



Financial Hardship Policy

Purpose

The purpose of this policy is to:

reflect Glen Innes Severn Council's ongoing support for community members experiencing financial difficulties. It provides clear and caring guidance for reviewing hardship applications, focusing on fairness, respect, compassion, privacy, and meeting all statutory obligations.

Applicability

This policy applies to any person or organisation owing rates, charges, fees or other debts to the Council. This policy applies to all applications for waiving, deferment and alternative payment arrangements, or the writing off of rates, fees, charges and interest accrued on such debts.

Outcomes

Council acknowledges that due to exceptional circumstances, ratepayers may at times encounter difficulty in paying their rates and charges. The *Local Government Act 1993* allows Council to provide a range of measures to assist those ratepayers.

This policy describes the procedures to be followed in providing financial assistance and meaningful relief to those ratepayers who are suffering genuine financial hardship with the payment of their rates and charges.

Roles and Responsibilities

1. The General Manager is responsible for the overall implementation of this policy;
2. The Chief Financial Officer and Rates Officer have oversight of the operational processes associated with this policy;
3. Delegated Officers of Council can enter into payment arrangements with ratepayers and write off interest charges (sections 564 and 567 of the *Local Government Act 1993*).

Definitions

Term	Definition
Ratepayer	<p>Includes the Crown in respect to rateable land owned by the Crown and means:</p> <ul style="list-style-type: none"> (a) an owner in any case where the <i>Local Government Act 1993</i> provides that a rate is to be paid to the Council by the owner and (b) a holder of a lease in any case where the <i>Local Government Act 1993</i> provides that a rate is to be paid to the Council by the holder of the lease.
Pensioner	An eligible pensioner in regulation 134 of the <i>Local Government (General) Regulations 2021 (NSW)</i> .
Hardship Committee	Consists of staff members drawn from the Finance and Leadership teams.

Hardship Criteria

The criteria for assessment of hardship will be, but is not limited to, the following:

- The applicant must be the owner/spouse or part owner of the property and be liable for the payment of the rates on the property;
- That the property for which the hardship application relates is the principal place of residence of the applicant, or forms part of a farming property – which is the principal place of residence of the applicant;
- The property for which the hardship application applies must be categorised as “Residential” or “Farmland” for rating purposes – to avoid confusion this includes all residential sub-categories including “Residential Non-Urban;”
- That the actual hardship exists and is genuine – which includes assisting Residential and Farmland properties affected by the Special Rate Variation
 - where hardship exists;
- Applications for hardship relief that do not relate to Residential or Farmland assessments are to be dealt with under the Debt Recovery Policy.
- The debt must be overdue.

Policy Statement

This Policy establishes an accountable, effective, and clear framework for how Council considers requests for financial hardship relief. The policy has been formulated under the following principles:

- Council will treat all people fairly and consistently under this policy;
- Council will consider all matters under this policy confidentially;
- Council will consider each individual case based on its merits;
- Council will treat people with respect and compassion in considering their circumstances.

APPLICATION

The application for Hardship Rate Assistance must be made on the appropriate form.

A determination under this policy will be assessed against information provided by the applicant. Supporting documentation may include, but is not limited to:

- Reasons why the person was / will be unable to pay the rates and charges when they became due and payable;
- Copy of bank and other financial institution statements for all accounts;
- Details of all income and expenditure (monthly budget analysis)
- A balance sheet, specifying assets and liabilities; or a
- Letter from a recognised financial counsellor or financial planner confirming financial hardship and advising of what procedures have been put in place to remedy the situation if it outlines the above details.

PAYMENT ARRANGEMENTS

Section 564 of the *Local Government Act 1993* provides Council with an option to accept payment of rates and charges due and payable in accordance with an agreement made with the person and also to write off or reduce interest accrued on rates and charges if the person complies with the agreement. Payment arrangements are to be dealt with in accordance with the Debt Recovery Policy.

