

FINANCIAL HARDSHIP POLICY

(COMMUNITY POLICY)

1. Scope

The Financial Hardship Policy (this 'Policy') applies to those ratepayers who are experiencing genuine and severe financial hardship and as a result have Rates and Utility charges overdue. This Policy will only apply to residential properties where the property is the ratepayer's principal place of residence and no commercial benefit is derived from the property.

2. Purpose

The purpose of this Policy is to outline the principals and eligibility criteria, which will be taken into consideration when assessing applications and the hardship provisions available to the ratepayer. The intention of this Policy is to ensure that those experiencing severe financial difficulties remain in their home and to alleviate the immediate financial burden and escalation of potential debt recovery by Council.

3. References (legislation/related documents)

Legislative reference

Human Rights Act 2019

Local Government Act 2009

Local Government Regulation 2012

Related documents

Debt Recover Policy

Hardship Application Form

4. Definitions

To assist in interpretation, the following definitions shall apply:

Council	Livingstone Shire Council.
Hardship	Shall mean unable to meet basic needs, including food, clothing, medicine, accommodation and children's education.
Long Term Financial Hardship	Shall mean the inability to meet future rates and charges in the medium to long term (12-24 months).
Welfare of the ratepayer	Shall mean the provision to family or other dependents the following: food; accommodation; clothing; medical treatment; education; or other basic necessities.
Application Form	Shall mean the Council's Hardship Application Form for the purpose of applying consideration for assistance under this Policy.
Natural Disaster	An event that causes serious disruption to the community. Caused by nature or the natural processes of the earth. Events that occur in unpopulated areas are not considered disasters.

Pandemic	A pandemic is the worldwide spread of a new disease. An outbreak of a new pathogen that spreads easily from person to person across the globe A pandemic is not the same as an epidemic.
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5. Policy Statement

In accordance with the provisions of sections 170 and 171(1) of the *Local Government Act 2009*, this Policy will be used to provide a framework to support the Revenue and Rates unit to accept and consider applications for hardship. Approval is to be given by the Coordinator Revenue and Chief Financial Officer or the Chief Executive Officer.

5.1 Assessing an Application for Hardship

The following principals will be considered and provide guidance when assessing an application for hardship.

- a) Council must ensure responsible management and collection of revenue to ensure effective cash flow management and provision of services to the greater community.
- b) Council aims to ensure the balance of outstanding accounts are minimised.
- c) Transparent, timely and efficient debt collection processes must be maintained with consistency.
- d) Early intervention and assistance is aimed at assisting both the ratepayer and Council to prevent large levels of aged arrears to accumulate.
- e) Assistance is targeted to applicants who demonstrate genuine attempts to help themselves and have a genuine wish to pay.
- f) Ratepayers in arrears are expected to act responsibly in regard to their obligations and organise their affairs in order to discharge these obligations when required.
- g) Hardship provisions are considered where payment provisions outlined in the Debt Recovery Policy are not possible.
- h) Hardship provisions made must ensure the arrears are cleared within a reasonable timeframe that must not exceed 3 years and payment provisions outlined in the Debt Recovery Policy are not possible.
- i) Should a concession be offered by Council it must be consistent with the provisions of Section 120 of the *Local Government Regulation 2012*.
- j) Assisting ratepayers build resilience by recommending local community services, financial councillors contact information, community legal support, and ensure a reduction in barriers to encourage engagement.
- k) To ensure accountability; successful applications will be reviewed periodically in line with the conclusion of the half-yearly billing cycle.

5.2 Eligibility

Hardship will be considered upon receipt of the Hardship Application Form and is provided for residential ratepayers where the ratepayer is genuine in their wish to pay the arrears. However, if the ratepayer can demonstrate that due to a life event, death in the immediate family, serious injury, trauma or other circumstances beyond their control, that the payment of outstanding balances will cause or further exacerbate financial hardship.

Further eligibility requirements are:

- a) Balance exceeds \$1,000 or 6 months of arrears and the instalment provisions made within the Debt Recovery Policy are unable to be met and payments, or lack thereof are insufficient to cease the debt recovery action; and

- b) Applicant/s either solely or jointly with a co-owner, have the legal responsibility for the payment of rates and charges, and other household utilities which are levied in respect of the property; and
- c) Person/s is the owner or life tenant of the property which is his/her principal place of residence; and
- d) At no time whilst under the provision of hardship will the property be partially let out and/or derive an income; and
- e) Previously strong payment history; and
- f) Mortgagor has been notified of arrears situation; and
- g) The applicant/s has exhausted all avenues to alleviate the situation and seek assistance. For example; sort additional finances or have tried to sell the property or other assets.

