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ACKNOWLEDGEMENT

Council acknowledges that within its local government area boundaries are the traditional lands of the Wonnarua people, the Awabakal people and the Darkinjung people. We acknowledge these Aboriginal peoples as the traditional custodians of the land on which our offices and operations are located, and pay our respects to Elders past and present. We also acknowledge all other Aboriginal and Torres Strait Islander people who now live within the Cessnock Local Government Area.

COUNCIL VALUES

Integrity, Respect, Teamwork, Accountability, and Excellence.

DISCLAIMER

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1 OBJECTIVES

- 1.1 Council recognises there are cases of genuine financial hardship requiring respect and compassion in special circumstances. This policy establishes guidelines for assessment of payment assistance applications applying the principles of social justice, fairness, integrity, appropriate confidentiality, and compliance with relevant statutory requirements. It applies to all applications for waiving, deferment and alternative payment arrangements, or writing off of rates, fees, annual charges and interest accrued on such debts.
- 1.2 This policy provides a framework for responding to applications from owners/ratepayers and customers experiencing genuine hardship with the payment of their rates, annual charges and fees in accordance with the *Local Government Act 1993* (NSW) (Act) and the *Local Government (General) Regulation 2021* (NSW) (Regulation).

2 SCOPE

- 2.1 This policy applies to all ratepayers and debtors of Council, and Council staff that implement this policy.

3 HARDSHIP ASSISTANCE TO RATEPAYERS AND CUSTOMERS

- 3.1 A ratepayer may be eligible for consideration for hardship assistance in the payment of overdue rates, annual charges, interest and fees, where:
 - 3.1.1 the person is unable to pay due rates, annual charges, interest and fees when due and payable for reasons beyond the person's control; or
 - 3.1.2 payment when due would cause the person hardship.
- 3.2 The Act provides for the following assistance to ratepayers and customers who may experience hardship in some circumstances in paying rates, annual charges and fees:
 - 3.2.1 Periodical payment arrangements for overdue rates and charges.
 - 3.2.2 Writing off or reducing interest accrued on rates or charges.
 - 3.2.3 Waiving, reducing or deferring the payment of the increase in the amount of rate payable because of hardship resulting from general revaluation of land in the Cessnock Local Government Area (**LGA**).
 - 3.2.4 Waiving, or reducing rates, charges and interest of eligible pensioners.
 - 3.2.5 Waiving or reducing Council fees when the inability to pay is due to hardship.
 - 3.2.6 Postponing rates for properties that are used differently from how they are zoned.
- 3.3 Council will consider applications for assistance in accordance with the following principles:
 - 3.3.1 Council will individually assess cases of financial hardship.
 - 3.3.2 Council may reduce rates or annual charges, but will consider alternative available approaches to dealing with cases of financial hardship.
 - 3.3.3 Council may consider a scheme of periodical payment outside the due dates in cases of hardship or extenuating circumstances.
- 3.4 Applications for hardship must be made in the prescribed form:
 - 3.4.1 The applicant must be the person who is liable for the rates on the property.
 - 3.4.2 The property to which the hardship application applies must be categorised as residential or farmland for rating purposes.
 - 3.4.3 The property to which the hardship application applies must be the principal place of residence of the applicant/s.

- 3.5** The application for hardship must be accompanied with supporting documentation which may include but is not limited to:
- 3.5.1 Reasons why the person was unable to pay the rates and charges when they became due and payable.
 - 3.5.2 Copy of recent bank statements for all accounts.
 - 3.5.3 Details of income and expenditure.
 - 3.5.4 Letter from a recognised financial counsellor or financial planner confirming financial hardship.
 - 3.5.5 Letter from a medical professional confirming medical conditions causing hardship.
 - 3.5.6 Evidence that the hardship will have a detrimental effect on the applicant's tenant, where applicable.
- 3.6** Council may request the applicant to attend an interview to assist Council in the understanding of the issues causing hardship.

