



Attachment 7: Hardship Policy

HARDSHIP

GOV0063

WOLLONDILLY SHIRE COUNCIL POLICY

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HARDSHIP

1. POLICY OBJECTIVES

- 1.1 This policy is to establish the circumstances in which Council may provide relief to ratepayers and sundry debtors suffering substantial financial hardship.

2. BACKGROUND

- 2.1 This policy details the legislative provisions within the Local Government Act 1993 under which Council may provide relief to ratepayers and other debtors suffering financial hardship.
- 2.2 Prior to the adoption of this policy, Council simply followed the legislative provisions when assessing claims for relief. This policy now formalises those requirements.

3. ELIGIBILITY

- 3.1 This policy applies to the Finance Officer, Revenue Team Co-ordinator, Executive Management and the General Manager.

4. GUIDELINES

Part 1 – Rates and Charges

- 4.1 Due to varying circumstances Ratepayers may experience long-term hardship which prevents them meeting their financial obligations.

Council's Hardship Policy provides the following relief:

- Write-off of interest charges accrued over a period of twelve months from the date of debt, subject to the debt being paid in the agreed period.
- Reduce interest by one-half over a period of eighteen months on ratepayer accounts where significant changes to the rateable valuation of land have resulted in financial hardship.
- Limited to the single property owned and occupied (jointly or not) by the applicant.

There are options available to provide assistance to ratepayers suffering from genuine financial hardship under the Local Government Act 1993 and the Local Government (General) Regulations 2005. The sections which are used by Council to assist ratepayers are as follows:

- Hardship resulting from certain valuation changes (s 601 Local Government Act 1993)
- Writing off of Pensioner rates and charges (s 582 and s 583 Local Government Act 1993)

- Agreement as to periodic payment of rates and charges (s 564 Local Government Act 1993)
- Writing off accrued interest (s 567 Local Government Act 1993)

4.2 Assistance under Section 601 of the 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. In these cases Council has the discretion to waive, reduce or defer whole or part of the payment of any part of the increase.

Applications must be made in writing within the first year of a new land revaluation being used by Council. If an application is made during the first year then subsequent applications under that valuation base date may be considered.

4.3 Assistance under Sections 582 & 583 of the LGA 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. 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 Ratepayers domestic waste charge plus a sum of two hundred and fifty dollars being the standard Government rebate.

4.4 Assistance under Section 564 of the LGA 1993

Council may accept payment of rates and charges that differ from the quarterly instalments under S 564 of the Local Government Act 1993. A ratepayer can enter into an arrangement with Council to pay their rates weekly, fortnightly or monthly. Council offers the availability for these arrangements to be set up through direct debit to further assist the ratepayer in making the agreed payments on the agreed dates. Council requests all such arrangements to be formalised in writing. The full guidelines for arrangements under S564 can be found in the Debt Recovery Policy.

4.5 Assistance under Section 567 of the LGA 1993

If payment of accrued interest would cause the Ratepayer hardship then Council may consider writing off any accrued interest or deferring interest for a period of up to 12 months. The Ratepayer may be requested to attend an interview to determine whether they are eligible for relief and for Council to understand the issues causing hardship. Each application will be dealt with on a case by case basis.

Part 2 – Sundry Debtors

- 4.6 If hardship is determined then a payment plan may be arranged to clear the debt within a timeframe of two (2) years.

In exceptional circumstances (and subject to the requirements of Council's debt Recovery Policy), debts may be written off. This only applies when the sundry debtor is an eligible pensioner. Each application will be dealt with on a case by case basis and the sundry debtor may have to attend an interview and provide full financial details.

Part 3 – Assessment

- 4.7 The first point of contact should be Council's Finance Officer or Revenue Team Co-ordinator to discuss each individual case and try to arrange a satisfactory arrangement in the short term. Under S56 & 567 LGA 1993 delegated officers of Council can enter into payment agreements.
- 4.8 Where it becomes evident that relief sought is of a long term nature, or will involve a more complex review of the circumstances, then a written letter is required from the applicant stating reasons for their application, the hardship they are experiencing and thorough details of their financial situation including all income and expenditure. Once received, the request and financial details will be thoroughly assessed by Executive Management and if needed, discussed with the applicant. The Ratepayer will be advised of the outcome in writing. If the Ratepayer/Debtor is not satisfied with the outcome, they can request Council reconsider its decision. The application passes to the General Manager who can abide by or overturn the original decision. Following this decision the Ratepayer/Debtor has no further right to appeal.

5. RESPONSIBILITY/ACCOUNTABILITY

- 5.1 Applications for hardship relief should be referred to the Finance Officer or Revenue Team Co-ordinator in the first instance. All applications will be assessed by Executive Management and referred to the General Manager for reconsideration if needed.

6. RELATED POLICIES

- 6.1 Debt Recovery Policy (GOV0025)

7. RELATED PROCEDURES

- 7.1 Nil

8. RELATED LEGISLATION

- 8.1 Local Government (General) Regulation 2005 – Part 5
- 8.2 The following Sections of the Local Government Act 1993
- Section 56
 - Section 567
 - Section 577
 - Section 582
 - Section 583
 - Section 601

9. ATTACHMENTS

9.1 Nil

10. RESOURCES

10.1 Division of Local Government

10.2 Consultation with other Councils Revenue departments

10.3 Local Government Act 1993

11. IMPLEMENTATION STATEMENT

11.1 To ensure this policy is implemented effectively, Council will employ a variety of strategies involving awareness, education and training. These strategies will be aimed at Councillors, staff and council representatives and will involve:

11.1.1 The draft policy has been discussed with Council's Executive Committee

11.1.2 Information sessions will be conducted with relevant staff regarding the requirements of the draft policy.