



COVID-19 Financial Hardship Policy

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1. PURPOSE

- 1.1 The purpose of this COVID-19 Financial Hardship Policy is to provide Council with a policy framework to provide financial relief to individuals and business who need assistance from the impacts of the COVID-19 Pandemic. The policy aims to provide individuals and businesses with a clear and transparent understanding of options and assistance available if currently experiencing financial hardship due to the pandemic.

2. SCOPE

- 2.1 Council will provide assistance to those in financial hardship in accordance with the *Local Government act 1989*, while ensuring it does not jeopardise the funding of its operations.
- 2.2 This Policy applies to all monies owed to Golden Plains Shire Council including rates, waste charges, animal registrations and permits, fees and user charges

3. POLICY STATEMENT

3.1 *Context*

The Coronavirus disease (COVID-19) is a new virus that can cause an infection in people, including a severe respiratory illness. COVID-19 spreads through close contact with an infected person, mostly via face-to-face contact.

COVID-19 was declared a global pandemic on the 30th January 2020 and a State of Emergency was declared in Victoria on the 16th March 2020.

Income such as rates, animal registrations, user fees and charges are a primary source of revenue that Council uses to deliver services to the community. In times of crisis it is important to remember that Council still requires cashflow to deliver critical services to the community, however, it is also recognised that the COVID-19 pandemic will cause significant financial hardship for members of the community and Council has a responsibility to provide assistance.

3.2 *Alignment*

The policy aligns with Golden Plains Shire Councils Rating Strategy and Collection of Overdue Rates and Charges (including Financial Hardship) Policy.

3.3 **Financial Hardship**

Financial Hardship is a circumstance of experiencing lack of financial means, which may be either ongoing or temporary. This policy is to address temporary financial hardship due to the impacts of COVID-19

Identification of Financial Hardship caused by the impacts of COVID-19

For businesses – if your business has been assessed by the Australian Taxation Office (ATO) as being eligible for the Commonwealth Job Keeper Payment you are automatically deemed to be in Financial Hardship for the purposes of this policy.

For individuals – if you or a member of your household has lost their job, either temporarily or permanently as a direct result of the COVID-19 Pandemic, you may be automatically deemed to be in Financial Hardship for the purposes of this policy. Adequate evidence (i.e Letter from Employer, Centrelink confirmation etc.) will be required to support the Hardship Application.

For businesses or individuals that are not deemed to be in Financial Hardship for the purposes of this policy (as per the tests above), the identification of Financial Hardship can be determined by:

- Assessment by Golden Plains Shire Council staff
- External assessment by, for example, an independent accredited financial counsellor.

The Financial & Consumer Rights Council of Victoria (FCRC) is the peak body for Financial Counsellors in Victoria. The FCRC can help affected persons find a counsellor – please visit www.fcrc.org.au or call 1800 007 007 for more information.

4. OBJECTIVES

To provide direction to Council's officers when collecting and providing for debts owed to Council and to ensure Council takes into consideration the financial hardship of debtors caused by COVID- 19. Council will provide assistance to those in financial hardship in accordance with the Local Government Act 1989, while ensuring it does not jeopardise the funding of its operations.

The policy will be guided by the principles of transparency, efficiency, capacity to pay and equity by treating all debtors consistently and in a fair manner.

5. POLICY DETAILS

5.1 Application for Financial Hardship caused by the impacts of COVID-19

Access to the Financial Hardships provisions of this policy is via the Application for COVID-19 Financial Hardship form. Refer Appendix A.

5.1.1 Assessment of Applications for Financial Hardship caused by the impacts of COVID-19

Assessment of Applications for Financial Hardship caused by the impacts of COVID-19 will be an objective assessment based on the information provided by the individual or business in the application.

5.2 Payment Plan and Interest Hold

The total deferral of all financial responsibilities due to an event such as the COVID-19 Pandemic can cause a secondary bout of financial stress when the event has concluded, and bills are owed. Councils aim is to provide assistance to customers through the COVID-19 event without creating additional financial stress when the pandemic has been resolved.

Council will encourage customers to set up a payment arrangement with Council tailored specifically to the customers needs to reduce the amount of debt owing after the pandemic. Council will hold interest on debt accumulated during the COVID-19 pandemic. The interest hold will begin from the declaration of the State of Emergency, 16 March 2020, until the 30 September 2020 to allow ample time for the debt to be paid without interest. If any debt is still outstanding at 30 September 2020, Councils Collection of Overdue Rates and Charges (including Financial Hardship) Policy will apply.