4 HARSHIP ASSISTANCE BY PERIODICAL PAYMENT ARRANGEMENTS

- 4.1** Council may enter into a formal agreement with a ratepayer eligible for alternative periodical payment arrangements for due and payable rates and charges.
- 4.2** Council or the ratepayer may initiate a proposal for a periodical payment agreement. In accordance with section 568 of the Act, payments will be applied towards the payment of rates and charges in the order in which they become due.
- 4.3** The following guidelines should be met in determining eligibility:
- 4.3.1 Payments must be made on a weekly, fortnightly or monthly basis.
 - 4.3.2 Arranged payments must be of an amount so that all amounts owing are paid in full by a mutually satisfactory timeframe as agreed by Council and the ratepayer.
 - 4.3.3 Extenuating circumstances may be considered if either of the above two conditions cannot be met, however such applications must be referred to the Finance Coordinator or Chief Financial Officer for approval.
- 4.4** Financial details of the ratepayer including income/outgoings may be required.
- 4.5** A hardship arrangement may be cancelled if the ratepayer fails to comply with their payment plan, or provides false or misleading evidence of financial hardship to Council.

5 HARSHIP ASSISTANCE BY WRITING OFF ACCRUED INTEREST AND COSTS

- 5.1** Council applies interest to overdue rates in accordance with section 566 of the Act. However, Council may write off accrued interest and costs on rates or charges payable by a person under section 567 of the Act and the Regulation where:
- 5.1.1 Payment of the accrued interest would cause the person hardship.
 - 5.1.2 The person was unable to pay rates or charges when they become due for reasons beyond the person's control. For example, where a medical condition that would cause hardship.
- 5.2** Council may write off interest and costs in accordance with section 567(c) of the Act under the following circumstances:
- 5.2.1 The ratepayer is experiencing genuine hardship. In such cases, Council may request the completion of a hardship application.
 - 5.2.2 The ratepayer is a "first-time" defaulter, has previously had a good payment record and

there are mitigating circumstances.

5.2.3 Prolonged or serious illness has prevented the ratepayer meeting their financial obligations to Council.

5.2.4 The ratepayer has complied with all criteria with respect to a section 564 periodic payment agreement.

5.2.5 Council is satisfied that the circumstances giving rise to the default are temporary.

6 HARDSHIP ASSISTANCE DUE TO CERTAIN VALUATIONS CHANGES

6.1 Under section 601 of the Act, any ratepayer who incurs a rate increase following a new valuation of land values may apply to Council for rate relief in the first year the valuation is used for rating purposes, if the new rate payable causes the ratepayer to suffer substantial hardship.

6.2 Notwithstanding the above, Council acknowledges that land valuations are independently determined by the Valuer General under the Valuation of Land Act 1916 (NSW) and that Council has no authority to amend those valuations. Where a ratepayer believes that a new valuation is incorrect, Council will encourage them to seek a review through the appeal provisions of that Act.

6.3 While Council cannot alter valuations, it recognises that sudden valuation-related rate increases may cause short-term financial stress. In such cases, Council may provide temporary hardship assistance in accordance with this policy to help affected ratepayers adjust to the changed circumstances.

6.4 Assistance under this clause will only apply in the first rating year that new valuations are introduced.

6.5 To be eligible for consideration, the applicant must:

6.5.1 be the owner and occupier of the property as their principal place of residence;

6.5.2 hold the property in a residential, rural residential or farmland (excludes Farmland Mixed Use and Business Rural) rating category;

6.5.3 demonstrate the total ordinary rates payable for the current rating year have increased by at least 5% or more compared with the previous year, solely as a result of the change in land valuation determined by the Valuer General, and not due to any increase from the IPART-approved rate peg or Council's Special Rate Variation (SRV).

6.6 Assistance will be one half of the ordinary rate increase up to a maximum of \$200.

For example, the ordinary rates for the previous financial year were \$2,000, and the IPART approved rate peg increase for the current year is 5%, the expected rate amount would be \$2,100. If following the latest land revaluation, the actual rates for the current year is \$2,500, the valuation increase is 20% which is exceeding the 5% threshold. In this case, the ratepayer may be eligible to apply for a temporary hardship assistance under this section, subject to meeting other criteria in the Policy.

6.7 No assistance will be given for the domestic waste management charges, Hunter Catchment Contribution or other charges.

6.8 The maximum amount of assistance in aggregate for all rate payers will be \$20,000.

6.9 Applications will be considered in the order in which they are received by Council. No further applications will be considered once the aggregate annual amount of \$20,000 has reached.

6.10 In addition, it is considered that Council has maximised its scope under the Act to adopt a rating structure that cushions the impact of any change in valuations on rates.

