

Financial Hardship Policy

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1. POLICY STATEMENT

Council requires all property owners to pay their rates in full by the due date/s shown on rate notices. However, Council recognises that there are cases of genuine financial hardship that require respect and compassion in special circumstances.

Council acknowledges that the circumstances affecting a property owner's ability to pay may be either temporary or long-term, financial or personal. Consequently, Council will assess a request for assistance on a case-by-case basis.

Council is committed to working with our property owners to find an appropriate, realistic and effective payment solution.

2. SCOPE

This policy applies to those ratepayers who are experiencing serious financial hardship and as a result are willing, but unable to pay their rates and charges. The policy will only apply to properties where the property is the ratepayers' principal place of residence. However, Council encourages any property owner experiencing financial hardship to make contact.

3. POLICY OBJECTIVES

This Financial Hardship Policy communicates Council's position and provides guidance to employees, property owners and stakeholders concerning the principles, processes and guidelines that Council will use when assessing applications for rates and charges relief due to severe financial hardship. In summary, the key objectives of this policy are to:

- provide a mechanism that enables property owners to feel comfortable in approaching Council about outstanding debts;
- provide a policy that encourages a consistent and proactive approach in identifying and assisting ratepayers who may be experiencing difficulty paying their rates due to personal or financial hardship; and
- encourage people experiencing financial hardship to access earlier financial counselling support services.

4. BACKGROUND AND/OR PRINCIPLES

Council's Rate Collection Policy states that it will diligently pursue the collection of overdue rates and charges. It also states that non-payment of rates places an unfair burden on the ratepayers who do not meet their obligations in full. It balances the foregoing statements by stating that Council will take into account the individual circumstances or the financial hardships faced by relevant ratepayers.

Financial hardship relief provided under this policy does not forego Council's normal debt recovery action, including Council's ability to sell the land for arrear of rates. Additional fees may apply in this case.

Section 120(1)(c) of the *Local Government Regulation 2012* states that Council may grant a concession if it is satisfied that "the payment of rates or charges will cause hardship to the land owner", Council has determined that it will grant such a concession for rates relief as set out in this policy.

What is Financial Hardship?

A property owner will be considered to be in financial hardship if paying a rate notice will affect their ability to meet their basic living needs. This includes such things as food, clothing, medicine, accommodation and children's education.

In short, it means they have the intention, but not the financial capacity to pay.

Financial hardship may be caused by:

- loss of a property owners' (or a family member's) primary income;
- separation or divorce from a spouse;
- death of a spouse or loved-one;
- domestic or family violence;
- physical or mental health problems;
- a chronic medical condition or illness;
- budget management difficulties because of a low income;
- other unforeseen factors affecting your capacity to pay, such as a reduction in income due to a natural disaster, drought or downturn in economic conditions; and
- high rate levy increase due to revaluation.

Temporary Financial Hardship

Property owner's experience payment difficulties due to a sudden and/or temporary change in circumstances that adversely affect their finances. These property owners generally require flexibility. Council is able to offer an extension of time to pay (generally with the loss of the prompt payment discount shown on the rate notice) or to set up a payment plan.

Identifying Property Owners in Financial Hardship

Property owners who think that they may be experiencing financial hardship are encouraged to contact Council as soon as possible. If assessment by a financial counsellor has been undertaken, they can contact Council on the property owner's behalf.

The following indicators will be considered when determining whether a property owner is experiencing financial hardship:

- the property owner requests information about alternative payment arrangements;
- the property owner's payment history indicates they have had difficulty paying accounts in the past;
- the property owner has had a change of circumstances that adversely affects their finances;
- eligibility for government funded concessions;
- advice has been received from an independent financial counsellor;
- total income after tax (take home pay);

- the number of properties owned;
- the number of children or dependants involved;
- current financial commitments including any existing debt;
- medical conditions or disability affecting earning capacity; and
- domestic or family violence.

Although the above list displays indicators of possible hardship, each property owner will be treated with sensitivity and understanding according to their individual circumstance.

