

Wagga Wagga City Council

FINANCIAL HARDSHIP POLICY

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RESPONSIBLE DIRECTOR:		Director Corporate Services	
RESPONSIBLE MANAGER		Manager Finance	

PART 1: INTRODUCTION

Council's Financial Hardship Policy is to provide a formal process for the administration of assisting those ratepayers who are experiencing genuine financial hardship with the payment of their rates and/or charges.

1.1 Legislation

Section 564 of the *Local Government Act 1993*, as amended, affords Council the power to accept payment of rates and charges due and payable by a person in accordance with an agreement made with the person and also to write off or reduce interest accrued on rates or charges if the person complies with the agreement.

Section 567 of the *Local Government Act 1993*, as amended, affords Council the power 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 582 of the *Local Government Act 1993*, as amended, affords Council the power to waive or reduce rates, charges and interest due by any person prescribed by the regulations who is in receipt of a pension, benefit or allowance under the *Social Security Act 1991* of the Commonwealth.

Section 601 of the *Local Government Act 1993*, as amended, 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.

1.2 Policy Objectives

To provide a formal process for the administration of assisting those ratepayers who are experiencing genuine financial hardship with the payment of their rates and/or charges.

To fulfil the statutory requirements of the Local Government Act with respect to hardship applications.

1.3 Policy Implementation Guidelines

This policy will be implemented through the provisions contained in the policy, including departmental advice relating to special variations and rate pegging limits and any developed guidelines that may exist from time to time.

1.4 Scope of Policy

This policy applies to any ratepayer that is experiencing financial hardship with respect to the payment of rates and/or charges.

1.5 Definitions

The following conditions apply to all applications under this policy:

- That the property for which the hardship application applies is the principal place of residency or occupancy of the applicant;
- That the actual hardship exists;
- That rates payable (net of pensioner concession) must be more than 6% of the gross income.
- That a mutually acceptable repayment schedule, maximum 2 year term, is devised, it is to be reviewed if greater than 1 year, at the end of the first financial year or upon the raising of further rates and charges, to incorporate those future rates and charges levied against the property;

OR any future rates and charges raised against the property are due and payable on the due dates.

- That interest is charged, and then written off where a repayment schedule is adhered to;
- That where a default occurs in relation to the repayment schedule, the levying of interest charges are to be reactivated from the last payment made in accordance with the repayment schedule.
- That where a mutually acceptable repayment schedule enables full settlement of the debt prior to the end of the current financial year then the requirement for a letter confirming financial hardship from a recognised financial counsellor may be waived at the discretion of the Council's Manager Financial Services;
- That where a mutually acceptable repayment schedule does not enable full settlement of the debt prior to the end of the current financial year then copies of relevant supporting documentation is required.

The following are examples of situations that could cause financial hardship:

- In the case of loss of employment, causing loss of normal income, which renders or rendered the payment defaulter unable to meet payments for a specified period.
- In the case of death, terminal illness, illness or injury causing loss of normal income, which renders or rendered the payment defaulter unable to meet payments and is evidenced by a medical certificate and proof of loss of normal income.
- In the case of serious accident causing loss of normal income, which renders or rendered the payment defaulter unable to meet payments and is evidenced by a medical certificate and proof of loss of normal income?

- In the case of a natural disaster (*bushfire, flooding, drought, etc*) causing loss of normal income, which renders or rendered the payment defaulter unable to meet payments for a specified period?
- If, in the opinion of the Council or General Manager, that the payment defaulter would experience personal hardship or be placed in a position beyond their reasonable control if the consideration were not granted.

1.6 Reporting Requirements

Monthly reports are to be generated by Revenue/Rates Sections and forwarded to Finance Manager.

1.7 Approval Arrangements

All applications are to be reviewed by Rates Coordinator and/or Revenue Supervisor and final approval agreed upon by Finance Manager.

1.8 Review procedures

All applications are to be reviewed on a monthly basis by Rates Coordinator and/or Revenue Supervisor in order to ensure all agreements and payment schedules are kept. Finance Manager to be advised of any defaulters and appropriate action taken.

PART 2: POLICY CONTENT

2.1 General Provisions

To apply for the financial hardship concession a ratepayer must submit a completed approved application form together with the required supporting documentation, as listed below.

All applications for hardship and will be assessed against financial data provided by the applicant which will include:

- Copy of recent bank statements for all accounts
- Details of all income and expenditure (monthly budget analysis)
- Letter confirming financial hardship from a recognised financial counsellor

2.2 Specific Provisions

Section 601 applications

All applications for hardship caused through revaluation must be received within 2 months of the due date for payment of the first instalment notice where the new valuation has taken effect.

For hardship on the basis of revaluation the rates payable for the year must have increased by more than the rate pegging limit or special variation amount granted by the Department of Local Government.