

Policy No. 2.10



Name of Policy:	Hardship Policy
Date of Adoption by Council:	15 October 2014
Last Review Date:	New Policy
Review Timeframe:	Annually or as required
Next Scheduled Review Date:	15 October 2015
Related Legislation:	Local Government Act 1993 Local Government (General) Regulation 2005
Associated Policies/ Documents:	Gloucester Shire Council Debt Recovery Procedure Abandonments Register Hardship Rate Relief Application Form
Responsible Officer:	General Manager

OBJECTIVES

Council recognises that from time to time some ratepayers may experience difficulty in paying their rates and charges.

This policy aims to:

- Provide financial assistance to ratepayers who are experiencing genuine financial hardship with the payment of rates and charges.
- Provide a decision making framework for the appropriate assessment of all financial hardship applications.
- Fulfill the statutory requirements of the *Local Government Act 1993* and other relevant legislation in relation to the waiving or reduction of rates due to hardship.

General Principles

Council is committed to the following principles when considering an application of financial hardship with regard to the payment of rates and charges:

- Application of the principles of social justice, fairness and integrity

- Compliance with relevant statutory legislation
- Respect for the privacy of individuals

1. Definitions

In this Policy:

“Council” means the Gloucester Shire Council.

“Financial Hardship” means a situation where a customer is unable, reasonably, because of illness, unemployment or other reasonable cause, to discharge their financial obligation to Council, however they reasonably expect to be able to do so with adjustments to their payment obligations. Financial Hardship can be of limited or long term duration.

“Rateable person/Ratepayer” – includes the Crown in respect of rateable land owned by the Crown and means:

- An owner in any case where the *Local Government Act 1993*, provides that a rate is to be paid to the Gloucester Shire Council by the owner, and
- A holder of a lease in any case where the *Local Government Act 1993*, provides that a rate is to be paid to the Council by the holder of the lease.

“LGA” means the *NSW Local Government Act 1993*.

“Payment arrangement” means a duly signed agreement between Council and the ratepayer formalising a periodic payment plan in order to satisfy financial obligations to Council. If the ratepayer defaults on the payment arrangement, the arrangement is deemed void.

1. Introduction

To establish guidelines for the General Manager and staff when dealing with ratepayers, suffering genuine financial hardship, with the payment of their rates and charges.

2. Application

This Policy applies to an owner or part owner that is suffering financial hardship and their rate assessment is categorised as “Residential” or “Farmland” for the purpose of rating as per the *Local Government Act 1993*.

3. Principles

3.1 Procedural Statement

Council recognises there are cases of genuine financial hardship requiring respect and compassion in special circumstances. This Policy establishes guidelines for assessment of a hardship application applying the principles of fairness, integrity, confidentially

and compliance with statutory requirements. It applies to all applications for waiving, alternative payment arrangements or writing off rates, annual charges and interest accrued on such debts.

The General Manager has the delegated authority to assess applications due to hardship and payment arrangement plans from any customer after receiving a written request and in cases of genuine hardship in accordance with Council's adopted policy.

3.2 Assistance by Periodic Payment Arrangements

Section 564 of the Local Government Act provides that Council may enter into a formal agreement with a ratepayer eligible for alternative periodic payments for due and payable rates and charges.

Under *Section 568* of the Local Government Act, payments will be applied towards the payment of rates and charges in the order in which they became due.

4. Hardship Assistance

4.1 Assistance by writing off accrued interest and costs

Accrued interest on rates or charges payable by a person may be written off under *Section 567* of the *Local Government Act 1993*, if

- The person was unable to pay the rates or charge when they became due for reasons beyond the person's control, or
- The person is unable to pay accrued interest for reasons beyond the person's control, or
- Payment of the accrued interest would cause the person hardship.
- A pensioner meets the eligibility criteria as detailed in clause 6 of this policy

4.2 Assistance to extend pensioner concession to avoid hardship

Section 577 of the *Local Government Act, 1993* enables Council to make an order deeming certain persons who are jointly liable with an eligible pensioner(s) or solely liable, but who are not themselves eligible, to be eligible pensioners for the purpose of a mandatory reduction in rates and charges to avoid hardship.

4.3 Assessment Process

In cases of genuine hardship each case is to be referred to Council for consideration in accordance with Council's adopted policy.

Application for Hardship must be received in writing on the approved Hardship Rate Relief Application Form. Council may also request the ratepayer attend an interview to

assist Council in the understanding of the issues causing hardship.

In determining eligibility, Council will use the criteria used by Centrelink for granting of a pensioner concession, including the assets and income test.

- a) The applicant must be the owner or part owner of the property and be liable for the payment of rates and charges on the property.
- b) The property for which the hardship application applies must be the principal place of residency of the applicant(s).
- c) The property for which the hardship application applies must be categorised as "Residential" or "Farmland" for rating purposes.
- d) The application for hardship must be accompanied with supporting documentation which 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 recent bank statements for all accounts
 - Details of income and expenditure
 - Letter from a recognised financial counselor or financial planner confirming financial hardship.
- e) The General Manager has the delegated authority to assess all applications from any customer after receiving a written request.

5. Assistance to Pensioner Ratepayers

For the purpose of this policy, a pensioner ratepayer is one who meets the requirements of section 575 of the Local Government Act 1993.

Pensioner ratepayers will be assisted in keeping their rate accounts current by waiving any interest charges raised during the year provided their account has no arrears of rates and charges owing as at the first day of the rating year (i.e. 1st July) and the current years rates and charges are all paid by the last day of the rating year (i.e. 30th June).

6. Assistance due to General Revaluation of the Local Government Area

With respect to *Section 601 of the Local Government Act, 1993* (valuation changes), Council will not consider hardship applications under this provision, as valuations are independently determined by the NSW Valuer General. Council will support aggrieved ratepayers to make an appropriate application under the appeal provisions of the *NSW Valuation of Land Act 1916*.

7. Reporting

Any Council rates and charges, accrued interest charges or legal costs reduced or waived under this policy will be detailed in the Abandonments Register. Overall

details of all write-offs shall be provided in Council's Annual Report.

8. Relevant Legislation

Local Government Act, 1993

Local Government (General) Regulation 2005

9. Related and Associated Council Policy and Procedures

- Gloucester Shire Council Debt Recovery Procedure
- Abandonments Register
- Hardship Rate Relief Application Form