

COVID-19 RATES FINANCIAL HARDSHIP POLICY

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Dates amended:	Not Applicable
Next review date:	This policy reflects temporary measures taken by Council in response to COVID-19 and its review and duration will be as determined by Council.
Position title of responsible business unit Manager:	Chief Financial Officer
Approved by:	Council
Internal external or both:	Both

CONTENTS

1. TITLE	3
2. BACKGROUND	3
3. CONTEXT	3
4. OBJECTIVE	3
5. DEFINITIONS AND ABBREVIATIONS	4
6. POLICY	4
7. HUMAN RIGHTS CHARTER COMPATIBILITY	5
8. ASSOCIATED INTERNAL DOCUMENTS.....	5
9. EXTERNAL REFERENCES/RESOURCES.....	5

1. TITLE

COVID-19 RATES FINANCIAL HARDSHIP POLICY

2. BACKGROUND

The purpose of the COVID-19 Rates Financial Hardship Policy is to provide Council with a policy framework that provides financial relief to residents who are experiencing difficulty in paying rates and waste charges ('rates') because of the economic impact of the COVID-19 pandemic.

3. CONTEXT

COVID-19 was declared a global pandemic on 11 March 2020 and a State of Emergency was declared in Victoria on 16 March 2020.

The pandemic is having far reaching economic implications for businesses and individuals across Glen Eira and Australia more generally. Council has an opportunity to provide temporary relief to those under financial stress as a result of the pandemic, through the adoption of a financial hardship policy.

Rates are a secure and reliable source of revenue that Council uses to deliver services to the community. Council's rate income constitutes 60 per cent of our total revenue.

In times of crises it is important to remember that Council still requires cashflow to deliver critical services to the community. Despite this, there is an opportunity for Council, through this policy, to provide relief to those ratepayers for whom the COVID-19 pandemic will cause significant financial hardship.

4. OBJECTIVE

This policy provides direction to Council Officers when considering financial hardship that may impact the collection of rates and waste charges debts owed to Council during the COVID-19 pandemic. The policy seeks to provide assistance to those experiencing financial hardship in accordance with the *Local Government Act 1989*, while ensuring that Council's operations are not jeopardised.

The policy is guided by the following principles:

- Capacity to Pay – the policy will provide relief to individuals and businesses who are not able to meet reasonable and immediate expenses;
- Equity – all individuals and businesses will have the same level of access to the provisions of this policy and will be treated consistently and in a fair manner;
- Transparency – the policy, and how it can be accessed, will be clearly communicated;
- Efficiency – the policy is financially responsible, and it will be easy for residents and businesses to access the relief provisions.

5. DEFINITIONS AND ABBREVIATIONS

Term	Meaning
COVID-19	Coronavirus - an infectious disease.
Financial Hardship	A lack of financial means to pay debts when they are due. Financial hardship may be either ongoing or temporary.
Debt	The amount of money owed by a debtor as a result of a transaction with Council.
Rates and waste charges	Rates, levies and charges payable on all properties including: general rates, municipal charges, service rates and charges, special rates and special charges payable under legislation or declared by Council.
Ratepayer	The occupier of any rateable property who is liable for the payment of rates. This maybe the property owner or a tenant who under the lease agreement is liable to pay rates.

6. POLICY

6.1 *Application*

This policy will apply to all properties within the City of Glen Eira.

6.2 *Deferral of Rates*

Any ratepayer experiencing financial hardship is able to defer the payment of their rate debt accumulated between 16 March 2020 and 30 June 2021.

6.3 *Hold on Interest*

Council's aim is to provide assistance to ratepayers through the COVID-19 event without creating additional financial stress when the pandemic has been resolved.

Council will not levy interest on any outstanding debt for the period 16 March 2020 to 30 June 2021.

This will include interest on :

- Debt outstanding as at 16 March 2020, the date of declaration of the pandemic; and
- Any new debt accumulated from 16 March 2020 to 30 June 2021.

Normal interest provisions will apply to any debt outstanding as at 1 July 2021.

6.4 Payment Plans

While Council will encourage ratepayers to enter into a payment plan which would reduce the amount of debt owing by 30 June 2021, there is no obligation for a ratepayer to do so during the term of the pandemic.

Ratepayers who elect not to enter into a payment plan will accrue interest on any remaining outstanding debt as at 1 July 2021.

6.5 Rates Debt Recovery Process

Unless a payment plan is entered into, Council will make reasonable attempts to contact a customer about their overdue account. This may include a reminder notice, debt letter, email or phone call.

Council will not take any legal action for the collection of rates and charges between 16 March 2020 and 30 June 2021.

6.6 Review of the Policy

This Policy will be reviewed when the State of Emergency is lifted or at any time at the discretion of Council.

7. HUMAN RIGHTS CHARTER COMPATIBILITY

This Policy has been assessed as being compatible with the *Charter of Human Rights and Responsibilities Act 2006 (Vic)*.

8. ASSOCIATED INTERNAL DOCUMENTS

Payment of Rates Policy

9. EXTERNAL REFERENCES/RESOURCES

- *Local Government Act 1989 (Vic)*
- *Valuation of Land Act 1960 (Vic)*
- *Fire Services Property Levy Act 2012 (Vic)*