

Council Policy

11.4 ASSISTANCE TO RATES DEBTORS IN HARDSHIP

PURPOSE

The purpose of the policy is to:

- I. establish principles to apply when an application for assistance is received;
- II. identify the type of assistance that may be granted; and
- III. establish a procedure for assessment of applications received.

The policy is aimed to assist property owners that are experiencing medium to long term financial difficulty.

SCOPE

This policy applies to all ratepayers of the Colac Otway Shire.

DEFINITIONS

Natural Disaster/Emergency event	any event for which an Incident Control Centre (ICC) has been formally established.
Financial Hardship	where the amount outstanding is more than the current year's rates and charges.

REFERENCES

Local Government Act 1989

Financial Inclusion Action Plan

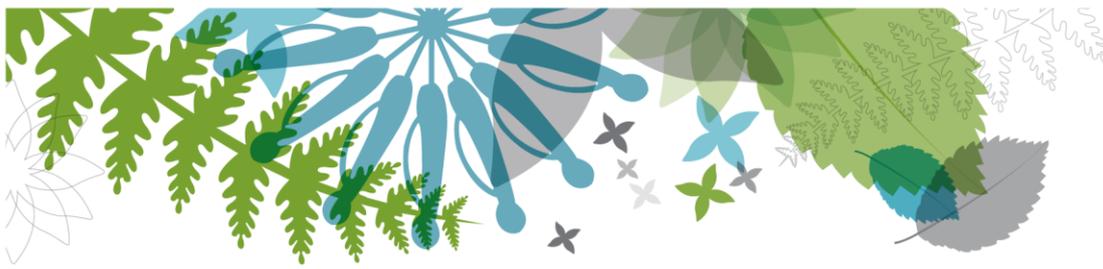
STATEMENT OF POLICY

Council recognises that from time to time ratepayers may have difficulty in meeting their rate payment obligations due to financial hardship. The Local Government Act allows Council to provide assistance to ratepayers and Council recognises it is important to provide assistance where the payment of rates would cause significant hardship.

Council is also a participant in the Geelong region Financial Inclusion Action Plan (FIAP) which aims to alleviate financial hardship in the Geelong region. As part of this plan, Council has entered into an arrangement with Colac Area Health (CAH) and Barwon Water(BW) that allows these organisations to:

Uncontrolled when printed

CM reference	D20/94119	Date of adoption	24 June 2020
--------------	-----------	------------------	--------------



- identify shared clients that may be experiencing rates hardship;
- advise these clients of the possibility of rates hardship assistance under this policy; and
- accept applications for hardship assistance from these clients on behalf of Council.

This program provides for applications received by CAH and BW to then be referred to Council for assessment, saving the resident of undertaking the process for multiple organisations.

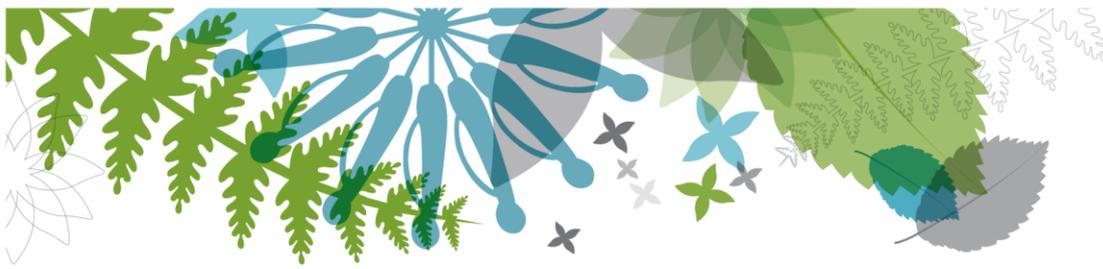
The following criteria and guidelines should be considered when assessing an application for rates assistance.