Other Eligibility Criteria that will be taken into consideration:

- a) Expected duration of their current financial hardship position;
- b) Property is listed for sale;
- c) Applicant or direct dependent/s is/has suffered a medical emergency, trauma, injury, or terminal diagnosis; and
- d) The applicant has sought financial assistance from either a community organisation (For example; Financial Services Information Officer (Department of Human Services); or their Banking Institution.

5.3 Categories of Hardship

Hardship will be assigned as per the following categories:

5.3.1 Hardship Category One (1)

Commitment to payments sufficient to meet annual Rates and Utility charges (Annual gross general Rates and charges represented in monthly instalments).

Provision to apply: Hold recovery action, defer payment of arrears and hold interest charges on overdue rates effective from the application date.

Circumstances are to be reviewed at the end of each rating period. (30th June, 31st December).

5.3.2 Hardship Category Two (2)

Commitment to minimal or no payments, expected duration of hardship up to 12 months.

Provision to apply: Hold recovery action (effective from date of receipt of application for hardship and supporting documentation), defer payment of rates, charges and interest to the end of the current period. (30th June, 31st December).

Circumstances are to be reviewed at the end of each rating period. (30th June, 31st December).

Applicants are expected to continue to maintain payments of future water consumption in accordance with the relevant due dates.

5.3.3 Hardship Category Three (3)

Expected duration of hardship is unknown as a result of a terminal illness and commitment to minimal or no payments.

Provision to apply: Hold recovery action, defer payment of arrears and hold interest charges effective on overdue rates effective from the application

date. Circumstances are to be reviewed at the end of each financial year and generally will not exceed 2 years of arrears.

Any deferred rate, charges or interest (added to the account prior to the hardship application being accepted by Council) by Council shall remain a charge on the property until such time as the property is sold, or the ratepayer finds themselves in a position capable of paying down the arrears or the ability to provide payment in full. At such time the assessment and hardship provisions will be reassessed.

5.4 Exceptional Circumstances

Where exceptional circumstances exist beyond this Policy, individual circumstances will be considered on a case by case basis and presented to the Council for individual consideration.

5.5 Declared Natural Disaster or Declared Pandemic

In the event of a Declared Natural Disaster or Declared Pandemic effecting the local community, Council will extend the provisions of the Financial Hardship Policy to Commercial ratepayers who can demonstrate that they have been adversely impacted by the declared event.

Applications must be made in writing using Council's approved application form and accompanied by a Statutory Declaration outlining circumstances.

5.5 Failure to Comply

Following successful application, Council reserves the right to recommence normal debt recovery action should the ratepayer fail to:

- a) respond to the Council's offer of relief; or
- b) wholly comply with Council's offer of Relief; or
- c) comply with the agreed requirements.

5.6 Close of Applications

Applications for hardship will be considered at any time during the rating period (i.e. half yearly).

Applications must be made in writing using Council's approved application form and a new application will need to be submitted where circumstances and eligibility change.

Successful applications will take effect from the relevant rating period in which the application was submitted and approved.

There will be no backdating of applications or retrospective adjustments.

5.8 Monitoring and Reporting

Council will monitor successful applications made under this Policy by reporting the following information monthly within the Monthly Financial Report.

- a) Number of applications registered; and
- b) Reason/category.

Further monitoring will be conducted by Revenue Officers at half-yearly intervals in line with the billing cycles of Council.

5.9 Delegation of Authority

Authority for the implementation of the Financial Hardship Policy is delegated by Council to the Chief Executive Officer in accordance with section 257 of the *Local Government Act 2009*.

Authority for the day-to-day management of this Policy is to be delegated by the Chief Executive Officer to the Chief Financial Officer and Coordinator Revenue.

6 Changes to this Policy

This Policy is to remain in force until otherwise amended/replaced or other circumstances as determined from time to time by the Council.

7. Repeals/Amendments

Version	Date	Action
1.0	20/06/2019	Policy Adopted
2.0	18/08/2020	Amended Policy Adopted – definitions updated and section 5.5 inserted
2.0	17/05/2023	Policy document reviewed – no changes required

BRETT BACON
ACTING CHIEF EXECUTIVE OFFICER