



Hardship Policy



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Document Control

Policy	Hardship Policy	Policy Number	TBA
Author/Reviewer	Chief Financial Officer	Review Period and Date	Reviewed within 12 months of election/4 yearly - September

This policy shall be reviewed: -

- This policy shall be reviewed within 12 months of an election, and thereafter at four yearly intervals at least, to ensure it meets all statutory requirements and the needs of council. It may also be reviewed at other times as determined by council.
- Subject to the provisions of the Local Government Act and/or Regulation, this policy may be amended or cancelled by council at any time without prior notice or obligation to any person.

Document History

Date	Status	Version	Resolution	Description
28 June 2017	Draft	0.1		Presented to Hilltops Council for endorsement, public exhibition 28 days
28 June 2017	Draft	0.2	17/151	Endorsed - public exhibition 28 days
28 July 2017	Final	1.0	17/151	Adopted



1. INTRODUCTION

Hilltops Council acknowledges that from time to time some residents/ratepayers may suffer from financial hardship.

The purpose of this policy is to provide empathy and assistance to those ratepayers who are experiencing genuine hardship.

2. POLICY OBJECTIVES

The definition of Hardship to be used by Council is as follows: - *"A situation where a ratepayer is unable, reasonably, because of illness, unemployment or other reasonable cause, to discharge their financial obligations to Council and the Customer reasonably expects to be able to discharge those obligations of payment and/or Service arrangements were changed. Financial hardship can be of limited or long-term duration."*

The Local Government Act 1993 allows Council to provide assistance to ratepayers experiencing hardship. Hardship can result from a number of factors including:

- Loss of employment by the consumer or family member
- Family breakdown.
- Illness including physical incapacity, hospitalisation, or mental illness of the consumer or family member.
- A death in the family.
- Natural Disaster.

3. POLICY SCOPE

Authority for implementation of the Rate Hardship Policy is delegated by Council to the General Manager in accordance with the Local Government Act 1993.

The General Manager may delegate the hardship function to an authorised council officer. Other finance staff will assist in the day to day administration of the hardship process which is in accordance with relevant legislation and guidelines.

4. LEGISLATION and other REFERENCES

- Local Government Act 1993 (the Act)
- Local Government (General) Regulation 2005 (the Regulation)
- Privacy and Personal Information Protection Act 1998
- Division of Local Government circulars

Council employees shall refrain from personal activities that would conflict with proper execution and management of Council's Debt Recovery Policy, Council's Code of Conduct provides guidance for recognizing and disclosing any conflict of interest.

5. DEFINITIONS and TERMS

ACCC: Australian Competition and Consumer Commission

ASIC: Australian Securities and Investments Commission

OLG: Office of Local Government

the Act: Local Government Act 1993

the Regulation: Local Government (General) Regulation 2005



6. TYPES of DEBT

This policy addresses hardship for:

- rates and charges
- water access and usage charges
- kerb and gutter or foot-paving charges

7. POLICY STATEMENT

7.1 ETHICS AND CONFLICTS OF INTEREST

Officers shall refrain from personal activities that would conflict with proper execution and management of Council's Rate Hardship Policy. Council's Code of Conduct provides guidance for recognising and disclosing any conflicts of interest.

7.2 PRIVACY OBLIGATIONS

Personal information means information or opinion, whether it is true or not, about an individual that can reasonably allow the individual to be identified.

A debtor's personal information will be treated with respect and Council will comply with the *Privacy and Personal Information Protection Act 1998*, when collecting and disclosing information throughout the debt recovery process.

7.3 PAYMENT ARRANGEMENTS

Council may accept payment of rates and charges in accordance with an agreement and can resolve to write off or reduce interest accrued on rates & charges if the person complies with the agreement.

The basic principle of any agreed financial arrangement is that the repayment should be sufficient to cover expected future use of the service (as adjusted to ensure the customer's financial position does not worsen over a reasonable period of time) as well as providing continued reduction of debt at a reasonable level (i.e. the customer should not be going into further debt under the arrangement).

The maximum assistance to be granted to the ratepayer is to be a repayments scheme over a three-year period with no interest charge applied. In case if the hardship still persists, then ratepayer will have to reapply and put in a fresh application.

7.4 WRITE OFF OF ACCRUED INTEREST

Council may resolve to write off accrued interest on rates and charges payable by a person if, in Council's opinion, the reasons that the person was unable to pay the rates and 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 that person's control, or; that the payment of the accrued interest would cause the person hardship.

The waiver will be considered once the ratepayer agrees to enter in an arrangement to pay off the debt in periodical payments by direct debit. The interest amount will be written off at the end of the financial year if the payment arrangement is adhered to. In case of broken payments, interest will not be written off.

7.5 CONSIDERATION FOLLOWING REVALUATION

Ratepayers who incur an increase in the first year following a general Revaluation of land values can apply to Council for rate relief if the increase in the amount of rates payable will cause them substantial financial hardship.



The criteria used to determine eligibility:

- Property must be categorised residential for rating purposes.
- Rates payable (net of pensioner concession) must be more than 6% of the gross annual household income; and
- Applicant must be an owner and an occupier of the property to which the rates relate and the dwelling must be the applicant's sole or principal place of living; and
- Ordinary rate increase must be more in percentage terms than the amount determined by Council at each revaluation. The ordinary rate increase is calculated as the ordinary rates payable for the new rating year (being the first year in which new valuations are used) minus the ordinary rates payable in the previous rating year increased by the allowed rate pegging increase for the year.
- Maximum assistance will be capped at \$200.00.

Assistance is calculated as follows:

- One half of the ordinary rate increase up to a maximum of \$200
- No assistance is to be given for domestic waste management charges, levies, or special rates.

7.6 APPLICATION PROCESS

Ratepayers who wish to access the financial hardship provisions of this policy must provide sufficient information to Council in order for an assessment to be made. Applicants should submit their request in writing and are requested to complete the Hardship Application form detailing personal financial information.

Please note that submitting the hardship application does not mean that it will be approved. Hardship assistance is subject to approval and it can also be declined in case if the information provided is not sufficient.

The applicant must be the owners/spouse or part owner of the property and be liable for the payment of rates and charges on this property.

The property for which the hardship application applies must be the principal place of residency of the applicant/s as the hardship relief will be provided on residential property only.

Applications under Section 601 of the Local Government Act 1993 must be submitted within 6 months of the posting date of the rates notice in the first year of the general revaluation for rating purposes.

8. IMPLEMENTATION

8.1 ROLES AND RESPONSIBILITIES

The following Council officers are responsible for the implementation and the adherence to this policy:

- General Manager
- Executive Director Corporate and Community
- Chief Financial Officer
- Revenue Accountant
- Rates Officer

8.2 COMMUNICATION

This Policy will be communicated to the community and staff in accordance with Council's Policy, Procedure and Process Framework and Council's Business Paper process. Following adoption by Council the Policy will be made available on Council's website.



8.3 ASSOCIATED DOCUMENTS

The following documentation is to be read in conjunction with this policy.

- Debt recovery Policy