



Financial Hardship Policy

Policy Owner	Manager Finance and Assets Governance and Corporate Performance
Creation Date	August 2012
Revision Date	November 2019

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Purpose

The purpose of this policy is to ensure that Council is able to provide assistance to ratepayers and other debtors who are experiencing financial hardship and are unable to pay all monies outstanding within the payment terms.

This policy outlines the requirements for a person seeking to submit an application for assistance as well as providing assurances that Council will treat ratepayers facing financial hardship with a fair and consistent approach.

It is not appropriate for Council officers to provide financial advice to any ratepayer and staff will recommend ratepayers access independent support. The Australian Securities & Investment Commission's MoneySmart website, reference material or national debt helpline (1800 007 007) are recommended as an initial source of information/advice.

This policy takes into consideration the Municipal Association of Victoria Hardship Policy Guidelines.

While this policy is in place primarily for Municipal Rates & Charges it is also to be applied to requests for assistance on a sundry debtor account.

Scope

Municipal Rates & Charges (including Special Rates & Charges) assistance under this policy is available to property owners on their principal place of residence. This policy specifically excludes properties being used for commercial or industrial purposes and only extends to assistance with municipal rates & charges.

Assistance may also be considered on any Council sundry debtor accounts where the service or charge being provided is unavoidable or considered as being essential to the applicant. Assistance on sundry debtor accounts is limited only to accounts held in private names and not issued to any business, company, organisation or similar.

Policy

Section 171A of the *Local Government Act 1989* allows on application for Council to provide assistance on Municipal Rates & Charges by way of a waiver of the whole or any part of a charge or of any interest imposed by late payment to property owners who are suffering financial hardship.

Council acknowledges that hardship can arise from many different circumstances that are outside of a ratepayers ability to predict or control. Council may provide assistance to ratepayers/debtors who are facing short term or long term hardship.

This policy allows for the provision of a deferment of any payments due and/or a waiver of penalty interest or costs incurred through debt recovery proceedings. It is Council's position that rates or municipal charges are not to be waived however a fee waiver in part or full may be considered on sundry debtor accounts.

For the purpose of this policy, financial hardship is defined as any time where the payment of a rate or charge due to Council would result in a ratepayer no longer being able to meet essential day to day living expenses.

Application

An application must;

- *Be submitted on the applicable hardship application form (see Appendix A),*
- *All mandatory information must be provided,*
- *Include all supporting documentation as outlined on the application form,*
- *Include an ongoing offer for repayment in line with the applicant's financial situation, and*
- *Outline circumstances that have resulted in financial hardship*

All applications for assistance under this Policy are to be reviewed by the Revenue Services Coordinator or as allowed in Council's instrument of delegation.

Types of Assistance

The type of assistance to be provided may vary and will take into consideration the cause of any hardship being experienced and the individual circumstances of the applicant. This decision will be made in line with Hardship Procedures.

Short term assistance will be provided where there is a reasonable expectation or likelihood of recovery. Any short-term assistance provided is to be reviewed in 6 monthly intervals.

Long term assistance will be provided where the circumstances resulting in the hardship are not temporary in nature. Assistance provided to ratepayers/debtors experiencing long term financial hardship is to be reviewed annually. Where a ratepayer requires an extension to the hardship consideration previously provided to them, Council may require that the applicant seek assistance from a Financial Counsellor and provide a letter in support of their application before approving the extension.

Assistance for the short / long term being provided by Council will comprise of one or more of the below options;

- *Acceptance of payment arrangements that would otherwise not be approved*
- *Waiver of penalty interest*
- *Waiver of legal fees*
- *Deferment of Rates and Charges and Interest*

Council may place conditions onto any assistance that is provided. Conditions may include but are not limited to, meeting ongoing payment arrangement obligations or the provision of other supporting documents. Council may revoke any assistance being provided should any arrangement or conditions that have been applied not be met or information is available that shows a change in circumstance.

Council's Obligations

In line with Council's Customer Service Charter, Council will treat any person applying for assistance with respect and without judgment. Any information that is provided in an application will be used only for the purpose of assessing the eligibility of the application under this policy. All information provided will be treated as confidential and stored in a secure location.

While assistance is being provided to a ratepayer or debtor under this policy, Council will not initiate or cause to continue any debt recovery proceeding that will result in additional costs being incurred by the ratepayer or debtor. Correspondence may be issued to the ratepayer or debtor in relation to any ongoing repayment arrangement that has been made or charges that become due.

Ratepayer/Debtor Obligations

Any person receiving financial hardship assistance must ensure that any conditions offered and accepted on an application are honoured. A person receiving assistance must notify Council should their financial circumstances change.

Communication

Council will provide any information regarding any application for financial hardship assistance in writing. This may be through email or to the postal address recorded for the applicant in Council's property and rating or debtors system.

Council will provide written confirmation on the acceptance/rejection of any application received as well as any updates on the status of any ongoing assistance that has been approved. This includes information on the status of any agreed payment arrangements or assistance period time frames.

Right of Appeal

Should any person who has applied for financial hardship assistance disagree with any decision that has been made in regard to their application they may apply to have the decision reviewed by Councils Manager Finance & Assets in the first instance. A further appeal may be directed to the Director Governance and Corporate Performance.

Responsibilities

The Revenue Services Coordinator has responsibility of maintaining and ensuring compliance with this policy.

Policy Review

This policy will be reviewed within 4 years of being adopted or earlier as required.

Related Documents

Debt Recovery Policy

Municipal Association of Victoria Hardship Guidelines

Local Government Act 1989

Financial Hardship Assistance Application Form

