



# WALCHA COUNCIL

## ADMINISTRATION POLICY

### Hardship

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#### Applicability

The community of the Walcha Local Government Area together with all Councillors, Council Staff and Ratepayers.

#### Publication Requirement

Internal and External

#### Assigned Responsible Officer

Chief Financial Officer

#### Document Status

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#### Amendment Record

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## 1. POLICY OBJECTIVE

The purpose of this policy is to establish guidelines utilised by Walcha Council in the assessment of hardship applications by applying the principles of social justice, fairness, integrity, appropriate confidentiality and compliance with relevant statutory requirements.

## 2. POLICY SCOPE

This policy relates to all parties that owe monies to Walcha Council, including but not limited to ratepayers (including other charges linked to the property) and sundry debtors.

For residential customers this policy is intended to provide relief for the primary residence, however in exceptional circumstances consideration may be given to a rental property.

Commercial properties (including farmland) are outside the scope of this policy, however in exceptional circumstances consideration may be given to commercial property (including farmland).

## 3. POLICY COMMITMENT

Walcha Council is committed supporting members of the community experiencing financial hardship applying principles of social justice, fairness, integrity, appropriate.

## 4. KEY PRINCIPLES

### 4.1 Consistency and Fairness

Walcha Council commit to ensuring that all persons are treated fairly and consistently and will give due consideration and compassion to those who are suffering genuine financial hardship.

### 4.2 Confidentiality and Privacy

Council recognises that its officers have a duty to maintain the privacy and confidentiality of all ratepayers and customers' personal circumstances. Any personal information collected as a result of this policy will be dealt with in accordance with the Privacy and Personal Information Protection Act 1998 (NSW).

## 5. POLICY STATEMENT

Council recognises that due to exceptional circumstances, our customers may at times experience genuine hardship resulting in difficulty paying rates, charges, fees or other debts to Council. The Local Government Act 1993 (the Act) and the Local Government (General) Regulation 2005 (the Regulations) allow Council to provide the following assistance to ratepayers and customers:

### 5.1 Periodical Payments

In accordance with Section 564 of the Act, customers who are unable to pay rates, charges, fees or other debts to Council by the due date, either because of reasons beyond their control or because payment would cause hardship, may apply to enter into an Agreement to make periodical payments by direct debit rather than quarterly instalments. It is expected that under this arrangement all outstanding charges, including accrued interest, would be repaid within 12 months.



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## 5.2 Pensioner Concessions

Section 575 of the Act requires Council to provide specified reductions for eligible pensioners. Further, should an eligible pensioner fail to apply or be confirmed by DHS/DVA in any year, Council will grant rebates pertaining to the current and previous year only, and only on application.

Council may waive all interest charges for eligible pensioners that pay their rates by 30 June each year. Subject to appropriate arrangements as to repayment of rates the Council will consider applications for a reduction of interest charges based on financial hardship.

## 5.3 Hardship Application

Customers who are unable to pay rates, annual charges and/or fees for reasons beyond their control or because payment would cause genuine hardship can apply to Council for assistance at any time. If Council is satisfied that it falls within a category of hardship, which is generally only in exceptional circumstances, it has the discretion to waive, reduce or defer the payment.

An application for Hardship Rate Relief must be completed and include supporting documentation which may include, but is not limited to the following:

- a) Statement of reason for hardship;
- b) Latest tax return;
- c) Reason for material differences since tax return was lodged; and
- d) Other information on request to allow assessment of the application.

Applicants may, in some instances, be requested to attend an interview to help Council better understand the issues causing hardship.

Applications will then be assessed by Council's Hardship Group consisting of the General Manager, Chief Financial Officer and Senior Finance Officer.

Each application will be assessed on an individual basis and a determination made as to the extent of relief on the basis of whether or not the hardship criteria have been satisfied by the applicant taking into account the applicant's capacity to pay.

