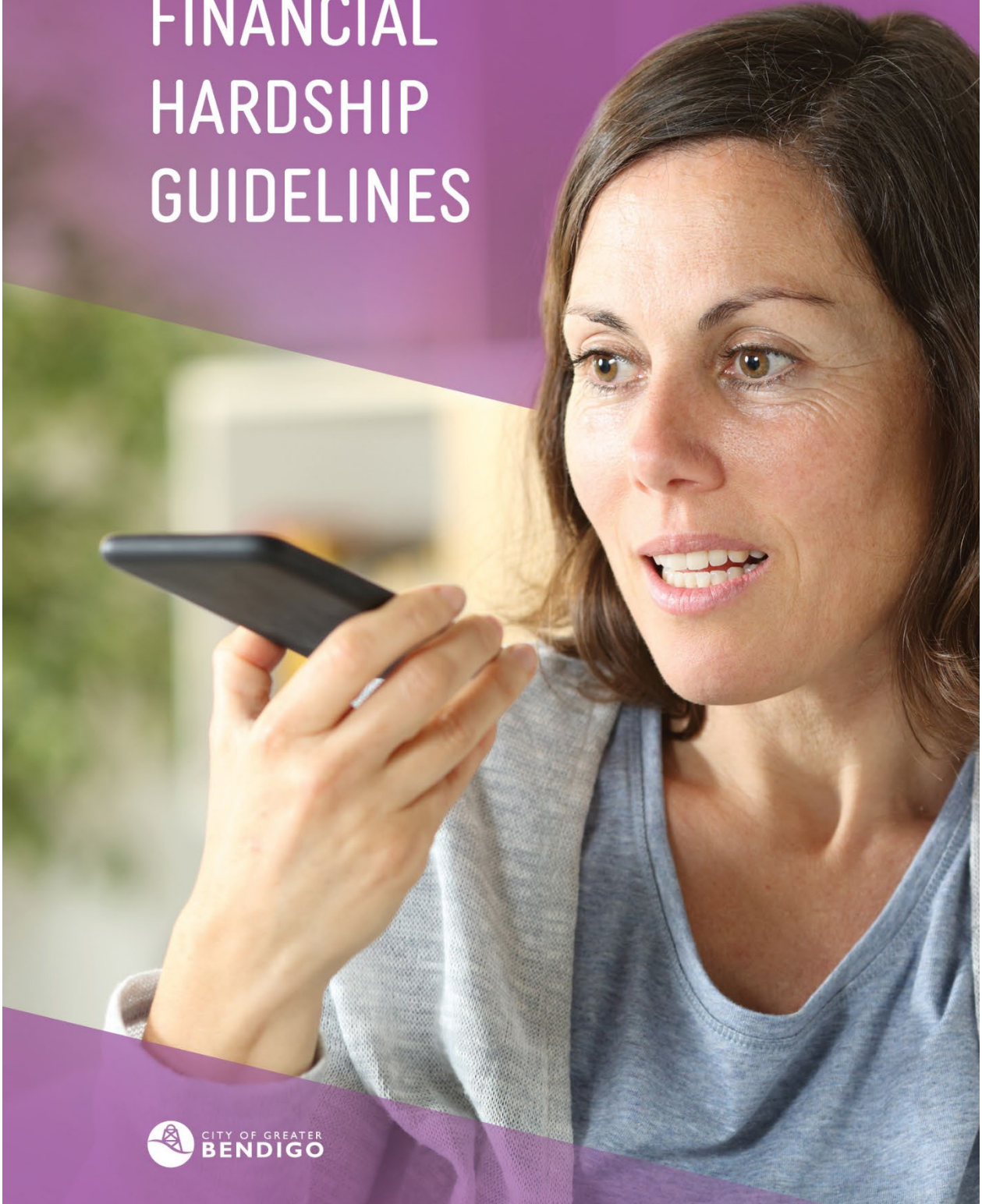


FINANCIAL HARDSHIP GUIDELINES





FINANCIAL HARDSHIP GUIDELINES

The City of Greater Bendigo is committed to helping customers who are facing financial hardship.

Financial hardship is difficulty in paying debts when they are due, or repayments on your loans.

