

Policy – Council – Financial Assistance Policy

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1 PURPOSE

The purpose of this Financial Assistance Policy is to provide Council with a policy framework setting out the process of providing financial relief to individuals and businesses requiring assistance in the payment of rates and charges on the grounds of financial hardship. The policy also aims to provide a clear understanding of the options and assistance available to property owners and ratepayers who are experiencing financial hardship and assist them in managing the payment of rates in a manner that is acceptable to both the Council and the property owner.

2 SCOPE

This policy applies to ratepayers of Pyrenees Shire Council in accordance with Sections 170, 171, and 171A of the *Local Government Act 1989*.

The scope of this policy extends to all property owners and ratepayers who have been identified, either by themselves, Pyrenees Shire Council Officers, or by an independent accredited financial counsellor, as having the intention to pay their rates but do not have the financial capacity to make the required payments.

This policy shall apply to revenue included on the rates notice, such as rates, waste charges, interest and other relevant charges. It is important to note that this policy does not apply to fines issued under Council's Community Local Laws or any other Act.

Assistance can only be granted to individuals experiencing financial hardship for payment of rates on their principal place of residence or those liable to pay rates and charges on Commercial and Industrial properties. Applications for financial hardship consideration on secondary properties will not be considered.

Where financial hardship cannot be established, Council may avail itself of the collection options under Sections 180 and 181 of the *Local Government Act 1989* (the Act), to recover overdue amounts. These recovery methods include legal action and, in extreme circumstances, the sale of the property.

In the implementation of this policy, due consideration will be given to the type of payment arrangement that is best suited to each property owner's individual circumstance and the need to observe respect, compassion and transparency in the assessment of financial hardship applications.

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3 DEFINITIONS

Term	Definition
Council Officer	means the Chief Executive Officer and staff of Council appointed by the Chief Executive Officer.
Property Owner	is the registered proprietor of rated property within the municipality, who is legally responsible to pay rates under section 156 of the <i>Local Government Act 1989 (Vic)</i> .
Ratepayer	is the occupier of any rateable property who is liable to pay rates. This may be the property owner or a tenant who, under the lease agreement, is liable to pay rates.
Genuine Financial Hardship	<p>refers to a situation where a property owner is reasonably unable to discharge their financial obligations due to compassionate grounds or necessitous circumstances such as illness, unemployment, impacts of natural disaster, or other reasonable cause.</p> <p>Financial hardship involves an inability of the property owner to meet their financial commitments (bills), rather than an unwillingness to do so. Customer hardship can arise from a variety of situations. Common causes of hardship may include, but are not limited to:</p> <ul style="list-style-type: none"> • Loss of employment of the property owner or family member; • Family breakdown; • Illness, including physical incapacity, hospitalisation, or mental illness of the property owner or family member; • A death in the family; or • Other factors resulting in unforeseen change in the property owner’s capacity to meet their payment obligations, whether through a reduction in income or through an increase in non-discretionary expenditure.

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Compassionate grounds

Short-term circumstances of a compassionate nature that, if deferment of payment is not granted, would lead to financial hardship.

Necessitous circumstances

Circumstances beyond the control of the ratepayer that makes the payment of rates and charges impracticable on a short-term basis only.

Deferment

is a postponement of payment, in whole or in part, and can be for a specified period and subject to any conditions determined by Council. Deferred rates are a charge on the property and will continue to accrue interest until the account is paid in full. A deferment of rates is for a maximum of three years and cannot be applied more than once.

Waiver

is the relinquishment or removal of the liability to pay and may include the whole or part of any interest or, where applicable, part of rates and charges.

Primary residence

The property, which is considered to be the main or principal place of residence.

Independent Financial Counsellor

A consultant providing free financial counselling service to ratepayers in financial difficulty and is independent of the Council.

