

► REVENUE, COLLECTION AND HARDSHIP POLICY

POLICY NUMBER:	6 (C)
NAME OF POLICY:	REVENUE, COLLECTION AND HARDSHIP POLICY
DATE OF NEXT REVIEW:	September 2019
DATE APPROVED:	15 September 2015
RESPONSIBLE OFFICER:	Manager Finance and Information Technology
REFERENCES:	<i>Local Government Act, 1989</i> <i>Penalty Interest Rate Act, 1983</i> <i>Fire Services Property Levy Act, 2012</i>

Best Value Principles

Hepburn Shire Council has the responsibility to provide its ratepayers with best value, with all services provided by Council meeting the expectations in terms of quality and cost. In providing this, all services need to be accessible, responsive to the needs of the community, considerate of the natural environment and subject to continuous improvement.

To achieve the best over life outcome for Council's expenditures, which meets quality and service expectations, there will be periodic review of services against best on offer in both the public and private sectors.

All Council staff members are responsible for supporting best value principles in their normal day to day actions to ensure services are recognised by the community as delivering best value.

INTRODUCTION

This policy outlines how revenue within Hepburn Shire Council is raised and collected. The policy also deals with issues relating to ratepayers who are having difficulty paying their rates or charges due to hardship.

SCOPE

The policy applies to all Council Staff, but in particular staff in the Finance team who are charged with the responsibility to maintain and manage the finance system.

This policy has been established to ensure compliance with the *Local Government Act, 1989* Section 3D (2) (c) that provides that one of the roles of a Council includes “maintaining the viability of the Council by ensuring that resources are managed in a responsible and accountable manner”, and more specifically Section 140(2) (a) which provides that “A Council has a duty to do all things necessary to ensure that all money payable to the Council is properly collected”.

This policy provides a framework by which the Council may conduct its revenue collections activities so that:

- The Council recovers money owing to it using the most practical and efficient method at its disposal.
- All debtors are treated consistently, fairly and equitably within the scope of this policy and the *Local Government Act, 1989*.

POLICY

1. Revenue

Council raises rates and charges in accordance with part 8 of the *Local Government Act, 1989*. Hepburn Shire Council’s annual budget discloses specific information on rates and charges including the differential rating structure, property type definitions and the rate in the dollar charged against the capital improved value (CIV) of a rateable property. Council may request specific information from a ratepayer to confirm the type of property that is owned. A statutory declaration may be required at this time.

Statutory fees and fines, user fees, other charges and contributions are raised as incurred.

Lease and licence income is to be raised in accordance with terms of the contract.

Home and Community Care (HACC) fees will apply to individual clients on a sliding scale based on assessed client income and ability to pay in line HACC Guidelines. Clients have the right of appeal against a given fee determination.

Grants are invoiced in accordance with the terms and conditions of the grant agreement.

2. Invoicing / Billing

(a) Rates and Charges

Annual rate notices comply with the provisions of the *Local Government Act, 1989* and Regulations and are issued not less than one month prior to the due date of the first instalment.

Subsequent instalment rate notices are issued not less than fourteen days before the due date of payment.

All notices will be clear, concise and provide sufficient information to enable ratepayers to be aware of their obligations. The onus is on the ratepayer to advise Council's finance department of their current billing address.

(b) Sundry Debtors

Council shall issue invoices for money owing. The invoice shall contain sufficient information so that the debtor can recognise the debt. The invoice shall be due and payable within 30 days of its issue.

(c) Statutory fines (Infringements)

Following the issuing of an infringement by an authorised Council staff member, the infringement will be recorded in Council's corporate information system and shall be due and payable within 28 days of its issue.

(d) Home and Community Care (HACC)

Service provision is at a minimum of 30 minutes and 15 minute increments thereafter. Fees are charged accordingly. Fees will be charged where there has been no notification or late notification (less than 24 hours) of cancellation of services, except in the case of an emergency. Clients who are receiving multiple services or a high level of service may have a fees cap negotiated subject to the approval of the Manager Aged and Disability Services.

3. Interest

Council will charge the maximum rate of interest on unpaid rates and charges as permitted under the provisions of the *Local Government Act, 1989* and pursuant to the *Penalty Interest Rate Act, 1983*. This shall be advertised each year in the declaration of rates and charges.

Council may charge interest on debtor accounts where such penalty is warranted. HACC and other related community service accounts shall only be charged interest with the approval of the Manager Aged and Disability Services. The rate of interest shall be that set pursuant to the *Penalty Interest Rate Act, 1983*.

4. Collections

(a) Rates and Charges

Accounts outstanding after instalment three will initiate the collection process. Ratepayers who fail to respond, or those who make and then fail to adhere to their payment arrangement, shall have their accounts forwarded to Council's debt collection agency.

