



Council Policy Manual

FINANCIAL HARDSHIP

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Relevant delegations	
Responsible Directorate	
Responsible officer	



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Objective

To determine the process for considering applications of financial hardship in payment of rates and charges (including water, sewerage, waste and stormwater).

Policy

The Policy - Financial Hardship is to establish provisions to assist in the application of financial hardship that may be experienced by ratepayers in the payment of rates and charges.

A Financial Hardship application if approved and an arrangement for payment adhered to, may result in any of the following:

- Interest not being charged on arrears for a set period of time.
- Write-off interest on rates and charges already incurred either in full or part.
- An arrangement for payment of outstanding rates and/or charges.
- Any combination of the above.

This policy is to apply in dealing with all applications concerning financial hardship to ensure consistency.

Hardship Provisions

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

Section 601 of the Local Government Act 1993 provides for ratepayers who incur a rate increase in the first year following a revaluation of land values to apply to Council for rate relief if the increase in the amount of rates payable would cause them substantial hardship.

In such circumstances Council has the discretion to waive, reduce or defer the payment of the whole or any part of the increase in the amount of the rate payable for such period and subject to such conditions that Council deems appropriate.

Application Conditions/Procedure

- The property for which the financial hardship relates to is the principal place of residence of the applicant.
- That financial hardship is genuine and can be displayed.



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- A dated and signed written request is to be made to Council outlining the reason for applying for financial hardship and the duration of time the financial hardship may apply.
- Supporting documentation is to be provided with the written request. The documentation may include:
 - Monthly expenditure – details of income and expenditure
 - Copies of most recent bank statements.
 - Centrelink information
 - Other information that supports hardship claim.

Council may request further supporting documentation to determine the ratepayers financial hardship status if deemed necessary.

- Council staff to provide to applicants at the time of/or prior to receipt of a financial hardship application the contact details of Government and Charity organisations who offer financial assistance.

The application will be reviewed by the Rates Officer and/or the Finance Manager and in accordance with Council policy Write-Off of Rates and Charges and the General Managers delegated authority. A recommendation to be made to the General Manager for amounts less than \$2,000, and for amounts greater than \$2,000 a report to be prepared for resolution in Closed Council to protect the applicant(s) privacy in accordance with Section 10A(2)(b) of the Local Government Act 1993.

The General Manager or Council will review the information provided and determine if financial hardship will be granted. Options available to the General Manager or Council to grant to a ratepayer are:

- Interest not being charged on arrears for a set period of time.
- Write-off interest on rates and charges already incurred either in full or part.
- An arrangement for payment of outstanding rates and/or charges.
- Any combination of the above.

Guidelines When Granting Financial Hardship

- Interest is charged and then written-off where a repayment schedule is adhered to and the arrangement provides for 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. The ratepayer will be contacted via correspondence and advised of the repayment default.

Continuing Financial Hardship

If the ratepayer continues to experience hardship after the period approved by Council has expired, a new application must be made by the ratepayer with new supporting documentation required as outlined above.



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Cancellation of Financial Hardship Arrangement

The financial hardship arrangement may be cancelled as a result of the following:

- Defaulting on a payment arrangement.
- The ratepayer no longer owns the land.
- The ratepayer advises Council that financial hardship no longer applies.
- Council receives information that the financial hardship no longer exists.

Such cancellation will be at the discretion of the General Manager.

Privacy of the Applicant

Personal information collected as a result 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 that personal information relates.

Variation

Council reserves the right to amend this Policy from time to time.