4 POLICY

4.1 APPLICATION FOR FINANCIAL ASSISTANCE

In the event of genuine financial hardship, a customer must submit an application requesting financial assistance from Council. Genuine financial hardship can be determined by:

- Self-assessment by the customer.
- Assessment by Council Officers.
- External assessment by, for example, an independent accredited financial counsellor (preferred).

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Assessment of genuine financial hardship will be objectively based on the information provided by the customer, who is required to submit a completed Application for Financial Hardship Assistance Form for their eligibility to be assessed. The customer must provide complete details of the circumstances preventing them from meeting their financial obligation to Council. This form is available at the Customer Service Centre in Beaufort, Council Resource Centres in Avoca and Beaufort, or via download from Council's website.

An initial assessment will be performed by Council Officers to determine the customer's eligibility to financial hardship relief under this policy as well as the level of assistance that may be required. Council may, at its discretion, seek relevant supporting information to be provided in the assessment of any application. This may include, but is not limited to:

- company records
- bank statements
- financial records or assessments
- employment documentation
- Centrelink and/or taxation information.
- a statutory declaration from a person familiar with the property owner's circumstances (family doctor, bank officer etc).
- Financial Counselling report

Pursuant to s170, s171 and s171A of the Act, customers may apply for the following:

- Deferral of rates and charges.
- Waiver of interest and legal charges invoiced to date.
- Waiver of rates and charges.

Council will advise the applicant of its decision in writing within 21 days of receiving the application and all supporting information. Where an applicant is not satisfied with the initial assessment of the application, they may request a review of the decision by outlining the grounds for the review. The request for a review of the decision must be in writing and addressed to the Chief Executive Officer.

Subject to the findings of the initial assessment, Council Officers can:

- recommend assistance in the form of a waiver of the rates and/or charges, and/or interest charges;
- recommend a deferral of the payment of the rates and/or charges;
- recommend referral to a financial counsellor for a full assessment and report;
- establish a repayment arrangement mutually acceptable to Council and the debtor;
- recommend other internal and/or external professional support services that would be of assistance to the debtor's circumstances.

Council may recommend support services from the Financial & Consumer Rights Council of Victoria (FCRC) and National Debt Helpline. The Financial & Consumer Rights Council of Victoria (FCRC) is the peak body for Financial Counsellors in Victoria. The FCRC can help

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affected persons find a financial counsellor. The National Debt Helpline is a not-for-profit service that helps people in Australia tackle their debt problems. This is a Government service providing free, confidential counselling for people experiencing financial difficulty.

4.2 DEFERMENT OF RATES AND CHARGES

Under Section 170 of the *Local Government Act 1989*, Council may allow partial or full deferral of rates where they consider that paying rates would create financial hardship for the applicant. Deferral of rates and charges is made available to all ratepayers who satisfy the financial hardship eligibility criteria under this policy and will be granted based on the following conditions:

- That the ratepayer pays interest on the amount affected by the deferral at the interest rate applicable to Council for the rating year;
- The deferral ceases and the deferred rates and accrued interest rate are immediately payable if the ratepayer ceases to own or occupy the property on which the rates are imposed;
- The deferral ceases if Council in its discretion revokes the deferral. In such cases, Council will notify the ratepayer in writing and request full payment of the deferred rates and accrued interest within 30 days;
- The deferral will be reviewed each year within one month of the issue of the annual rate notice;
- An increase in the valuation of a property and a subsequent increase in rates cannot be considered grounds for a deferred payment of rates

Where Council approves an application for deferral of rates or charges, interest will continue to be levied on the outstanding balance of rates and charges, but at an interest rate fixed annually by Council. This deferred interest rate will typically be well under the penalty interest rate levied by Council on unpaid rates and charges. Under Section 170(3), Councils can require repayments of deferred amounts if they consider that payment would no longer cause hardship, or if the land changes hands.

Ratepayers seeking to apply for rates deferral on grounds of financial hardship will be required to submit a completed [Application for Financial Hardship Assistance Form](#) which is available at the Customer Service Centre in Beaufort, Council Resource Centres in Avoca and Beaufort, Council website, or can be posted upon request.

