

# POLICY REGISTER

## FINANCIAL HARDSHIP POLICY

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Policy adopted: 27th September 2018 Minute No. 214.9.18

Reviewed:

File Ref: P13-1, R1-4

## DOCUMENT CONTROL

Issue	Prepared/Revised By and Date	Action/Amendment Description	Approved By and Date
1.0		First Edition	Council Minute No. 214.9.18 (27th September 2018)

## 1. Policy Objective

To establish guidelines for the General Manager and Council staff when dealing with ratepayers who are suffering genuine financial hardship, with the payment of their ordinary rates and annual charges.

To fulfil the statutory requirements of the *Local Government Act 1993* (the LGA) in relation to financial hardship.

## 2. Policy Scope

This policy applies to all Warren Council staff members in the consideration of all hardship applications. It applies to all applications for waiving, alternate payment arrangements or writing off rates, fees, annual charges and the interest accrued on such debts.

## 3. Policy Statement

Council requires all ratepayers to pay their rates in full by the due date(s). However, Council recognises there are cases of genuine financial hardship requiring compassion and assistance in certain circumstances.

This policy establishes guidance for assessment of a hardship application applying the fairness, equity, integrity, confidentiality and statutory compliance.

This policy does not cover financial assistance that councils can provide under s356 of the LGA.

Council's General Manager and Divisional Manager Finance and Administration have delegated authority to assess applications made under this policy.

## 4. Hardship Assistance

### ***Periodical Payment Arrangements – section 564 LGA.***

Section 564 of the LGA states that Council may enter into a formal agreement with a ratepayer eligible for alternate periodical payments for due and payable rates.

A ratepayer may at any time make an arrangement to pay off their outstanding rates by regular payments, subject to the following guidelines:

- (a) The amount and frequency of the payments are to be acceptable to Council.
- (b) Arrangements should, where possible, seek to have outstanding rates cleared by the end of the financial year.
- (c) Arrangements that go beyond one year must be approved by the General Manager. No arrangement can go beyond 2 years (see Point 5).
- (d) The Divisional Manager Finance and Administration, considering all the facts surrounding the matter, determines that there is case of genuine financial hardship.

The interest relating to the overdue rates will be written off, provided that the periodical payment agreement in question is complied with.

### ***Hardship Resulting from Certain Valuation Changes – section 601 LGA***

Section 601 of the LGA, provides that where any ratepayer who suffers substantial hardship as the consequences of the making and levying of a rate, following a new valuation, may apply to Council for rate relief.

Council will defer the difference between the Ordinary Rate payable on the property for the previous year with the allowable rate percentage increase applied for the current year (i.e. the rate pegging increase allowable under section 506 of the LGA) and the Ordinary Rates payable on the property in the rating year that General Revaluations are being used for the first time.

If the ratepayer is deemed eligible, Council will defer payment on the amount of relief to the following year. This is subject to one quarter of the deferred amount being added to each instalment due in the following rating year. Interest will not be charged on the deferred amount, unless it remains unpaid when the following rate instalment it was added to, becomes overdue.

## **5. Assessment Process**

Any application for hardship must be made in writing. Council may also request that the applicant attends an interview to assist Council in making a determination. The following must apply to the applicant/application.

- The applicant must be the owner or spouse of the owner or part owner of the relevant property and be liable for the payment of the rates on the property.
- The property for which the hardship application applies must be categorised as “Residential” or “Farmland” for rating purposes, provided that it is used for residential purposes only and the property has no more than a single dwelling house or residential unit erected upon it.
- During periods of drought, a rate payer may make an application for hardship in relation to farmland rating. The Rate Payer and Council will enter into a payment plan and waive the interest rates for the agreed period where cropping, stocking or other production and harvest cannot be undertaken.
- 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; or
  - A letter from a recognised financial counsellor, financial planner, or community funded counselling/support service provider. The aim being to ensure appropriate financial support is available to all applicants suffering financial hardship.

## **6. Determination of Applications**

Any application made for rate relief under this policy, will be assessed on its merit. The application will be assessed by the Divisional Manager Finance and Administration and the decision will be provided to the applicant in writing outlining why the decision in question was reached.

Any applicant who is dissatisfied by the determination may, by way of written request, have the application reassessed on its merits by the General Manager. The General Manager’s determination of the matter will be final.

## **7. Policy Review**

This policy should be reviewed every 2 years. The policy may be reviewed and amended at any time at Council’s discretion (or if legislative or State Government Policy changes occur).