



FINANCIAL HARDSHIP POLICY

PURPOSE

The purpose of this policy is to ensure the efficient and effective recovery of outstanding debts whilst maintaining a high standard of customer service to ratepayers.

SCOPE

This policy applies to Hunters Hill Council and its ratepayers and debtors, including individuals and commercial lessees who are responsible for paying business rates.

It provides a framework for responding to applications for those experiencing genuine hardship for assistance with the payment of their rates and charges. This policy applies ratepayers and customers of the Municipality of Hunters Hill.

The framework applied is in compliance with the requirements of Local Government Act 1993 and the Local Government (General) Regulation 2005 and, in accordance with, the Office of Local Government's Debt Management and Hardship Guidelines.

DEFINITIONS

Mercantile Agent	Agent employed by the Council for debt recovery purposes.
Sundry Debt	Debt incurred from miscellaneous fees that are not rates or charges.

POLICY STATEMENT

PART 1 POLICY GUIDELINES

1 APPLICATION

1.1 A ratepayer may be eligible for hardship assistance for the payment of overdue rates, annual charges, debtors and interest, where:

- The applicant is unable to pay rates or accrued interest for reasons beyond their control (section 567)
- payment of the accrued interest would cause the person hardship (section 567)
- Periodical payment arrangements for overdue rates and charges is being requested (section 564)



- Writing off or reducing interest accrued on rates or charges is being requested (sections 564 & 567)
- Waiving, reducing or deferring the payment of the increase in the amount of rate payable because of hardship resulting from the general revaluation of land in the Local Government Area (section 601) is sought.

2 PRINCIPLES

2.1 Council will consider applications for assistance in accordance with the following principles:

- Each application will be individually assessed
- Council is not able to reduce rates, but will consider alternative available approaches to dealing with cases of financial hardship including a scheme of periodical payment outside the due dates in cases of hardship or extenuating circumstances.

3 RATES AND CHARGES AND DEBT RECOVERY

3.1 The General Manager is authorised to enter into arrangements with any ratepayer to have rates and charges paid by agreement as per Section 564 (1) of the Local Government Act 1993. Arrangements will be for regular instalments with the debt to be extinguished by the end of the current financial year where possible. Scheduling of payments either weekly or fortnightly via BPay is the preferred method of making these arrangement to pay payments.

3.2 The General Manager is authorised to write-off or reduce interest accrued on rates and charges if the ratepayer adheres to a rate payment agreement as per Section 564 (2) of the Local Government Act 1993. This will only take place at the end of the arrangement period, provided all payments are received on time, as per the agreement.

3.3 Ratepayers on an arrangement to pay agreement will be issued a missed instalment notice only if an agreed scheduled payment has not been received. Missed Instalment Notices shall be issued within 3 weeks of the expiry of the instalment due date. For those ratepayers not on a payment arrangement agreement, this reminds them of where their account is currently up to, and is an opportunity to make payment or enter into a payment arrangement agreement.

3.4 After the Missed Instalment Notice is issued, a Final Notice is to be sent demanding payment, after a further 21 days, excluding those ratepayers on a current arrangement to pay agreement.

3.5 After the Final Notice is issued, a notice of Proposed Legal Action may be sent demanding payment and warning that legal action may commence if payment or suitable arrangement is not made within 14 days. This only applies where the ratepayer now owes 3 or more overdue instalments, and the amount owing is greater than \$1,000.00.



- 3.6 Following the lapsing of a further 14 days, and if no payment or arrangement to pay has been made, a Letter of Demand will be issued. Following a further 14 days, a Statement of Liquidated Claim maybe issued if no payment or suitable arrangement has been made. All legal costs are recoverable from the ratepayer.
- 3.7 When legal action is unsuccessful and Rates and Charges remain outstanding for 5 or more years, the relevant property may be sold in accordance with Section 713 of the Local Government Act 1993 subject to the concurrence of Council.

4 SECTION 601 VALUATIONS

- 4.1 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.
- 4.2 Council has discretion to waive, reduce or defer payment of the whole or any part of the increase in the amount of rate payable.
- 4.3 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.

5 SUNDRY DEBTS

- 5.1 Term for payment of Sundry Debts is 14 days.
- 5.2 The General Manager is authorised to enter into arrangements with any debtor for the payment of outstanding debtors.
- 5.3 Once a Sundry Debt is overdue, a copy of the invoice or statement is to be sent by way of reminder.
- 5.4 If the debt remains outstanding after a further seven days, the relevant Council officer will contact the staff member in the relevant department that requested the billing and advise them of the current status of the matter. A telephone call to the debtor should follow (where possible). This action will guide on the appropriate action which may include the withdrawal of the service and or referral to Council's mercantile agent for legal action.



RELATED RESOURCES

Hunter's Hill Council Rates and Charges, Pensioners Reduction Policy (GOV-Pol.07).

Hunter's Hill Council Communication Policy (CORP.S-Pol.20).

Hardship application form for residential applicants.

Hardship application form for commercial applicants.

POLICY OWNER

The policy authority is the General Manager.

AUTHORISATION AND REVIEW

Next Review Date

This policy was reviewed in 2020. The next review date is 2023.

Version Control Table

Date	Version	Res. No.	Key Changes	Author
12.02.2007	1.0	25/07	Adoption of policy: Debt Recovery Policy	D. McFadyen
27.04.2020	2.0		Additions and inclusion for commercial rates payers and s.601 references	M.Kenny