The Property Revenue Officer will review applications in accordance with this policy and if satisfied that financial hardship exists, a report will be provided to the Manager Finance for consideration and approval. The rates deferral will be confirmed in writing to the ratepayer once it has been approved.

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4.3 WAIVER OF RATES AND CHARGES

Under Section 171 of the *Local Government Act 1989*, ratepayers may apply for a full or partial waiver of rates and charges subject to Council approval of the following conditions:

- Waiver of rates and charges is only available to individuals experiencing financial hardship with regard to the rates on their primary or principal place of residence;
- Ratepayer is an eligible recipient within the meaning of *State Concessions Act 2004*;
- The applicant is under financial hardship and able to provide verifiable information to prove hardship on a needs basis, e.g. certified Statement of Financial Position from a qualified accountant or financial counsellor;
- The applicant can provide a financial plan to show intent to pay future rates and charges;
- Waiver must be recommended by a Council-appointed independent financial counsellor and applicant is able to provide documented support for a waiver from the financial counsellor or a welfare agency or government agency.

Council will consider an application for a waiver or partial waiver of rates and charges where genuine financial hardship can be demonstrated and if granted, the waiver will apply only for the rating year in which the application was made. Eligible applicants for a waiver must submit a completed [Application for Financial Hardship Assistance Form](#) and include the required supporting documentation with the application. Applications for waiver of rates and charges will be assessed by Council on the grounds of genuine financial hardship only.

4.4 WAIVER OF INTEREST

Under Section 171A of the *Local Government Act 1989*, ratepayers may have interest charges or part thereof, waived where they have demonstrated financial hardship, subject to compliance with the following conditions and approval by Council:

- Waiver will be granted only to:
 - Ratepayers whose property is the sole or principal place of residence and is used exclusively for residential purposes;
 - Farm land which is the sole or principal place of residence of the applicant;
 - Commercial/industrial land owned and operated by the applicant.

Council will consider an application for a waiver of interest charges where genuine financial hardship can be demonstrated and if granted, the waiver will be reassessed by officers annually. Eligible applicants for a waiver of interest charges must submit a completed [Application for Financial Hardship Assistance Form](#) and include the required supporting documentation with the application. The waiver of interest will be confirmed in writing once it has been approved. Such applications for waiver of interest charges will be assessed by Council on the grounds of genuine financial hardship only.

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5 RESPONSIBILITY

Authority	Responsibility
Property Revenue Officer	For the collection of Council's overdue rates and charges.
Manager Finance	For ensuring the policy is applied consistently.
Director Corporate Services	<ul style="list-style-type: none"> - Determining deferral of rates and charges under Section 170 of the <i>Local Government Act 1989</i>. - Determining the waiver of interest under Section 171A of the <i>Local Government Act 1989</i>.
Council	Determining the waiver of rates under Section 171 of the <i>Local Government Act 1989</i> .

6 PRIVACY

Any personal, health or other sensitive information provided as part of an Application for Financial Hardship Assistance Form will be treated in accordance with applicable privacy legislation and the Pyrenees Shire Council Privacy Policy.

Council may use and disclose personal information as part of the application process to determine eligibility for access to the options outlined in the Financial Hardship Policy. As part of this process, information may be provided to an external agency. Council or the external agency may seek consent to contact external bodies to verify the accuracy of any information provided. For any concerns on how Council will use, disclose or secure personal information, or to understand how to access your personal information held by Council, please refer to the Council's Privacy Policy.

7 LEGISLATION AND OTHER REFERENCES

- *Local Government Act 1989*
- *Local Government Act 2020*
- *Penalty Interest Act 1983*
- *Privacy and Data Protection Act 2014* (Vic)
- Health Privacy obligations under the *Health Records Act 2001* (Vic)
- Pyrenees Shire Council Privacy Policy

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