



South Gippsland Shire Council

COVID-19 PANDEMIC RATES AND CHARGES HARDSHIP POLICY

Policy Number	C81
Adopted Council Meeting	TBC
Next Review Date	30 June 2021 or earlier if required.

COUNCIL POLICY

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1. POLICY OBJECTIVE

The COVID-19 Pandemic Rates and Charges Hardship Policy (C81) (the Policy) has been created to provide financial relief to individuals and businesses who are suffering from financial hardship and need assistance with Council rates and charges as a result of the COVID-19 Pandemic (the Pandemic).

2. POLICY SCOPE

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

The Pandemic has resulted in significant economic impact, with severe impacts on businesses ability to trade and creating large scale loss of income and/or unemployment.

The Policy provides specific guidelines for individuals and businesses impacted by the Pandemic and operates in addition to Council's *Rates and Hardship Policy (C53)* and *Debt Recovery on Unpaid Rates & Charges Policy (C15)*. Its purpose is to provide financial relief to ratepayers who can demonstrate that they are suffering severe financial hardship as a result of the Pandemic.

This Policy applies for rates issued for the 2019/20 year.

This Policy does not apply to debts currently undergoing debt recovery prior to the 16 March 2020.

3. POLICY GUIDELINES

Income from rates is an essential source of revenue that Council uses to deliver services to the community. It is important to remember that Council is still required to deliver these critical services to the Community during a State of Emergency.

Council will provide financial relief to ratepayers experiencing financial hardship as a result of the Pandemic, while ensuring that it does not jeopardise the funding of its operations.

Under the Local Government Act 1989 (the Act) Section 170, Council may defer a whole or part of any rate or charge or interest if a person is suffering financial hardship.



Section 171 of the Act goes on to say Council may waive, in whole or part, any payment due on the grounds of hardship. South Gippsland Shire Council will not waive rates or service charges.

4. POLICY STATEMENT – RATE DEFERRAL AGREEMENTS

4.1 Who can make apply for a Rate Deferral Agreement

1. Council's existing *Rates and Charges Hardship Policy (C53)* applies to principal places of residence only. This Policy extends the current *Rates and Charges Hardship Policy (C53)* to applications to all rateable properties in South Gippsland, providing the hardship is experienced as a result of the Pandemic.
2. Council's current *Rates and Charges Hardship Policy (C53)* requires ratepayers to evidence severe financial hardship as certified by a qualified financial counsellor. This Policy waives the requirement to utilise a financial counsellor, providing the hardship is experienced as a result of the Pandemic.
3. Council encourages ratepayers to set up a payment plan tailored specifically to the ratepayers needs. This is aimed at reducing the amount of debt owing after the Pandemic.
4. If the ratepayer is unable to enter into a payment plan, the ratepayer is required to specify a date, prior to 30 June 2021, for the total repayment to be deferred to. Applications will be considered on a case by case basis.
5. Council will not charge interest on rates deferred as a result of financial hardship caused by the Pandemic. Interest will be inhibited from the 17 March 2020 until 30 June 2021. If debt is still outstanding at 1 July 2021, Council's existing Debt Recovery and Financial Hardship Policy (C15) will apply.
6. Ratepayers must submit an application for hardship in writing. The application must address the following matters:
 - a. The application must be in writing;
 - b. The application must confirm the applicant is experiencing financial hardship as a direct result of the Pandemic; and
 - c. The application must specify a proposed payment plan or a date for the rates to be deferred to, with all payments to be completed prior to 30 June 2021.
7. This Policy will be reviewed when the State of Emergency is lifted or if Council's cashflow position is compromised.

4.2 Consideration of applications for a Rate Deferral Agreement

The Finance Manager or Director Corporate and Community Services will review each application for deferral of rates under this Policy to determine whether the application will be accepted.



Each application will be reviewed taking into consideration the following:

- a. Eligibility of the applicant; and
- b. A recommended repayment schedule or deferral date.

A Rates Officer will advise the applicant of the outcome of a decision.

4.3 Rate Deferral Agreement and Change of Ownership

Where a property ownership changes on any assessment with a Rate Deferral Agreement in place, all rates and charges must be fully paid at the time of this change. A Rate Deferral Agreement is not transferable.

4.4 Rate Payment Arrangements

Any ratepayer who does not qualify for a rate deferral under this policy may still apply to pay outstanding rates by way of a payment arrangement. This is detailed in Council's Debt Recovery on Unpaid Rates and Charges Policy. Payment arrangements will attract penalty interest rates on outstanding balances but allow ratepayers the required time to make payments without any legal action being taken by Council to recover rates and charges.

Any information provided in accordance with this Policy will be treated as strictly confidential.

5. RISK ASSESSMENT

This policy will have an impact on cash flow. This risk is mitigated through limiting the policy to rates for 2019/20 and retaining the right to review the policy if cash is compromised.

Council reputation may be impacted if a response to rates hardship in this exceptional circumstance is not implemented.

Payment plans will be monitored by Council's Rates department. If the debt is still outstanding at 1 July 2021, Council's existing Debt Recovery and Financial Hardship Policy's will apply.

6. ROLES AND RESPONSIBILITIES STATEMENT

The Council Rates department, Manager Finance and Director Corporate and Community Services will be responsible for implementation of the policy and monitoring of any impacts to cashflow.



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POLICY OWNERSHIP			
<i>Directorate</i>	<i>Corporate & Community Services</i>		
SUPPORTING INFORMATION			
<i>Legislative Provisions</i>	Local Government Act 1989 - Sections 170, 171 and 171A		
<i>Council Supporting Documents</i>	Debt Recovery on Unpaid Rates and Charges Policy (C15) Rates and Charges Hardship Policy (C53)		
<i>File Location</i>			
DEFINITIONS			
<i>COVID-19 Pandemic</i>	"COVID-19", also referred to as Coronavirus, is an infectious disease caused by a new virus. It was declared a global pandemic on the 30 January 2020 and Victorian State of Emergency on 16 March 2020.		
<i>Deferment</i>	A "deferment" of payment can be provided in whole or in part and be for a specified period and subject to any conditions determined by Council. When rates are deferred, payment is not required until the Council sends the person a request requiring payment.		
<i>Rate Deferral Agreement</i>	A "Rate Deferral Agreement" is an agreement entered into in writing with an eligible person which outlines the details and term involved.		
<i>Waiver</i>	A "waiver" removes the liability to pay and may be offered to include the whole or part of any interest charge incurred.		
<i>Inhibit</i>	An "inhibit" removes the liability to be charged interest and may be offered to include a period of time to ease financial hardship.		
REVISION HISTORY			
<i>Version</i>	<i>Approved</i>	<i>Approval Date Range</i>	<i>Sections Modified</i>
1.0	Ordinary Council Meeting	22 April 2020	New Policy