

COUNCIL POLICY

Financial Hardship Policy

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DOCUMENT UNCONTROLLED WHEN PRINTED

Document Control		
Policy number No. 127	Status Adopted	Approved by Council
Date approved 25 July 2023	Next review date July 2026	
Directorate Customer and Community	Department Corporate	External

REVISION RECORD

MANDATORY – Use 1.0, 2.0 for adopted / approved versions and 1.1, 1.2 for drafts or revisions without change.

Date	Version	Revision description
25 July 2023	1.0	Draft for adoption

1. Purpose

The purpose of this Policy is to ensure a fair, clear and consistent approach to assessing and providing support in the payment of rates and associated charges to pensioners and ratepayers experiencing financial hardship.

2. Scope

This policy applies to owner/occupiers of residential land within the Alpine Shire, where the property is the Principle Place of Residence (PPR).

It does not apply to commercial/industrial properties or residential investment properties.

3. Policy details

Financial hardship is the inability of a person to pay their rates when they fall due. Importantly, financial hardship is the inability of the person to meet their financial obligations, rather than an unwillingness to do so.

Council provides several options to support pensioners and those ratepayers who experience financial hardship to help them meet their financial obligations. These options include:

- Agreeing to a Payment Plan
- Deferrals of Rates and Charges
- Waiver of Interest and Legal Charges
- Referral to a Financial Counselling Service.

3.1 APPLICATION & ASSESSMENT

A person or business can confidentially apply to access the financial hardship provisions of this Policy through the:

- online form on Council's website Rates Financial Hardship Assistance Application
- contacting the Council's Customer Service Team on 03 5755 0555.

The application for financial hardship will be assessed confidentially and objectively based on the information provided in the application and Council will advise of its decision in writing within 14 days of receiving the application and all supporting information.

3.2 TYPES OF SUPPORT AVAILABLE

3.2.1 Payment Plans

If an eligible ratepayer is experiencing financial difficulties and unable to pay outstanding rates and associated charges in accordance with Council's due dates, a payment arrangement can be entered into subject to the following conditions:

- The payment arrangement will have a limited life of not greater than twelve (12) months following the end of the financial year the arrangement was entered.
- The payment arrangement will continue to accrue interest on overdue amounts at the statutory rate set in accordance with *Penalty Interest Rates Act 1983*.
- Any default in the payment arrangement may end the arrangement and may result in the commencement of collection activities which may incur costs associated with the collection of the debt.

3.2.2 Deferral of Rates & Charges

An eligible rate payer who owns a property in the Alpine Shire Council will be able to request a deferral of rates and charges as follows:

Category	Deferral period	Interest
Eligible Pensioners / Self-funded retirees - Owner Occupiers		
Aged Pension recipients	Deferred Indefinitely - until property is sold / estate settled	Interest will accrue on the deferred rates, at the rate set by the Penalty Interest Rates Act 1983 - Section 2, until the account is paid in full.
Eligible Concession Card Holders - Owner Occupiers		
Pensioner Concession Card - issued by Centrelink Department of Veterans' Affairs Gold Card - War Widow (WW) Department of Veterans' Affairs Gold Card -Totally and Permanently Incapacitated (TPI)	Deferral until 30 June of each financial year	Interest will accrue on the deferred rates, at the rate set by the Penalty Interest Rates Act 1983 - Section 2, until the account is paid in full.

Eligibility conditions

The application must be for the applicant's sole or principal place of residence (owner occupier).

Deferment will only be recommended where the financial hardship is expected to exceed one year.

Successful applicants are not obliged to but may make payments at any time to reduce the deferred debt.

Withdrawal of rate deferralment

An approved deferral will be withdrawn in any of the following circumstances:

- The ratepayers circumstances have changed and payment of the debt would no longer cause hardship.
- The ratepayer no longer owns or occupies the property.
- The ratepayer has defaulted in any agreement associated with the deferral.

3.2.3 Waiver of Interest and Legal Charges

Council may waive interest and or costs (whole or part) where the ratepayer has demonstrated compassionate grounds for a payment being late. Acceptable compassionate grounds would generally relate to financial hardship, family breakdown, domestic violence, serious illness or family tragedy.

If approval has been provided for penalty interest and or costs to be waived (whole or part thereof), the applicant must attend to the immediate settlement of the outstanding rates and charges and or by the date specified by the Rates Officer.