As part of Council's assessment we will consider any information provided by the property owner and, if applicable, their financial counsellor. Council will also take into account the property owners' payment history.

As soon as the assessment has been completed and a decision has been made, Council will advise the property owner of the outcome.

When Will Council Consider an Application for Financial Hardship?

Council will not support applications for financial hardship relief where the applicant has another avenue to alleviate the situation or seek assistance, and has not taken this alternative option.

Council will also encourage applicants to seek the assistance of a financial counsellor. Council's intent is to provide assistance to applicants who demonstrate genuine attempts to help themselves.

Council will only consider an application for financial hardship relief where:

- it is the property owner's principle place of residence
- the property owner is experiencing genuine financial hardship due to a loss the property owner has suffered:
 - (a) a person who has less than two (2) weeks of available funds equivalent to the maximum rate of income support payment provided by the Department of Human Services (DHS) for Crisis Payments; or
 - (b) has been unemployed and receiving payments from DHS continuously for twenty-six (26) weeks; or
 - (c) suffers from a chronic illness that is permanent or lasts longer than three (3) months; or
 - (d) has been diagnosed with a terminal illness or disease; or
 - (e) has incurred unexpected expenses (funeral costs) and reduction or loss of family income because of the death of a partner; or
 - (f) has experienced a significant reduction in income due to a natural disaster, drought or downturn in economic conditions.
- upon application being made to Council for the relief of rates and charges by the property owner.

Assistance or Relief Available

Council may grant relief to a property owner under this policy through offering assistance by one or more of the following:

- payment of the outstanding rates balance may be deferred (without further interest accrual or loss of discount) for a maximum period of 12 months;
- suspension of pending or current rate recovery action;
- repayment plans that are outside of the current Rates Recovery Policy;
- interest costs written-off/waived for interest already charged and/or for interest that may accrue between the Council's decision and satisfactory completion of an agreed repayment plan; and
- court costs or other related legal expenses written-off that have already been charged to the ratepayer for recovery of outstanding rates and charges

5. GENERAL INFORMATION

Council is committed to assisting property owners who are experiencing financial hardship. If a property owner is experiencing financial hardship, they are encouraged to contact Council as soon as possible to discuss the situation. Council does offer long-term options if the property owner adheres to and maintains an agreed arrangement.

In return, Council requests the property owner:

- keep Council informed of any change in circumstances;
- agree and maintain a suitable payment arrangement;
- contact Council to negotiate an alternative arrangement should the property owner have difficulty maintaining the agreed payment plan; and
- contact a financial counsellor, if requested. It is important for a property owner who is in financial hardship to meet with a financial counsellor (or a person from a relevant customer representative organisation) to discuss their financial situation and consider the options that are available.

Lodging an Application

Lodging a request for relief must be on the prescribed form, available from the Council website, www.southburnett.qld.gov.au, and will involve a full financial assessment undertaken by the Chief Executive Officer or delegate.

If a property owner:

- does not respond to the Council's offer of hardship relief; or
- fails to wholly comply with Council's offer of hardship relief; or
- once an agreed payment arrangement is entered, fails to comply with the requirement of that agreed payment arrangement, then

Council will continue with normal debt recovery action including outsourcing the debt to a debt collection specialist and the sale of the land for rate arrears. Additional fees may apply in this case.

Processing the Application

The process for assessing applications will remain simple and accessible as possible in recognition that at the very least, the ratepayers are experiencing financial difficulties. All applications are assessed confidentially and on merit.

- Eligible ratepayers are requested to complete and lodge an application on the prescribed form;
- Register of Application – the application form including attachments as to financial position under a Statutory Declaration and certified copies in Council's Records System;
- Cross check of application data;
- Preparation of a briefing report to the General Manager Finance and Chief Executive Officer;
- General Manager Finance to consider applications and make recommendations;
- General Manager Finance presents recommendations to Council;
- Council pass a resolution to decide the outcome of the application; and
- Advice of the decision provided to the applicant.

Additional Support

There are a range of other organisations that offer support services and provide useful information that may be helpful.

