

Financial Hardship Policy

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Financial Hardship Policy

1. Purpose

The purpose of this policy is to provide guidelines for delegated staff to assist in the process and assessment of applications received for the deferment of rates and charges, due to financial hardship.

The guidelines, which provide direction for review and recommendation in conjunction with Sections 170 and 171 of the Local Government Act 1989, are based upon the principles that:

- Every rateable property should meet its share of rates and charges; and
- Council **will** waive the first twelve (12) months of interest if the person is on a full pension and that person has entered into an agreement to pay a nominal payment at least monthly. Interest after the first twelve (12) months will be raised as per Section 2 of the Penalty interest Rates Act 1983.
- Council **may** waive the first twelve (12) months of interest if the person is not on a full pension, provided the person has entered into an agreement to pay a nominal amount at least monthly and has written documentation and support from a financial counsellor. Interest after the first twelve (12) months will be raised as per Section 2 of the Penalty interest Rates Act 1983.

2. Definitions

Financial hardship is where a ratepayer is willing but unable to meet their contractual debt obligations because of unexpected events or unforeseen changes that impact their cash flow, for example: changes in employment status (such as losing a job or having hours reduced). Financial hardship will be determined by household expenditure exceeding household income.

Payment arrangement is where the total amount owing is paid off in fixed instalments over an agreed period of time. Debts may continue to accumulate outside of the payment arrangement and are required to be paid as and when they fall due.

Deferral suspends payment for a period of time; debt continues to accrue and interest/ penalties may continue to accumulate.

Waiver exempts payment of the charge or portion thereof. Applications for a waiver of any interest imposed for late payment must be made to Council as per section 171 of the Local Government Act 1989.

Council will not waive rates, municipal charges or service charges as the value of each property provides the owner with a potential source of funds if liquidated. It is considered inequitable for the majority of ratepayers to subsidise the property assets of hardship applicants. A more equitable solution for the community is to defer payment of rates and charges.

3. Applications

All applications will be treated confidentially.

Applicants will be required to enter into a payment arrangement that is fair and equitable to both parties and not cause or further any financial hardship. The payment arrangement is subject to approval.

All requests for deferment of rates and charges must be made in writing, on the form available on Nillumbik Shire Council's website.

Applications will only be considered for the applicants (owners) main residence. Deferment will not be granted for investment or holiday properties.

Ratepayers may have rates and charges deferred subject to the compliance with the following conditions:

- Applicants who are in receipt of a pension rebate as provided under Section 171 (1) (a) of the Local Government Act 1989 will be granted automatic deferral on the receipt of a written application.
All other (non-pensioner) applications must include written documentation from a financial counsellor who has assessed and supported the request. Where the ratepayer is a non-pensioner, deferment may be granted after consideration by the Finance Manager.
- Where practicable, the ratepayer must enter into an agreement with council on a payment schedule and perform against such agreement.

4. Financial Counselling

Kildonan Uniting Care can assist with financial counselling. To access this service go to <https://www.kildonan.org.au/> or phone 1800 685 682.

5. Deferment

Upon the submission of an application, property owners may have the payment of rates, charges and penalty interest, or parts thereof, deferred, subject to compliance with the following conditions:

- a) The ratepayer is a pensioner and is eligible to claim a pensioner rate rebate; or
- b) The ratepayer is able to evidence financial hardship as per section 3 of this document.

Interest may be waived for a period of up to twelve months where the applicant meets the requirements set out in section 1 of this policy. No further interest free period will be granted.

Interest will continue to be charged at the interest rate fixed under Section 2 of the Penalty interest Rates Act 1983.

All deferments granted will be reviewed annually and non-pensioner applicants will be required to provide an updated application and confirmation of continuing financial hardship from their financial counsellor in order to maintain the payment arrangement.

As per the Local Government Act 1989 – Section 158 (4) (d), rates notices will continue to be sent throughout the deferment period.

