

FINANCIAL HARDSHIP POLICY



Directorate:	Corporate Performance
Responsible Manager:	Manager Finance
Review Due:	June 2022
Adoption:	Council
Date Adopted:

Acknowledgement

Central Goldfields Shire Council acknowledges that we are situated on the traditional lands of the Dja Dja Wurrung people, and we offer our respects to their elders past, present and emerging.

1. Purpose

The role of Central Goldfields Shire Council [Council] is to provide good governance in its municipal district for the benefit and wellbeing of its community.

The principles of good governance are specified in the Local Government Act 2020 which also confers power upon Council to do what is necessary to perform its role.

Ensuring ongoing financial viability is one of the principles of good governance. Council raises funds by a number of methods outlined in the Rating and Revenue Strategy.

Council acknowledges some community members may face financial hardship from time to time and is committed to helping these members of our community through these times.

Financial hardship is difficulty in paying debts when they are due. This can be ongoing or short term, and can occur for a number of reasons including but not limited to; illness, accident, loss of employment, some family issues, impact of COVID-19 or other changes in circumstances.

The purpose of this policy is to provide appropriate support to our community while at the same time maintaining our responsibilities of good governance. This includes the fair and ethical debt collection practices.

2. Application and Scope

Financial Hardship is defined as a situation where Council considers that a community member is unable to pay their financial obligations to Council. Financial hardship will be considered on an individual basis with two clear intentions: re-establishing financial capacity and meeting their financial obligations to Council.

This policy includes, but is not limited to

- Collection of outstanding debts
- Assistance to persons experiencing hardship

3. General Provisions

3.1. Hardship and Identifying hardship

A person is considered to be in financial hardship when they would be unable to provide food, accommodation, clothing, medical treatment, education or other basic necessities for themselves, their family or their dependants.

A business is considered to be in financial hardship when facing closure, disconnection of utilities, repossession of a vehicle necessary to the operation of the business or imminent legal action for non-payment of debts.

To establish financial hardship under this policy, the person or business must also show that the financial hardship is capable of remedy if payment arrangements were to change.

An application based on financial hardship from a ratepayer in relation to rates due on vacant land or from an owner of multiple properties (whether all in Central Goldfields Shire or not) will not be considered.

3.2. Principles

To ensure the financial hardship offered to one ratepayer does not unduly disadvantage other ratepayers, Council will not waive in whole or part any rate, levy, charge, special rate or special charge.

Relief under this policy for financial hardship is therefore limited to waiver of interest and legal fees on overdue payments, a deferment or a payment arrangement.

Where property ownership changes, all overdue rates and charges must be fully paid at settlement.

Council may decline to consider an application for relief due to financial hardship where the applicant has defaulted under a payment arrangement within the last year.

A deferment or payment arrangement under this policy will cease to have effect in the following circumstances:

- information requested by Council is not provided within 30 days of the request being made;
- the applicant provides any information to Council which is false or misleading;
- the applicant defaults on the arrangement;
- the circumstances giving rise to the financial hardship no longer exist; or
- in the case of a person, the applicant is deceased or declared bankrupt or in the case of business enters into administration or liquidation.

3.3. Applications

A person or business can apply to access relief for financial hardship by contacting Council's Rate Department on 54 610 610 or email mail@cgoldshire.vic.gov.au

An application 'Application for Payment Arrangement' (Appendix A) will be required to be filled in by, or on behalf of, the applicant. This can be found at <https://www.centralgoldfields.vic.gov.au/Home>

When a completed Financial Hardship application is received by Council's Rates Department an overview of the property will be completed including the:

- Property number, address locality, municipal ward;
- The rate category the property is rated under;
- The current Capital Improved Value of the Property; and

- The total rate arrears, current year rates and a grand total of both.

The options proposed from Council could be, but is not limited to,

- Deferment
- Payment Arrangements
- Waiver of interest and legal costs

3.4. Assessment

Any application for relief due to financial hardship will be considered confidentially and objectively based on the information provided by the applicant.

