

**Attachment 2 - DRAFT Rates Hardship Policy - SVC-FIN-PO-085-01**

<b>Policy Title</b>	Rates Hardship Policy
<b>Policy Category</b>	Public
<b>Number &amp; Version</b>	SVC-FIN-PO-085-01
<b>Policy Owner</b>	Finance
<b>Approval by</b>	Council – 21 November 2019
<b>Effective date</b>	28 December 2019
<b>Date for review</b>	September 2020

**1. STRATEGIC PURPOSE**

Payment of rates and charges is an important obligation of all property owners. Revenue collected from rates and charges is used to help provide a wide range of services and facilities to everyone that lives, works and visits the Snowy Valleys Council (Council) area. Without this revenue Council would not be able to function or meet the needs of the local community.

**2. POLICY STATEMENT**

To provide relief to those ratepayers who are experiencing genuine financial difficulties in paying their rates and charges. To detail the eligibility criteria and assistance available to ratepayers suffering hardship in paying rates and charges.

Council also has an *Arrangements to Settle Accounts* policy providing guidance for customers who are facing financial difficulties and are unable to pay their debt/s other than rates.

**3. DEFINITIONS**

**Financial Hardship** The inability of a ratepayer to meet payments of rates and/or charges as they fall due, where illness, injury, unemployment, or another reasonable cause is the reason for hardship / rate pegging / special variation.

**4. CONTENT**

The hardship assistance provisions offered are detailed below:

**a) Rate relief in accordance with S601 of the Local Government Act. 1993**

For hardship on the basis of rejuvenation the rates payable for the year must have increased above the rate pegging limit or special variation amount granted by the Division of local Government.

Applications must have received within 2 months of the due date on the 1<sup>st</sup> instalment notice where the new valuation has taken effect.

**b) Deferral of rates and charges against the deceased's estate**

The deferral of rates and charges against the deceased's estate scheme applies to all rate payers where the property is the ratepayer's principle place of residence and the rates payable are more than 5% of the gross household income. If the application is approved, interest will be waived during the period of hardship.

**c) Write-off of accrued interest**

S567 and S564 of the Local Government Act provides guidelines as to when Council may write-off accrued interest where it can be proven that financial hardship will result from payment of interest. (Each ratepayer must submit an application detailing how they will suffer considerable hardship).

**d) Negotiated Payment Arrangement**

Where none of the options above apply ratepayers will fall under this category.

As per the *Arrangement to Settle Account Policy*, a payment arrangement to pay debt within 12 months may be entered, where the ratepayer meets all terms of the arrangement during the timeframe the ratepayer will not be subject to accrued interest.

All applications for hardship must include the following in order to be assessed,

1. Copy of recent bank statements for all accounts
2. Details of all Income and Expenditure (monthly budget analysis)
3. Letter confirming financial hardship from a recognised financial counsellor
4. Statutory declaration from a person familiar with the ratepayers circumstances who is qualified to provide Council with a clear unbiased assessment of the ratepayer's hardship status such as a carer or a power of attorney.
5. Finance employees may waive the application documents if ratepayers enter a maximum 12 months arrangement.

Hardship applications that exceed 12 months will be subject to annual review where up to date documentation must be provided to continue the arrangement.

**4.1 COUNSELLING, MEDIATION AND INFORMAL DISPUTE RESOLUTION**

Where a ratepayer or debtor owes a debt to Council and disputes the amount levied or outstanding, the customer is required to put the dispute in writing, stating reasons they believe the account to be incorrect. Council will investigate the complaint to determine if the dispute can be resolved informally and shall respond to the dispute in a timely manner

Council's *Complaints Management Policy* should be referred to for guidance on complaints.

If a ratepayer is actively participating in a dispute resolution process, has made an application for financial hardship that has not yet been determined, or is complying with a payment arrangement made with Council in good faith, debt recovery proceedings will be suspended.

Ratepayers are encouraged to access support services to help resolve legal or financial issues and/or negotiate arrangements to manage debt. Community legal centres and financial counsellors provide a mix of social, financial and paralegal advice and advocacy on debt issues.

#### 4.2 SUPPORT SERVICES

Centrelink  
[www.centrelink.gov.au](http://www.centrelink.gov.au)  
 Telephone: 13 63 57

#### 5. ASSOCIATED LEGISLATION

Local Government Act 1993

#### 6. ASSOCIATED COUNCIL DOCUMENTS

Hardship Assistance Application Form – SVC-FIN-F-125  
 Arrangements to Settle Accounts Policy – SVC-FIN-PO-084  
 Arrangements to Settle Account Form – SVC-FIN-F-126  
 Debt Recovery Policy – SVC-FIN-PO-086  
 Complaints Management Policy – SVC – COR-PO-037

#### 7. HISTORY

Date	Action	Name	Policy Number	Resolution Date	Resolution Number
22/10/2019	Superseded	Financial Hardship Policy (Former Tumut Shire Council)	FIN.09		
28/12/2019	Approved after public exhibition 28/12/2019	Rates Hardship Policy	SVC-FIN-PO-085-01	21/11/2019	M382/19