



## GUNDAGAI SHIRE COUNCIL

### HARDSHIP POLICY

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#### 1. POLICY 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, confidentiality and compliance with statutory requirements. It applies to all applications for waiving, alternative payment arrangements or writing off rates, fees, 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 each case is to be referred to Council for consideration in accordance with Council's adopted policy.

#### 2. OBJECTIVES

- 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.
- To fulfill the statutory requirements of the Local Government Act, 1993 with respect to the ability to grant provision and give special consideration to ratepayers subject to financial hardship.

#### 3. HARDSHIP ASSISTANCE

##### **Assistance by Periodical Payment Arrangements**

Section 564 of the Local Government Act provides that Council may enter into a formal agreement with a ratepayer eligible for alternative periodical payments for due and payable rates and charges. A periodical payment agreement will be offered in accordance with Council's Debt Recovery Policy.

In accordance with Section 568 of the Local Government Act 1993, payments will be applied towards the payment of rates and charges in the order in which they became due.

##### **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:

- 1) The person was unable to pay the rates or charges when they became due for reasons beyond the person's control,
- 2) The person is unable to pay accrued interest for reasons beyond the person's control, or
- 3) Payment of the accrued interest would cause the person hardship.

##### **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.

#### **Assistance due to General Revaluation of the Local Government Area**

Section 601 of the Local Government Act, 1993 provides that where any ratepayer who suffers substantial hardship as the consequence of the making and levying of a rate following a new valuation, may apply to Council for rate relief. Assistance is only available in the first year new valuations are used to calculate a rate.

Section 601 (2) of the Local Government Act, 1993 provides that the council has a discretion to waive, reduce or defer the payment of the whole or any part of the increase in the amount of the rate payable by the ratepayer in such circumstances, for such period and subject to such conditions as it thinks fit.

#### **4. ASSESSMENT PROCESS**

In cases of genuine hardship each case is to be referred to Council for consideration in accordance with Councils 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.

- 1) The applicant must be the owner or part owner of the property and be liable for the payment of rates on the property.
- 2) The property for which the hardship application applies must be the principal place of residency of the applicant/s if categorised as "Residential" for rating purposes.
- 3) The property for which the hardship application applies must be categorised as "Residential" or "Farmland" for rating purposes.
- 4) 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 counsellor or financial planner confirming financial hardship.
- 5) The General Manager has the delegated authority to assess all applications from any customer after receiving a written request.

#### **5. ATTACHMENT**

Hardship Rate Relief Application Form

#### **6. REVIEW**

This policy will be reviewed as required and may be amended from time to time with reference to any relevant legislation, best practice guides, or other factors.

Adoption Date	8 <sup>th</sup> October 2013
Resolution No.	397
Related Documents	Debt Recovery Policy
Responsible Officer	Director of Administration & Finance