

Financial Hardship Policy

Preamble

Bass Coast Shire Council recognises financial hardship can arise with some debtors. Council has established this policy for assessing financial hardship applications that enables debtors who suffer, or would suffer financial hardship if they were to pay the debt, to seek assistance from Council. The policy empowers Council to recover outstanding debt, wherever possible, in a manner that does not create or exacerbate a ratepayer's financial hardship.

Policy objectives

Council will assist financially vulnerable ratepayers experiencing financial hardship by providing options to help them meet their obligation of paying rates.

Factors contributing to hardship generally include, but are not limited to: financial misfortune; serious physical and/or mental illness; family violence, impacts of natural disaster; and other serious or difficult circumstances. Each person's situation will be assessed on a case by case basis upon application under this Policy.

Policy statement

The management and recovery of outstanding revenue is an important aspect of Council's financial management function. The principles that will apply in the management of this policy are as follows:

- Issue notices detailing amounts owing, due dates and payment methods available.
- Consider applications from ratepayers to deviate from the standard payment options by entering into an appropriate payment arrangement, and consider applications for deferment as provided by the *Local Government Act 1989* and this policy.
- The application process will be as unobtrusive as possible for the applicant.
- Council, in applying this policy will ensure that all outstanding rates to them will be recovered.
- Where possible the applicant will be provided with short term assistance to meet their financial commitments.
- Council expects every applicant who has been granted assistance under this policy to make agreed payments on time, and where possible actively seek appropriate financial counselling services to assist themselves further. It is the applicant's responsibility to contact the Specialist Revenue Officer if they cannot adhere to their arrangement.
- Council resources are to be used as efficiently and effectively as possible. If the Specialist Revenue Officer (who is a Financial Counsellor) believes the applicant is not adhering to their hardship arrangement, it will be reviewed and other collection methods invoked.

- Appropriate Council officers are authorised to approve assistance to applicants who meet the eligibility criteria. The property to which the rates or charges relate must be the applicant's principal place of residence. Investment properties or second homes are not eligible for financial hardship assistance under this policy.
- The level of assistance provided is determined by assessing the applicant's capacity to make payments. These could consist of regular or lump sum payments. Due to the broad variance in genuine hardship situations, nil payments may be accepted. ** If the payment of interest exacerbates the situation, a waiver of the interest charged will be made at the discretion of the appropriate council officer.*
- Council will consider deferring rates for applicants that are not able to deal with the debt at any level due to financial, physical or emotional circumstances. The applicant may be in a situation where they are not able to make any payments at all in the near future (noting this will be a charge against the property). This type of assistance will only be provided in extreme circumstances where the applicant is in a position where making any payment would cause further distress. While interest may continue to accrue on the overdue rates, it will be discounted to half (50%) of the prevailing statutory penalty interest rate. The debt will be a charge against the property and must be repaid in full when the property changes hands by way of sale or other means.
- Council will consider full or partial rate waivers for ratepayers who are experiencing extreme financial hardship. Any rate waivers will require a Council resolution and will be addressed in closed Council.
- Ratepayers who have reached pension age (currently 66 years and six months) are able to apply to Council for a deferral of their rates indefinitely or until the property is sold or estate settled. Interest will accrue on deferred rates at 50% of the rate set by the *Penalty Interest Rates Act 1983 – Section 2*, until the account is paid in full.
- Following a natural disaster or pandemic Council may offer interest free deferral of rates to ratepayers experiencing financial hardship until the time which Council deems appropriate.

General Information

Applicants will be required to supply sufficient information to support their case for assistance under this Policy. Additional information or time to verify information may be sought before the application proceeds.

If an applicant intentionally provides inaccurate or misleading information, Council can immediately revoke any assistance given and terminate the arrangement. If an applicant wishes to appeal a decision made in relation to their situation, the Chief Financial Officer will consider the appeal and make a determination.

The application of financial hardship takes into consideration a range of Policy and Legislation, including but not limited to *The Charter of Human Rights, The Disability Act 2006* and *Equal Opportunity Act 2010*.

Reference to other documents

Local Government Act 1989

Penalty Interest Rates Act 1983

Review process

Every 3 years.

Approval

Adopted by Council at its meeting held on

Date 15/09/2021

Signed by the Mayor Brett Tessari

A handwritten signature in black ink, appearing to read 'Brett Tessari', is written over a light blue rectangular stamp. The signature is fluid and cursive, with a long horizontal stroke extending to the right.