☐ Yes

Card Number \_\_\_\_\_

Do you have any dependants?

☐ Yes. How many and what ages

**Income Details**

Wages/Salary after Tax	\$ _____	per week
Pension/Benefit	\$ _____	per week
Income (Spouse)	\$ _____	per week
Pension/Benefit (Spouse)	\$ _____	per week
Maintenance received	\$ _____	per week
Family Allowance	\$ _____	per week
Other (Give details)	\$ _____	per week
	\$ _____	per week
	\$ _____	per week

**Total:** \$ \_\_\_\_\_ per week

**Bank/Building Society Accounts**

Name of Bank/Branch	Balance
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____

**Total** \$ \_\_\_\_\_

**Regular Expenses**

Mortgage repayments	\$ _____	per week
Rent/Board	\$ _____	per week
Food	\$ _____	per week
Electricity	\$ _____	per week
Rates (Council & Water)	\$ _____	per week
Repayments <b>Total (A)</b>	\$ _____	per week
Vehicle expenses inc petrol	\$ _____	per week
Private Medical Insurance	\$ _____	per week
Telephone	\$ _____	per week
Maintenance payments	\$ _____	per week
School expenses	\$ _____	per week
Insurance/Superannuation	\$ _____	per week
Other	\$ _____	per week
	\$ _____	per week
	\$ _____	per week

**Total:** \$ \_\_\_\_\_ per week

**Surplus/Deficit** \$ \_\_\_\_\_ per week

**Debts/Liabilities**

(Personal loans, credit cards)

Owing To:	Balance:
_____	\$ _____ p/w \$ _____
_____	\$ _____ p/w \$ _____
_____	\$ _____ p/w \$ _____
_____	\$ _____ p/w \$ _____
_____	\$ _____ p/w \$ _____
<b>Total (A)</b>	\$ _____ p/w \$ _____

Please give details of reasons or circumstances that have led you to make this application:

\_\_\_\_\_

\_\_\_\_\_

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The information provided in this application is strictly confidential and will not be disclosed to any other organisation.

CL18.109 - Attachment 2

Shoalhaven City Council - Revenue Hardship Policy

**Statutory Declaration**  
OATHS ACT 1900, NSW, EIGHTH SCHEDULE

I, ..... , do solemnly and sincerely declare that  
[name of declarant]

**that the information contained in this application is true and correct**

and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the *Oaths Act 1900*.

Declared at: ..... on .....  
[place] [date]

.....  
[signature of declarant]

in the presence of an authorised witness, who states:

I, ..... , a ..... ,  
[name of authorised witness] [qualification of authorised witness  
– JP number if applicable]

certify the following matters concerning the making of this statutory declaration by the person who made it: [\* please cross out any text that does not apply]

1. \*I saw the face of the person OR \*I did not see the face of the person because the person was wearing a face covering, but I am satisfied that the person had a special justification for not removing the covering, and
2. \*I have known the person for at least 12 months OR \*I have not known the person for at least 12 months, but I have confirmed the person's identity using an identification document and the document I relied on was .....  
[describe identification document relied on]

.....  
[signature of authorised witness]

.....  
[date]

## LOCAL GOVERNMENT AMENDMENT (GOVERNANCE & PLANNING) ACT 2016

### Chapter 3, Section 8A Guiding principles for councils

#### (1) Exercise of functions generally

The following general principles apply to the exercise of functions by councils:

- (a) Councils should provide strong and effective representation, leadership, planning and decision-making.
- (b) Councils should carry out functions in a way that provides the best possible value for residents and ratepayers.
- (c) Councils should plan strategically, using the integrated planning and reporting framework, for the provision of effective and efficient services and regulation to meet the diverse needs of the local community.
- (d) Councils should apply the integrated planning and reporting framework in carrying out their functions so as to achieve desired outcomes and continuous improvements.
- (e) Councils should work co-operatively with other councils and the State government to achieve desired outcomes for the local community.
- (f) Councils should manage lands and other assets so that current and future local community needs can be met in an affordable way.
- (g) Councils should work with others to secure appropriate services for local community needs.
- (h) Councils should act fairly, ethically and without bias in the interests of the local community.
- (i) Councils should be responsible employers and provide a consultative and supportive working environment for staff.

#### (2) Decision-making

The following principles apply to decision-making by councils (subject to any other applicable law):

- (a) Councils should recognise diverse local community needs and interests.
- (b) Councils should consider social justice principles.
- (c) Councils should consider the long term and cumulative effects of actions on future generations.
- (d) Councils should consider the principles of ecologically sustainable development.
- (e) Council decision-making should be transparent and decision-makers are to be accountable for decisions and omissions.

#### (3) Community participation

Councils should actively engage with their local communities, through the use of the integrated planning and reporting framework and other measures.

### Chapter 3, Section 8B Principles of sound financial management

The following principles of sound financial management apply to councils:

- (a) Council spending should be responsible and sustainable, aligning general revenue and expenses.
- (b) Councils should invest in responsible and sustainable infrastructure for the benefit of the local community.
- (c) Councils should have effective financial and asset management, including sound policies and processes for the following:
  - (i) performance management and reporting,
  - (ii) asset maintenance and enhancement,
  - (iii) funding decisions,
  - (iv) risk management practices.
- (d) Councils should have regard to achieving intergenerational equity, including ensuring the following:
  - (i) policy decisions are made after considering their financial effects on future generations,
  - (ii) the current generation funds the cost of its services

**Chapter 3, 8C Integrated planning and reporting principles that apply to councils**

The following principles for strategic planning apply to the development of the integrated planning and reporting framework by councils:

- (a) Councils should identify and prioritise key local community needs and aspirations and consider regional priorities.
- (b) Councils should identify strategic goals to meet those needs and aspirations.
- (c) Councils should develop activities, and prioritise actions, to work towards the strategic goals.
- (d) Councils should ensure that the strategic goals and activities to work towards them may be achieved within council resources.
- (e) Councils should regularly review and evaluate progress towards achieving strategic goals.
- (f) Councils should maintain an integrated approach to planning, delivering, monitoring and reporting on strategic goals.
- (g) Councils should collaborate with others to maximise achievement of strategic goals.
- (h) Councils should manage risks to the local community or area or to the council effectively and proactively.
- (i) Councils should make appropriate evidence-based adaptations to meet changing needs and circumstances.