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| POLICY NO. | CPFM4 |
| POLICY TITLE | Financial Hardship Policy |
| STATUS | Council |
| SERVICE | Financial Management |
| DOCUMENT ID | 613944 |

PURPOSE

The purpose of the policy is to:

- ensure the efficient and effective recovery of outstanding debts whilst maintaining a high standard of customer service to ratepayers
- provide a framework for responding to applications for those experiencing genuine hardship for assistance with the payment of their rates and charges
- ensure the recovery of outstanding debts is compliant with the requirements of Local Government Act 1993 and the Local Government (General) Regulation 2021 and, in accordance with, the Office of Local Government's Debt Management and Hardship Guidelines.

SCOPE

This policy applies to Hunters Hill Council and its ratepayers and debtors, including individuals and commercial applicants.

DEFINITIONS

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| Mercantile Agent | Agent employed by the Council for debt recovery purposes. |
| Sundry Debt | Debt incurred from fees and charges that are not related to rates or waste charges. |

POLICY STATEMENT

1. Principles

1.1. Council will consider applications for assistance in accordance with the following principles:

- Each application will be individually assessed
- Council is not able to reduce rates, but will consider alternative available approaches to dealing with cases of financial hardship including a scheme of periodical payment outside the due dates in cases of hardship or extenuating circumstances.

2. Local Government Act (1993) – Provisions for rate payer hardship applications

- 2.1. A ratepayer may be eligible for hardship assistance for the payment of overdue rates, annual charges, debtors and interest, where:
- Periodical payment arrangements for overdue rates and charges, and writing off or reducing interest accrued on rates or charges is being requested (sections 564 & 567), as the applicant is unable to pay rates beyond their control, and payment of the accrued interest would cause the person hardship.
 - Waiving, reducing or deferring the payment of the increase in the amount of rate payable is being requested because of hardship resulting from the general revaluation of land in the Local government area (section 601).

3. Rates and charges and debt recovery

- 3.1. The General Manager (or their delegate) is authorised to enter into arrangements with any ratepayer to have rates and charges paid by agreement as per Section 564 (1) of the Local Government Act 1993. Arrangements will be for regular instalments with the debt to be extinguished by the end of the current financial year where possible. Scheduling of payments either weekly or fortnightly via BPay is the preferred method.
- 3.2. The General Manager (or their delegate) is authorised to write-off or reduce interest accrued on rates and charges if the ratepayer adheres to a rate payment agreement as per Section 564 (2) of the Local Government Act 1993. This will only take place at the end of the arrangement period, provided all payments are received on time, as per the agreement.
- 3.3. All ratepayers with overdue amounts owing will be issued with a Missed instalment Notice notifying them of the current overdue amount. For those ratepayers on an arrangement to pay agreement, this reminds them of where their account is currently up to, and for those not on an arrangement to pay, it is an opportunity to make payment or enter into an arrangement to pay agreement. The Missed Instalment Notice shall be issued within 3 weeks of the expiry of the instalment due date.
- 3.4. After the Missed Instalment Notice is issued, a Final Notice is to be sent demanding payment, after a further 21 days, excluding those ratepayers on a current arrangement to pay agreement.
- 3.5. After the Final Notice is issued, a notice of Proposed Legal Action may be sent demanding payment and warning that legal action may commence if payment or suitable arrangement is not made within 14 days. This only applies where the ratepayer now owes 3 or more overdue instalments, and the amount owing is greater than \$1,000.00.
- 3.6. Following the lapsing of a further 14 days, and if no payment or arrangement to pay has been made, the matter is then referred to Council's current Mercantile agent. The mercantile agent will send a Letter of Demand on its letterhead. Following a further 14 days the Mercantile agent may issue a Statement of Liquidated Claim if no payment or suitable arrangement has been made. Council is to be guided by the mercantile agent as to the most suitable form of recovery action. All legal costs are recoverable from the ratepayer.
- 3.7. When legal action is unsuccessful and Rates and Charges remain outstanding for 5 or more years, the relevant property is to be sold in accordance with Section 713 of the Local Government Act 1993 subject to the concurrence of Council.

4. Section 601 valuations

- 4.1. Any ratepayer who incurs a rate increase in the first year following a revaluation of land values can apply to Council for rate relief if the increase in the rates payable would cause them substantial hardship.
- 4.2. Council has discretion to waive, reduce or defer payment of the whole or any part of the increase in the amount of rate payable.
- 4.3. Council can set the period of time for when applications can be made under this section. Applications must be made in the first year following the use of the new valuations used for rating.

5. Sundry debts

- 5.1. Term for payment of sundry debts is 14 days.
- 5.2. The General Manager (or their delegate) is authorised to enter into arrangements with any debtor for the payment of outstanding debtors.
- 5.3. Once a Sundry Debt is overdue, a copy of the invoice or statement is to be sent by way of reminder.
- 5.4. If the debt remains outstanding after a further seven days, the relevant council officer will contact the staff member in the relevant department that requested the billing and advise them of the current status of the matter. A telephone call to the debtor should follow (where possible). This action will guide on the appropriate action which may include the withdrawal of the service and or referral to Council's mercantile agent for legal action.

RELATED POLICIES/PROCEDURES

Hunter's Hill Council Rates and Charges, Pensioners Reduction Policy
Hardship application form for residential applicants.
Hardship application form for commercial applicants.

POLICY AUTHORITY

Council (or delegated Responsible Accounting Officer for minor amendments)

REVIEW

This policy to be reviewed each term of Council or with any changes to relevant legislation or Council policy.

ADOPTED BY COUNCIL:

DATE: 28 October 2024
RESOLUTION NO: 119/24

VERSION CONTROL TABLE

| DATE | VERSION | RES. NO. | KEY CHANGES | AUTHOR |
|------------|---------|-----------------|--|-------------|
| 12.02.2007 | 1.0 | 25/07 | Adoption of policy: Debt Recovery Policy | D. McFadyen |
| 27.04.2020 | 2.0 | 062/20 | Additions and inclusion for commercial rates payers and s.601 references | M. Kenny |
| 14.07.2023 | 3.0 | Minor Amendment | Formatting, and update of position titles and legislative references. | M. Kenny |
| 28.10.2024 | 4.0 | 119/24 | Tabled to newly elected Council. | M. Kenny |