All legal and collection costs incurred as a result of recovery action instigated will be allocated to the ratepayer's account.

All payments will be allocated in the following order:

- Legal and collection costs owing, if any;
- Interest owing, if any;
- Arrears owing, if any;
- Current rates and charges owing.

Council shall utilise the sale provisions under Section 181 of the *Local Government Act, 1989* for recovery of outstanding rates and charges in the following circumstances:

- (a) Where all other recovery attempts have failed; and
- (b) Where at least three full years rates and charges remain unpaid; and
- (c) The property is not the principal place of residence of the ratepayer.

Council shall not enter into any arrangements for payment after notices for a Section 181 sale have been served pursuant to the provisions of the *Local Government Act, 1989*. Only full payment of all rates, charges, interest and costs will stop a sale.

(b) Sundry Debtors

All accounts other than government grants, home care and other related community service accounts outstanding after one hundred and twenty days will be considered for collection by Council's debt collection agent.

(c) Statutory fines (Infringements)

Recipients of Infringements have 28 days from the issue date on the infringement to pay. If the infringement has not been paid in this timeframe a reminder letter is sent, incurring an additional charge and allowing another 28 days for payment. If payment has not been received after the extended time the infringement will sent to the Infringements Court for collection.

(d) Home and Community Care (HACC)

Unpaid HACC debtors will be reviewed to consider the clients ability to pay. Where ability to pay is not an issue, services may be withdrawn or ceased. Written notification will be made to the clients prior to the withdrawal or ceasing of services.

5. Arrangements

All ratepayers have the option to pay annual rates and charges in 10 monthly instalments by direct debit where the account is not in arrears.

Alternative payment arrangements are available for people wishing to pay on a more regular basis to assist in their personal cash flow and budgeting. Interest will continue to be charged on any overdue balances where applicable.

Council will consider all requests for alternative payment arrangements where the debt is overdue. These requests will be considered in accordance with Hardship provisions contained in this policy.

6. Hardship

Ratepayers who are suffering financial hardship or would suffer financial hardship if they paid the full amount of rates and charges for which they are liable can make an application for deferment of payment of rates and charges and interest in accordance with the *Local Government Act, 1989*. Consideration will also be given to the waiver of current year and future interest charges.

Ratepayers seeking a deferment of payment of rates and charges or interest must firstly contact Council in writing to inform of the hardship.

If the hardship is as a result of an emergency situation (e.g. flood or bushfire) and the property address can easily be identified as in the effected area, a Council hardship application form must be completed and if seeking deferment, a Council payment arrangement form must be completed.

If the above is not applicable, Council will refer the ratepayer to a Financial Counsellor who will assist the ratepayer to complete the required Council hardship application and payment arrangement forms. The financial counsellor will make a written recommendation to the Manager Finance and Information Technology to review and approve.

If financial hardship is determined, the property will be flagged as hardship, interest will not be charged and no debt recovery action will be taken provided agreed arrangements are adhered to. Hardship arrangements will be reviewed at least bi-annually to determine if circumstances have changed.

7. Waiver

Rates and charges will not be waived and they will remain as a charge on the property.

Home and Community Care (HACC) clients experiencing financial hardship can request a fee reduction or fee waiver. Approval from the General Manager Community Services will be required.

8. Emergency

Damage to a residential or commercial property due to an emergency situation (e.g. flood or fire) can result in a revaluation of the property and a recalculation of rates and charges due. Ratepayers must apply for a revaluation in writing.

Ratepayers may also be eligible to apply for hardship.

9. Review of Decision

Any applicant who is aggrieved by a decision under this policy may refer the matter to the Victorian State Ombudsman.

DEFINITIONS

The following terms are referred to in the policy.

Term	Definition
Council	Hepburn Shire Council
Council Staff	Includes permanent and temporary full-time and part-time council employees, and contractors and consultants while engaged by Council.
The Act	<i>Local Government Act, 1989</i>
Sundry debtor	A person or organisation that owes money to Council for something other than goods or services that have been sold to them.

FURTHER INFORMATION

Any enquiries about the Revenue, Collection and Hardship Policy should be directed to Council's Manager Finance and Information Technology.

IMPLEMENTATION

The policy and relevant forms are available to the public via Council's website and at its service centres in Clunes, Creswick and Daylesford. Information contained in this policy is also provided to ratepayers annually on their rates notice.

REVIEW

The Revenue, Collection and Hardship Policy will be reviewed every four years or sooner if required by legislation or organisational changes.

The officer responsible for the review of this policy is the Manager Finance and Information Technology.