



Hardship Consideration Policy

Responsible Business Unit:	Debtor Management
Responsible Author:	Chief Finance Officer
Date Authorised by Council:	24/05/2022
Date to be Reviewed:	01/07/2023
Objective Reference:	A3641123
Version Number:	V1.0



Contents

1	Policy Statement	2
2	Purpose	2
3	Scope	3
4	Council Policy	3
4.1	Early Identification and Communication	3
4.2	Options available to ratepayers experiencing financial hardship.....	3
4.2.1	Pension rebate	3
4.2.2	Rate Payment Extension (deferral)	3
4.2.3	Payment Plan	4
4.2.4	Hardship Consideration	4
4.2.5	Waiver of rates and charges	4
4.3	Financial Counselling.....	4
4.4	Debt Recovery and Legal Action	5
4.5	Complaints and Ombudsman	5
4.6	Related Documents.....	5
4.7	Specific Regulations	5



Hardship Consideration Policy

1 Policy Statement

Wyndham City Council understands that there are cases of genuine financial hardship that require compassion and special consideration. While providing special consideration, Council needs to ensure that it is compliant with the Local Government Act 1989 (the Act) and makes decisions using the principles of fairness, integrity and confidentiality.

2 Purpose

Council levies Rates and Charges on rateable land to provide for services to the community.

Section 170 of the Act states that:

A Council may defer in whole or in part the payment by a person of any rate or charges which is due and payable for a specified period and subject to any consideration determined by the Council if it considers that an application by that person shows that the payment would cause hardship to the person.

Section 171 of the Act states that:

The Council may waive the whole or part of any rate or charge or interest in relation to –

- a) an eligible recipient under subsection (4) or
- b) any other class of persons determined by the Council for the purpose of waiving rates or charges on the grounds of financial hardship.

This policy:

- sets out the support options Wyndham City Council will offer to ratepayers experiencing financial hardship;
- provides information to ratepayers so that they can understand their options;
- provides a decision framework for Council officers when applying sections 170 and 171 of the Act; and
- the policy recognises that legal action is only taken as a last resort.

Financial hardship is described as someone who is willing to pay their bills but has insufficient money to do so. Council might become aware of a ratepayer being in financial hardship through conversations, receiving a hardship consideration application form or a referral from an independent financial counsellor. Council's experience is that financial vulnerability is complex and varied, with different circumstances needing a range of options for assistance available. There is also an understanding that a ratepayer's circumstance may make it more difficult for them to ask for assistance and staff need to be mindful of this during conversations with ratepayers.

This policy ensures that all ratepayers, regardless of their circumstances will be treated with understanding, dignity and respect while working out a plan that is manageable for them. Council will assess each application on its merits, demonstrating consistency and impartiality in its consideration of each application.



3 Scope

This policy will apply to all staff discussing options with ratepayers having difficulty paying their rates and working out a plan from the available options.

4 Council Policy

4.1 *Early Identification and Communication*

Council's Annual Rate notices and all subsequent instalment and debt collection notices will advise ratepayers experiencing difficulties in paying their rates to contact Council to discuss payment options.

Through ongoing interaction with ratepayers, Council staff and Council's debt collection agency will become aware of ratepayers who are in financial hardship and can assist them to understand their options.

Council's hardship Policy will be available on Council's website.

4.2 *Options available to ratepayers experiencing financial hardship*

Eligible ratepayers in genuine financial hardship will be provided with assistance and an explanation of their entitlements to rates and charges payment options.

Council will preferably offer payment arrangements and/or extensions in order to assist the ratepayer to pay the outstanding amount, prior to consideration of a waiver or refund.

4.2.1 Pension rebate

Customers with an eligible concession card may be entitled to a rebate towards their rates. The rates rebate is provided by the Department of Families, Fairness and Housing and can be applied for by completing a Municipal Rates Concession form. Where a ratepayer is experiencing financial hardship, Council staff will enquire if they are entitled to the rebate and assist the ratepayer to apply if they haven't already.

4.2.2 Rate Payment Extension (deferral)

Customers that have a short-term shortfall of funds can request an extension of time to pay their rates. An extension of time is normally provided for up-to 1 month after the due date. A request for a payment extension can be made over the telephone or in writing.

Where a contract of sale of property has been executed, the rates may be deferred up-to the date of the property transfer. The contract of sale needs to be provided to Council as proof of the pending property sale.

Penalty interest continues to accrue where a payment extension has been granted without financial hardship being approved.

Council staff will monitor rates payment extensions and will continue to follow the normal debt collection process after the extension date has passed.

4.2.3 Payment Plan

Customers can request a payment plan and agree to make smaller more frequent payments. A customer can request a payment plan over the telephone or in writing. A payment plan without hardship approved must result in the debt being paid within a twelve-month period.

Penalty interest continues to accrue where a payment plan has been granted without financial hardship being approved.

Council staff will monitor payment plans and will continue to follow the normal debt collection process if the payment plan is not maintained.

4.2.4 Hardship Consideration

Hardship consideration is available to owner occupier ratepayers experiencing extreme financial hardship and circumstances that are likely to lead to extreme financial hardship. Where ratepayers are assessed and provided hardship consideration, assistance can be provided in one or more of the following:

- waiver of penalty interest;
- waiver of legal costs;
- acceptance of a payment arrangement; or
- deferral of payment of a part of the rates due.

The Hardship Consideration Application form needs to be completed to allow consistent collection of data and application of the policy to determine financial hardship. Where the applicant or their proxy have provided all the information necessary to make the decision in another written format, this will also be accepted.

Financial hardship consideration is initially approved for up-to twelve months. Towards the end of the twelve-month period, contact will be made with the ratepayer to reassess their situation. Hardship consideration can be extended following the reassessment process. Ratepayers will be encouraged to attend financial counselling where they have multiple debts that they are struggling to pay.

Where a ratepayer fails to meet the conditions of the financial hardship consideration agreement, their hardship consideration can be cancelled and the usual debt collection processes recommence. Contact will be attempted with the ratepayer before ending the hardship consideration arrangement and recommencing debt collection.

4.2.5 Waiver of rates and charges

Noting that Council rates and Charges are a property tax, the waiver of rates and charges will only be considered in extreme hardship situations.

4.3 Financial Counselling

Council will strongly encourage applicants to seek financial counselling support so that they have independent advice relating to their entire financial situation and not just the Council rates. Counselling services have access to a greater range of support options that can assist applications.

Council will provide referrals to a range of free financial counselling services so that applicants have a choice in providers. The contact details for these services will be made available on Council's Website.



4.4 Debt Recovery and Legal Action

Council will not take legal action unless there have been reasonable efforts to contact the property owner about the debt and ensuring that the property owner has been informed of the Council's hardship policy and how to apply. All letters and emails sent to ratepayers throughout the debt collection process will reference payment options and the Hardship Consideration Policy.

4.5 Complaints and Ombudsman

If there are disputes or complaints with how Council has managed a request for hardship consideration, owners can make a complaint directly to Council via

<https://www.wyndham.vic.gov.au/about-council/your-council/administration/complaint-resolution>

Complaints can also be made to Council under this Complaint Handling Procedure about the conduct of Council's debt collection agency. Property owners who are dissatisfied with the internal review can also contact the Victorian Ombudsman at

<http://www.ombudsman.vic.gov.au>

Wyndham City Council will cooperate with any review by the Victorian Ombudsman.

4.6 Related Documents

Hardship Consideration Application Form

Debtor Management Policy

4.7 Specific Regulations

The Local Government Act 1989 (retained sections)