Provided all requested information has been received, an applicant will be advised of the decision in writing within 14 days of receiving the application.

Where a person or business is dissatisfied with the outcome of their application, the person or business may ask the General Manager Corporate Performance to review the decision by completing and lodging the Appeal Against Decision form (Attachment B). The General Manager Corporate Performance will determine the appeal within 14 days from receipt of the form.

3.5. Penalty Interest

Unless otherwise required by law or as provided for in a payment arrangement under this policy, interest is charged on all overdue amounts at the interest rate specified under section 2 of the Penalty Interest Rates Act 1983.

3.6. Debt Recovery

Council will attempt to contact the debtor via phone, mail and email (where available) prior to engaging a debt collector.

Council acknowledges that debt collection is a serious legal process because it may have implications on the debtor's credit rating.

Council also acknowledges that debt collection is an expensive legal process, therefore all costs incurred in the process will be passed onto the debtor in full.

Council will not take debt collection action if written direction is provided by the relevant Debt Owner to Council.

4. Review

This Policy must be reviewed a minimum of once every 4 years.

5. Human Rights Statement

It is considered that this policy does not impact negatively on any rights identified in the Charter of Human Rights and Responsibilities Act (2006). Central Goldfields Shire Council is committed to consultation and cooperation between management and employees.

6. Relevant Legislation and Council Policies

Local Government Act 2020

Local Government Act 1989

Penalty Interest Rates Act 1983

APPENDIX A



ARRANGEMENT FOR PAYMENT OF RATES

PROPERTY NUMBER: _____

PROPERTY ADDRESS: _____

PERSON RESPONSIBLE
FOR PAYMENT OF RATES: _____

TELEPHONE NUMBER: _____

TOTAL AMOUNT CURRENTLY
OUTSTANDING: _____ AS AT _____

I hereby agree to make the following commitment in order to clear the above property of all outstanding rates and charges.

I understand that interest will accrue on such amounts until fully paid.

I agree to pay the Central Goldfields Shire Council an amount not less than

\$ _____ per week/fortnight commencing on _____.

I understand that if at any time I am in default of this agreement the Shire may initiate legal proceedings, immediately and without notice, at my expense in order to recover the total amount of the debt outstanding plus interest accrued.

I require a Payment booklet - Yes/No

SIGNED: _____

WITNESS: _____

DATE: _____

Privacy Notification

The personal information requested on this form is being collected by Council to arrange payment of outstanding rates and charges. The information will be used solely by Council and placed on your property file.

You may apply to Council for access to and/or amendment of this information.

APPENDIX B



APPEAL AGAINST DECISION

Central Goldfields Shire Council's Hardship Policy offers assistance to people experiencing Financial Hardship

To make an application for appeal, you must first have completed an initial Arrangement for Payment of Rates under the terms of the Financial Hardship Policy.

Where a person or business is dissatisfied with the outcome of their application, the person or business may ask the General Manager Corporate Performance to review the decision by completing and lodging this form.

The policy ensures there is an opportunity for people unable to pay rates, waste charges, fees and user charges, permits and animal registrations to seek assistance from Council.

Please note Council is unable to waive the requirement to pay the amount due but assistance may include waiving of interest or legal fees, deferral or payment arrangement options. Please provide the below information and submit to the details below, a member of our team will get back to you.

PROPERTY NUMBER: _____

PROPERTY ADDRESS: _____

PERSON RESPONSIBLE

FOR PAYMENT OF RATES: _____

TELEPHONE NUMBER: _____

TOTAL AMOUNT CURRENTLY

OUTSTANDING: _____ AS AT _____

GROUNDS FOR APPLICATION:

Privacy Notification

The personal information requested on this form is being collected by Council to arrange payment of outstanding rates and charges. The information will be used solely by Council and placed on your property file.

You may apply to Council for access to and/or amendment of this information.