## 5.4 Remedies Available

If the Hardship Application is approved the following support may be offered:

- a) Suspension of debt recovery action;
- b) Waive interest accrual (including writing off interest already charged);
- c) Formal periodic payment arrangement by direct debit; and
- d) Under certain circumstances the debt may be deferred pending sale or transfer of the property

## 5.5 Hardship Application Decisions and Appeals

Council's Hardship Group, will make a decision about whether or not to grant hardship within 10 working days after receiving the application and supporting documentation. The applicant should be informed of the decision in writing within 5 working days and will be given reasons for the decision.

If not satisfied with the outcome, the applicant is permitted to appeal the decision in writing to the Elected Council. Any hardship request considered by Council will be done so at a closed meeting.



## 6. CANCELLATION OF HARDSHIP ARRANGEMENTS

A hardship arrangement may be cancelled if the ratepayer:

- a) fails to comply with their payment plan;
- b) no longer owns the land;
- c) advises the council that financial hardship no longer applies; or
- d) provides false or misleading evidence of financial hardship to council.

Where a ratepayer fails to comply with their payment plan or contact Council about failing to pay, Council will send a reminder to make a payment or contact Council. If the ratepayer does not respond within the designated timeframe, and Council determines the payment plan is unlikely to be met, the payment plan will be cancelled and this decision communicated to the ratepayer in writing. The debt would then become subject to the normal debt recovery processes of Council.

## 7. DEFINITIONS

<b>Capacity to Pay</b>	A payment amount or plan that takes into account a ratepayer's personal circumstances including, but not limited to; - Total disposable income - Number of children/other dependents of the ratepayer
<b>Elected Council</b>	The elected representatives, or councillors, who form the governing body of Walcha Council
<b>Council Policy</b>	Policy created and approved by the General Manager and the elected body (Council)
<b>Debt Collector</b>	A person or agency collecting a debt in the course of business on Council's behalf
<b>Debt Recovery Procedure</b>	Council procedure that defines the processes to implement to meet the objectives of Council's debt recovery policy
<b>Hardship</b>	Hardship is any situation where an individual is having difficulty paying legally owed debt. This can result from life changes (e.g. illness, unemployment or changed financial circumstances) restricting the short term capacity to pay
<b>Pensioner</b>	An eligible pensioner as defined in Clause 134 of the Regulations.
<b>DHS</b>	Department of Human Services (Centrelink)
<b>DVA</b>	Department of Veterans Affairs

## 8. SUPPORT SERVICES

Ratepayers or debtors suffering financial hardship or require legal support, may find the following organisations of assistance:

- a) The Salvation Army (Moneycare) [www.salvos.org.au](http://www.salvos.org.au), Telephone: 1300 371 288 or 02 6771 4010
- b) Legal Aid NSW [www.legalaid.nsw.gov.au](http://www.legalaid.nsw.gov.au), Telephone: 02 6766 6322
- c) ASIC's Moneysmart, <https://moneysmart.gov.au/#get-help-with-money>



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- d) Community Legal Centres NSW, <https://clcsw.org.au/find-legal-help>, Telephone: 1300 888 529
  - e) Centrelink [www.centrelink.gov.au](http://www.centrelink.gov.au), Telephone: 13 63 57
  - f) National Debt Hotline operated by Financial Counsellors Association of NSW, [www.fcan.com.au](http://www.fcan.com.au), Telephone: 1800 007 007
  - g) Rural Financial Counselling Service NSW Central Region [www.rfcsnr.org.au](http://www.rfcsnr.org.au), Telephone: 0447 393

## 9. RELATED LEGISLATION, POLICIES AND REVIEW

### 9.1 Related Legislation and Policies

The following are relative to this policy:

- a) Local Government Act 1993 NSW;
- b) Local Government (General) Regulations 2005;
- c) Privacy and Personal Information Protection Act 1998 (PPIP Act);
- d) Walcha Council Debt Recovery Policy (WINT/14/462); and
- e) Office of Local Government *Debt Management and Hardship Guidelines*, 2018

### 9.2 Review

Council reserves the right to vary, replace or terminate this policy at any time. This policy will be reviewed every 4 years or earlier if there are relevant statutory or State Government policy changes.