PENRITH CITY COUNCIL

Policy Document

POLICY NAME
Rates and Hardship Policy

DATE ADOPTED
24 August 2026

NEXT REVIEW DATE
30 June 2030

COUNCIL MINUTE NUMBER
198

POLICY TYPE
Council Policy

RESPONSIBLE DEPARTMENT
Financial Services

RELATED DOCUMENTS
Local Government Act (NSW) 1993

Purpose
The purpose of the Rates and Hardship Policy is to provide options available under the Local Government Act (NSW) 1993 to customers experiencing financial hardship.

Policy statement
Council recognises that customers may at times experience difficulty in paying rates and charges. This policy provides procedures to be followed, in accordance with the options available under The *Local Government Act* (NSW) 1993 (the Act), when giving assistance to those customers in genuine financial hardship.

This policy provides for the maximum allowances to be applied in terms of rates and hardship under the Local Government Act 1993 (NSW).

Scope
THE LOCAL GOVERNMENT ACT (NSW) 1993 - HARDSHIP PROVISIONS

Listed below are sections of the act which allow council to assist ratepayers suffering financial hardship:

- Section 548A – Aggregation of land
- Section 564 - Agreement as to periodical payment of rates and charges
- Section 567- Writing off of accrued interest
- Section 575 - Reductions for eligible pensioners
- Section 582 - Abandonment of pensioners rates and charges
- Section 601 - Hardship resulting from certain valuation changes

Policy

Hardship Assistance

Section 548A

Aggregation of land values of certain parcels subject to rates containing minimum amounts

Under Section 548A of the Act, Council will aggregate the land values of parcels that satisfy the criteria only when:

1. The land parcels are in identical ownership; and
2. The land parcels cannot be supplied one land value by the Department of Lands; and
3. The land parcels are adjoining or in the same plan; and
4. Levying separate minimum rates would apply unfairly.

Section 564

Agreements to pay periodical payment of rates and charges

Under Section 564 of the Act, Council provides ratepayers who are unable to meet the quarterly instalment due date with alternative payment arrangements.

Negotiations of alternative arrangements are available to the ratepayer at any time, including at each stage of the debt recovery process. All staff in Council's Rates Team & Customer Contact Centre are trained to take an understanding approach with customers who are experiencing difficulties paying their rates.

Arrangements provide the customer with an opportunity to make weekly, fortnightly or monthly payments. Many arrangements are only short term payment extensions while others run over several months. Generally, the arrangements are for no longer than three months, with a view to settle the account in full by the end of the financial year. This allows the customer more time to pay, therefore reducing the financial impact on them.

Arrangements that extend beyond three months are carefully analysed as they can cause an unmanageable situation for the ratepayer if the debt increases beyond their future means.

The additional option to write-off or reduce interest is not offered for payment arrangements as it is the only incentive Council has available to entice payments by the due date. As Council does not offer discounts for payments in full, interest reductions for overdue accounts is considered unfair to those ratepayers who pay on time.

Section 567

Natural Disasters

Council will provide relief for those ratepayers who suffer hardship due to a natural disaster under Section 567 of the Act. Interest free extensions to make payment can be granted in cases where the ratepayer has suffered losses to their livelihood or possessions as a result of a natural disaster.

To be eligible, the ratepayer must provide evidence to the satisfaction of the Rates Coordinator as to the hardship caused by the natural disaster. The period of time allowed to make payments will be

assessed on a case by case basis. It will increase or decrease depending on the severity of the disaster and the impact on Penrith City Council's Local Government Area.

Section 575 & Section 582

Eligible Pensioners

Refer to the Pensioner Rebate Policy

Section 601

Revaluation of Land

Under Section 601 of the Act Council is able to provide relief to ratepayers when their rates have increased due to a land revaluation.

Council will allow the ratepayer to apply to defer payment of the increase for a period of up to two years. Additionally, any interest that accrues as a result of a deferment is waived. Both the land value and rates must have increased by a minimum percentage which will be set by Council resolution upon adoption of the Rates and Charges. Residential applications will only be eligible for the owner's principle place of residence. Business proprietors are required to provide details of the financial hardship caused to the business.

Application of Assessment

Assessment of financial hardship will be made by the Rates Manager or Team Leader – Rates.
To be eligible:

- The Applicant must be the sole or part owner of the property and be liable for payment of rates and charges on the property.
- For Residential and Farmland properties, the property for which the hardship application applies must be the principal place of residence of the applicant/s.
- For Business properties, the property for which the hardship application applies must be the principal place of business of the applicant/s.
- Application for hardship under Section 601 must be submitted within 3 months of the posting date of the rates notice in the first year of the General Revaluation for rating purposes.

Document Control

Policy History	Approving Authority	Date
Development and adoption of the policy	Council	24 August 2026