



RATES FINANCIAL HARDSHIP POLICY

Date Adopted:	25 March 2014
Council or Corporate Policy	Council Policy
Responsible Division:	Corporate & Information Services
Supporting documents, procedures & forms of this policy:	Application for Financial Hardship
References & Legislation:	Section 564 of the Local Government Act 1993 Section 567 of the Local Government Act 1993

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1 Purpose of Policy

The purpose of this policy are:

1. To provide financial assistance to ratepayers and other debtors who are experiencing genuine financial hardship with the payment of their rates and charges.
2. To provide a decision making framework for the appropriate assessment of all financial hardship applications.
3. To fulfil the statutory requirements of the *Local Government Act 1993* and other relevant legislation in relation to the recovery of rates and charges

The policy has been formulated under the following principles:

- Council will treat all people fairly and consistently under this policy.
- Council will consider all matters under this policy confidentially.
- Council will treat people with respect and compassion in considering their circumstances.

2 Provisions for Financial Hardship

The policy recognises that due to exceptional circumstances, ratepayers may at times encounter difficulty in paying their rates and charges. The *Local Government Act 1993* allows Council to provide a range of measures to assist those ratepayers.

This policy describes the procedures to be followed in providing financial assistance to those ratepayers who are suffering genuine financial hardship with the payment of their rates and charges.

Hardship Provisions

Section 567 of the *Local Government Act 1993* provides for Council to write off accrued interest on rates and charges payable by a person if, in Council's opinion, the reasons that the person was unable to pay the rates and charges when they became due and payable were beyond the person's control, or that the person is unable to pay the accrued interest for reasons beyond that person's control, or that the payment of the accrued interest would cause the person hardship.

Hardship Criteria

The following conditions apply to all applications under this policy:

- The applicant must be the owner/spouse or part owner of the property and be liable for the payment of rates on the property.
- That the property for which the hardship application relates is the principal place of residence of the applicant.
- The property for which the hardship application applies must be categorised as "Residential" for rating purposes.

- That the actual hardship exists and is genuine.

Payment Arrangements

Section 564 of the *Local Government Act 1993* provides Council with an option to accept payment of rates and charges due and payable in accordance with an agreement made with the person and also to write off or reduce interest accrued on rates and charges if the person complies with the agreement.

Procedures

The following procedures will be followed with all financial hardship concessions:

- Any mutually acceptable repayment schedules have a maximum 12 month term.
- All repayment schedules are to be reviewed at the end of each 6 month period and upon the raising of further rates and charges.
- Any future rates and charges raised against a property are due and payable on the due dates.
- *Interest is charged and then written off where a repayment schedule is adhered to and the arrangement provides for the accrued interest to be waived.*
- Where a scheduled repayment default occurs, the levying of interest charges are to be reactivated from the last payment made in accordance with the repayment schedule.
- Where an applicant does not complete an application form, or does not provide sufficient information to enable a determination, the application shall be refused.

Amount of Hardship Concession

The type and amount of hardship concession will be determined on the merits of the particular application but will be limited to:

- Entering into a mutually acceptable repayment schedule.
- Waiving of interest charges that would otherwise be applicable during the period of a mutually acceptable repayment agreement.
- The *Local Government Act 1993* does not provide for the writing off of Rates on financial hardship grounds.

3 Applications for Financial Hardship

The completed application form must be returned to Council within 14 days. A Rates Review Committee comprising the Director of Corporate & Information Services, the Rates and Revenue Coordinator and the Financial Accountant shall consider each case on its particular merit, and make a recommendation within 14 days of receipt for determination by the General Manager. The applicant will be advised in writing of the determination.

A determination under this policy will be assessed against information provided by the applicant. Supporting documentation may include, but is not limited to:

- Reasons why the person was unable to pay the rates and charges when they became due and payable
- Copy of bank and other financial institution statements for all accounts.
- Details of all income and expenditure (monthly budget analysis).
- Letter from a recognised financial counsellor or financial planner confirming financial hardship and advising of what procedures have been put in place to remedy the situation.

4 Policy Review

To be reviewed by 25 March 2016.

5 Version Control and Change History

Version Control	Date Effective	Approved By	Amendment
1	25 March 2014	Council	
2			