

# Policy



## STRATEGIC

# HARDSHIP

## Head of Power

*Local Government Act 2009*

*Local Government Regulation 2012*

### Key Supporting Council Document

Lockyer Valley Regional Council Corporate Plan 2022-2027:

Lockyer Leadership and Council –

- Commit to open and accountable governance to ensure community confidence and trust in council and our democratic values.

## Definitions

Financial hardship	Unable to meet financial obligations due to unexpected events or unforeseen changes resulting in their inability to meet basic requirements including food, clothing, medicine, housing and other necessities due to family tragedy, financial misfortune, serious illness or injury, natural disaster, and other serious or difficult circumstances.
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## Policy Objective

The objective of this policy is to set out Council's guidelines for the assessment of requests for rates and charges or other financial obligation relief due to financial hardship.

It is to provide assistance and options to property owners experiencing difficulties in paying Council rates and charges and other related fees and charges due to financial hardship under the following categories:

- Category One – Rates and Charges Serious Financial Hardship - Rates and Charges (Residential)
- Category Two – Financial Hardship due to Declared Natural Disaster (Drought, Flood, Fire, Health Pandemic - Rates and Charges (Short Term)
- Category Three - Other Financial Hardship Applications due to financial hardship (Drought, Flood, Fire, Health Pandemic and other Declared Natural Disasters – Other Financial Obligations (Short Term)

## Policy Statement

This policy applies to property owners and/or customers experiencing financial hardship. They are recognised as those who intend to pay but do not have the financial capacity to make payment in full by the end of the current rating period or by a payment commitment applicable under the current Rates and Charges Debt Collection and Recovery Policy or Sundry Debt Collection and Recovery Policy process.

## Types of Assistance

### *Category 1 – Rates and Charges Serious Financial Hardship (Residential)*

#### *Eligibility*

- The property owner is experiencing serious financial hardship and the hardship has arisen from unexpected or unforeseen events such as:
  - Involuntary long-term unemployment of the property owner
  - Serious illness or injury of the property owner or dependent family member
  - Death of an immediate family member
  - Relationship breakdown
  - Other serious or difficult circumstances
- It is the property owner's principal place of residence
- The property owner does not own multiple properties
- The property is not vacant land
- The property is not in a company or business name
- Usually, the unforeseen change should have occurred within the last 12 months
- The property has at least 12 months of rates and charges outstanding
- The property owner is unable to maintain a realistic payment commitment

#### *Types of Assistance*

- Agreed payment commitment outside the current debt recovery action
- Freezing of interest charges up to a maximum of 2 half yearly rating periods
- Short term payment extension for the current half year rates only – deferment to a maximum period of 6 months to pay the current rates and charges with no loss of discount. \*Must be applied for within 60 days from the date of issue of the current rate notice
- A rebate of all or part of the rates and charges

#### *Requirements for Assessments*

1. To apply for assistance, the property owner is required to fully complete Council's hardship application form and submit with recent evidence to support the case for serious financial hardship. The evidence should support their current financial circumstances.
  - Evidence to support the case for serious financial hardship may include:
    - Letter from a charitable organisation/financial counsellor regarding loss of employment or inability to provide for basic necessities
    - Details of the relevant serious illness or injury including the date and duration of and supporting letter/statement by doctor/medical practitioner
    - Pending disconnection of essential services (e.g. electricity)
    - Estimated income and expenditure from all sources for the current financial year
    - The current balances of bank accounts and, if applicable, investment accounts

- Details of any real property owned and estimated value, including information on the listing of any property for sale
- Details of any other assets (i.e. boats, cars, livestock etc) and estimated value
- Description, interest rate and balance of other debts such as personal loans, mortgages, credit cards etc., and if repayments are up to date or in arrears
- Any other information that is relevant to your current financial situation
- Several factors are taken into account when evaluating the property owner's assertion of severe financial hardship. While submitting two or more documents from the list provided and fully completing the application form, it does not guarantee approval for assistance under this policy.
- If necessary, the landowner should be prepared to engage in a discussion with Council officers to gain a better understanding of their situation.