5.3 ***Payment Arrangement Application***

Refer Appendix B – This form is to be completed for all ratepayers/debtors entering into a payment arrangement. If the ratepayer/debtor is unable to return the completed form due to current social distancing restrictions, the ratepayer will need to acknowledge the payment arrangement via return mail/email within 14 days of the application being issued by Council officers.

5.4 ***Rates Deferral and Interest Hold***

If the ratepayer is unable to enter in to a payment plan, Council will defer the debt accumulated during the COVID-19 pandemic and will hold interest on this debt from the declaration of the State of Emergency, 16 March 2020, until the 30 September 2020 to allow ample time for the debt to be paid without additional interest. If any debt is still outstanding at 30 September 2020, Councils Debt Management (including Financial Hardship) Policy will apply.

5.5 ***Debt Recovery***

Council will make a reasonable attempt to contact a customer about their overdue account. This may include a reminder letter, account statement, email or phone call.

During the COVID-19 pandemic, Council will hold off on all legal action for the collection of rates and charges.

6. **PURPOSE, SCOPE & REVIEW DETAILS**

This policy is to address temporary financial hardship due to the impacts of COVID-19. Councils existing Revenue and Debt Collection (including Financial Hardship) Policy only allows for Financial Hardship experienced by a ratepayer at their primary residence (exclusively residential). However, the COVID-19 Hardship Policy will apply to all rateable properties and charges owing within Golden Plains Shire.

7. RESPONSIBILITIES

Compliance, monitoring and review

- 7.1 This policy sits in the Directorate of Corporate Services, with the Finance Manager responsible for ensuring the policy:
- aligns with requirements of the Local Government Act 1989, Golden Plains Shire Council Plan and the Victorian Charter of Human Rights and Responsibilities Act 2006;
 - aligns with the Golden Plains Shire Council's Rating Strategy and Collection of Overdue Rates and Charges (including Financial Hardship) Policy;
 - is implemented and monitored during the COVID-19 State of Emergency period (i.e. the policy is followed, reflects the changing policy environment, and emerging issues are identified); and
 - is reviewed to evaluate its continuing effectiveness (e.g. achieving its purpose, remains relevant/current.)

Reporting

- 7.2 No additional reporting is required.

Records Management

- 7.3 Council must maintain all records relevant to administering this policy in accordance with the *Public Records Act 1973*.

8. DEFINITIONS OF TERMS OR ABBREVIATIONS USED

Terms and definitions

Term	Definition
<i>Council</i>	<i>Golden Plains Shire Council, being a body corporate constituted as a municipal Council under the Local Government Act 1989</i>
<i>Debt</i>	<i>Debt is the amount (of money) owed by a debtor as a result of a transaction with Council.</i>
<i>Debtor</i>	<i>Debtor refers to the individual, organisation or other party that owes a debt as a result of a transaction with Council.</i>
<i>Ratepayer</i>	<i>The occupier of any rateable property who is liable to pay rates. This maybe the property owner or a tenant who is liable under the lease agreement</i>
<i>Deferment</i>	<i>Postponement of payment in whole or part for a specified period</i>
<i>Payment Arrangement</i>	<i>Spreading the outstanding amount owed to Council over an agreed period, allowing for additional time to make the payment without any legal action being taken (e.g. Regular payments which will clear amount owing</i>

9. RELATED LEGISLATION AND DOCUMENTS

Local Government Act 1989

2017-2021 Golden Plains Shire Council Plan and Municipal Public Health and Wellbeing Plan

Victorian Charter of Human Rights and Responsibilities Act 2006

Golden Plains Shire Council;

- Rating Strategy
- Collection of Overdue Rates and Charges (including Financial Hardship Policy)
- Financial Hardship Application
- Payment Arrangement Application

10. POLICY OWNER

10.1 Manager Finance is the policy owner.

11. DOCUMENT INFORMATION

DOCUMENT TYPE:	Organisational Policy Document
DOCUMENT STATUS:	Approved
DOCUMENT OWNER POSITION:	Manager Finance
APPROVED BY:	Senior Management Team
DATE ADOPTED:	9 April 2020
VERSION NUMBER:	1
REVIEW DATE:	30 September 2020
DATE RESCINDED:	N/A
EVIDENCE OF APPROVAL:	 Signed by Chief Executive Officer
FILE LOCATION:	G:\Finance\Rates\COVID-19 Hardship
NOTES:	<p>Policy documents are amended from time to time, therefore you should not rely on a printed copy being the current version. Please consult Council's Policy page on the Golden Plains Shire Council website to ensure that the version you are using is up to date. Available at:</p> <p>https://www.goldenplains.vic.gov.au/residents/my-council/about-council/council-policies</p>