

Wagga Wagga City Council

FINANCIAL HARDSHIP POLICY

REFERENCE NUMBER	POL 102		
ORIGINAL APPROVAL DATE	August 2007		
RESPONSIBLE MANAGER	Manager Finance		
RESPONSIBLE DIRECTORATE	Finance		
<p>This document is to be reviewed: every two years or in the first 12 months of the new term of Council whichever is the earliest.</p> <p>Next Review Date: June 2018</p>			
Revision number	Issue Date	Council Resolution	Council Meeting Date
1			28 August 2007
2		Res No: 09/077	27 July 2009
3	August 2013	Res No: 13/224.1	26 August 2013
4	16 June 2016	General Manager Approval	August 2016
5	August 2017	Res No: 17/279	28 August 2017

PART 1: INTRODUCTION

Council's Financial Hardship Policy is to provide a formal process for the administration of assisting those ratepayers who are experiencing genuine financial hardship with the payment of their rates and/or charges.

1.1 Legislation

Section 564 of the *Local Government Act 1993*, as amended, affords Council the power 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*, as amended, affords Council the power 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 582 of the *Local Government Act 1993*, as amended, affords Council the power to waive or reduce rates, charges and interest due by any person prescribed by the regulations who is in receipt of a pension, benefit or allowance under the *Social Security Act 1991* of the Commonwealth.

Section 601 of the *Local Government Act 1993*, as amended, 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.

1.2 Policy Objectives

To provide a formal process for the administration of assisting those ratepayers who are experiencing genuine financial hardship with the payment of their rates and/or charges.

To fulfil the statutory requirements of the Local Government Act with respect to hardship applications.

1.3 Policy Implementation Guidelines

This policy will be implemented through the provisions contained in the policy, including departmental advice relating to special variations and rate pegging limits and any developed guidelines that may exist from time to time.

1.4 Scope of Policy

This policy applies to any ratepayer that is experiencing financial hardship with respect to the payment of rates and/or charges.

1.5 Conditions

The following conditions apply to all applications under this policy:

- That the property for which the hardship application applies is the principal place of residency or occupancy of the applicant;
- That the actual hardship exists (see examples of situations that could cause hardship below);
- That rates payable (net of pensioner concession) must be more than 6% of the gross income of the property owner.
- That a mutually acceptable repayment schedule is entered into which takes into account future rates and charges levied against the property, is for a maximum 2 year period and is to be reviewed after the first 12 months
- That interest is charged, and may be written off where the agreed repayment schedule is adhered to;
- That where a default occurs in relation to the repayment schedule, the levying of interest charges will remain. A pro-rata write off of interest however may be considered by Council's Manager Finance on the merits of each individual case..

The following are examples of situations that could cause financial hardship:

- In the case of loss of employment, causing loss of normal income, which renders or rendered the payment defaulter unable to meet payments for a specified period.
- In the case of death, terminal illness, illness or injury causing loss of normal income, which renders or rendered the payment defaulter unable to meet payments and is evidenced by a medical certificate and proof of loss of normal income.
- In the case of serious accident causing loss of normal income, which renders or rendered the payment defaulter unable to meet payments and is evidenced by a medical certificate and proof of loss of normal income?
- In the case of a natural disaster (*bushfire, flooding, drought, etc*) causing loss of normal income, which renders or rendered the payment defaulter unable to meet payments for a specified period?
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1.6 Review procedures

All applications are to be reviewed on a monthly basis by Rates Coordinator and/or Revenue Supervisor in order to ensure all agreements and payment schedules are adhered to. Council's Manager Finance to be advised of any payment defaults and appropriate action taken.

PART 2: POLICY CONTENT

2.1 General Provisions

To apply for the financial hardship concession a ratepayer must submit a completed Hardship Rate Relief Application together with the required supporting documentation, as listed below.

- Copy of recent bank statements for all accounts
- Details of all income and expenditure (monthly budget analysis)

2.2 Specific Provisions

Section 601 applications

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

For hardship on the basis of revaluation the rates payable for the year must have increased by more than the rate pegging limit or special variation amount announced by the Independent Pricing and Regulatory Tribunal (IPART).