

Title	Financial Hardship Policy
Council Resolution	Item 6 (17 June 2019) as per Council Minutes
Responsible Directorate	Corporate Services
Due for Review	Four (4) years from Council Resolution Date
Strategic Plan Reference	<u>Leading Our Community</u> 4.1 Govern in the best interest of our community 4.1.1 Manage Council for maximum efficiency, accountability and transparency 4.1.3 Maximise regulatory compliance in Council and the community through our systems and processes.
ECM	Council Policies by Directorate

PURPOSE

The purpose of this policy is to help ratepayers who are suffering financial hardship by providing relief from the requirement to pay Council rates and charges.

SCOPE

This policy applies to any ratepayer of the City of Glenorchy who intends to pay Rates (as defined below) but does not have the financial capacity to do so and is assessed as being in genuine financial hardship.

This policy only applies to Rates payable in for a ratepayer's principal place of residence or commercial or industrial properties. It does not apply to Council charges other than Rates such as, for example, dog registration fees, fines, application fees or facility hire fees.¹

STATUTORY REQUIREMENTS

Sections 125 and 126 of the *Local Government Act 1993* (**the Act**) sets out the circumstances in which a Council can consider an application for deferment or waiver of rates, charges and penalty Interest. This Policy must be read in conjunction with these sections and does not take precedence over them.

Acts	<i>Local Government Act 1993</i> <i>Valuation of Land Act 2001</i>
Regulations	Not Applicable
Other relevant documents	Rates and Charges Policy Postponement of Rates Policy

¹ Other Council policies may set processes and procedures relating to the remission, waiver or reduction of fees and charges other than Rates. Please contact Council for further information.

POLICY STATEMENT

Introduction

Council charges Rates to ensure that it can provide services to the community and comply with its obligations as the local government for the Glenorchy City under the Act. However, Council recognises that sometimes a person's personal financial circumstances mean that it is appropriate for Council to grant that person relief from the payment of Rates.

In determining when it is appropriate to grant Rates relief, Council must balance the requirement to raise enough revenue to provide services to the community with its need and desire to show compassion to its community members and ensure that everyone can access Council's services, irrespective of their financial position.

Who does this policy apply to?

This Policy applies to 'Ratepayers'.

A 'Ratepayer', under this policy, is a person who liable to pay rates on a property in Glenorchy. This may be the owner of the property or could also be a person renting the property if the rental agreement requires that person to pay the Rates.

What is 'genuine financial hardship'?

To be eligible to receive assistance under this policy a Ratepayer must be experiencing 'genuine financial hardship'.

'Genuine financial hardship' is when a Ratepayer is genuinely unable to pay their bills or meet other financial obligations. A Ratepayer will not be in genuine financial hardship if it is simply inconvenient for them to pay their Rates bill or other bills.

Council will only consider granting relief under this policy to Ratepayers who are found to be suffering genuine financial hardship.

What are 'Rates'?

Under this policy, a Ratepayer can apply for relief from the payment of 'Rates'.

The term 'Rates' under this policy means any charge that appears on a Rates notice. This includes:

- general rates (the 'cents in the dollar' amount charged for a property)
- the service charges that Council levies to pay for garbage, recycling and FOGO bin collection
- the fire services levy, and
- any interest or penalties that Council can charge if the Rates are not paid on time (including any costs that Council would charge for the recovery of overdue rates).

This policy does not apply to any other fees or charges charged by Council. This means that Ratepayers can not apply for relief from paying charges such as dog registration fees, application fees, facility hire fees or other charges that do not appear on Rates bills.

The types of help that Council can give

A Ratepayer who believes they are suffering genuine financial hardship can apply to Council for either:

- deferral of the payment of Rates (i.e. paying Rates after they would normally be due)
- waiver of Rates, in-part or in-full (i.e. not being required to pay some or all of the Rates bill), or
- waiver of interest, penalties and legal charges invoiced in respect of a Rates bill, in-part or in-full (i.e. not being required to pay any extra fees that Council may have charged for the Rates not being paid on time).

