



# Hardship Policy

## *Deferment of Rates*

### **Purpose**

To assist ratepayers in meeting financial obligations to Council by providing alternative payment arrangements for property-based debts, where financial hardship is proven to exist.

This policy gives ratepayers the opportunity to present their case and to ensure they are treated in a consistent, equitable and confidential manner.

Council, in applying this policy, will ensure that wherever possible, all outstanding debts will eventually be recovered.

If Council becomes aware of any ratepayer providing false or misleading information in order to gain assistance for which he/she would otherwise not be eligible, the agreement with Council will become null and void. Any charges which have been waived or deferred will be restored to the full amount. In addition, this includes any interest not charged that would have otherwise been payable.

### **Background**

People who owe money to the Council sometimes find themselves in a situation of financial hardship.

For the Council to insist on those amounts outstanding to be paid in full by the due date would exacerbate this financial hardship as well as create additional psychological stress and anxiety.

This policy also covers any ratepayers suffering financial hardship after serious disasters such as the bushfires of 7 February 2009.

### **Deferring Rates, Interest and Charges**

Ratepayers may have rates and charges, or part thereof, deferred subject to the following conditions:

- a) The ratepayer must be able to demonstrate they are or will experience undue and unusual financial hardship;
- b) A confidential statement must be submitted by the ratepayer or their representative as evidence of such circumstances;
- c) Where the ratepayer has complied with clauses a and b, the rate or charge or part thereof may be deferred either for a set period or an indefinite period;
- d) Where practicable, the ratepayer must enter into an agreement with Council on a payment schedule and perform against such agreement.

Under a deferment arrangement, whilst rates and interest will still accrue, no debt recovery action shall be taken. Annually, confirmation will be sought from either the ratepayer or nominated representative that financial hardships conditions still exist. Council has the ability to review any existing arrangements.

Deferment is withdrawn automatically upon the sale of the property.

## Waiving of Rates, Interest and Charges

Rates and charges will generally not be waived. Any application received by ratepayers to waive rates and charges will be presented to the Council in a confidential report for decision.

There are three categories of interest waiver:

1. Administrative waivers (interest only);
2. Waiver on compassionate grounds (interest only);
3. Financial hardship (interest only).

### 1. Administrative waiver

In the event of an administrative error or omission which is proven to have caused or significantly contributed to the failure to pay rates, a waiver of interest, in full or in part, may be applied.

### 2. Waiver on compassionate grounds – principal place of residence

Ratepayers may have interest waived where they have demonstrated compassionate grounds. Acceptable compassionate grounds would generally relate to family illness or death. The ratepayer will need to agree to an acceptable payment arrangement to pay the outstanding amount. Waiver on compassionate grounds shall be one off and ratepayers will need to apply on each occasion such a waiver is sought.

### 3. Financial hardship – principal place of residence

Ratepayers may have interest or part thereof, waived provided they meet the following financial hardship criteria:

- The ratepayer must be experiencing and be able to demonstrate financial hardship; and
- Where practicable, the ratepayer must enter into an agreement with Council on a payment schedule and perform against such an agreement.

Rates will still accrue however no interest will be charged nor debt recovery action taken.

Under a financial hardship arrangement, whilst rates and interest will still accrue, no debt recovery action shall be taken. Annually confirmation will be sought from either the ratepayer or nominated representative that financial hardships conditions still exist. Council has the ability to review any existing arrangements.

The financial hardship arrangement is withdrawn automatically upon the sale of the property.