

Financial Hardship Policy

Policy statement

The City of Whittlesea is committed to providing assistance to those in our community that are experiencing financial hardship and are having difficulty meeting their financial obligations to Council. This policy ensures that regardless of their circumstances our community will face no judgement, and will be treated with understanding, dignity and respect. Financial hardship assistance will help reduce additional penalties and costs that are being incurred by those in the community that can least afford them. Council is committed to continual improvement through our learning, working with our partners and experts in the field of financial vulnerability.

Principles

The Financial Hardship policy is informed by the following City of Whittlesea Community Building Principles:

Equity, access and inclusion

Council understands that different community members have different life experiences and access to resources. We seek to ensure that community members do not face additional disadvantage as a result of financial hardship.

Community outcomes

Council is focused on achieving positive and equitable community outcomes by reducing, harm of disadvantage and hardship.

Objective(s)

The Financial Hardship Policy will:

- provide a mechanism that enables our community to feel comfortable and supported when approaching Council to discuss their financial circumstances, including any difficulties they may be experiencing in meeting their financial obligations to Council;
- encourage a proactive approach in identifying and assisting those experiencing financial hardship;
- encourage and support access to legal, welfare and financial counselling support services;
- reduce the number of instances that are referred to Council's debt collection agency and reduce the number of Court actions instigated by Council, by enabling more appropriate ways for Council to seek payment other than through the legal system.

Definition of financial hardship

Financial hardship refers to difficulty meeting everyday living expenses. Financial hardship may lead to debt accumulation and financial exclusion, where an individual lacks access to appropriate and affordable financial services and products, such as transaction accounts,

insurance and credit. A person is in serious financial hardship when they are unable to provide the following for themselves, their family or other dependents:

- food;
- accommodation;
- clothing;
- health care;
- transport costs
- education; and
- other basic necessities.

Council acknowledges the following group(s) as the some of the most vulnerable within our community:

- people impacted by family violence;
- people impacted by problem gambling;
- low income and sole parent families;
- those with refugee status;
- people receiving income support from Centrelink, including aged pension, unemployment benefits, disability support pension, parenting payments and those with low income healthcare cards.

Context/Rationale

Council is reliant on the timely collection of revenue to ensure adequate provision of services and capital works projects it undertakes for the community; and to fulfil broader business management and corporate governance responsibilities.

Council strives to implement best practice for the collection of revenue by offering multiple payment options, including flexible payment arrangements, for people that may be experiencing financial hardship.

Council recognises that managing instances of financial hardship is a shared responsibility and we are committed to working with our customers to support those experiencing financial hardship in a supportive and respectful manner.

Scope

Assistance provided under this Policy is available to any person, business or group who have a financial obligation to Council.

The following will be considered when assessing granting assistance under this policy:

- the applicant has displayed a history of attempting to pay the debt to Council,
- the applicant has initiated contact with Council to discuss the debt,
- the applicant is experiencing exceptional circumstances impacting their ability to meet their financial obligations to Council. This could be wide and varied and will be considered on a case by case basis.
- the applicant is experiencing any of the identified compassionate grounds as follows;

1. **Family violence*** – when a person has reported being a victim of family violence
2. **COVID-19** - Significantly impacted from COVID 19 pandemic including unemployment or illness
3. **medical treatment** - when a person needs to pay for medical treatment for themselves or a dependant
4. **mortgage assistance** – when a person needs to prevent their home from being sold by a lender
5. **modification to your home or motor vehicle** - in the case of a disability a person needs to modify their home or vehicle to accommodate their own needs or the needs of a dependant
6. **palliative care** – when a person needs to pay for palliative care
7. **funeral expenses** - when a person needs to pay expenses associated with a funeral
8. **natural disaster** – when a person attends to emergency spending caused by a natural disaster event

**Family violence - Any instance where a person is identified as being affected by family violence, the person will be referred to Councils' Hardship Support Officer to be case managed, no legal action or additional debt recovery cost will be incurred during this process. The Hardship Support Officer undertakes ongoing training that includes training focused specifically on family violence. This is due to the complexity and sensitive nature of the person's circumstances and the possible increased risk to their safety. Council has an internal process to ensure their details are managed with the highest degree of privacy and sensitivity.*

Policy Options

Whilst Council is unable to waive rates we are able to offer various other avenues of support for those experiencing financial hardship including deferrals, payment plans, waivers of interest and collection costs, referral to other financial assistance programs that might be available, or referral to appropriate support services (family violence and financial hardship).

The Chief Executive Officer has the delegated power to provide waivers.

Eligibility assessment and application

There is no formal assessment criteria used to determine eligibility. All applicants are assessed on a case by case basis and are based on a meaningful two-way conversation. Councils' Financial Hardship Support Officer will support our community through the application process. The information requested to support an application will be commensurate with the level of support being sought.

Some of the indicators that may highlight a community members need for additional assistance, including the previously identified compassionate grounds, are listed below:

- a history of frequent requests for payment extensions or payment arrangements that have not been met
- unable to afford the costs of current financial obligations, even if smoothed over a 12-month period
- a payment history that indicates past difficulty of meeting their financial obligations to Council,
- eligibility for Government funded concessions (e.g. Health Care Card, Centrelink benefit),
- sudden change of circumstances that adversely affects their financial capacity to pay,
- through referral from a financial counselling agency or community organisation,
- identify themselves as having affordability issues,
- asylum seekers or refugees who have limited access to financial stability
- people experiencing health and mental health issues
- having a low level of income, that is unlikely to change; and
- are currently unemployed.

Communication

Council will communicate this policy to our customers through a variety of channels including, but not limited to, social media pages, council website, print media and on council rate notices.

Measurement

The outputs and outcomes related to this Policy will be assessed according to the tools available through Council's Evaluation Framework and reported to Council on a periodic basis. Records will be kept in relation to how many applications are received and approved, and the level of financial assistance provided by Council. Confidentiality is paramount and reporting will not provide personal details of applicants.

Key linkages

All City of Whittlesea policies comply with the *Victorian Charter of Human Rights and Responsibilities*.

This policy has clear linkages to a range of codes, charters, legislation and Council documents.

- Local Government Act 2020
- Council Revenue and Rating Plan
- Municipal Association of Victoria, Hardship Policy Guidelines (November 2013)
- Whittlesea 2040 A place for all
- Financial Vulnerability Advocacy and Action Plan 2020-22

- Health and Wellbeing Partnership Plan 2017-21
- Equal and Safe Strategy Action Plan 2020-2021