The waiver of penalty interest and costs will generally apply on a once only basis unless resulting from an administrative error.

3.2.4 Waiver of Rates and Charges

To support equity between all ratepayers, people who are in arrears with their rates and charges are encouraged to enter into payment or deferral arrangements (refer sections 3.2.1 and 3.2.2).

However, in the event that a ratepayer is unable to pay their rates due to extreme financial hardship they may apply for a one-off waiver.

The waiver is up to 50% of the general rate, capped at a maximum of \$500 for the principal place of residence.

Council will have discretion to determine the amount of the waiver depending on your total rates and the reasons outlined in the application for support.

The cap of 50% of the general rate up to \$500 is inclusive of any pensioner rebate.

Eligibility conditions

Automatic eligibility are residential ratepayers who are current recipients of the Victorian Government Utilities Relief Hardship Scheme (subject to proof of support).

Very low-income earners that do not meet automatic eligibility requirements may still be eligible for support. You must show that you have no way of paying the account without assistance, and you must provide proof of meeting one of the following criteria:

1. You or someone in your house has experienced family violence.
2. You have had a recent decrease in income, for example, loss of employment.
3. You have had high unexpected costs for essential items.
4. The cost of shelter is more than 30% of your household income.

The Director Customer and Community has discretion to consider eligibility outside of the above for instance due to technicalities. This will be used sparingly to ensure equity and consistency in treatment.

Supporting Information Required for Applications

An applicant will be required to submit evidence in support of their application as required by Council preferably using the electronic application form on Council's website.

Unless an applicant is automatically eligible, Council may request that they provide the following information on a confidential basis:

1. Confirmation that the ratepayer is currently unemployed, stood down, working significantly reduced hours.
2. Evidence of personal circumstances unrelated to employment (family tragedy, serious illness, domestic violence, or other serious and difficult unplanned circumstances) that has impacted the applicant's ability to pay their rates and charges.
3. A current statement of your assets and liabilities, including cash resources (or similar) available to meet your ongoing living or operating expenses.
4. Details of any dependents.
5. Details of unforeseen reductions in income or non-discretionary expenditure increases and any Government support provided (council, state and Commonwealth)

3.2.5 Financial Counselling Services

Financial counselling is a free and confidential service offered by community organisations, community legal centres and some government agencies.

National Debt Helpline is a not-for-profit Government Service providing confidential financial counselling for Victorians experiencing hardship. You can contact the National Debt helpline to request a referral to see a financial councillor at your local financial counselling service.

Ph: 1800 007 007

National Debt Helpline <https://ndh.org.au>

3.3 FEEDBACK, COMPLIMENTS AND COMPLAINTS

3.3.1 The behaviour you can expect from us

In implementing this Policy, we will strive to:

- Make it as easy as we can
- Listen and understand
- Respond and follow through
- Be open and honest
- Always look to improve

You can provide us with feedback, a compliment or complaint:

- Via our website (www.alpineshire.vic.gov.au)
- By calling Customer Services on (03) 5755 0555
- In person at Alpine Shire Council, 2 Churchill Avenue, Bright or any of our branch offices or libraries located in Bright, Myrtleford or Mount Beauty (check our website for opening times)
- Mailing Alpine Shire Council, PO Box 132, Bright 3741

All complaints will be managed in accordance with our Customer Complaints Policy.

3.3.2 The behaviour Council expects from you

While we strive to deliver a great service to our customers, we aren't perfect and understand that at times we get things wrong and this can be frustrating. Like you, our staff also want to be listened to, and treated with respect. Some types of behaviour are never acceptable. They include verbal abuse, threats and violence.

3.4 COMMUNICATION

Council will ensure that its Financial Hardship Policy will be publicly available, easily understood and accessible to members of our community. We will achieve this by:

- Ensuring this policy is easily accessible on our website
- Hard copies available at our Customer Service Centres
- Providing easy to understand information on the annual rates notices regarding payment options, payment assistance, and the deferment and waiver of rates and charges
- Provide the contact details of Financial Counselling Services on our website.

3.5 MONITORING & REPORTING

The Manager Corporate will report on an annual basis the number of ratepayers supported under this Policy for the prior financial year categorised into;

- Financial arrangements approved during the year and the balance outstanding at year-end
- Deferrals approved during the year and the balance outstanding at year-end
- Waivers approved during the year and the total value of waivers provided.