Financial Counsellors

Financial counsellors are trained qualified professionals who provide advice, information, and options specific to an individual's current financial circumstances. Financial counsellors are non-judgemental specialists who provide a free, confidential and independent service. Locate a financial counsellor in the local area by calling the Australian Financial Counsellors hotline on 1800 007 007 between 9:30am and 4:30pm, Monday to Friday. For full details visit their website: <https://www.financialcounsellingaustralia.org.au>.

Rural Financial Counselling Service Southern Queensland

Rural Financial Counselling Service Southern Queensland (RFCS-SQ) provides free, impartial, confidential and responsive rural financial counselling services across Southern Queensland.

Through the Rural Financial Counselling Service Program (RFCS), they can support and assist eligible farmers, fishers, forest growers, harvesters and small-related rural businesses who are experiencing financial hardship.

Contact the local Kingaroy based counsellor on (07) 4182 1836 or on mobile 0448 999 742 between 8:30am and 4:30pm, Monday to Friday. Alternatively, visit the Rural Financial Counselling Service Southern Queensland website: <https://www.rfcssq.org.au>.

ASIC's MoneySmart

MoneySmart can offer free, independent guidance by providing tips and tools to take steps to improve personal finances. Contact Money Smart on 1300 300 630 between 8:30am and 5:00pm, Monday to Friday or visit their website: <https://www.moneysmart.gov.au>.

Queensland Government

The Queensland Government website is a great resource and has a variety of subjects and links relating to financial assistance and services on offer. The Queensland Government website is <https://www.qld.gov.au/community/losing-your-job-income/financial-assistance>.

Concessions

Holders of a Queensland Pensioner Concession Card may be eligible to apply for a Rates Concession, if not already applied and living on the property that an application for financial hardship relief is sought. Speak to Council's Customer Contact or Rates Staff on (07) 4189 9100 or visit <http://www.southburnett.qld.gov.au>.

Charity Organisations

Charity organisations can provide a rate of support directly to people or to families in need. For a list of major charities operating in Queensland visit <https://www.qld.gov.au/community/cost-of-living-support/support-from-charities/>.

6. DEFINITIONS

To assist in interpretation the following definitions shall apply:

Act	<i>Local Government Act 2009.</i>
Application Form	Council's Rates Relief Application for the purpose of applying for assistance under this policy.
Chief Executive Officer	The Chief Executive Officer of South Burnett Regional Council as appointed under the <i>Local Government Act 2009</i> .
Chronic Illness	An illness that is permanent or lasts longer than three (3) months.
Council	South Burnett Regional Council.
Death of a Partner	The unexpected expenses (funeral costs) and reduction or loss of family income because of the death of a member of a couple (married, registered relationship or de facto relationship).
Financial Hardship	Unable to meet basic requirements, including food, clothing, medicine, accommodation and children's education. This hardship may occur because of chronic illness, long-term unemployment or death of a partner.
Long-Term Unemployment	A ratepayer who has received income support payments continuously for 26 weeks.
Natural Disaster	A major adverse event resulting from natural processes of the earth; examples include floods, volcanic eruptions, earthquakes, tsunamis, cyclones, severe storms, bush fires, droughts.

Property Owner	The 'owner of the land' as defined under the <i>Local Government Act 2009</i> .
Regulation	<i>Local Government Regulation 2012</i> .
Residential Property	Property that has as its primary use 'use for residential purposes'.
Terminal Illness	An incurable disease that cannot be adequately treated and is reasonably expected to result in the death of the person.

7. LEGISLATIVE REFERENCE

Local Government Act 2009, Section 93(h)
Local Government Regulation 2012, Section 120

8. RELATED POLICIES/PROCEDURES

Rates Recovery Policy
 Application for Hardship (Rates Relief)

9. NEXT REVIEW

1 June 2020

10. VERSION CONTROL

Version	Revision Description	Approval Date
1	Adoption of Policy	24-Jun-2019



Mark Pitt
 CHIEF EXECUTIVE OFFICER

24 June 2019