

Hardship Policy

As at September 2020



HARDSHIP POLICY

RESPONSIBILITY	Finance Section		
DATE ADOPTED	4 July 2012	MINUTE	General Manager
REVISED	September 2017	REVIEW	2021
ECM No	1352109		
ASSOCIATED POLICIES	<ul style="list-style-type: none">• Adopted Fees and Charges• Council Delegation Register		
ASSOCIATED LEGISLATION	<ul style="list-style-type: none">• <i>Local Government Act 1993</i>• <i>Local Government (General) Regulation 2005</i>• <i>Social Security Act 1991 (Comm)</i>		

1.0 Introduction

1.1 Title and Commencement

This policy is titled *Hardship Policy*. This policy was endorsed by the General Manager on 4 July 2012. The policy was last reviewed on 25 September 2020.

This policy should be reviewed within 12 months of Local Government elections and at earlier intervals, if required.

1.2 Background and Purpose of Policy

Some of Council's customers experience financial difficulties from time to time. This policy outlines how Council can assist customers experiencing difficulties in meeting their outstanding rates and debtor commitments.

1.3 Objectives of the policy

To provide financial relief to Council customers who are experiencing difficulties in meeting their outstanding rates and debtor commitments.

1.4 Coverage of the Policy

This policy applies to all customers who contact Council citing financial hardship.

1.5 Definitions

The following definitions apply to terms used in this policy:

- Date of Debt - The amount due to Council on the day an application is made including arrears and current annual instalments in any given year.
- Penalty Interest - Interest raised in accordance with the *Local Government Act 1993* and as adopted by Council within its Operational Plan.
- Rateable Valuation - Land value used for rating purposes, i.e. net of allowances allowed by Valuation of Land Act 1916 and Section 585 Local Government Act 1993.
- Administration Fees - Standard flat fee as adopted by Council in annual Fees & Charges.
- Pensioner – A person who is in receipt of a pension, benefit or allowance under the Social Security Act 1991, or the holder of a **Commonwealth Seniors Health Card**.

2.0 Policy Statement

2.1.1 Rates and Charges

Rates are levied each year in July and are payable by four instalments due at the end of August, November, February and May. Some ratepayers may experience difficulty in meeting their financial obligations at these intervals. Ratepayers may also experience long-term hardship due to varying circumstances.

Council's Hardship Policy provides for the following relief to be afforded:

- Write off interest charges on a case by case basis
- Payment of rates and charges that differ to the original four quarterly instalments
- Limited to the single property owned and occupied (jointly or not) by the applicant.

Currently, under the *Local Government Act 1993* and the *Local Government (General) Regulations 2005*, there are options available to provide assistance to ratepayers suffering from genuine financial hardship. The sections which are used on a day to day basis by Council to assist ratepayers are as follows:

- i. Hardship resulting from certain valuation changes (s 601 *Local Government Act 1993*)
- ii. Agreement as to periodic payment of rates and charges (s 564 *Local Government Act 1993*)
- iii. Procedures for writing off rates and charges (Part 131 *Local Government (General) Regulation 2005*)
- iv. Writing off of Pensioner rates and charges (s 582 and s 583 *Local Government Act 1993*)
- v. Deferral of Rates – Pensioner only

2.1.2 Assistance in accordance with s 601 of the *Local Government Act 1993*

Section 601 of the *Local Government Act 1993* provides Council with guidance in assisting a ratepayer who may experience hardship due to a valuation change to their land value. This assistance is only available when a later base date valuation is used to what has previously been used by Council for the making and levying of a rate.

Council has the discretion to waive, reduce or defer payment of any part of the increase. For a ratepayer to apply for assistance under s 601 of the *Local Government Act 1993*, Council requires the application in writing and will conduct a review on a case by case basis.

2.1.3 Assistance in accordance with s 564 of the *Local Government Act 1993*

Section 564 of the *Local Government Act 1993*, allows Council to accept payment of rates and charges differing to the original four instalments. This is the most common form of assistance elected for use by Council. A ratepayer can enter into an arrangement with Council to pay their rates weekly, fortnightly or monthly. Ratepayers should contact Council in writing or by telephone to formalise arrangements.

Section 564 also gives Council the ability to write off or reduce interest accrued on rates and charges if the ratepayer abides by an accepted arrangement.

2.1.4 Assistance in accordance with Clause 131 of the *Local Government (General) Regulations 2005*

Clause 131 of the *Local Government (General) Regulations 2005* allows a write off of rates and charges by resolution of the Council or by order in writing by the General Manager. An amount of rates and charges can be written off under this clause in the following circumstances:

- if there is an error in the assessment,
- if the amount is not lawfully recoverable,
- as a result of a decision of a court, or
- if Council or the General Manager believes an attempt to recover the amount would not be cost effective.

2.1.5 Assistance in accordance with s 582 and s 583 of the *Local Government Act 1993*

Council may waive or reduce rates, charges and interest due by any ratepayer who is in receipt of a pension, benefit or allowance under the *Social Security Act 1991*, or the holder of a **Commonwealth Seniors Health Card**. Under Clause 135 of the *Local Government (General) Regulation 2005* a ratepayer can make application for a reduction to their Council rates via a pension concession. The maximum pension concession currently offered by Council is fifty percent of the total rates and charges or a sum of two hundred and fifty dollars, whatever is the lesser amount.

2.1.6 Deferral of Rates & Charges – (Eligible Pensioners Only)

A Pensioner may apply to Council seeking deferral of payment of rates and charges which are in excess of the amount rebated on the property. Under this option, the pensioner ratepayer's annual rates and charges together with applicable accrued interest, is deferred until the property is sold or, in the event of death, the estate settled. Deferred rate applications only apply to properties owned and occupied by the applicant.

An annual rates and charges notice will continue to be issued during the duration of the deferment. The applicable annual pensioner rebate granted, along with the balance of arrears rates and the new year levy, will be disclosed on the notice as required.

The initial application requesting deferral will remain in place until withdrawn by the pensioner ratepayer.

2.2 Debtors

Council's Hardship Policy provides for the following relief:

- Due to the nature of the adopted fees and charges and other debts raised, any reduction or abandonment of a fee due to financial hardship being incurred shall be determined on an individual basis subject to Council resolution or by order in writing by the General Manager

2.3 Assessment

Persons seeking assistance with managing their payments should contact Council in the first instance to discuss their situation. Depending on the circumstances, it may be possible to agree on satisfactory arrangements during those discussions.

Applications are required to be confirmed in writing.

2.4 Approval

Approval of applications is in accordance with Council's delegations register.