



8. FINANCE

Policy 8.6

HARDSHIP POLICY

Version 3

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OBJECTIVE:

To provide assistance to ratepayers suffering financial hardship, with outstanding debts due to council and to provide an administration process to determine applications promptly.

POLICY:

A debtor who cannot pay a debt due to Council for the reason of financial hardship can apply for assistance at any time.

Each individual case will be considered on its merits. The criteria for assessment is contained in the Hardship Application form, attachment 1, including but not limited to, the following:

- The amount of any rate increase when compared to the average rate increase for the rate category
- Income from all sources
- Living expenses
- Reason for financial hardship
- Length of occupancy

The assistance provided will be determined under the legal requirements of the Local Government Act 1993.

DEFINITIONS

- LGA, 1993 - refers to the Local Government Act 1993.
- Pensioner - means an eligible pensioner as defined in clause 135 of the Local Government (General) regulations 2005.
- Hardship Application form will be used for the purpose of applying for assistance under this policy.
- Hardship Committee will review hardship applications and will include the Finance Manager and a Rating Officer.
- The workgroup will make recommendations to the Chief Financial and Information Officer (CFIO) and prepare reports to Council if amounts exceed the General Manager's delegations.

HARDSHIP PROVISIONS

The Local Government Act 1993 provides Council with three (3) options for providing assistance to ratepayers who are finding it difficult to pay their rates and charges because of financial hardship. A summary of the options is as follows:

Section 601 LGA 1993

Any ratepayer who incurs a rate increase in the first year following a revaluation of land values can apply to Council for rate relief if the increase in the amount of rates payable would cause them substantial hardship.

Council has discretion to waive, reduce or defer the payment of the whole or any part of the increase in the amount of the rate payable.

Council can set the period of time for when applications can be made under this Section.

Applications under Section 601 LGA 1993 must be made during the first year a new land value is used for rating purposes. Where an application is made in the first year, an application can also be made in subsequent years of the valuation base date.

Section 582 LGA 1993

Council can provide assistance to pensioners under this Section. Council may defer payment of all or part of the rates and charges payable after rebates have been deducted.

Sections 564 and 567 LGA 1993

Council can enter into payment agreements with rate payers, who cannot meet their normal instalment payments as provided by the LGA 1993.

- Council will provide an application form for the purpose of applying for assistance
- The Hardship Committee will review the application and recommend to the CFIO any offer of assistance as provided by the Local Government Act 1993 having regard to the circumstances of the applicant
- The CFIO can approve or not approve the Committee's recommendation
- The ratepayer will be informed of Council's decision in writing and if not satisfied with the outcome can request the Council to reconsider its decision
- After the Council considers the application and makes a decision the ratepayer has no further right to appeal.

Delegated Officers of Council can enter into payment agreements with ratepayers (Sections 564 and 567 LGA 1993).

Accrued interest on rates and charges may be written off where payment of the accrued interest would cause the person hardship. The Hardship Committee may request the ratepayer to come to an interview if it is necessary to understand the issues causing hardship.

HARDSHIP RESULTING FROM A GENERAL REVALUATION GOVERNMENT AREA

In accordance with Section 601 of the Local Government Act a rate payer that suffers substantial hardship as the consequence of the making and levying of a rate on the most recent valuation, may apply to Council for relief. Assistance is only available in the first year new valuations are used to calculate rates. The criteria used to determine eligibility are:

- The rates payable must be more than 5% of the gross household income
- The applicant must be an owner and an occupier of the property to which the rates relate and the dwelling must be the applicants sole or principle place of living

- The ordinary rate increase must be more in percentage terms than the amount determined by Council at each revaluation. The ordinary rate increase is calculated as the ordinary rates payable for the new rating year (being the first year in which revaluations are used) minus the ordinary rates payable in the previous rating year increased by the allowed rate pegging increase for the year
- The maximum amount of assistance in aggregate for all ratepayers is \$20,000.

Only applications on the approved Hardship Application form, attachment 1, with certified supporting documentation will be considered. Applications with insufficient documentation will be referred back to the applicant. Completed applications will be assessed within 10 working days from lodgement with Council. Applications will be considered by the Hardship Committee. A ratepayer dissatisfied with a decision of the CFIO may have that decision reviewed by the General Manager . If an application is refused, the applicant will be provided with reasons for such refusal by the CFIO. Applicants may appeal, in writing, to the General Manager.

PRIVACY

Privacy in relation to any consideration of hardship will be preserved in accordance with Council's Privacy Management Plan.

ATTACHMENTS

- 1 Hardship Application Form

Maintained by Department:	Corporate & Community	Approved by:	Council		
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