4. Roles and responsibilities

The following positions are responsible for

Responsibility	Role / Position
Chief Executive Officer	For ensuring the Policy and procedures are in place.
Director Customer and Community	For ensuring the Policy and procedures are implemented. For approving all applications as set out in Financial Delegations related to this policy.

Responsibility	Role / Position
Manager Corporate	For monitoring and reporting on implementation of this Policy For approving all applications as set out in Financial Delegations related to this policy. Investigation Officer for any Complaints received in respect of this Policies Application.
Rates Officer	For ensuring appropriate administration of this Policy For approving all applications as set out in Financial Delegations related to this policy.

4.1 DELEGATION OF DUTIES

As set out in the *Financial Delegations for the purposes of Financial Hardship Policy No. 127* associated with this policy.

5. Breaches

Failure to comply with this policy will be subject to investigation which may lead to disciplinary action.

6. Human Rights Charter compatibility

This policy has been assessed as being compatible with the *Charter of Human Rights and Responsibilities Act 2006 [Vic]*.

7. Gender Equality Act compatibility

This policy has been assessed as being compatible with the *Gender Equality Act 2020 [Vic]*.

8. Supporting documents

This policy should be read in conjunction with all other relevant, Council policies and procedures, as well as relevant legislative requirements.

Related Legislation

- *Local Government Act 1989 [Vic]*
 - Section 170 Deferred Payment
 - Section 171 Waiver
 - Section 171A Waiver by application - financial hardship
- *Local Government Act 2020 [Vic]*
- *Charter of Human Rights and Responsibilities Act 2006 [Vic]*
- *Gender Equality Act 2020 [Vic]*

- *Fire Services Property Levy Act 2012 [Vic]*
- *Penalty Interest Rates Act 1983 [Vic]*
- *Privacy and Data Protection Act 2014 [Vic]*
- *State Concessions Act 2004 [Vic]*
- *Valuation of Land Act 1960 [Vic]*

Related Guidelines, Operational Directives or Policies

- Rating and Revenue Plan
- Debtor Management Policy
- Annual Budget

9. Definitions and abbreviations

Term	Meaning
Compassionate Grounds	Means circumstances of a compassionate nature including Financial Hardship, illness or death.
Deferment	A 'deferment' of payment can be provided in whole or in part and be for a specific period and subject to any conditions determined by Council. Where deferment has been granted, Rate Notices must be sent as required under the provisions of the <i>Local Government Act 1989</i> . A deferral only suspends the payment for a specified period of time, but the full amount will eventually be recovered.
Financial Hardship	<p>Financial hardship is the inability of a person to pay their rates when they fall due. Financial hardship is the inability of the person to meet their financial obligations, rather than an unwillingness to do so.</p> <p>Financial hardship can arise from:</p> <ul style="list-style-type: none"> • Loss of employment • Family breakdown or tragedy • A death in the family or serious illness • Economic abuse through family violence • Other unforeseen factors such as a major reduction in income or major increase in non-discretionary expenditure that results in a person not being able to meet their financial obligations. <p>A ratepayer is considered to be in extreme financial hardship when they would be left unable to provide for themselves, their family or other dependents the following:</p> <ul style="list-style-type: none"> • food or clothing • accommodation • medical treatment

Term	Meaning
	<ul style="list-style-type: none"> • education • other basic necessities
Pensioner	Refers to a ratepayer who is currently eligible to receive the municipal rates concession under the provisions of the <i>State Concessions Act 2004</i> .
Waiver	A waiver is a one-off abandonment, which removes the liability to pay, and may be offered to include the whole or part of any interest and costs. In extreme circumstances rates may be waived at the capped amount of \$1000.

10. Approval

THE COMMON SEAL OF THE ALPINE SHIRE COUNCIL was hereunto affixed this 25 day of July 2023 in the presence of:



Ronald Tanas
COUNCILLOR

The Financial Hardship Policy (version 1) was adopted at the Ordinary Council Meeting held on 25 July 2023.

Simon KELLEY
COUNCILLOR

The original signed copy is held in Council's records.

WILL JEREM
CHIEF EXECUTIVE OFFICER