### *Category 2 – Financial Hardship due to Drought, Flood, Fire, Health Pandemic and other Declared Natural Disasters (Short Term)*

#### *Eligibility*

- The property owner is experiencing financial hardship due to drought, flood, fire, health pandemic or other declared natural disaster
- Loss of income/employment due to drought, flood, fire, health pandemic or other declared natural disaster
- The property is not vacant land
- Usually, the unforeseen change should have occurred within the last 6 months
- The property owner is unable to maintain a realistic payment commitment

#### *Types of Assistance*

- Agreed payment commitment outside the current debt recovery action
- Freezing of interest charges up to a maximum of 6 months
- Short term payment extension for the current half year rates only – deferment to a maximum period of 6 months to pay the current rates and charges with no loss of discount. \*Must be applied for within 60 days from the date of issue of the current rate notice

#### *Requirements for Assessments*

1. Statutory Declaration detailing:
  - a. Evidence of employment or income loss
  - b. Evidence of situation if not a declared natural disaster or pandemic
  - c. Any other information that is relevant to your current short-term financial situation

### *Category 3 – Other Financial Hardship Applications Due to Financial Hardship, Drought, Flood, Fire, Health Pandemic and other Declared Natural Disasters – Other Financial Obligations (Short Term)*

#### *Eligibility*

- The customer is experiencing financial hardship and the hardship has arisen from unexpected or unforeseen events (death of a family member, serious illness, sudden loss of job)
- Usually, the unforeseen change should have occurred within the last 6 months
- The customer is unable to maintain a realistic payment commitment
- The customer is experiencing financial hardship due to drought, flood, fire, health pandemic or other declared natural disaster

- Loss of income/employment due to drought, flood, fire, health pandemic or other declared natural disaster
- The customer has a balance due with Council in relation to Waste and Animal Control Fees (those not included on a rate notice)

#### *Types of Assistance*

- Freezing of interest charges up to a maximum of 6 months
- Short term payment extension for the current outstanding fees or charges for a period of up to 6 months
- Agreed payment commitment outside the current debt recovery action process
- Waiving of fees, charges and billed reimbursements

#### *Requirements for Assessments*

1. Statutory Declaration detailing:
  - a. Evidence of employment or income loss
  - b. Evidence of situation if not a declared natural disaster or pandemic
  - c. Any other information that is relevant to your current short-term financial situation

## Assessing Applications

- The Chief Executive Officer, or delegate, will evaluate applications for assistance due to serious financial hardship based on the abovementioned eligibility criteria and the guiding principles outlined in this policy.
- All applications undergo confidential and merit-based assessment.
- If the application is declined and the landowner wishes to request a review, the case must be escalated to the next level of authority for resolution.
- Council has the authority to grant an alternative type of approval different from what has been initially selected in the application.

Review of the Application A review of the hardship will be completed regularly and may be renegotiated by the property owner/customer and the responsible officer to take into consideration changes in the property owner's/customer's circumstances.

## Failure to Comply or Cancelling assistance

If the property owner/customer:

- Fails to commit or comply to the agreed payment commitment
- Fails to comply to the Council's offer of relief
- Does not reply to Council's offer
- Sells the land or ownership changes
- Provides false or misleading information.

If the agreed decision is forfeited Council will continue with normal debt recovery action and charging of interest. Interest will be back dated to the date it ceased. The property owner/customer will be contacted prior to commencement of debt recovery action. No further hardship application from the property owner/customer will be accepted for the following 12 months.

## Selling of Land for overdue rates or charges

Assistance for serious financial hardship under this policy does not forgo Council normal debt recovery procedures, which may include selling land for outstanding rates or charges. If a notice of intention to sell land for overdue rates or charges has been issued to the property owner (section 140 of the *Local Government Regulation 2012*), they will not qualify for assistance under this policy. Full payment must be made in order for the sale of land process to cease.

## Human Rights

Council is committed to respecting, protecting and promoting human rights. Council has an obligation under the Human Rights Act 2019 to give proper consideration to human rights when making a decision, and to act and make decisions in a way that is compatible with human rights. To the extent that an act or decision under this policy may engage human rights, Council will have regard to the Human Rights Act 2019 in undertaking the act or making the decision.

## Related Documents

Lockyer Valley Regional Council - Rates and Charges Debt Collection and Recovery  
Lockyer Valley Regional Council - Sundry Debt Collection and Recovery Policy