A Ratepayer can apply for one or more of the above types of relief when making an application.

How to make an application

A Ratepayer seeking relief under this Policy can apply to Council by completing an application form and describing why they are in genuine financial hardship.

The application form will be available on Council's website (www.gcc.tas.gov.au) and will also be able to be collected in person from Council's chambers.

The forms can be submitted to Council by email (to gccmail@gcc.tas.gov.au) or can be given to our Customer Service Staff at Council's chambers.

Council staff will contact a Ratepayer once an application is received to advise how long it will take to assess, and if there is any other information required.

Evidence of genuine financial hardship

If a person makes an application for relief under this policy, Council may ask the person to provide evidence that they are suffering from genuine financial hardship.

Evidence that Council may ask for may include:

- documents which show that the Ratepayer has sought help from a financial counsellor (such as a receipt from a booking with a financial counsellor)
- a statutory declaration from an someone who is familiar with the ratepayer's circumstances (family doctor, bank officer etc), or
- bank statements, medical certificates, or other documentary evidence that demonstrates the circumstances that have caused or are symptomatic of the Ratepayer's genuine financial hardship.

If Council staff need more evidence to support an application by a Ratepayer, they will explain exactly what they require and why they need it to decide an application.

How will applications be decided by Council

When deciding whether to approve an application under this policy, Council officers will consider:

- the information about the Ratepayer's financial circumstances that has been provided on the application form
- any supporting evidence that has provided by the applicant, and
- any other relevant information or circumstances.

Decisions are to be assessed against a set of guidelines, to be approved by the General Manager.

Council may refer an application to for assessment by an independent accredited financial counsellor if it deems this to be necessary.

Who makes decisions?

Decisions on applications for the deferral or waiver of Rates or the write-off of interest, legal charges are to be made by:

- for amounts less than \$2,500 – Council’s Chief Financial Officer, and
- for amounts over \$2,500 – Council’s Director Corporate Services.

What happens if an application is approved?

If an application for relief under this policy is approved it will be valid for a period of 12 months.

At the end of the 12 months, a new application will need to be submitted which will need to show that the Ratepayer is still suffering from genuine financial hardship.

Council staff will contact any person given relief under this policy near the end of the 12-month period to help them to submit a new application if this is required.

Help with applications

Council staff will make every effort to assist a person who wishes to make an application to complete the application form and provide any information that is required for the application to be decided.

Other help for Ratepayers

Ratepayers can seek help with managing their financial circumstances from the following services:

- the Australian Securities and Investment Commission (ASIC) has developed a ‘MoneySmart’ website which provides financial guidance: www.moneysmart.gov.au/managing-your-money/managing-debts/trouble-with-debt/problems-paying-your-utility-bills
- Financial Counselling Australia (FCA) is the peak body for financial counsellors in Australia. FCA can help affected persons find a financial counsellor – please visit: www.financialcounselingaustralia.org.au for more information.
- The National Debt Helpline is a not-for-profit service that helps people in Australia tackle their debt problems. This is a Government service providing free, confidential counselling for people experiencing financial difficulty. Visit www.ndh.org.au or call 1800 007 007 for more information.

The Salvation Army provides a range of support options to help with financial difficulties, depending on the nature of your problems. Visit: www.salvationarmy.org.au/ryde/need-help/financial-assistance-bills-food-utilities.

BACKGROUND

Council recognises that some members of its community (such as the vulnerable or disadvantaged) may suffer from hardship or otherwise have other circumstances which make it difficult to pay Rates.

Council intends to be compassionate and work with its vulnerable community members to ensure that they are not further disadvantaged because of their Rates obligations. A policy is required to ensure the consistent application of principles to determine when it is appropriate to grant relief from Rates to a person suffering genuine financial hardship.