

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, 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.

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 (death of a family member, serious illness, sudden loss of job)
- 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 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
- An agreement to accept a transfer of unencumbered land in full or part payment of the rates and charges

Requirements for Assessments

1. Statutory Declaration detailing:
 - a. Estimated income and expenditure from all sources for the current financial year
 - b. The current balances of bank accounts and, if applicable, investment accounts
 - c. Details of any real property owned and estimated value, including information on the listing of any property for sale
 - d. Details of any other assets (i.e. boats, cars, livestock etc.) and estimated value
 - e. 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
 - f. Details of any refusal of loans or credit that have been sought to assist in paying the debts
 - g. Details of superannuation fund balances and if an early release has been sought to assist in paying the debts, and
 - h. Any other information that is relevant to your current financial 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

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

If the property owner/customer:

- Fails to commit to the agreed payment commitment
- Fails to comply to the Council's offer of relief
- Does not reply to Council's offer

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.

Related Documents

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

Lockyer Valley Regional Council - Sundry Debt Collection and Recovery Policy