

**0.0            HARSHIP RATES RELIEF SUPPORT PACKAGE**

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**Trim No:**            *21/153282*

**Attachments:** *Nil*

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**PURPOSE AND SUMMARY**

For Council to endorse a 'Hardship Rates Relief Support Package' to ratepayers for the 2021-22 budget year.

**RECOMMENDATION**

That Council endorses a 'Hardship Rates Relief Support Package' of \$150 for the 2021-22 budget year to all property owners or tenants (residential, commercial and industrial) who are suffering financial hardship, providing one or more of the following criteria are met:

1. Is experiencing involuntary unemployment and is in receipt of the relevant government benefits such as Job Seeker or equivalent unemployment benefits;
2. Is required to take leave without pay or employment hours have been significantly decreased due to workplace restrictions as a result of COVID-19;
3. Has been hospitalised as a result of COVID-19;
4. Whose business (including sole traders) has been impacted by COVID-19;
5. Is affected materially by other regular income streams impacted by COVID-19.

**BACKGROUND**

Council levies Rates and Charges in accordance with the *Local Government Act 1989*. The levy of Rates represents a sharing among the community of the costs of providing municipal services and facilities. Council's 'Payment of Rates Policy' states that under no circumstances will the principal component of Rates debt be waived.

Where there are genuine circumstances of financial difficulty, Council will enter into arrangements and negotiate changes to the timing of payments while avoiding as far as possible undue financial stress on the ratepayer.

**ISSUES AND DISCUSSION*****(a) Impact of COVID-19***

Council has previously endorsed a targeted support package (\$8.9 million) aimed at providing financial relief to those most at risk and to mitigate the impact of COVID-19 on the health and wellbeing of residents, particularly those more vulnerable, and those already experiencing disadvantage. The package provided immediate and ongoing support to local businesses local community groups and sporting clubs to contribute to their ongoing viability post COVID-19.

The Commonwealth and State Governments have also provided substantial targeted support to individuals and businesses impacted by COVID-19.

On 7 April 2020, Council adopted the 'COVID-19 Rates Financial Hardship Policy' (refer to link below), to provide financial relief to residents who are experiencing difficulty in paying rates and waste charges because of the economic impact of the COVID-19 pandemic.

<https://www.gleneira.vic.gov.au/services/rates/covid-19-rates-financial-hardship>

The policy stated that any ratepayer experiencing financial hardship could defer the payment of their rate debt accumulated between 16 March 2020 and 30 June 2021. In addition, Council will not levy interest on any outstanding debt for the period 16 March 2020 to 30 June 2021.

### **(b) Hardship Rates Relief Support Package for 2021-22**

#### **I. What is the Hardship Rates Relief Package?**

Financial hardship is defined as a lack of financial means to pay debts when they are due. Financial hardship may be either ongoing or temporary. The most common examples of hardship include illness or injury, change of employment status, loss of income, natural disasters, divorce and death.

The Hardship Rates Relief Support Package will be a once-off relief credit that is available to eligible Ratepayers who are suffering financial hardship due to COVID-19.

#### **II. Relief Package Criteria**

All property owners or tenants (residential, commercial and industrial) who are suffering financial hardship and have one or more of the below applying to them, may be eligible for Hardship Rates Relief of \$150 if the Ratepayer:

- Is experiencing involuntary unemployment and is in receipt of the relevant government benefits such as Job Seeker or equivalent unemployment benefits.;
- Is required to take leave without pay or employment hours have been significantly decreased due to workplace restrictions as a result of COVID-19;
- Has been hospitalised as a result of COVID-19;
- Whose business (including sole traders) has been impacted by COVID-19;
- Is affected materially by other regular income streams impacted by COVID-19.

Relief will be limited to one waiver per property. Where a promotional scheme charge is in place, relief will be applied to both the rate and scheme assessments.

In order to qualify for the rate relief, ratepayers would need to provide supporting documentation and/or a statutory declaration outlining how they meet the hardship criteria.

### **FINANCIAL, RESOURCE, RISK AND ASSET MANAGEMENT IMPLICATIONS**

Rates and waste charges are an important source of revenue for Council, accounting for 65 per cent of the total revenue received by Council annually. The Fair Go Rates System sets out the maximum amount councils may increase rates in a year. For 2021-22 the cap has been set at 1.5 per cent.

The 'Hardship Rates Relief Package' provided to ratepayers will be equivalent to approximately 1.5 per cent of Council's total estimated rates for 2021-22 (estimate of \$1.5 million).

As part of this relief, Council would continue to not charge penalty interest from 1 July 2021 to 30 June 2022 on all ratepayers. This amounts to more than \$500,000 and forms part of the total relief package provided by Council.

### **POLICY AND LEGISLATIVE IMPLICATIONS**

- *Local Government Act 1989*

- *Local Government Act 2020*
- *Council's Rates Policy*
- *COVID-19 Rates Financial Hardship*

### **COMMUNICATION AND ENGAGEMENT**

The 'Hardship Rates Relief Support Package' will be included in the 2021-22 Draft Annual Budget and the budget consultation process.

### **LINK TO COUNCIL AND COMMUNITY PLAN**

Theme Five: Informed and Engaged

A well governed Council that is committed to transparency and engages residents in decision-making.

### **OFFICER DECLARATION OF CONFLICT OF INTEREST**

No officers involved in the preparation of this report have any direct or indirect interest in this matter.

### **CONCLUSION**

The approval of this 'Hardship Rates Relief Support Package' will provide further support to ratepayers under financial stress caused by the COVID-19 pandemic.