

**ANNEXURE 8  
HARDSHIP  
POLICY -  
Annexure Hardship  
Policy**



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<b>Policy/Code Title:</b>	Policy – Hardship Policy
<b>Policy/Code Number:</b>	P0007.001
<b>Directorate:</b>	Governance and Corporate Services
<b>Department:</b>	Finance
<b>Strategic Category:</b>	An innovative and efficient Council (6)
<b>Strategic Sub-Category:</b>	6.1. Kogarah City Council is a leading, responsive, innovative, efficient and accountable organisation that effectively manages its finances and assets.
<b>Responsible Officer:</b>	Rates Coordinator
<b>Relevant Legislation:</b>	Local Government Act 1993 (s564, s566, s567, s601 and s601E)
<b>Adoption / Revision / Amendment Date:</b>	<b>27 October 2009</b>
<b>Resolution Number:</b>	N/A
<b>Amendment History:</b>	N/A
<b>Review Year:</b>	October 2012

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**Policy Purpose/ Objective**

The purpose of this policy is to provide a framework for assessment of customers who are experiencing difficulties in meeting their commitments in Rates, Debtors and other Fees and Charges.

The objective is to provide financial relief to customers of Council experiencing difficulties in meeting their commitments in Rates, Debtors and other Fees and Charges.

**Note:** Policy details may change prior to review date due to legislative changes etc, therefore this document is uncontrolled when printed.

## **Policy Statement**

### **1. Introduction / Background**

Kogarah Council has developed this policy to provide a framework for assessment of customers who are experiencing difficulties in meeting their commitments in Rates, Debtors and other Fees and Charges and to provide financial relief to these customers.

This policy will help maintain or reduce the amount / percentage of outstanding debts with Council through providing a formal customer assistance program.

### **2. Definitions of Terms**

**Date of Debt** - The amount due to Council on the day an application is made including arrears and current annual instalments in any given year.

**Penalty Interest** - Interest raised in accordance with the Local Government Act, 1993 and as adopted by Council within its Management Plan.

**Rateable Valuation** - Land value used for rating purposes, i.e. net of allowances allowed by Valuation of Land Act, 1916 and Local Government Act, 1993 - Section 585.

**Administration Fees** - Standard flat fee as adopted by Council in annual Fees and Charges.

### **3. Purpose**

The purpose of this policy is to provide a framework for assessment of customers who are experiencing difficulties in meeting their commitments in Rates, Debtors and other Fees and Charges and to provide financial relief to these customers.

This policy will also help maintain or reduce the amount / percentage of outstanding debts with Council through providing a formal customer assistance program.

### **4. Objective/s**

To provide financial relief to customers of Council experiencing difficulties in meeting their commitments in Rates, Debtors and other Fees and Charges. Each application will be assessed on its merits.

### **5. Application / Scope**

This policy will be available to all ratepayers and organisations within the Local Government Area. It is however anticipated to have a direct impact on less than 100 individuals at any given time.



## 6. Principles / Body

Assessment of financial hardship to be made by Council following the completion of Council's 'Financial Hardship Relief Application Form'. Criteria for income and asset values shall be determined in accordance with the Centrelink 'Pensions - Income and Assets Test' as reviewed annually in September.

### 1. Rates

Write off 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 penalty interest by one half over a period of eighteen months on ratepayer accounts where financial hardship has resulted due to significant changes in the rateable valuation of their land.

Limited to the single property owned and occupied (jointly or not) by the applicant.

It must be the principal place of abode.

### 2. Debtors

Write off administration fees for debts paid within a structured payment plan geared to clear the debt within a maximum twelve-month period.

### 3. Fees and Charges

#### *Waste collection charges*

Write off interest charges accrued over a period of twelve months from the date of debt, subject to the debt being paid in this period.

Limited to the single property owned and occupied (jointly or not) by the applicant.

It must be the principal place of abode.

#### *Other Fees and Charges*

Due to the nature of the adopted fees and charges, any reduction or abandonment of a fee due to financial hardship being incurred shall be determined on an individual basis subject to Council resolution.

Council must be satisfied that the case falls within a category of hardship, alternatively fees and charges must not be reduced unless public notice given over a twenty-eight day exhibition period.

### **7. Community Consultation / Public Exhibition**

N/A.

### **8. Relevant Legislation**

The following Sections of the Local Government Act, 1993 are included and influence this policy:

Section 564 Section 566 Section 567 Section 601 Section 610E.

### **9. Related and Associated Council Policy and Procedures**

Council's Debt Recovery Policy

### **10. Responsible Officer / Policy Owner**

Rates Coordinator is the responsible officer. The functions the Rates Coordinator will perform in relation to this policy are:

- Provide a point of contact about the meaning and application of the policy;
- Update the policy when necessary to ensure is current;
- Implement communications, education and monitoring strategies; and
- Ensure policy is included on Council's policy register and record management system.

### **11. Responsibilities**

Rates Coordinator is responsible for the implementation, application and review of the policy across the organisation.

The Rates Coordinator is also responsible for administering the principles and that appropriate steps are taken to maintain a level of confidentiality with data supplied for the purposes of conducting a fair and equitable assessment.

The Rates Coordinator may delegate their responsibility to the Rating and Land Valuation Officer, to ensure proper procedural documentation is maintained at a level satisfactory to Council and relevant legislation. All applications will be reviewed in consultation with the Manager Finance

### **12. Approval**

Directorate Approval – 27/10/2009.

### **13. Monitoring**

The Rates Coordinator will monitor the application of this policy in accordance with Council's four year delivery plan and one year operational plan.

### **14. Review Date**

This policy is scheduled to be reviewed every three (3) years. The due date for review is October 2012. However, this policy may be reviewed prior to this date if required.

### **15. Record Keeping, Confidentiality and Privacy**

All documents created in relation to this policy will be kept in accordance with NSW State Records Act, Kogarah City Council's record management practice Corporate Records Policy and NSW State Records Act 1998.

Members of the public can access Council's documents in accordance with s12 of the Local Government Act, Freedom of Information (FOI) 1989 and Privacy and Personal Information Protection Act (PPIPA) 1998.

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