

Financial Hardship Policy

Purpose

To provide a framework for decisions about providing assistance to individuals and organisations in our community experiencing financial hardship.

Scope

This policy applies to applications for financial relief through changes to payment arrangements for Council Rates and Annual Charges.

Community assistance through waiving, discounting or reducing Council service related Fees and Charges are dealt with in the Revenue Policy in the Operational Plan.

Context

Council levies rates and 'annual charges' (s501 *Local Government Act 1993*) to fund public assets and services to people and organisations that live and/or operate in the Yass Valley Local Government Area. Council sets annual charges for water and waste water services that is set aside in a separate fund to land rates. Rates and annual charges are similar to a tax collected by other tiers of government such as income tax. It is only these rates and annual charges that this policy relates to.

Separate to the above, Council also charges fees and charges for discretionary services that are incurred if a service is accessed (for example disposing of waste at a transfer station or hiring a hall) in accordance with s608 of the *Local Government Act 1993*. Each year Council will decide which of these fees and charges will be applied at full cost recovery (the default position) and those that should be discounted or free of charge. These reductions are often made to incentivise a desired outcome, or to recognise an unreasonable financial burden on a particular cohort within the community.

Definitions

The following definitions are provided to promote understanding of this policy:

Term	Meaning
Rates	Are of the nature of a property tax that is levied on the property owner to provide public goods and services for the local area
Annual Charges	An annual charge is applied to rateable land where that service is able to be provided – Waste, Water and Sewer
Fees and Charges	A fee for a service provided by Council under s 608 LG Act
Interest	Interest charged by Council on overdue rates and annual charges

Policy Principles

Eligibility

A person or other legal entity is eligible for assistance if it can be demonstrated that the person(s) or organisation is suffering financial hardship in that they cannot meet their obligations in the short to medium term.

Financial hardship may arise as a result of a sudden loss of income by a property owner/facility user/service user or family member upon whom a property owner relies on for financial support due to circumstances such as:

- a. Loss of employment; or
- b. Family breakdown; or
- c. Illness or incapacity; or
- d. Death; or
- e. A disruptive event.

Additional water use is experienced by residents on home dialysis for their medical condition. Council recognises this can be an additional financial burden on residents and will provide a rebate based on the estimated additional water use.

Application and Assessment

Applications must be submitted to the General Manager using the Financial Hardship Relief Application Form (190) with all relevant supporting documentation attached. The General Manager will assess each application on its merits taking into account the responses provided in the Financial Hardship Relief Application Form (190).

Requests for a water rebate for residents on home dialysis can be a letter or email to Council supported by an estimate of the water use from a medical practitioner/health service. An estimate is to be provided annually to Council.

Determination

Council will make a determination in respect of each application upon consideration of a recommendation made by the General Manager.

The applicant will be informed of Council's decision in writing. Applicants can make one request to Council to reconsider its decision and at that time provide additional information and supporting documentation.

The successful applicant must enter into a written agreement to pay any outstanding amounts or rates and annual charges or upcoming rates and annual charges that have been deferred. Only rates and annual charges due in the current and following year can be deferred by Council for future payment. Council may separately or concurrently agree to waive interest charged on overdue or deferred rates and annual charges.

Failure to adhere to written agreements will in most cases result in debt recovery action by Council.

For residents on home dialysis a water rebate based on the estimated water use will be applied to each water bill following the reading of the meter. For example if the estimated water use for dialysis is 255kl per year this equates to a rebate of 75kl per water bill.

Withdrawal of Assistance

Financial hardship assistance may be withdrawn by Council at the discretion of the General Manager for any of the following reasons:

- a. The ratepayer no longer owns the land; or
- b. The ratepayer advises Council that hardship no longer applies; or
- c. The ratepayer defaults on the payment agreement; or
- d. Council receives new information that proves the hardship no longer exists.

Responsibilities & Review

Chief Financial Officer will:

- Provide all necessary administrative support for the operation of this policy
- Develop and document any procedures and forms for the effective implementation of this policy
- Keep sufficient records to enable monitoring of compliance with this policy and provide information required for reporting purposes and internal organisational performance measurement.
- Review this policy every four years. Next review date is: May 2024.

References

This policy is to be read in conjunction with the following:

Legislation	Local Government Act 1993 (s564, s567, s582, s585, 601)
Policies and procedures	FS-POL-3 Debt Recovery
	FM-POL-5 Pensioner Rebates

Approval

The Council approved this policy at an Ordinary Council Meeting on 22 April 2020 (for public exhibition).

Approval History

Stage	Date	Comment	MagiQ Reference
Exhibition	22 April 2020	Approved by Council	366268
Adopted	27 May 2020	Post Exhibition	
Minor Adjustment	23 July 2020	Policy Name	
Amendment	23 Sept 2020	Rebates for dialysis approved by Council	32972

Ownership and Approval

Responsibility	Role
Author	Director Corporate & Community
Owner	Chief Financial Officer
Endorser	EMT
Approver	Council