

Policy name	Financial Hardship
Responsible manager(s)	Chief Financial Officer
Contact officer(s)	Revenue Manager
Directorate	General Manager
Approval date	11 October 2022
Outcome area	5 Our engaged community with progressive leadership
Strategy	5.3 Work together to achieve our collective vision
Delivery Program link	5.3.1 Provide strong corporate and financial management that is ethical, fair, transparent and accountable
Operational Plan link	5.3.1.2 Collect rates and charges

Purpose

This policy applies to Eurobodalla Shire Council and its ratepayers. It provides a framework for responding to applications from property owners/ratepayers experiencing genuine hardship for assistance with the payment of the rates and charges, in accordance with the *Local Government Act 1993* and the *Local Government (General) Regulation 2005*.

The policy aims:

- To promote a clear guideline for administering financial hardship provisions.
- To ensure consistency and fairness in the way Council deals with financial hardship provisions.
- To ensure compliance with legislative requirements and financial industry guidelines.
- To take such steps as are appropriate to minimise the impact of outstanding debts on Council's financial position.
- To make Council's policy and requirements regarding financial hardship readily accessible and understandable to the public.

Policy statement

1	<p>Application</p> <p>Council recognises there are cases of genuine financial hardship and will consider application for financial relief under certain circumstances. This policy outlines the criteria for assessment of hardship applications.</p> <p>The granting of hardship relief is at the absolute discretion of Council. If relief is granted and the terms of the agreement are not adhered to, further action (including debt recovery action) may be taken by Council without notice.</p> <p>A ratepayer may be eligible for consideration for hardship assistance in the payment of overdue rates and charges including interest, where:</p> <ul style="list-style-type: none"> • The person is unable to pay rates and charges or accrued interest when due and payable for reasons beyond the persons control (Section 567) • Payment of the accrued interest would cause the person hardship (section 567) <p>Council may:</p> <ul style="list-style-type: none"> • Accept periodical payment arrangements for overdue rates and charges (section 564)
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	<ul style="list-style-type: none"> • Write off or reduce interest accrued on rates and charges if an approved payment arrangement is complied with (sections 564 & 567) • Waive, reduce or defer the payment of the increase in the amount of rates payable because of hardship resulting from the general revaluation of land in the Local Government Area (section 601) • Waive or reduce rates, charges and interest for eligible pensioners (sections 575 & 582) <p>Council will consider applications for assistance in accordance with the following principles:</p> <ul style="list-style-type: none"> • Council will individually assess cases of financial hardship • Council will not reduce rates or charges, but will consider a scheme of periodical payments outside the due dates in cases of hardship or extenuating circumstance. •
<p>2</p>	<p>Legislation</p> <p>Eurobodalla Shire Council will comply with the <i>Local Government Act 1993</i> as follows;</p> <p>Section 564(2): Arrangements</p> <p>Enables Council to write off or reduce interest accrued on rates or charges if the person complies with an agreement made with Council as to periodical payment of those rates and charges.</p> <p>Council's policy is not to write off interest on rates or charges as a result of a person complying with an approved arrangement or agreement <u>unless</u> a hardship application is approved pursuant to section 567 of the Local Government Act.</p> <p>Section 567: Interest Charges</p> <p>Enables Council to write off accrued interest on rates or charges payable by a person if, in Council's opinion, the person is unable to pay "for reasons beyond the person's control" or payment of the accrued interest would cause the person "hardship".</p> <p>Section 582: Eligible Pensioners</p> <p>Enables Council to waive or reduce rates, charges and accrued interest due by any person prescribed by the regulations who is in receipt of a pension, benefit or allowance under the <i>Social Security Act 1991</i>.</p> <p>Thus, Council may, in its absolute discretion, further reduce on a voluntary basis (with no subsidy from the state government) rates and charges otherwise payable by an eligible pensioner.</p> <p>Council may waive all interest charges for eligible pensioners that pay their rates by 30 June each year.</p> <p>Section 601: Valuations</p> <p>Any ratepayer who incurs a rate increase in the first year following a revaluation of land values can apply to Council for rate relief if the increase in the amount of rates payable would cause them substantial hardship.</p>

