Financial Hardship Assistance

Policy

August 2024

Table of Contents

PURPOSE 3

SCOPE 3

DEFINITIONS 3

POLICY 3

RELATED POLICIES AND LEGISLATION 7

REVIEW 7

PURPOSE

The Council recognises that ratepayers may, at times, experience difficulty in paying their accounts and, therefore, is committed to providing mechanisms to support and guide those ratepayers to assist in meeting their obligations.

This Policy establishes a consistent and fair framework for providing support to individuals facing financial difficulties and aims to support those in need while safeguarding the financial stability of the Council and not disadvantaging other ratepayers.

SCOPE

This Policy applies to all outstanding rates and charges owed to the Council.

DEFINITIONS

*"**Act**"* means *Local Government Act 1993*.

For the purposes of this Policy, *"**financial hardship**"* means a situation where a ratepayer is unable, reasonably, because of prolonged illness or unemployment, or other reasonable cause, to discharge their financial obligations to the Council, and the ratepayer reasonably expects to be able to discharge those obligations if payment arrangements were changed.

A *"**waiver**"* removes the liability to pay and may be offered to include the whole or part of any interest.

*"**Owner-occupied**"* means the property that an application is received for is the applicant's principal place of residence. For the purpose of this Policy the service address on the rate notice will be considered as the applicant's principal place of residence.

POLICY

Genuine hardship may arise due to various reasons, such as illness, unemployment, or cash flow problems. The Council aims to assist ratepayers in overcoming their financial difficulties and returning to financial stability.

The Council may provide relief by waiving interest charges and legal fees on overdue payments or by offering a payment arrangement to eligible applicants. Additionally, the Council may allow for the deferral of rates and charges for individuals or businesses facing severe financial hardship.

Short-term (no more than one year)

All ratepayers are eligible to request payment arrangements from the Rates Officer, provided that they meet the following conditions:

(a) The arrangement must be requested and agreed to.

(b) The proposed payments should be regular (weekly, fortnightly, or monthly).

(c) The maximum duration of the arrangement will be assessed on a case-by-case basis and may extend until the end of the current calendar or financial year.

(d) Interest may still be applicable.

After receiving your application, we will respond within 10 working days.

If your payment arrangement is approved, the following will happen:

- your property records will be updated to reflect that an approved arrangement is in place;
- interest charges and rates will continue accumulating, though interest may be waived (refer below); and
- as long as you meet the payment terms, no debt recovery action will be taken.

Rates must be paid by the due date in normal circumstances. If this does not occur, the Council charges daily interest on the outstanding balance each month.

For low-income earners (those who rely on Centrelink benefits as their primary source of income, for example), the Council may waive interest charges for a specified period, typically aligning with the end of the payment arrangement.

The waiving of interest charges will be considered on a case-by-case basis and will only be available to owner-occupied properties and to those property owners that adhere to the agreed payment arrangement.

If your application is approved, the Rates Officer will implement and monitor the agreed-upon payment plan. Failure to adhere to the agreed terms may result in the termination of the arrangement and the initiation of debt recovery procedures, including legal action.

If your application is declined, you can request that the Manager Finance & Information Services review the decision.

Long-term Financial Hardship - Deferral of Rates

In cases of financial hardship, the Council may provide relief through the deferral of individual rate payments within a defined period, in whole or in part. In exceptional cases, this may mean deferral of the full amount of the rates outstanding.

In less severe financial hardship cases, the Council may seek a regular contribution toward the rates outstanding.

Rate payment deferrals approved under this section are typically less than 12 months. However, rate deferral arrangements can only defer individual payments up to a maximum of two (2) years and only in the most serious circumstances. In these cases, the outstanding rates should be recovered within a further two-year period.

All deferred payments must be repaid in accordance with the deferral arrangement. Otherwise, interest charges will apply.

Note that the Council may revoke any deferral of rates payments at any time, in accordance with section 127 of the *Local Government Act 1993*, by giving 60 days' notice in writing to the ratepayer.

Financial hardship involves both low income/cash flow and a low asset base. Personal property portfolios beyond a primary residence or a business's primary operating space can be employed to improve an applicant's cash flow and financial sustainability. Applications for assistance on residential investment properties will not be considered.

Community wide issues and circumstances may impact financial hardship, but hardship is always assessed at an individual level and requires reviewing personal circumstances.

To request a deferral of rates, interest, and charges deferred in whole or in part, subject to the following conditions:

(a) The applicant needs to provide evidence of circumstances and the existence of financial hardship to justify the Council's special consideration of their case.

(b) The ratepayer must agree to a payment plan with the Council to settle the debt and adhere to its terms.

(c) If interest has been waived and the ratepayer fails to meet the agreed payment terms, the interest waiver may be revoked, and interest will then be charged according to the normal payment terms.

After receiving your application, we will respond within 10 working days.

The terms of rate deferral arrangements will be proportionate to the applicant's demonstrated financial hardship circumstances, so supplying sufficient evidence of these circumstances is important for developing the appropriate terms.

The type of supporting evidence required will depend on your circumstances. The Manager Finance & Information Services must be satisfied with the evidence provided and may request further information. The type of evidence that may be requested includes:

- assessment by an independent accredited financial counsellor demonstrating an inability to both pay rates and rearrange asset portfolios to facilitate payment;
- bank notice, for example, overdraft call or mortgaged property repossession;

- employer notice of redundancy or termination of employment;
- letter from a doctor verifying the inability to earn an income due to illness or caring for a sick family member.

If the deferral is approved, the property will be designated as a property under a financial hardship arrangement. Rates will continue to accrue, although interest charges may be waived, and no debt recovery action will be taken as long as the payment terms are met.

If approved, the Rates Officer will implement and monitor the agreed payment plan. All deferred payments must be repaid as specified in accordance with the deferral arrangement. Otherwise, regular late payment penalties and/or interest charges will apply.

Approved applications will be reviewed annually. The deferral will be withdrawn if the ratepayer no longer experiences financial hardship, ceases to own or occupy the property, defaults on the agreed payment terms, or provides false or misleading information to support the application.

At the discretion of the Manager Finance & Information Services, the deferral may be withdrawn or renegotiated.

If an application for financial hardship relief is denied, the applicant may seek a review of the decision by the Director Corporate Services.

Applications

To seek financial hardship assistance from the Council, an application must be made in writing, addressed to the Chief Executive Officer (CEO), and submitted as follows:

- Emailed to: admin@centralcoast.tas.gov.au

or

- Mailed to: Central Coast Council
PO Box 220
ULVERSTONE TAS 7315

The applicant must provide details of the circumstances preventing them from meeting their financial obligations to the Council.

Community-wide issues and circumstances may impact financial hardship, but hardship is always assessed at an individual level and requires reviewing personal circumstances. Applicants should include information regarding eligibility or non-eligibility for existing Government subsidies.

RELATED POLICIES AND LEGISLATION

Local Government Act 1993 Part 9 – Rates and Charges, particularly

- Section 86A – General principles in relation to making or varying rates
- Sections 125–127 – Postponement of payment
- Section 128 – Late payments
- Section 129 – Remission of rates

Rates and Charges Policy

REVIEW

This Policy will be reviewed every four years by the Council unless organisational and legislative changes require more frequent modification/s.

Date of approval: 19/08/2024
Approved by:

BARRY OMUNDSON
CHIEF EXECUTIVE OFFICER

Note: If this document is a printed copy always check the electronic version to ensure it is up to date.