



Randwick City
Council
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GOVERNANCE AND FINANCIAL SERVICES

Financial Hardship Policy

Effective Date:	25 March 2008
Contact Officer:	Manager Financial Operations
TRIM Document Number:	D00585863

Related Policies:

Debt Recovery Policy
Rates – Pensioners Accruing
Rates and Charges Policy
Pensioner Concession Policy

Policy Statement

This policy recognises 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 prescribes the procedures to be followed in providing financial assistance to those ratepayers and debtors who are suffering genuine financial hardship with the payment of their rates and /or other charges.

Policy Objectives

The objectives of this policy are:

1. To provide financial assistance to ratepayers and other debtors who are experiencing genuine financial hardship with the payment of their rates and charges.
2. To provide a decision making framework for the appropriate assessment of all financial hardship applications.
3. To fulfil the statutory requirements of the Local Government Act 1993 and other relevant legislation in relation to the recovery of rates, charges, fees and other debts.

Policy Principles

This 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 treat people with respect and compassion in considering their circumstances.

Hardship Provisions

Section 564 of the Local Government Act 1993 provides for Council to accept payment of rates and charges due and payable by a person in accordance with an agreement made with the person and also to write off or reduce interest accrued on rates or charges if the person complies with the agreement.

Section 567 of the Local Government Act 1993 provides for Council to write off accrued interest on rates or charges payable by a person if, in Council's opinion the reasons that the person was unable to pay the rates or charges when they became due and payable were beyond the person's control, or that the person is unable to pay the accrued interest for reasons beyond their control, or that the payment of the accrued interest would cause the person hardship.

Section 601 of the Local Government Act 1993 provides for ratepayers who incur a rate increase in the first year following a revaluation of land values to apply to Council for rate relief if the increase in the amount of rates payable would cause them substantial hardship.

In such circumstances 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 for such period and subject to such conditions that Council deems appropriate.

Hardship Criteria

The following conditions apply to all applications under this policy:

- That the property for which the hardship application relates is the principal place of residency or occupancy of the applicant.
- That the actual hardship exists and is genuine.

Application

Ratepayers seeking concessions for financial hardship are to submit a written application in the form of a letter outlining their particular circumstances. The application will be reviewed by the Coordinator Rates and Revenue and/or the Manager Financial Operations with final approval agreed by the Responsible Accounting Officer under delegated authority.

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

- Copy of recent bank statements for all accounts
- Details of all income and expenditure (monthly budget analysis)
- Letter confirming financial hardship from a recognised financial counsellor or financial planner.

All applications for hardship caused through revaluation must be received within 2 months of the due date for payment of the first instalment notice where the new valuation has taken effect.

Procedures

The following procedures will be followed with all financial hardship concessions:

- Any mutually acceptable repayment schedules have a maximum 12 month term.
- All repayment schedules are to be reviewed at the end of each 6 month period and upon the raising of further rates and charges.
- Any future rates and charges raised against a property are due and payable on the due dates.
- Interest is charged and then written off where a repayment schedule is adhered to and the arrangement provides for accrued interest to be waived.
- Where a scheduled repayment default occurs, the levying of interest charges are to be reactivated from the last payment made in accordance with the repayment schedule. The ratepayer will be contacted in regard to the repayment default.

Amount of Hardship Concession

The amount of any financial hardship concession will be determined on the merits of the particular application but will generally be limited to the waiving of interest charges that would otherwise be applicable during the period of a mutually acceptable repayment arrangement.

Policy Variation

Council reserves the right to vary the terms and conditions of this policy.

Privacy

Personal information collected as a consequence of this policy will only be used for the purpose of assessing eligibility under the policy and will not be used for any other purpose or disclosed to any other person unless we are required by law to do so or authorised to do so by the person whom that personal information relates.

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