



Appendix 3

15.1 Financial Hardship Policy for residents, ratepayers and business facing financial hardship due to COVID-19 Pandemic


Draft updated COVID-19 Financial Hardship Policy

Ordinary Meeting of Council

Wednesday 16 December 2020 at 7:00pm

(Via Videoconference)

COUNCIL POLICY

COVID-19 Financial Hardship	Adopted By Council:	23/04/2020	
	Date/s Revised:	27/08/2020 16/12/2020	
	Next Review Date:	16/03/2021	
	*(may be subject to legislative changes)		
	Document No:	CP048	
	Directorate:	Organisational Performance & Community Services	
	Responsible Officer:	General Manager, Organisational Performance & Community Services	

CONTEXT

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 measures put in place to contain the spread of COVID-19, especially the second wave in Victoria have had a significant impact on the economy and the ability of individuals and businesses to maintain income streams.

Income from rates is a primary source of revenue that the Borough of Queenscliffe uses to deliver services to the community. In a time of crisis the Borough of Queenscliffe still requires cash flow to deliver critical services to the community.

The Borough of Queenscliffe recognises, however, that the current COVID-19 pandemic will cause significant financial hardship for some members of the community. In response, the Borough of Queenscliffe is committed to helping residents, ratepayers and businesses facing financial hardship.

PURPOSE

The purpose of this policy is to:

- set out the temporary measures the Borough of Queenscliffe will adopt to provide assistance to ratepayers experiencing financial hardship due to the COVID-19 State of Emergency State of Emergency
- establish assistance measures that minimise post emergency financial stress for ratepayers
- extend the principles with the current Rates Assistance Policy through this policy to all rateable properties within the Borough of Queenscliffe

DEFINITIONS

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 the COVID-19 State of Emergency.

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

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 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 deemed to be in Financial Hardship for the purposes of this policy.

For businesses or individuals that do not fit into the Financial Hardship definitions above the identification of Financial Hardship for the purposes of this policy will be determined by the CEO in conjunction with the Manager Financial Services, based on the information provided along with the duly completed application form (section 5).

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.

POLICY

1. Payment Arrangement And Interest Hold

The primary objective here is to provide assistance to ratepayers through the COVID-19 State of Emergency declaration without creating additional financial stress when the declaration is lifted.

Instead of deferring all financial responsibilities due to this event the Borough of Queenscliffe is encouraging ratepayers to set up a payment plan tailored specifically to their needs.

The Borough of Queenscliffe will encourage ratepayers to set up a payment plan which will reduce the amount of debt owing after the State of Emergency. The Borough of Queenscliffe will also hold interest on debt accumulated during the COVID-19 State of Emergency. The interest hold will begin from the issue of the fourth instalment rate notices for the 2019-20 rating year until 30 June 2021, to allow time for outstanding rates to be paid without interest. Rate Notices will continue to be issued while payment arrangements are in place.

2. Rates Deferral And Interest Hold

If the ratepayer is unable to enter in to a payment plan, the Borough of Queenscliffe will defer the debt accumulated during the COVID-19 State of Emergency and will hold interest on this debt from the issue of the fourth instalment rate notices for the 2019-20 rating year until 30 June 2021. The Borough of Queenscliffe will make all reasonable attempts to contact the ratepayer, and a payment plan may be negotiated at this time. Rate Notices will continue to be issued while deferment is in place.

3. Debt Recovery

Council will make all reasonable attempts to contact the ratepayer about their overdue account. This may include a reminder letter, account statement, email or phone call.

The Borough of Queenscliffe will hold off on all legal action for the collection of outstanding rates and charges until 30 June 2021 of ratepayers experiencing financial hardship due to the COVID-19.

4. Impact Of Not Having A Duly Approved COVID-19 Hardship Application

Debt recovery actions and charging of interest will commence with effect from 1 January 2021 for outstanding rates and charges not supported with a duly approved COVID-19 hardship application.

5. Confidentiality

Information provided by ratepayers to Council in accordance with this Policy will be treated as strictly confidential.

6. Application For Rates Assistance

Ratepayers applying for rates assistance due to financial hardship must complete an application form. All applications will be assessed, bearing in mind the principles set out in this Council Policy.

All applicants will be advised of the outcome of their rates assistance application within ten (10) working days.

The application form can be downloaded from Council website.

TRAINING AND/OR COMMUNICATION

Not applicable

CONTINUOUS IMPROVEMENT

This policy will be reviewed on a continuous basis, but as a minimum every three months from the date of adoption.

OTHER REFERENCES

CP031 Rate Assistance Policy
Local Government Act 1989

END