If you are finding it hard to keep up with your rates payments or other bills, please contact our City staff for assistance. We can help assess your situation and work out what assistance is available. Our phone number is 5434 6000.

The City understands that sometimes a situation may happen in your life that can affect your ability to pay for services. This could be an illness, accident, loss of employment, some family issues, the impact of COVID-19, or a change in your circumstances.

These Financial Hardship Guidelines are in place to help in these situations.

City staff will talk to you and ask you some questions about your situation and financial circumstances, then work together with you to find the best solution.

The City can offer a range of payment options. Payment options may include:

- Setting up a payment plan, so you do not have to pay the full amount at once
- Part payments made towards your bill at any time
- Setting up fortnightly or monthly payments

If you need help applying for financial hardship or to contact a free financial counsellor, call the National Debt Helpline on 1800 007 007.

Experiencing financial hardship can impact your mental health. If you are worried about your mental wellbeing, contact Beyond Blue on 1300 224 636.

For more detailed information, please read the following guidelines. If you have any questions or would like to talk to a City staff member to discuss further, please call 5434 6000.

1. YOUR RIGHTS & RESPONSIBILITIES – our commitment to you

Customer's rights:

- You will be listened to and treated with respect and care.
- Your individual circumstances will be listened to and treated confidentially.
- You will receive information on alternative payment arrangements.
- You will be given the chance to have input into the amount you can afford and the number of payments in your chosen payment plan.
- If something changes in which causes a payment to be missed, you will be able to speak with a staff member that understands your situation and you can talk about your payment plan.
- You will receive information about independent and accredited financial counselling services.
- You will receive a language interpreter service at no cost to you.
- There will be no legal action to recover debts while the payments outlined in the payment plan are being made
- You will be advised of your ability to apply for a Municipal Rates Concession

Customer's responsibilities:

- Let the City staff (or our agent) know of your financial hardship as soon as possible. Our agent is the collection agency acting on the City's behalf.
- Be honest and open in your application and of your capacity to meet payments.
- Seek independent financial advice or representation where needed.
- Keep up to date with any payment plan and advise the City (or our agent) if you are unable to meet a payment.
- Advise the City (or our agent) if your situation changes as soon as possible.
- Maintain communication with the City (or our agent).

2. PURPOSE, SCOPE & REVIEW DETAILS

The purpose of the guidelines is to support fair and ethical revenue and Debt collection practices. The aim is to ensure the City provides assistance to ratepayers and general debtors that have a willingness but not the capacity to pay, and treats these customers with fairness, respect and care.

PURPOSE, SCOPE & REVIEW DETAILS

Financial hardship is defined as a situation where the City reasonably considers that a customer is unable because of prolonged illness, unemployment, or other cause to discharge their financial obligations to the City. Financial hardship will be considered on an individual basis and always with a view to the ratepayer or debtor (a) re-establishing financial capacity and (b) meeting their financial obligations to the City.

The guidelines apply to all City staff and departments recovering or managing funds owed to the City. It is also applicable to the City departments that are responsible for managing the provision of paid services and products, including permits and penalties or infringements.

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Owner:	Financial StrategyFinancial Strategy
Responsible Director:	Corporate PerformanceCorporate Performance
Relevant Legislation/Authority:	Local Government Act 1989
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For Rates Debtors, please see pages 3-7.

For General / other debtors (including Aged Care; Sports & Recreation and others), please see pages 7-9.

3. RATE DEBTORS

The City has a number of options available to assist ratepayers in financial hardship:

- Payment arrangements
- Deferral of rates, charges and interest
- Waiver of rates charges and interest

3.1 Relevant legislation under the Act

The City is empowered to defer or waive rates, charges and interest under Sections 170 and 171 of the Act.

3.2 Calculations on Interest

Interest is charged on overdue rates and charges in accordance with Section 172 of the Act, namely:

- 3.2.1 on instalment payments from the date the instalment was due; and
- 3.2.2 the interest is calculated at the rate fixed under Section 2 of the Penalty Interest Rates Act 1983.

3.3 Payment Arrangement

The City encourages ratepayers/customers who are experiencing financial difficulty to set up a payment plan tailored specifically to their needs. This will reduce the amount of debt owing in the long term. Rate notices/invoices will continue to be issued while payment arrangements are in place to keep ratepayers informed of the outstanding balance.

