

# COVID-19 Financial Hardship Guidelines - Rates



## 1. Introduction

Council acknowledges that the COVID-19 pandemic will cause significant financial hardship for members of our community.

These guidelines aim to provide all ratepayers with a clear and transparent understanding of options and assistance available if they are currently experiencing financial hardship due to the COVID-19 pandemic.

## 2. Context

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

Rates income is a secure and reliable source of revenue that Council uses to deliver services to the community

Council recognises that the COVID-19 pandemic will cause significant financial hardship for members of the community and Council has a responsibility to provide assistance.

### 2.1. Alignment

These guidelines align with Cardinia Shire Council's Rating Strategy and Financial Hardship Guidelines.

### 2.2. Organisational Context

- Local Government Act 1989
- Cardinia Shire Council Plan 2017-21
- Victorian Charter of Human Rights and Responsibilities Act 2006

## 3. Objectives

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.

These guidelines consider the principles of transparency, efficiency, capacity to pay and equity by treating all ratepayers consistently and in a fair manner.

## 4. Policy Details

### 4.1. Financial Hardship

Financial hardship is a circumstance of experiencing a lack of financial means, which may be either ongoing or temporary. These guidelines address temporary financial hardship due to impacts of COVID-19. Councils existing Financial Hardship Guidelines only allow for financial hardship experienced by a residential ratepayer's primary residence. These guidelines will apply to all rateable properties in Cardinia Shire.

### 4.2. 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. Councils aim is to provide assistance to ratepayers through the COVID-19 event without creating additional financial stress when the pandemic has been resolved.

Council will encourage ratepayers to set up a payment plan with Council tailored specifically to the ratepayers 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 time for the debt to be paid without interest. If any debt is still outstanding at 1 October 2020, Councils normal Financial Hardship Guidelines will apply.

### 4.3. Rates deferral and interest hold

If a 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 the 30 September 2020 to allow time for the debt to be paid without interest. If any debt is still outstanding at 30 September 2020, Councils normal Financial Hardship Guidelines will apply.

### 4.4. Debt recovery

Council will not attempt to contact a customer about their overdue account.

During the COVID-19 pandemic, Council will hold off on all legal action for the collection of rates and charges and payment of fines.

## 5. Monitoring, Evaluation and Review

These guidelines will be reviewed throughout the duration of the COVID-19 pandemic to ensure it continues to meet the reasonable needs of all ratepayers and Council itself.

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## 6. Definitions

Term	Definition
Council	Cardinia Shire Council, being a body corporate constituted as a municipal Council under the <i>Local Government Act 1989</i> .
Debt	Debt is the amount (of money) owed by a debtor as a result of a transaction with Council.
Ratepayer	Is 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.

## 7. Associated Documents

Cardinia Shire Council Financial Hardship Guidelines.

Cardinia Sire Council COVID-19 Financial Hardship Application Form.