RATES AND CHARGES FINANCIAL HARDSHIP

1. PURPOSE

The purpose of this policy is to provide guidance for the collection of rates and charges where the ratepayer is experiencing genuine financial hardship.

2. INTRODUCTION

The management and recovery of outstanding debt is an important aspect of Council’s financial management function. Council derives a large share of its revenue from rates and charges, and therefore has a responsibility to ensure that all monies owing are collected in a timely, effective and efficient manner.

Horsham Rural City Council may provide alternative payment arrangements for property based debts to assist ratepayers deemed to be under financial hardship. Hardship assistance will only be granted to individuals experiencing hardship with regard to the rates on their principal place of residence.

3. DEFINITIONS

“Financial Hardship” means a situation where a ratepayer is unable, because of prolonged illness or unemployment, or other reasonable cause, to discharge their financial obligations to Council and the ratepayer reasonably expects to be able to discharge those obligations if payment arrangements were changed.

Financial Hardship means an inability to fulfil a financial obligation, not an unwillingness to do so. The hardship may be short or long term, and will be considered on an individual basis.
4. **SCOPE**

This Policy applies to all Council staff who have responsibility to ensure collection of Council’s rates and charges.

5. **PRINCIPLES**

5.1 **General Principles**

Council will enforce the legislative powers available under the *Local Government Act 1989* in the pursuit of outstanding rates and charges debts.

Council is committed to:

- Assisting ratepayers who are experiencing financial hardship
- Ensuring that the collection process is transparent
- Treating all people fairly, consistently, respectfully and with sensitivity
- Ensuring Council staff have the training and resources necessary to effectively and consistently manage ratepayer financial hardship
- All collection matters under this policy are strictly confidential

Where Council staff have identified that a ratepayer is experiencing financial hardship, outstanding rates and charges owed to the municipality shall be pursued in accordance with this policy.

5.2 **Applications for Hardship**

Ratepayers may apply to the Manager Rates & Information Services to have rates, interest and charges deferred, in whole or part. When assessing financial hardship applications, employees must be extremely aware of the financial, emotional, physical or psychological difficulties that the ratepayer may be experiencing. All applications for hardship assistance are to be assessed within 14 days of the application form being received and a written response on the outcome of the assessment returned to the applicant. Applications for hardship assistance are to be reviewed on a quarterly basis.

5.3 **Types of assistance available:**

The following types of assistance may be offered following the assessment by the Manager Rates & Information Services:
5.3.1 Negotiated Payment Arrangement: Arrangements already entered into may be renegotiated on amount payable, incidence or length. Interest, if applicable, would continue to accrue. The arrangement will only apply for the year that the request is made and a new arrangement must be made for each rating year.

5.3.2 Interest Reduction: Interest reduction by way of an agreed interest free period may be negotiated. Assistance for interest reduction would have regard to the demonstrated efforts of the ratepayer to meet past and current payment obligations.

5.3.3 Deferral of Payment: An account may be placed on hold for a set or indefinite period. This option would generally apply to long term cases of extreme financial hardship. Rates and interest continue to accrue throughout the period, although interest may be waived.

5.3.4 Waiver of Rates: Section 117A of the Local Government Act 1989 allows Council to waive, in part, or in whole, any rate or charge, or any interest imposed for late payment. This provision is generally only used in circumstances of severe financial hardship, where the ratepayer is seeking professional financial assistance from a recognised financial counsellor or similarly qualified person. Council generally does not waive rates. This is to ensure that financial hardship assistance proffered to one ratepayer does not have a re-distributional effect on the rate base.

5.4 EXTERNAL RESOURCES

Council officers are able to direct ratepayers to financial information services.

The Consumer Action Law Centre (http://consumeraction.org.au) is a not for profit provider of phone based and online financial counselling services.

Financial Counselling Australia has developed online resources at www.debtselfhelp.org.au. The website provides letter templates, fact sheets, information on financial counselling services and a debt management self-help tool.

Wimmera Uniting Care provides telephone and face-to-face financial counselling within our municipality. Contact the office at 185 Baillie Street Horsham, phone 5362 4000 or online at www.wuc.org.au

6 COMMUNICATION

Horsham Rural City Council’s website, Horsham Rural City Council’s intranet
7 RESPONSIBILITY

Policy Owner: Manager, Rates and Information Services

8 SUPPORTING DOCUMENTS

<table>
<thead>
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<tbody>
<tr>
<td>Rates and Charges Debt Collection Policy</td>
<td>Website, Intranet</td>
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<td><em>Local Government Act 1989</em></td>
<td>Internet</td>
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DOCUMENT CONTROL

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