- 3.3.1 A payment arrangement should be set with a known end date that clears the debt within an agreed timeframe. The maximum life of a payment arrangement is 12

months from the date the payment arrangement is agreed. Ratepayers may then reapply.

- 3.3.2 Where a payment arrangement has been entered into directly with the City, interest will be suspended for the term of the arrangement. Any default in the arrangement will result in interest being reinstated from the date of default and interest will continue to accrue. Interest will not be suspended on an account that has been lodged with the City's debt collection agency.
- 3.3.3 Where there have been repeated defaults by a ratepayer, the City may cancel the payment arrangement and initiate debt recovery in accordance with the Revenue and Debt Collection Policy.
- 3.3.4 The City and the ratepayer can agree to review and amend the payment arrangement if the ratepayer informs the City that additional barriers to pay are being experienced since the payment arrangement began.
- 3.3.5 To request a payment arrangement a ratepayer may submit an online form on our website, or contact Customer Support to make a verbal arrangement.

3.4 Deferring Rates, Charges and Interest

Ratepayers who are or will experience unavoidable financial hardship, may apply to the Rates Coordinator to have rates and charges, or part thereof, deferred in accordance with the following conditions:

- 3.4.1 the ratepayer must be able to demonstrate they are experiencing financial hardship;
- 3.4.2 the property is the ratepayer's principal place of residence;
- 3.4.3 rates staff will advise the ratepayer to apply for a Municipal Rates Concession if they are an eligible cardholder;
- 3.4.4 the request for deferral form on the City's website must be submitted by the ratepayer outlining the nature of the financial hardship and the reason for the deferral request;
- 3.4.5 for a Debt exceeding \$2,000, or more than one year of annual rates, the ratepayer must provide a statement from a recognised financial counsellor, or similarly qualified person, in support of the application. This provision is intended to support customers getting assistance with other debts as well as rates outstanding;
- 3.4.6 the ratepayer, or a representative of the ratepayer approved by a City employee, must enter into an arrangement with the City to pay the debt and meet the terms of the arrangement; and
- 3.4.7 if interest has been waived and the ratepayer defaults on the agreed terms for repayment, the interest waiver may be withdrawn, and interest reinstated. Interest will then continue to accrue.

3.5 On deferment being approved, the following shall occur:

- 3.5.1 the ratepayer will be advised of the outcome;
- 3.5.2 the property will be flagged as a deferred property;
- 3.5.3 the ratepayer must enter into a payment arrangement, whereby a settlement amount is agreed to for regular payment i.e. Weekly/Fortnightly/Monthly.
- 3.5.4 rates and interest will still accrue. Interest may be suspended if minimum regular monthly payments are being made (although interest may be waived);
- 3.5.5 no debt recovery action will be taken while the terms for payment are met.
- 3.5.6 the Rates Coordinator will implement and monitor the agreed plan.
- 3.5.7 rate notices will continue to be issued while the deferment is in place.

3.6 Payment arrangements after deferment has been approved

- 3.6.1 The maximum life of a payment arrangement is 12 months from the date the arrangement is agreed. Ratepayers may then reapply.
- 3.6.2 Where regular payments are being made as part of the arrangement, interest will be suspended on the account.
- 3.6.3 Any repeated default in the arrangement may end the arrangement and the City may initiate debt recovery in accordance with the Revenue and Debt Collection Policy.
- 3.6.4 Where an arrangement is ended by the City, interest will be reinstated from the date of the default and will continue to accrue. Interest will be charged on all outstanding amounts until paid in full at the rate set under the Penalty Interest Rates Act 1983

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

- 3.7.1 the ratepayer advises financial hardship no longer exists;
- 3.7.2 the ratepayer ceases to own or occupy the property;
- 3.7.3 the ratepayer has defaulted in meeting the agreed terms for payment of the Debt;
- 3.7.4 the ratepayer has provided false or misleading information in support of the application for relief; or
- 3.7.5 the total outstanding balance for the property of unpaid rates and charges exceeds 50% of the CIV of the property.

