



COVID-19 Financial Hardship Policy

Category:	Finance
Adoption:	CEO
	Date: 2 April 2020
Review Period:	This Policy will be reviewed when the State of Emergency is lifted or if Councils cash flow position is threatening to be compromised.
Responsible Manager:	Manager Finance
Signed by CEO	

A handwritten signature in blue ink, appearing to read 'M. Kelly', is written over a white background.

6 April 2020

1. Purpose

The purpose of this COVID-19 Financial Hardship Policy is to provide a framework for financial relief to individuals and business who need assistance from the impacts of the Coronavirus (COVID-19) Pandemic.

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

The policy provides individuals and businesses with a clear and transparent understanding of options and assistance available if they are experiencing financial hardship due to the pandemic.

This Policy will provide direction to Council's officers when collecting and providing for debts owed to Council and to ensure consideration is given to the financial hardship 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.

Rates and other charges are a secure and reliable source of revenue that Council uses to deliver services to the community. In times of crises it is important to remember that Council still requires cash flow 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 businesses and Council has a responsibility to provide assistance.

This Policy will be guided by the principles of transparency, efficiency, capacity/ability to pay and

equity by treating all debtors consistently and in a fair manner.

2. Scope

This Policy applies to all monies owed to the Central Goldfields Shire Council including rates, waste charges, animal registrations, and permits, fees and user charges.

3. Policy

3.1 Financial Hardship

Financial hardship is a circumstance of experiencing a lack of financial means, which may be either ongoing or temporary. This policy is to address temporary financial hardship due to 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 JobKeeper Payment you are automatically deemed to be in Financial Hardship for the purposes of this policy.

For non-businesses – if you or a member of your household has lost their job as a direct result of the COVID-19 Pandemic you are automatically deemed to be in Financial Hardship for the purposes of this policy.

For businesses or non-businesses that are not automatically 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 Central Goldfields 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 financial counsellor – please visit www.fcrc.org.au or call 1800 007 007 for more information.

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

Access to the Financial Hardship provisions of this policy is via the Application for COVID-19 Financial Hardship Assistance form.

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.

Determination on applications to defer rates and charges and hold interest will be made by the Revenue Officer.

3.2 Payment plan and interest hold

The total deferral of all financial responsibilities due to an event can cause a secondary bout of financial stress when the event has concluded, and bills are owed. Council's aim is to provide assistance through the COVID-19 event without creating additional financial stress after the pandemic is over.

Council will encourage individuals and businesses to set up a payment plan tailored specifically to their 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, Council's Debt Collection Policy (including Financial Hardship) will apply.

3.3 Rates deferral and interest hold

If the individual or business 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 interest. If any debt is still outstanding at 30 September 2020, Council's Debt Collection Policy (including Financial Hardship) will apply.

3.4 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.

The debtor will be liable for all legal costs incurred by Council in the debt collection process.

4. Monitoring

This Policy will be reviewed by 30 September 2020, when the State of Emergency is lifted or if Council's cash flow position is threatening to be compromised, whichever occurs first.

5. Definitions

Council means Central Goldfields Shire Council, being a body corporate constituted as a municipal Council under the *Local Government Act 1989*.

COVID-19 means the novel coronavirus disease.

Debt means the amount (of money) owed by a debtor as a result of a transaction with Council.

Debtor means the individual, organisation or other party that owes a debt as a result of a transaction with Council.

Ratepayer means the occupier of any rateable property who is liable to pay rates. This maybe the property owner or a tenant who under the lease agreement is liable to pay rates.

6. 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.

7. Related Policies and Procedures

- Central Goldfields Shire Debt Collection Policy

8. Relevant Legislation and Guidelines

- Local Government Act 1989