

Hardship Policy

Policy – CP035

Prepared	Reviewed	Approved	Date	Council Minute No.
Manager Financial Services	ELT	Council	25 May 2017	2017/0105
Trim File: 18/02/01			To be reviewed: April 2020	
Document Owner: Manager Corporate Administration			Review Frequency: 3 years	

1. The purpose of this policy is

To provide a policy framework for financial relief to customers who are experiencing difficulty in meeting their financial obligations to Council.

2. Policy Statement

Council recognises customers may, at times, experience difficulty in paying their accounts and therefore is committed to providing mechanisms to support and guide those customers in satisfying their obligations. Hardship is defined as ‘a customer who wants to pay but cannot’.

3. Principles

In formulating this policy, Council is committed to the following principles:

- Assisting customers experiencing hardship to manage their payments.
- Creating an informative, respectful and engaging environment where customers requiring support can identify themselves to staff.
- Utilising relevant industry and community expertise to assist with hardship circumstances.
- Providing penalty interest exemptions and deferrals or waivers of rates, charges and levies.

Components:

- *Information Provision*

Council shall provide information regarding the avenues available to customers to assist in meeting their obligations. Such information will be made available at all Council customer areas, through Council’s website and will be included in publications, invoices and rate notices sent to customers.

Information regarding this policy shall also be made available to appropriate social advocacy organisations and financial counsellors.

- *Respect and Engagement*

Council shall establish contact points with financial counselling organisations in order to minimise customer anxiety and allow for a quick resolution to be achieved.

Council shall respect the advice of financial counsellors with regard to the assessment of the customer's capacity to pay.

Council's nominated financial counsellors include, but are not limited to:

Mallee Family Care,
CentaCare, or
Rural Financial Counselling Service

- *Penalty Interest Exemptions*

To qualify for a penalty interest exemption, customers are required to undertake a financial assessment by an approved financial counselling service. The financial counselling service shall make an appraisal of the customer's circumstances and report to Council on the most appropriate manner in which to clear the account. If an agreeable payment arrangement is made, and adhered to, an interest exemption will apply.

Penalty interest exemptions will be granted with regard to charges against a customer's primary place of residence only.

Customers shall receive a penalty interest exemption for up to 12 months on unpaid accounts. The exemption is not available for consecutive periods. A minimum of 12 months must lapse between the cessation of one exemption period and the commencement of another.

Where a customer defaults on their arrangement, Council will inform the counselling service with a view to recommence the arrangement. Failure to recommence, or regular defaulting will result in the reinstatement of penalty interest and debt collection actions.

Penalty interest exemptions will be considered and approved by the Revenue Coordinator.

- *Deferred Payment*

Deferment of rates, charges and levies in part may be available to customers subject to long term cases of extreme financial hardship, diagnosed with a terminal illness or are self-funded retirees with low, fixed incomes aged 70 or over.

This option is limited to a customer's primary place of residence of which they must be the sole proprietor. The property must be rated as Residential only.

The customer must be eligible to claim the State Government pensioner rate concession, or be receiving unemployment benefits for a minimum period of three consecutive months.

To qualify for a deferment, customers are required to undertake a financial assessment by an approved financial counselling service. The financial counselling service shall make an appraisal of the customer's circumstances and report to Council their capacity to pay.

The deferment will be in place for three years or until such time as the customer's circumstances improve or the property is transferred, in whole or in part, to another entity. Customers will be required to re-submit an application via an approved financial counselling service every three years to qualify for a continuation of any deferment arrangement.

Where property ownership changes, in part or in full, all deferred rates, charges and levies must be paid in full at settlement date. Deferral agreements are not transferable.

Penalty interest on the deferred amount will be capped at half the penalty interest rate determined by the State Government. Deferment is capped at 25% of all rates, charges and levies and the total deferred amount accrued (including penalty interest) must not exceed 25% of the Capital Improved Valuation of the property.

Deferred payment applications will be considered by the Revenue Coordinator and approved by the Manager Corporate Administration.

- *Waiver*

Council will only consider the waiving of rates, charges and levies, in part or in full, in exceptional circumstances outside the control of the customer.

This option is limited to a customer's primary place of residence of which they must be the sole proprietor. The property must be rated as Residential only.

All applications for a waiver need to be lodged in writing and include any supporting documentation. Such applications will be assessed by Council on the grounds of financial hardship only.

Waiver applications will be considered by the Revenue Coordinator and approved by Council.

4. Who is responsible for implementing this policy?

Manager Corporate Administration

5. Definitions

Hardship A customer who wants to pay but cannot.

6. Legislation and other references

6.1 Legislation

Local Government Act 1989, Sections 170 and 171.

6.2 Documents

N/A

6.3 Risk Assessment Reference

Risk Category	✓	Risk Category	✓
Asset Management		Financial Sustainability	✓
Committees		Human Resource Management	
Compliance – Legal & Regulatory		Leadership & Organisational Culture	
Contract Management		Occupational Health & Safety	
Contract Tendering & Procurement		Organisational Risk Management	
Corporate Governance	✓	Project Management	
Environmental Sustainability		Public Image and Reputation	✓