6. Withdrawal of Deferment

A deferment will be deemed withdrawn on the basis of any of the following conditions:

- The ratepayer advised that the hardship conditions no longer exist.
- The ratepayer no longer owns or occupies the property
- The ratepayer has defaulted in meeting any agreements with Council in regards to the deferment.
- The ratepayer fails to confirm ongoing financial hardship as per this policy.

7. Review of Policy and Strategy

This policy will be reviewed every four years or as required in the event of legislative changes. The Audit Committee or Council may initiate review outside this cycle.

NILLUMBIK SHIRE COUNCIL
FINANCIAL HARDSHIP APPLICATION FORM
DEFERMENT OF RATES & CHARGES

SECTION 170 LOCAL GOVERNMENT ACT 1989

This form must be forwarded with recommendation by a Financial Counsellor to assess the request.

By signing this form you are declaring that you are the primary owner of this property, which is your primary residence.

ASSESSMENT NUMBER

ADDRESS FOR WHICH DEFERMENT IS BEING SOUGHT.

	<i>Applicant One</i>	<i>Applicant Two</i>
APPLICANT NAME/S		

(PROPERTY OWNERS/RATEPAYER NAMES IN FULL)

POSTAL ADDRESS

	<i>Applicant One</i>	<i>Applicant Two</i>
DATE OF BIRTH		

	<i>Applicant One</i>	<i>Applicant Two</i>
SIGNATURE		

1. I/ we receive from the above the following amount per week for:

Rental of rooms occupied	
Rent, board and/or lodging	

2. I/ we own the following assets (give details):

	Applicant One	Applicant Two
a) Land and buildings		
b) Money at any bank		
c) Other investments		

3. Total income, **per fortnight**, from all sources is as follows:

	Applicant One	Applicant Two
a) Salary and/or Wages		
b) Property rental and sales		
c) Bank Interest		
d) Other investments		
e) Pension income (include pension type)		
f) Other sources (give details)		
Total of all income listed above:		

4. I/ we receive additional financial assistance from:

Each applicant is required to complete a statutory declaration.

State of Victoria

Statutory Declaration

I, _____
[FULL NAME]

Of _____
[ADDRESS]

_____, do solemnly and sincerely declare that:-
[OCCUPATION]

Application is hereby made for the consideration by Nillumbik Shire Council of a rates and charges deferment in respect of the abovementioned property in which I reside.

The information contained in aforementioned application is complete and accurate.

I acknowledge that this declaration is true and correct, and I make it with the understanding and belief that a person who makes a false declaration is liable to the penalties of perjury.

Declared at _____

this _____ day of _____ 20 _____

Signature of person making this declaration
[to be signed in front of an authorised witness]

Before me, _____
Signature of Authorised Witness

The authorised witness must print or stamp his or her name, address and title under section 107A of the *Evidence (Miscellaneous Provisions) Act 1958* (as of 1 January 2010), (previously *Evidence Act 1958*), (eg. Justice of the Peace, Pharmacist, Police Officer, Court Registrar, Bank Manager, Medical Practitioner, Dentist)

NILLUMBIK SHIRE COUNCIL

PAYMENT ARRANGEMENT REQUEST

By completing this form you are requesting to enter in to a payment arrangement with Council for your outstanding Rates and Charges.

Once completed please return this form via email or mail. Upon approval a confirmation letter will be sent to you.

Payment arrangements are not automatically approved.

Section for completion:

Date: ____/____/____

I, _____
(Full Name)

of _____
(Property Address)

agree to pay \$ _____ per **week / fortnight / month** (Please Circle)

towards my outstanding Council Rates commencing ____ / ____ / ____

Overdue balances will continue to accrue interest until the full amount is settled. Interest of 9.5% is charged monthly.

Signature _____

Contact number _____

Email Address _____

OFFICE USE ONLY

Assessment number	
Date received	

Date effective	
Balance owing	