3.8 Waiving Rates and Charges

- 3.8.1 The Local Government Act provides for the ability to waive rates.
- 3.8.2 Council acknowledges an inequity for ratepayers is created where rates are waived which would otherwise be charged against the property, and recognises the deferral of rates and charges as a more equitable outcome for the entire community.
- 3.8.3 However, Council will consider waiving or reducing rates for certain ratepayers where severe impact can be demonstrated.
- 3.8.4 Consideration of a waiver can only occur if all financial information has been disclosed to Council with supporting documentation as requested.
- 3.8.5 An application for a waiver will be reviewed by the Rates Coordinators, Manager Financial Strategy and the Director Corporate Performance. They will seek other advice internally within with City where appropriate. The Director Corporate Performance will then make a recommendation to the Chief Executive Officer. Waivers can only be approved by the Chief Executive Officer. Generally waivers will be limited to a total value of \$1,000.

3.9 Waiving Interest

Interest waivers are divided into three categories, administrative, compassionate and financial hardship. A summary of each interest waiver is set out below.

- 3.9.1 Waiver on administrative grounds

- a) Ratepayers may have interest only waived in the event of an administrative issue, error or omission which caused or significantly contributed to the failure to pay rates on time. An administrative error may include:
 - (i) failure to process a change of address notified to the City in writing and the rate notice was sent to a wrong address; or
 - (ii) Processing of a payment to an incorrect assessment causing interest to be charged incorrectly.
- b) All waivers on administrative grounds shall be a once off exemption and ratepayers will need to reapply on each occasion a waiver is sought.

3.9.2 Waiver on compassionate grounds

Ratepayers may have interest only waived where they have demonstrated compassionate grounds for a payment being late. Acceptable compassionate grounds would generally relate to illness or a death in the family.

3.9.3 Waiver on Financial Hardship grounds

Ratepayers may have interest only, or part thereof, waived where they have demonstrated the payment of such interest would cause severe financial hardship.

3.9.4 How to apply for a waiver of interest

If you believe you may be eligible for a waiver of interest on the basis of administrative, compassionate or financial hardship grounds, you may make an application to the City via the following steps:

- a) submit a request in writing stating the reasons that interest should be waived.
- b) requests can be emailed to ratesenquiries@bendigo.vic.gov.au, sent to the City's postal address of PO Box 733, Bendigo VIC 3552 or returned to the City's office at 15 Hopetoun Street, Bendigo.

3.9.5 If an application to waive interest is approved the following shall occur:

- a) the ratepayer will enter into a payment arrangement, whereby an amount is paid on a regular basis i.e. weekly/fortnightly/monthly;
- b) for waivers sought under financial hardship, the arrangement will be reviewed annually, and extended where appropriate.
- c) for financial hardship, the property shall be flagged and while rates still accrue, no interest will be charged.

3.9.6 A waiver of interest granted under financial hardship will continue unless any of the following occurs:

- a) the Ratepayer advises the financial hardship conditions no longer exist;
- b) confirmation of ongoing financial hardship is not received within 30 days of request;
- c) the Ratepayer no longer owns or occupies the land;

- d) the Ratepayer has defaulted in meeting any agreements with Council with regards to the waiver. The amount of interest waived will be withdrawn and reinstated.

3.9.7 Authority to waive Interest

Interest can only be waived by the following delegated authority:

- a) Administrative waiver for any one property up to \$50
 - (i) Staff in Financial Strategy Unit;
- b) Interest for any one property up to \$500
 - (i) Senior Coordinator – Financial Strategy;
 - (ii) Coordinator Rates; and
 - (iii) Manager Financial Strategy
- c) Interest for any one property over \$500
 - (i) Director Corporate Performance; or
 - (ii) Chief Executive Officer.

3.10 Right of Review

Where the City refuses an application to have rates, charges and/or interest waived, the applicant may request a review of the decision.

3.10.1 Internal review

The applicant may write to the City to request a review of the decision. The applicant must include any additional evidence to support the application for review. The application for review may be:

- a) emailed to ratesenquiries@bendigo.vic.gov.au
posted to the City's postal address PO Box 733 Bendigo VIC 3552.

3.10.2 External review

If you are dissatisfied with the decision made by the City you may apply to the Victorian Ombudsman for a review of the decision at <https://www.ombudsman.vic.gov.au/complaints/>

4. GENERAL DEBTORS

For General Debtors, efforts are made to negotiate a payment arrangement, before debt collection services are used. In consideration of the often small value in nature of such debts, verbal arrangements will be accepted. Arrangements may be made on behalf of a General Debtor by a representative approved by a City employee.