7 HARSHIP ASSISTANCE BY DEFERRING RATES AND CHARGES FOR AGED PENSIONERS

- 7.1** Aged pensioner ratepayers experiencing ongoing financial hardship may apply to have the payment of their rates and annual charges deferred. If granted, payment of the deferred rates, annual charges will be postponed until one of the following occurs:
- 7.1.1 The property is sold.
 - 7.1.2 The ownership of the property changes.
 - 7.1.3 The applicant ceases to occupy the property as their principal place of residence.
 - 7.1.4 The applicant passes away, in which case the deferred amount will be payable from the estate.
- 7.2** To be eligible for consideration, the following criteria must generally be met:
- 7.2.1 The applicant must be an aged pensioner as defined by Centrelink in receipt of a pensioner rate concession in relation to the property.
 - 7.2.2 The applicant must be the person liable for the rates and charges.
 - 7.2.3 The property must be categorised as residential, rural residential or farmland (excludes Farmland Mixed Use and Business Rural) for rating purposes.
 - 7.2.4 The property must be the applicant's principal place of residence.
 - 7.2.5 The property can have no more than a single dwelling house or residential unit erected upon it.
 - 7.2.6 The applicant must provide a letter from a recognised financial counsellor or financial planner confirming financial hardship and demonstrate that immediate payment would cause substantial financial detriment.
 - 7.2.7 The total annual amount of rates and charges (net of pensioner concession) payable must be more than 10% of the age pension of an individual (if the rate payer is an individual) or 10% of the age pension of the a couple (if the ratepayer is a couple) at the date of the initial application.
- 7.3** Interest will continue to accrue on the outstanding balance at the rate determined annually under the Local Government Act 1993 (s566). Deferred rates, charges or interest accrued on it will not be written off under this Policy.
- 7.4** An approved deferral will be reviewed annually to confirm that eligibility criteria remain satisfied. The applicant must respond to Council's requests for updated information within the timeframe specified by Council. Failure to meet this requirement may result in the cancellation of the deferral arrangement.

8 HARSHIP ASSISTANCE FOR NON-PENSIONERS

- 8.1** Council recognises that some non-pensioner ratepayers may experience short-term financial hardship but are not eligible for pensioner rebates or other statutory concessions. To provide targeted relief, Council may establish a Rates Assistance Program to offer limited financial assistance under the conditions set out in this section.
- 8.2** The Rates Assistance Program is designed to complement Council's existing hardship provisions and provide equitable support to households facing temporary affordability pressures, such as illness, or unexpected personal or economic circumstances.
- 8.3** Eligible applicants must:
- 8.3.1 be the owner and occupier of the property as their principal place of residence;

- 8.3.2 be non-pensioner ratepayers (i.e. not receiving a pensioner rebate under section 575 of the *Local Government Act 1993 (NSW)*);
 - 8.3.3 demonstrate genuine financial hardship through documentation or a written assessment from a qualified financial counsellor.
- 8.4** Assistance will be provided as a once-off credit to the rate account, up to a maximum of \$250 per assessment per financial year, applied against ordinary rates and accrued interest. No assistance will be provided for domestic waste management charges, the Hunter Catchment Contribution, or any other non-rate fees and charges.
- 8.5** The total aggregate amount of assistance available under this program in any financial year will be capped at \$15,000. Applications will be considered in the order they are received. Once the annual cap is reached, no further applications will be approved for that year.
- 8.6** Ratepayers must complete the prescribed application form through an accredited financial counsellor. Council may seek confirmation of circumstances from the counsellor before making a determination.
- 8.7** All applications will be assessed by authorised Council officers under delegated authority, and a written decision will be provided to the applicant.

9 HARDSHIP ASSISTANCE IN RELATION TO COUNCIL FEES

- 9.1** The General Manager will have the delegated authority to make decisions in relation to the waiving or reducing of fees up to the amount of \$3,000. For amounts over \$3,000 the decision must be a resolution made by the elected Council.
- 9.2** Any application for hardship assistance in relation to Council fees or charges other than annual charges by waiving or reducing fees under section 610(E) of the Act will be assessed in accordance with the same eligibility criteria used to assess hardship assistance in respect to rates and annual charges.

10 GENERAL

- 10.1** Financial hardship cases will remain strictly confidential. Personal information collected as a consequence of this policy will only be used for the purpose of assessing eligibility under the policy and will not be used for any other purpose or disclosed to any other person unless required by law to do so or authorised to do so by the person to whom the personal information relates.
- 10.2** All hardship applications shall be determined in accordance with Council delegations.
- 10.3** All hardship applicants shall be advised in writing of Council's decision within thirty (30) days of receipt of the application.
- 10.4** Council provides additional support to pensioners on their annual rates and domestic waste management charges which is outlined in Granting of Council's Rebate Contribution on Pensioner Rates Policy.

