

ATTACHMENT TO AGENDA ITEM

Ordinary Meeting

21 October 2014

Agenda Item 8.1 Hardship Policy

Attachment 1 Hardship Policy 34.POL2 159

GREATER SHEPPARTON CITY COUNCIL

Policy Number 34.POL2

Financial Hardship Policy

Version 1.0

Adopted TBC
Last Reviewed

Business Unit:	Finance and Rates
Responsible Officer:	Manager Finance and Rates
Approved By:	Chief Executive Officer
Next Review:	Four years from the date of adoption

PURPOSE

To provide Council with a policy framework for financial relief to ratepayers who are experiencing, or are at risk of experiencing, financial hardship. This policy also provides ratepayers with a clear and transparent understanding of the options and assistance available.

OBJECTIVE

To ensure ratepayers experiencing genuine financial hardship situations are aware of the rating assistance available under the Local Government Act 1989; all applications for rate assistance are treated consistently, objectively, sensitively, respectfully and in a confidential manner; and other ratepayers are not disadvantaged by the granting of inappropriate rate relief.

SCOPE

This applies to all requests for rate assistance for residential properties within the municipality.

DEFINITIONS

Reference term	Definition
<i>Financial Hardship</i>	A ratepayer who is living in their primary residence and who wants to pay the rates on their primary place of residence but cannot due to financial difficulty in meeting basic living costs. The ratepayer reasonably expects to be able to pay if payment arrangements were changed. The hardship may be short or long term.
<i>Payment Arrangement</i>	Spreads the rate payment over an agreed period, allowing the ratepayer additional time to make payments without any legal action being taken. Approval can be verbal in simple situations e.g. regular repayments which will clear the amount within the current financial year, or will require an application form for longer arrangements. Interest will be charged on all outstanding amounts until paid in full.
<i>Deferred Arrangement</i>	A postponement of payment in whole or in part for a specified period. An application form is required. Interest continues to accrue on outstanding amounts.

POLICY

Assistance will be granted to individuals experiencing financial hardship, with regard to the rates, municipal charge, service rate, special rate and fire service levy on their **primary residence**.

Ratepayers experiencing financial hardship and unable to pay outstanding rates and charges via the standard payment options may apply for a **Payment Arrangement**, subject to compliance with the following conditions:

- The ratepayer must be able to demonstrate they are experiencing financial hardship;
- The payment dates proposed need to be regular (e.g. fortnightly) and the amounts proposed will clear the debt;
- Where the hardship is expected to be short term i.e. the debt is fully repaid in the current financial year, verbal arrangements will be accepted;
- The maximum life of the Payment Arrangement is twelve (12) months following the end of the financial year the arrangement was entered into;
- For longer term hardship, the Payment Arrangement request must be in writing specifying the proposed payment dates and amounts. Longer term arrangements will be subject to periodic review;
- Any default in the arrangement may end the arrangement and result in the commencement of legal proceedings;
- Acceptance by the ratepayer that interest will be levied at the rate set by the Attorney General until the account is paid in full.

Where the ratepayer is unable to commit to regular repayments, a **Deferred Arrangement** will be considered, subject to compliance with the following conditions:

- A confidential statement must be submitted by the ratepayer as evidence of financial hardship;
- Aged pensioners can request an indefinite deferment e.g. until the property is sold or the estate is settled;
- For all other ratepayers, deferment will be for one year only. A ratepayer can re-apply each year. The maximum amount able to be deferred is 50% of the CIV of the property;
- The ratepayer will be encouraged to continue to pay the portion of rates that is affordable given their individual circumstances;
- Any default in the arrangement may end the arrangement and result in the commencement of legal proceedings;
- Acceptance by the ratepayer that interest will be levied at the rate set by the Attorney General until the account is paid in full;
- The Manager Finance and Rates will provide a report to the Council on a quarterly basis which will include the value and number of any deferred arrangements provided during the financial period.

Where property ownership changes all overdue rates and charges must be fully paid at settlement. Payment arrangements and deferred arrangements are not transferable.

CONFIDENTIALITY

Applications for consideration of financial hardship will be treated as strictly confidential in accordance with Council's Privacy Policy.

RELATED GUIDELINES, STRATEGIES, POLICIES AND DIRECTIVES

- *34.CEOD1 Process for Financial Hardship Applications CEO Directive*
- *16.POL2 Information Privacy Policy*
- *Rating Strategy 2013-2017*
- *Municipal Association of Victoria Hardship Policy Guidelines November 2013*

RELATED LEGISLATION

- *Local Government Act 1989*
- *Fire Services Property Levy Act 2012*
- *State Concessions Act 2004*
- *Penalty Interest Rates Act 1983*
- *Cultural and Recreational Lands Act 1963*
- *Information Privacy Act 2000*
- *Charter of Human Rights and Responsibilities Act 2006*

REVIEW

Council may review this policy at any time but unless otherwise requested at least four years from the date of adoption. Minor amendments to the policy may be authorised by the Chief Executive Officer at any time where such changes do not alter the substance of the policy.

Gavin Cator
Chief Executive Officer

Date

ATTACHMENTS

Nil