The following procedures will apply in respect of a payment arrangement for a person deemed to be suffering hardship because of a rate or charge:

PROCEDURES

The following procedures are to be read in conjunction with the Debt Recovery Policy and will be followed with all financial hardship concessions:

- Any mutually acceptable repayment schedules have a maximum of a twelve (12) month term, which may be extended to two (2) years in exceptional circumstances.
Exceptional circumstances refer to deeply challenging situations, such as the loss of a loved one, serious injury, or any condition that causes significant hardship or incapacity.
- It is the responsibility of the applicant to advise Council of any changes in the applicant's circumstances which may affect the applicant's ability to honour the payment arrangement;
- Where an applicant cannot honour a payment arrangement for a short period, for example one (1) or two (2) payments, Council will where reasonable, accommodate an applicant where an applicant has shown a commitment to extinguishing the debt;
- To better support you, all repayment schedules will be reviewed every six (6) months, as well as in response to any changes in rates or charges.
- Any future rates and charges levied against a property are due and payable on the due dates;
- Interest is charged and then written off where a repayment plan is adhered to and the arrangement provides for the accrued interest to be waived;
- Where a scheduled repayment default occurs, the levying of interest charges is to be re-activated from the last payment made in accordance with the repayment schedule;
- A payment defaulter having a history of more than two (2) incidents of payment default shall be deemed to be a person not exhibiting a genuine commitment to extinguish the debt;
- Where the applicant has not completed the required application form, we will return it to them along with clear instructions on what needs to be finished, giving them the opportunity to provide all necessary details for the assessment process.

AMOUNT OF HARDSHIP CONCESSION

The type and amount of the hardship concession will be determined on the merits of the particular application but will be limited to:

- Entering into a mutually acceptable repayment schedule;
- Waiving of interest charges that would otherwise be applicable during the period of a mutually acceptable repayment agreement;

- *The Local Government Act 1993 does not provide for the writing off of rates on financial hardship grounds.*

PRIVACY

Personal information collected under this policy will only be used for the purpose of assessing eligibility in accordance with the policy and will not be used for any other purpose or disclosed to, unless Council is required by law to do so or authorised to do so by the person to whom that personal information relates.

IMPLEMENTATION/ COMMUNICATION

It will be the responsibility of the Chief Financial Officer to induct staff into this Policy where required. Revised versions of the Policy that contain significant changes will be communicated to all relevant staff by the Chief Financial Officer.

Legislation And Supporting Documents

Relevant Legislation, Regulations and Industry Standards include:

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 as provided by the *Local Government Act 1993* and may write off interest charges.

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.

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;
- Council can set the period of time for when applications can be made under this section;

- Applications under section 601 of the *Local Government Act 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.
- Office of Local Government, Debt Management and Hardship Guidelines.

Relevant Council Policies and Procedures include:

- Debt Recovery Policy,
- Rates – Pensioner Concession Policy

Variation And Review

The Rates Financial Hardship Policy will be reviewed every three (3) years, or earlier if deemed necessary, to ensure that it meets the requirements of legislation and the needs of Council. The term of the Policy does not expire on the review date, but will continue in force until superseded, rescinded or varied either by legislation or a new resolution of Council.

Special Rate Variation (SRV) Review

This policy will be reviewed at the time of any implementation of a Special Rate Variation (SRV), ensuring that the support measures provided are responsive, fair, and considerate of individual circumstances.

Appendix A

Document Control/Authorisation

Responsible Officer	Chief Financial Officer				
Reviewed By	Council				
Review Due Date	April 2028				
Version Number	5.0				
Versions	Date	Resolution Number	Description of Amendments	Author / Editor	Approved / Adopted By
5	25/09/2025	11.09/25	Updated language, changing criteria- deletion for the need for statutory declaration	MG	Council
4	22/5/2025	10.05/25	Reformatted to current template	MG	Council
3	24/9/2020	18.09/20			
2	28/9/2017	13.09/17			
1	24/7/2014	6.07/14	Original document		Council