11 RESPONSIBILITIES

Compliance, monitoring and review

- 11.1** The Chief Financial Officer is responsible for compliance with this policy and its review.

Privacy

- 11.2** Privacy will be maintained in accordance with the *Privacy and Personal Information Protection Act 1998 (NSW)* and other relevant legislation.

Records management

11.3 Staff must maintain all records relevant to administering this policy in accordance with Council's Records Management Policy.

Complaint Handling

11.4 Any complaints under this policy will be managed in accordance with Council's Complaint Handling Policy.

12 RIGHT OF APPEAL

12.1 Where a ratepayer is not satisfied with the outcome of their application for hardship, they can request a review of that outcome by writing to the Chief Financial Officer.

12.2 A panel comprising the Revenue Team Leader, Finance Coordinator, and the Chief Financial Officer will then review the hardship application and the original outcome, and make recommendations.

13 POLICY DEFINITIONS AND ABBREVIATIONS

| | |
|-------------------------|---|
| Act | means the <i>Local Government Act 1993</i> (NSW). |
| Council | means Cessnock City Council. |
| Council Official | includes Councillors, members of staff (permanent, casual or temporary), Council advisors, administrators, Council committee members, volunteers and delegates of Council. |
| Hardship | means any situation where an individual is having difficulty paying legally owed debt. This can result from life changes (for example, because of illness, unemployment or changed financial circumstances) restricting the short-term capacity to pay. |

14 POLICY AUTHORISATIONS

| No. | Authorised Function | Authorised Business Unit / Role(s) |
|-----|---|------------------------------------|
| | Day to day management of Council's hardship claims. | Debt Management Officer |
| | Authority to determine 'Financial Hardship applications' received by Council | Finance Coordinator |
| | Make recommendations regarding requests for review of outcome for Financial Hardship applications | Payment Assistance Panel |
| | Consider the Payment Assistance Panel's recommendations for review of hardship applications, and making a determination accordingly | Chief Financial Officer |

15 POLICY ADMINISTRATION

| | |
|--------------------|----------------------------------|
| Directorate | Corporate and Community Services |
|--------------------|----------------------------------|

| | | | |
|---|--|---|----|
| Responsible Officer | Chief Finance Officer | | |
| Associated Procedure | N/A | | |
| Policy Review Date | 19 November 2028 | Is this a local policy pursuant to Part 3, Chapter 7 of the <i>Local Government Act 1993</i> (NSW)? | No |
| Document Reference Number | DOC2025/063131 | | |
| This policy supports Council's compliance with the following legislation: <ul style="list-style-type: none">– Sections 564, 567, 575, 582, 601, 610E, <i>Local Government Act 1993</i> (NSW)– <i>Local Government (General) Regulation 2021</i> (NSW)– <i>Valuation of Land Act 1916</i> (NSW)– Office of Local Government – Debt Management and Hardship Guidelines - November 2018 | | | |
| This policy contributes to the achievement of the following desired outcome or objectives as per Council's Delivery Program: <ul style="list-style-type: none">– Objective 5.3 Making Council more responsive to the community | | | |
| Related Documents (include reference document numbers) | <ul style="list-style-type: none">▪ Records Management Policy (DOC2019/038769)▪ Complaints Handling Policy (DOC2018/048382)▪ Privacy Management Plan (DOC2014/005148)▪ Council's Rebate Contribution on Pensioner Rates Policy (DOC2014/002628) | | |

16 POLICY HISTORY

| Revision | Date Approved / Authority | Description Of Changes |
|----------|------------------------------|--|
| 1 | 21/06/2017 | Creation of policy and adoption at Council Meeting 21 June 2017 |
| 2 | 16/04/2020 | Review and update to the new template |
| 3 | 15 July 2020 (CC59/2020) | Review and adopted by Council |
| 4 | 19 June 2024 (CC37/2024) | Periodic review and adoption by Council. |
| 5 | 19 November 2025 (CC80/2025) | <p>Update to new policy template. Policy reviewed to include additional assistance as a part of Special Rate Variation application program. Three changes made:</p> <ol style="list-style-type: none"> 1. Additional information on Hardship Assistance due to valuation changes 2. Hardship assistance by deferral for pensioners 3. Hardship assistance for non-pensioners. |