

THE CITY OF
GREATER GEELONG

COVID-19 FINANCIAL HARDSHIP COUNCIL POLICY

VERSION: 1

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Responsible Officer: Chief Financial Officer

Authorising Officer: Chief Executive Officer

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Introduction

Municipal rates, fees and charges are the primary source of revenue for Council to ensure the ongoing delivery of a range of important services to the local community. In times of emergency, such as with the COVID19 pandemic, the Council recognises the significant hardship that can be experienced by the members of the community and business. Managing financial hardship is a shared responsibility and Council has a part to play whilst ensuring that it maintains the necessary cashflow to deliver critical services to the community during this time. Council has a range of remedial powers in accordance with the *Local Government Act 2020*.

The purpose of this 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.

SCOPE

This policy applies to all monies owed to the Greater Geelong City Council including rates, waste charges, fees and user charges including but not limited to animal registrations and permits (but does not include fines issued under the Council's Local Laws) and rent.

To the extent this policy is inconsistent with other current Council policies, the provisions of this policy shall apply.

Definitions

This section defines the key terms used in this policy.

CITY

The City of Greater Geelong organisation, led by the CEO.

COUNCIL

The City of Greater Geelong Council comprised of elected councillors and led by the Mayor.

DEFERRAL

Means the suspension for a period of time.

FINANCIAL HARDSHIP

Means a change in circumstances including those caused by the impacts of the COVID-19 pandemic which will affect a person or business' temporary or ongoing ability to pay rates, fees and charges or rent:

- For a person, these circumstances include;
 - Unemployment
 - Sickness or injury
 - Family break down
 - Decreased income or loss of income
 - The impact of Federal and State Government Directions issued from time to time
 - Any other matter considered by the City at its sole discretion
- For a business, these circumstances include:
 - Decreased income or loss of income
 - The impact of Federal and State Government Directions issued from time to time i.e. directed shut down
 - where the business has been assessed by the Australian Taxation Office as being eligible for the Commonwealth JobKeeper Payment, or
 - Any other matter considered by the City at its sole discretion

RATEPAYER

Means a person or a business who has demonstrated Financial Hardship to the City's satisfaction and has access to the provisions of this policy.

WAIVER

Means to permanently exempt a Ratepayer from a requirement to pay.

Policy

1. FINANCIAL HARDSHIP

A person or business can apply to access the financial hardship provisions of this policy by:

- 1.1 Sending a completed application form (**Attachment A**) by email to Hardship@geelongcity.vic.gov.au, including the details of the circumstances preventing that person or business from meeting their financial obligations to Council; and
- 1.2 Agreeing to enter into a payment arrangement under section 4 of this policy.

2. ASSESSMENT

The City will consider an application for financial hardship relief confidentially and objectively based on the information provided by the person or business in the application and will advise of its decision in writing within 14 days of receiving the application and all supporting information.

Where a person or business is dissatisfied with the outcome of their application, the person or business may ask the Chief Financial Officer to review the City's decision by completing and lodging the *Appeal Against Decision* form (**Attachment B**). The Chief Financial Officer will determine the appeal within 14 days from receipt of the form.

3. DEFERRAL OF FEES, RATES AND CHARGES

Ratepayers may have rates, fees and charges or rent Deferred, although they will continue to be levied for their ongoing rates, fees and charges or rent and balance notices will continue to be provided to keep Ratepayers informed.

In all applications for Deferral, Ratepayers will be encouraged to continue to pay that portion of the rates, fees and charges or rent that is affordable given their individual circumstances. This will be mutually agreed given the particular circumstances of the Ratepayer's individual case.

4. PAYMENT ARRANGEMENTS

A Ratepayer will reach agreement with the City in the form at **Attachment C** regarding the payment of rates, fees and charges or rent on the following conditions:

- 4.1 Any payment agreement should be set with a known end date that clears the deferred debt within an agreed timeframe preferably within 12 months.
- 4.2 The rate of penalty interest that will be charged on amounts that are not paid as required by the payment agreement;
- 4.3 Where there have been repeated payment defaults by the Ratepayer, the City may cancel the payment agreement, entitling it to initiate debt recovery in accordance with this policy;
- 4.4 That the City and the Ratepayer can agree to review and, if necessary, amend the payment schedules and due dates if the Ratepayer informs the City of additional hardship barriers are being experienced since the payment agreement began in a timely way

5. WAIVER AND APPLICATION OF PENALTY INTEREST CHARGES

Interest is charged on overdue rates and charges in accordance with the Local Government Act.

For interest payable on current rates fees and charges as at 13 March 2020, further accrual of interest will be frozen from 14 March until 31 October 2020 (or such other later date as determined by the City), at which time accrual of interest will resume.

Where rates, fees and charges have been Deferred in accordance with this policy, no interest will accrue for the duration those rates, fees or charges are deferred.

In both cases, the interest rate is that fixed under section 2 of the *Penalty Interest Rates Act 1983*.

6. EXCEPTIONAL CIRCUMSTANCES

The Local Government Act provides for a waiver of rates.

Council acknowledges an inequity for ratepayers is created where rates are waived which would otherwise be charged against the property assets, and recognises the deferral of rates and charges as a more equitable outcome for the entire community.

However, Council will consider waiving or reducing rates for certain Ratepayers where exceptional circumstances are experienced, and where severe impact can be demonstrated.

Consideration of a waiver can only occur if all financial information has been disclosed to Council with supporting documentation as may be requested. Penalties apply for providing false and misleading information for an application for waiver.

Exceptional Circumstances will be determined at the sole discretion of the Chief Executive Officer.

Waivers can only be approved by the Chief Executive Officer and are limited to a total value of \$1,000.

7. WHEN RATES, FEES AND CHARGES BECOME FULLY PAYABLE

Despite any payment agreement under paragraph 4 and any waiver and application of penalty interest charges under paragraph 5, outstanding rates, fees and charges or rent (and any accrued interest) will be payment in full upon the following:

- 7.1 In the case of a person, the Ratepayer becomes deceased;
- 7.2 In the case of a business, the Ratepayer enters into administration or liquidation;
- 7.3 The applicable property is sold or transferred to another person or entity;
- 7.4 There is a material alteration to the Ratepayer's circumstances.

8. DEBT RECOVERY

The City will not formally commence debt recovery actions from 14 March 2020 to 31 October 2020 (or other such period as considered appropriate by the City) for any rates, fees and chargers or rent due and payable to the City.

Implementation of this Policy

MONITORING AND REPORTING

This policy will be monitored by the Chief Financial Officer and reported to the Executive Leadership Team from time to time or whenever the Council's cash flow position is threatening to be compromised, whichever first occurs.

ADVICE AND ASSISTANCE

The Responsible Officer for this policy manages the provision of advice to the organisation regarding this policy.

RECORDS

The City must retain records associated with this policy and its implementation for at least the period shown below.

Record	Retention / Disposal Authority	Retention Period	Location
Applications for Hardship Correspondence	Chief Financial Officer	7 years	REX

References

- *Local Government Act 1989 and 2020 (as applicable)*
- *State of Victoria's Obligations to Act as a Model Litigant.*