	<p>Council has discretion to waive, reduce or defer payment of the whole or any part of the increase in the amount of rate payable.</p> <p>Council can set the period of time for when applications can be made under this section. Applications must be made in the first year following the use of the new valuations used for rating.</p> <p>Local Government (General Regulation) 2005: Write offs requiring Council Resolution</p> <p>This requires the Council to resolve the amount of an individual rate or charge above which a resolution is required to write off an individual amount. This amount then applies to all policies and codes of practice enabling write offs, not only this hardship policy.</p> <p>Rates, charges and fees can only be written off in accordance with legal and policy requirements. Individual fees, rates or charges above \$10,000 can only be written off by resolution of Council. Amounts of \$10,000 or less can be written off by order in writing of the Council's General Manager (or nominee/s).</p>
<p>3</p>	<p>Provisions</p> <ul style="list-style-type: none"> • All applications for hardship must be submitted on councils prescribed application form available at: https://www.esc.nsw.gov.au/council/forms • For applications to be given full consideration, evidence of hardship must be supplied by the applicant. This evidence may take the form of Centrelink information, tax returns, bank statements or workers compensation details etc. • Hardship will only apply to the ratepayer's primary place of residence, it will not apply to investment properties or vacant land. • The hardship application covers the current rating period from 1 July to 30 June only. A new application is required to be lodged for each rating period. • The interest free period is generally between three to six months only but may extend to twelve months. In any event, the ratepayer must maintain a strict regular payment plan in accordance with the approved arrangement. If payments are not honoured, the hardship arrangement will be cancelled and further recovery action may commence. • If an extension of time to pay is requested, a maximum of six months applies at which time payment in full of the outstanding amount is then required. • If it is found that incorrect disclosures were deliberately made, Council reserves the right to cancel the agreement and collect any amount previously waved in accordance with this policy.

Implementation

	Implementation steps	Responsibility
<p>1</p>	<p>Coordination and Enforcement The Revenue Manager (under Chief Financial Officer) is responsible for coordinating/enforcing the policy.</p>	<p>Revenue Manager</p>
<p>2</p>	<p>Staff Under supervision, applicable Council staff will be responsible for ensuring that policies are implemented appropriately within their work area, after they have received relevant training to do so.</p>	<p>Council Officers</p>

3	<p>Concerns</p> <p>Public concerns communicated to Council in relation to this policy will be recorded on Council’s records system and handled in accordance with Council’s Customer Service or Complaints policy. These records will be used to determine any follow-up actions and analyse the history of reported public concerns.</p>	Council Officers
4	<p>Consultation</p> <p>Consultation regarding this policy will occur as relevant with key stakeholders and may include legislative bodies, other agencies, relevant legislation, industry guidelines, and public comment. Public submissions regarding this policy are invited for consideration during the policy exhibition period.</p>	As required

Review

This policy will be reviewed every 4 years. It may also be reviewed and updated as necessary if legislation requires it; or when Council’s related policies, functions, structure or activities change; or when technological advances or new systems change the way that Council manages financial hardship.

The policy may be revoked at the expiration of twelve months after the declaration of the poll for the next general NSW local government election, unless Council updates or revokes it sooner. **Note:** *The next general local government election is expected to be held in September 2025.*

Reviews of the effectiveness of this policy could include the following:

Performance indicator	Data source(s)
Public Concerns, Customer Feedback Survey Responses	Council Records, Surveys
Audit (Internal or External)	Audit

Governance

This policy should be read in conjunction with any related legislation, codes of practice, relevant local or internal policies, and guidelines.

Related legislation and policies

Name	Link
Local Government Act 1993	www.austlii.edu.au/au/legis/nsw/consol_act/lga1993182
Local Government (General) Regulation 2005	http://www6.austlii.edu.au/cgi-bin/viewdb/au/legis/nsw/consol_reg/
Application for hardship assistance	https://www.esc.nsw.gov.au/council/forms

Related external references

Name	Link
Office of Local Government	www.olg.nsw.gov.au

Change history

Version	Approval date	Approved by	Min No	File No	Change
1	22 Sep 2009	Council	09/291	E09.3418 E05.9513	Policy commenced
2	10 Sep 2013	Council	13/272	E13.7095 E05.9513	Reviewed and updated
3	28 Apr 2015	Council	15/82	E05.9513	Reviewed and updated re: SRV
4	12 Sep 2017	Council	17/291	E16.0297 E05.9513	Reviewed and updated
5	11 Oct 2022	Council	22/265	S004- T00060	Reviewed and updated as per report GMR22/099

Internal use

Responsible officer		Chief Financial Officer		Approved by	Council
Min No	22/265	Report no	GMR22/099	Effective date	11 Oct 2022
File no	S004- T00060	Review date	11 Oct 2022	Pages	5