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# COVID-19 Financial Support and Hardship Policy



June 2021

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# COVID-19 Financial Support and Hardship Policy



## Council Policy

<b>Responsible director</b>	Director Corporate Services
<b>Responsible officer</b>	Manager Financial Services
<b>Functional area</b>	Finance
<b>Date adopted by Council</b>	28 June 2021
<b>Review date</b>	30 June 2022

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## Purpose

The purpose of this *COVID-19 Financial Support and Hardship Policy* is to provide Council with a policy framework to support individuals and businesses that require financial assistance from the impacts of the COVID-19 Pandemic. The policy aims to provide individuals and businesses with an understanding of the options and assistance available if experiencing financial hardship due to the pandemic.

Income from rates, charges, user fees and permits are a primary source of revenue that the Council uses to deliver services to the community. While the Council continues to require cash flow to deliver these critical services, this policy is designed to provide financial relief and support to businesses and individuals within the community.

## Background

Council will provide assistance to those in financial hardship while ensuring it does not jeopardise the funding of its operations.

This policy applies to monies owed to Northern Grampians Shire Council that comprises rates and charges as well as a range of user fees including health, food act and accommodation registrations.

This policy is to be read in conjunction with the Council's existing *Personal Financial Hardship Policy* that only allows for financial hardship experienced by a ratepayer at their primary residence. By contrast, this COVID-19 policy may potentially apply to a broader range of properties as well as businesses, community organisations and individuals within the shire.

## Policy

Due to the direct impact on businesses within the Northern Grampians Shire Council (NGSC) district, this policy provides a waiver of fees, charges and registrations that would otherwise be payable for the financial years 1 July 2020 to 30 June 2021 and 1 July 2021 to 30 June 2022.

More specifically the waiver, for this period (2020/21 and 2021/22 financial years) is to apply to:

- Penalty interest on unpaid rates and statutory charges; and
- Health Act registration fees (50% waiver 2021/22); and
- Food Act registration fees (50% waiver 2021/22); and
- Accommodation registration fees (50% waiver 2021/22); and
- Property lease payments and recreation user fees due from community and sporting clubs.

#### *Payment Plan Arrangement and Interest Hold*

The total deferral of all financial responsibilities due to an event such as the COVID-19 Pandemic can cause a secondary bout of financial stress when the event has concluded, and bills are owed. Council aims to provide assistance to ratepayers and debtors through the COVID-19 event without creating additional financial stress when the pandemic has been resolved.

Council will encourage ratepayers and debtors to set up a payment arrangement tailored specifically to individual needs to reduce the amount of debt owing after the pandemic. Council will hold interest on debt accumulated during the COVID-19 pandemic beginning from the declaration of the State of Emergency 16 March 2020, until 30 June 2022 to allow time for the debt to be paid without interest. If any debt is outstanding after 30 June 2022, Council's *Rates and Charges Debt Collection Policy* will apply.

#### *Rates Deferral and Interest Hold*

If the ratepayer is unable to enter into 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 30 June 2022 to allow sufficient time for the debt to be paid without additional interest. If any debt is still outstanding after 30 June 2022, Council's *Rates and Charges Debt Collection Policy* will apply.

#### *Debt recovery*

Council will make a reasonable attempt to contact a ratepayer or debtor regarding their overdue account. This may include reminder letters, account statements, emails or phone calls.

#### *Community & Sporting Club leases & fees*

Community and sporting club lease payments will be waived for the 2020/21 and 2021/22 financial years. Recreational user fee council charges due in the 2019/20 and 2020/21 financial current year will be waived; these are usually charged in arrears.

#### *Commercial leases*

Council's policy position to support property lease payments for commercial tenants is to be read in conjunction with the [COVID-19 Omnibus \(Emergency Measures\) \(Commercial Leases and Licences\) Regulations 2020 \(Vic\)](#). The Regulations prescribe a procedure where landlords and eligible tenants are required to act reasonably and in good faith when negotiating either a waiver or deferral of property rent that would otherwise be payable to Council. Further relief support may be reassessed post this period taking into account pandemic isolation restrictions financial impact on the eligible leased premises at that time. Any such relief support that was applicable for the 2020/21 year is to be reduced by 50% for the ensuing 2021/22 year.

### **Council Plan Objective/Strategy**

Council Plan Goal: Enhance Lifestyles and Community

### **Legislation and Standards**

*Local Government Act 1989*

*Local Government Act 2020*

*Privacy & Data Protection Act 2014*

*COVID-19 Omnibus (Emergency Measures) Act 2020*

## Responsibilities

The Manager Financial Services is responsible for the review and management of this policy and the staff responsible for the administration of the relevant rates and charges, development approval fees and lease payments will process applications for financial assistance in line with Council policy.

## Stakeholders

Councillors and the community are important stakeholders and the development and implementation of the policy are in direct response to the COVID-19 pandemic impact on individuals and businesses.

## Review

The policy will cease to have effect after 30 June 2022.

## Communication and implementation

The policy will be communicated to the community via media outlets and Council's website and made available to responsible staff via the EDRMS and internal communication streams.

## References

[COVID-19 Omnibus \(Emergency Measures\) Act 2020](#)

[COVID-19 Omnibus \(Emergency Measures\) \(Commercial Leases and Licences\) Regulations 2020 \(Vic\)](#)

[National Cabinet's Mandatory Code of Conduct for Commercial Leases](#)

[Rates and Charges Debt Collection Policy](#)

[Personal Financial Hardship Policy](#)

[Privacy & Data Protection and Health Records Policy](#)

## Privacy and Data Protection compliance

All Council policies must consider the *Privacy and Data Protection Act 2014* and the *Victorian Protective Data Security (VPDSS) Framework* which adopts a risk-based approach to protective data security. Governance policy and practices, including confidentiality, are in place to protect the security of the data collected while processing and recording transactions in the Council's Electronic Document Records Management System.

## Gender Equality Act 2020

Council has considered there are no gender equality impacts in developing and implementing the policy.

## Charter of Human Rights compliance

It is considered that this policy does not impact on any human rights identified in the *Charter of Human Rights & Responsibilities Act 2006*.

## Definitions

**Waiver** permanent exemption from payment

**Deferral** temporary suspension of a payment for a period of time (The full amount will still eventually be recovered. The outstanding amount may still incur interest)

## Review history

Date	Review details	Action
1 June 2020		Adopted by Council 1 June 2020
21 September 2020	Extension of Policy until 30 June 2021	Adopted by Council 21 September 2020
28 June 2021	Extension of Policy until 30 June 2022	Adopted by Council 28 June 2021