Special consideration, dependent on particular service, can be taken into account. This includes consideration where a number of overdue reminders for Aged Services debtors will be sent to the debtor, and efforts made to establish a payment arrangement, before services are ceased and Debt collection services used. For Children's Services a similar arrangement to the Aged Services debtors will be used.

4.1 Deferring General Debts

Those with general debts, who are or will experience long term and unavoidable Financial Hardship, may have general debts, or parts thereof, deferred prior to cessation of services or commencement of formal debt collection.

4.1.1 How to defer general debts

- a) write to the City and explain the reasons why the applicant is seeking a deferral. Ensure the applicant has provided any additional evidence to support the application for deferral; and
- b) email the request to debtors@bendigo.vic.gov.au or return to the City's postal address of PO Box 733 Bendigo VIC 3552.

4.2 Payment Arrangements

- 4.2.1 A payment arrangement spreads the payment over an agreed period of time allowing the General Debtor additional time to make payments without legal action being taken.
- 4.2.2 The maximum life of a payment arrangement is 12 months from the date of the invoice.
- 4.2.3 Any default may end the arrangement and the City will initiate debt recovery in line with the Revenue and Debt Collection Policy.

4.3 Waiving General Debts

Waiving of general Debts falls into a number of categories:

4.3.1 Administrative waiver

General debts may be waived in the event of an administrative issue, error or omission.

4.3.2 Financial hardship waiver

General debts may be waived where the debtor has demonstrated that the payment would cause severe financial hardship. For a debt over \$2,000 the City would normally require an assessment by a suitably qualified independent financial counsellor. Applications for waiver must be in writing to the Manager Financial Strategy or Senior Coordinator Rates and Revenue.

For waiver requests relating to a specific area such as aged care or child care, the relevant unit of the City will be consulted in relation to the assistance that can be provided.

4.3.3 How to apply for a waiver of general Debts

If you believe you may be eligible for a waiver of general debts on the basis of administrative or financial hardship grounds, you may make an application to the City via the following steps:

- a) submit a request in writing stating the reasons for the request for waiver, along with a letter from a financial counsellor stating the reasons for the request for waiver and any other additional evidence.
- b) email the request to debtors@bendigo.vic.gov.au or return the request to the City's postal address of PO Box 733 Bendigo VIC 3552.

4.4 Authority to waive General Debt

General Debts can be waived in line with the Revenue & Debt Collection policy.

Note that Parking and Animal Control debtors are governed by regulation and are reviewed and waived as part of the process undertaken by Fines Victoria.

5. DEFINITIONS

ACCC means the Australian Competition and Consumer Commission.

Act means the *Local Government Act 1989* (Vic).

ASIC means the Australian Securities and Investments Commission.

CCA means the *Competition and Consumer Act 2010* (Cth).

City means the Greater Bendigo City Council.

CIV means Capital Improved Value

Debt means an amount of money owed, including an alleged Debt.

Deferment means the postponement of payment in whole or in part for a specified period

Financial Hardship means a situation where the City reasonably considers that a ratepayer or debtor is unable because of prolonged illness, unemployment, or other cause, to discharge their financial obligations to the City. Financial hardship will be considered on an individual basis and always with a view to the ratepayer or debtor (a) re-establishing financial capacity and (b) meeting their financial obligations to the City.

General Debtors means debts owed to the City (excluding rates and certain fines).

Payment Arrangement means spreading the outstanding amount owed to the City over an agreed period, allowing for additional time to make the payments without any legal action being taken (e.g. regular repayments which will clear the amount owing).

Waiver means the removal of the liability to pay in whole or part of any charge, interest on rates and charges, legal fees or General Debtor charge.

6. REPORTING

Refer also to the Revenue and Debt Collection Policy. Waivers are reported quarterly to the Finance Committee.

7. ROLES AND RESPONSIBILITIES

Further information or advice on this guideline should be directed to Financial Strategy.

8. DOCUMENT HISTORY

Date Approved	Responsible Officer	Unit	Change Type	Version	Next Review Date
21/11/2019	LM	Financial Strategy	Develop	1	21/11/2023