

Rates Hardship Relief Policy

Reference Number: P28
Organisational Unit: Finance Unit
Responsible Position: Director Corporate Services
Relevant Delegations: As per Delegations Register
Date Adopted: 25 January 2017
Review Date: Every three years

Objectives

To assist it is the decision making functions relative to the operation of the rate concession provisions contained in the Act.

To provide guidance to the community as to the grounds upon which a person or body is, or may be entitled, to defer rates, and the matters that the council will take into account in deciding an application for a deferral.

Legislation

- NT Local Government Act 2008
- NT Local Government (Accounting) Regulations 2008

Definitions

Act - refers to the *NT Local Government Act 2008*.

Deferment- means that the rate relief granted is deferred for recovery at a later time either when the ratepayer's circumstances change, or when the property is sold or ownership transferred. Deferred rates remain a debt against the property. Interest penalties do not apply to deferred rates.

Financial Hardship - means difficulty in meeting basic costs of living and the payment of rates levied.

Income Test - means the annual net income or deficit determined from the applicant's statement of income and expenses related to basic living needs.

Regulations - refers to the NT Local Government (Accounting) Regulations 2008.

Scope

This Policy applies to those Ratepayers who are suffering financial hardship or would suffer financial hardship if they paid the full amount of rates and charges for which they are liable.

Policy

Types of Rate Concession

Pursuant to *section 165* of the *Act* a ratepayer may be granted a deferment in whole or part for the payment of rates on the grounds of financial hardship if the person has established to the Council's satisfaction that they will suffer financial hardship if the deferment is not granted. An application should be made in writing.

Financial Hardship of Ratepayer Related to a Residential Property

- (i) A ratepayer (as a natural person) demonstrating financial hardship can apply for a concession to defer the payment of part/all of the rates levied providing that the application is for the ratepayer's principal place of residence.
- (ii) A concession granted shall not include relief from charges levied against the property for services provided by the Council, eg., garbage collection charges.
- (iii) An application for a concession applies for one financial year only, and a new application is required for subsequent years.
- (iv) An occupier of a residential property may make an application under this section providing the owner's consent has been obtained.
- (v) An application under this section should be made in writing and include a completed application form for "Relief from Payment of Property Rates on Grounds of Financial Hardship", detailing the ratepayer's income and expenditure.

Assessing Financial Hardship

Financial hardship is assessed by using a four-step process that is applied to an income test.

Income Test	Financial Hardship
1. Including rates, net income test balance is in credit.	No financial hardship exists.
2. Including rates, net income test balance is in deficit.	Some financial hardship exists. Move to next step.
3. Reduce levied rates to the amount that makes the net income test balance zero.	The amount of the deferral is the difference between the levied amount and the full rate.
4. Excluding rates, net income test balance is in deficit.	Extreme financial hardship exists. Deferral based on payment of nil rates. The amount of the deferral is the full amount.

Timing of Application

A deferral does not apply retrospectively to payments outstanding from an instalment date that has passed.

- A person liable to pay rates receives a rate notice 28 days before the date to make payment.
- An application for a deferral must be received before the due date, to apply for a concession for rates levied for that financial year. Applications received after expiry of the date will not be considered for a concession for that financial year.

Approval and Review History

Date	Comment
February 2011	First Adopted
April 2013	Revised (544/2013)
25 January 2017	Revised and adopted by Council (CRN OC011/2017)

Related documents

Nil