

Policy: FINANCIAL HARDSHIP

GOV-POL-28

Service: Governance

Responsible Officer: Director Corporate and Community Services

1. OBJECTIVE

To provide a framework for assistance to ratepayers experiencing financial hardship.

2. DEFINITION

For the purposes of this policy 'Financial Hardship' is deemed to be the inability of a person(s) to afford to pay rates, charges or debts owing to Council, rather than an unwillingness to do so.

3. ELIGIBILITY

A ratepayer is eligible for assistance if it is assessed that the person(s) is suffering financial hardship. Financial hardship may arise from, but is not limited to:

- a) loss of employment by a ratepayer or family member upon whom the ratepayer relies on for financial support;
- b) family breakdown;
- c) illness of the ratepayer or family member;
- d) death in the family; or
- e) loss of income due to natural disasters.

4. ASSISTANCE OPTIONS

The *Local Government Act 1993* gives Council three options for providing assistance to ratepayers who are finding it difficult to pay their rates and charges because of financial hardship. These options are as follows.

4.1 Sections 564 and 567 – Agreement as to periodical payment of rates and charges and writing off accrued interest

Council can enter into payment arrangements with ratepayers who cannot meet their normal instalment payments and may write off interest charges.

4.2 Section 582 – Abandonment of pensioners rates and charges

Council can provide assistance to pensioners under this section. Council may defer, reduce or waive payment of all or part of the rates and charges payable after rebates have been deducted. Rates and charges deferred under this section will still accrue interest and will become a charge against the land.

4.3 Section 601 – Hardship resulting from certain valuation changes

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 the rates payable would cause them substantial financial hardship.

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 and can set the period of time for when applications can be made under this section.

Applications under this section 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.

5. APPLICATION AND ASSESSMENT

Applications must be submitted to the General Manager on the form available from Council with all relevant evidence attached. The General Manager will assess each application on its merits taking into account a range of criteria including:

Document No: GOV-POL-28	Created/Revised: 16/12/2015	Review date: December 2019
Version No: 1	Author: Director Corporate & Community Services	Doc Type: 30
File Name: Financial Hardship	Approved By: Council Meeting 16/12/2015	

- a) the amount of any rate increase when compared to the average rate increase for the rate category;
- b) the amount of rates levied compared to the average rate of the rate category;
- c) income from all sources;
- d) living expenses;
- e) reason for financial hardship; and
- f) length of occupancy.

6. DETERMINATION

The General Manager will make a recommendation to Council which will make a determination in respect of each application.

The ratepayer will be informed of Council's decision in writing and if not satisfied with the outcome, can request Council to reconsider its decision. The ratepayer has no further right of appeal after Council reconsiders its original decision.

The ratepayer must enter into a written agreement to pay the outstanding amounts. Failure to do so would initiate Council's debt recovery process.

7. WITHDRAWAL OF ASSISTANCE

Financial hardship assistance may be withdrawn by Council at the discretion of the General Manager for any of the following reasons.

- a) The ratepayer no longer owns the land
- b) The ratepayer advises Council that hardship no longer applies
- c) The ratepayer defaults on the payment agreement
- d) Council receives new information that proves the hardship no longer exists

8. REFERENCE DOCUMENTS/LEGISLATION

FS-POL-3 Debt Recovery
FM-POL-5 Pensioner Rebates
Local Government Act 1993

HISTORY

<i>Minute No</i>	<i>Date of Issue</i>	<i>Action</i>	<i>Author</i>	<i>Checked By</i>
344	16 December 2015	Written	Sheri Norton	Council Meeting