- (a) the rates payable must relate to the applicant's primary place of residence unless the application relates to a Natural Disaster/Emergency event.
- (b) applications for rates assistance for residential investment, commercial or industrial properties will NOT be granted unless the application relates to a Natural Disaster/Emergency event.
- (c) applications for rates assistance for farms or commercial properties that are also used for residential purposes will NOT be granted, unless the residential part of the property is separately assessed for rates and/or the application relates to a Natural Disaster/Emergency event. The relationship of the applicant to the adjoining business activity and gross income generated by that activity will be taken into consideration.
- (d) the amount outstanding must be more than the current year's rates and charges unless the application relates to a Natural Disaster/Emergency event in which case all applications will be considered on their merits.
- (e) the debtor must be experiencing demonstrated financial hardship.
- (f) the debtor must be able to demonstrate the requirement to pay the full amount outstanding would exacerbate existing financial hardship.
- (g) the debtor must show they are prepared to contribute towards the longer term payment of outstanding principal. To this end, a "Debt Finalisation Date" must be nominated by the debtor.
- (h) the debtor must demonstrate they are able to honour payment arrangements they have made.
- (i) Council expects that the debtor is making legitimate attempts to ensure money is available to make rates and charges payments.
- (j) Council requires the debtor to advise Council if they decide to sell the property before the Debt Finalisation Date. Interest on the outstanding balance may then be applied.
- (k) Council requires the debtor to provide a Statutory Declaration of all income and expenses, assets and liabilities and potential sources of income. This includes details of shares portfolios, business partnerships', joint ventures etc. Copies of documentary evidence (e.g.: Tax returns etc.) may be required to be presented at the CEO's discretion.
- (l) Council may arrange for the information provided in (k) above to be assessed by independent professionals if considered necessary.
- (m) Council may require the debtor to meet with professionals involved in the assessment of the application.

All information received by Council or professionals engaged in the assessment process will be treated as strictly confidential.

Uncontrolled when printed

CM reference	D20/94119	Date of adoption	24 June 2020
--------------	-----------	------------------	--------------



Implementation

Applicants will be able to apply for assistance at any stage throughout the year.

Applications may be lodged directly with Council or with Colac Area Health (CAH) or Barwon Water (BW). Applications lodged with CAH or BW will be referred to Council by those organisations for assessment.

All applications will be assessed on their merits and a flexible approach will be taken to assessing applications as some ratepayers may not be able to provide all information (e.g. records destroyed in a natural disaster).

Similarly, if an applicant does not meet the above principles/criteria but can provide overwhelming evidence why they should receive assistance, applications may also be considered at the discretion of the Chief Executive.

If necessary and agreed by the applicant, the application may be referred to Colac Area Health's Financial Counselling Service or a similar service, for independent assessment.

Level of Assistance to be Provided

Unless varied by resolution of Council the following may apply:

(a) Non-Natural Disaster/Emergency events:

- Deferring the payment of rates and charges to a later date.
- Exempting the payment of interest charges. Interest may be exempted until the debt finalisation date while agreed arrangements are met.

Rates, Municipal Charge and Waste Management Charge and any other charges raised will be required to be paid.

(b) Natural Disaster/Emergency events:

In addition to the case of a Natural Disaster/Emergency event Council may provide additional assistance to any affected ratepayer by:

- Waiving up to a maximum amount of 50% of Council Rate, Municipal and Waste Management charges for the current financial year.
- Council may provide additional assistance to any affected ratepayer, in addition to that allowed in this policy, by resolution.

Fire Service Property Levy

Section 27 of the Fire Services Property Levy Act 2012 permits the levy to be deferred in the same way that rates are deferred under the Local Government Act 1989. A deferral of the levy (and levy interest) is permitted for levy purposes only if a deferral is granted to the same land for rates and charges purposes.

RELATED DOCUMENTS

Application for Assistance to Rates Debtor Due to Financial Hardship

Financial Inclusion Action Plan

Uncontrolled when printed

CM reference	D20/94119	Date of adoption	24 June 2020
--------------	-----------	------------------	--------------



DOCUMENT CONTROL

Policy owner	Manager Financial Services	Division	Corporate Services
Adopted by council	28 March 2007	Policy Number	11.4
File Number	D20/94119	Review date	24 June 2024

Uncontrolled when printed

CM reference	D20/94119	Date of adoption	24 June 2020
--------------	-----------	------------------	--------------