



3.02 – HARSHIP POLICY

1. INTRODUCTION

Norfolk Island Regional Council acknowledges that from time to time some residents and ratepayers may suffer from financial hardship.

The purpose of this policy is to provide assistance to those ratepayers who are experiencing genuine financial hardship, and to explain the process for payment arrangements, applications for waivers, and the applicable criteria.

2. POLICY OBJECTIVE

The *Local Government Act 1993* (NSW) (NI) allows Council to provide assistance to ratepayers experiencing hardship. Hardship can result from a number of factors including:

- loss or change in income
- illness
- loss arising from an accident
- natural disaster or emergency situation
- death in the family
- separation, divorce or other family crisis
- family violence
- some other temporary financial difficulty due to loss of income or increase in essential expenditure.

3. POLICY SCOPE

Authority for implementation of the Hardship Policy is delegated by Council to the General Manager in accordance with section 377 of the *Local Government Act 1993* (NSW) (NI).

The General Manager may delegate the hardship function to an authorised council employee. Delegated officers are required to acknowledge that they have received a copy of this policy which is in accordance to relevant legislation.

4. DEFINITIONS

Hardship – A situation where a ratepayer is unable, reasonably, because of illness, unemployment or other reasonable cause, to discharge their financial obligations to Council and the Ratepayer reasonably expects to be able to discharge those obligations if payment and/or Service arrangements were changed. Financial hardship can be of limited or long-term duration.

5. LEGAL AND POLICY FRAMEWORK

- Office of Local Government Debt Management and Hardship Guidelines (November 2018)
- *Local Government Act 1993* (NSW)(NI):
 - section 546 – How is a rate or charge levied
 - section 582 – Abandonment of pensioner rates and charges
 - section 583 – Writing off of pensioner rates and charges
 - section 562 – Payment of rates and annual charges
 - section 564 – Agreements as to periodical payment of rates and charges

- section 567 – Writing off of accrued interest
- section 577 – Extension of concession to avoid hardship
- section 578 – When does an order under sec 577 take effect
- section 601 – Hardship resulting from certain valuation changes
- section 710 – Service of notices on persons
- section 713 – Sale of land for unpaid rates and charges

6. IMPLEMENTATION

6.1 COMMUNICATION

Following adoption by Council this Policy will be made available on Council’s website for the public.

6.2 ASSOCIATED DOCUMENTS

Financial Hardship (Rate Relief) Application Form

7. POLICY

7.1 ETHICS AND CONFLICTS OF INTEREST

Officers shall refrain from personal activities that would conflict with proper execution and management of Council’s Hardship Policy. Council’s Code of Conduct provides guidance for recognising and disclosing any conflicts of interest.

7.2 PRIVACY OBLIGATIONS

Personal information means information or opinion, whether it is true or not, about an individual that can reasonably allow the individual to be identified.

A debtor’s personal information will be treated with respect and Council will comply with the *Privacy Act 1988* (CTH) when collecting and disclosing information throughout the hardship application process.

7.3 PAYMENT ARRANGEMENTS

Council may accept payment of rates and charges in accordance with an agreement and can write off or reduce interest accrued on rates and charges if the person complies with the agreement.

The basic principle of any agreed financial arrangement is that the repayment should be sufficient to cover expected future use of the service (as adjusted to ensure the ratepayer’s financial position does not worsen over a reasonable period of time) as well as providing continued reduction of debt at a reasonable level (i.e. the ratepayer should not be going into further debt under the arrangement).

The maximum assistance to be granted to the ratepayer is to be a repayment scheme over a two-year period with no interest charge applied. In case the hardship still persists, then the ratepayer will need to reapply by submitting a new application.

7.4 WRITE OFF OF ACCRUED INTEREST

Council may write off accrued interest on rates and charges payable by a person if, in Council’s opinion, the reasons that the person was unable to pay the rates and charges when they became due and payable were beyond the person’s control; or, that the person is unable to pay the accrued interest for reasons beyond that person’s control; or, that the payment of the accrued interest would cause the person hardship.

The waiver will be considered once the ratepayer agrees to enter into an arrangement to pay off the debt in periodic payments. The interest amount will be written off at the end of the financial year if the payment arrangement is adhered to. In case of the ratepayer not complying with the agreed payment arrangements, interest will not be written off.

7.5 APPLICATION PROCESS

Ratepayers who wish to access the financial hardship provisions of this policy must provide sufficient information to Council in order for an assessment to be made. Applicants should submit their request in writing indicating the reason why they are applying for hardship by completing the Financial Hardship (Rate Relief) Application Form in full, detailing personal financial information.

Submitting the financial hardship application does not mean that it will be automatically approved. Hardship assistance is subject to approval and it can also be declined if the information provided is not sufficient or does not meet the criteria.

7.6 HARDSHIP CRITERIA

- Hardship relief will only be provided on rates for properties that are categorised as residential.
- The applicant must be the owner or part-owner of the property and be liable for the payment of rates and charges on this property.
- The property for which the hardship application applies must be the principal place of residency of the applicant/s.
- Genuine commitment to extinguish the outstanding rates debt.
- Income and saleable assets held by the applicant/s are considered insufficient or sale of such assets unreasonable to pay the debt in full immediately.

Applications under Section 601 of the *Local Government Act 1993* (NSW)(NI) must be submitted within six months of the posting date of the rates notice in the first year of the general revaluation for rating purposes.

8. REVIEW AND VERSION CONTROL

Policy Number	3.02		Responsible Officer	Chief Financial Officer
Effective Date	20 February 2019		Next Review Date	2022
Version Number	Version	Resolution No.	Effective Date	Version description
	V1	2017/17	15 February 2017	Developed and Adopted
	V2	2019/20	20 February 2019	Reviewed and Adopted