

COVID-19 Financial Hardship Policy

Yarriambiack Shire Council encourages a working environment which promotes gender equality and models non-violent and respectful relationships.

1. Purpose:

The purpose of this COVID-19 Financial Hardship 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.

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 policy provides individuals and businesses with a clear and transparent understanding of options and assistance available if they are experiencing financial hardship due to the pandemic.

This Policy will provide direction to Council's officers when collecting and providing for debts owed to Council and to ensure consideration is given to the financial hardship caused by COVID-19.

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.

2. Scope:

This Policy applies to all monies owed to the Yarriambiack Shire Council including rates, waste charges, animal registrations, and permits, fees and user charges.

3. Policy:

3.1 Financial Hardship

Financial hardship is a circumstance of experiencing a lack of financial means, which may be either ongoing or temporary. This policy is to address temporary financial hardship due to impacts of COVID-19.

3.1.1 Identification of Financial Hardship caused by the impacts of COVID-19

For businesses – if your business has been assessed by the Australian Taxation Office (ATO) as being eligible for the Commonwealth JobKeeper Payment you are automatically deemed to be in Financial Hardship for the purposes of this policy.

For non-business - if you or a member of your household as listed or responsible for the rates notice has lost their job as a direct result of the COVID-19 Pandemic you are automatically deemed to be in Financial Hardship for the purposes of this policy.

For businesses or non-businesses that are not automatically deemed to be in Financial Hardship for the purposes of this policy (as per the tests above), the identification of Financial Hardship can be

determined by:

- Assessment by Yarriambiack Shire Council staff.
- External assessment by, for example, an independent accredited financial counsellor.

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 financial counsellor – please visit www.fcrc.org.au or call 1800 007 007 for more information.

3.1.2 Application for Financial Hardship caused by the impacts of COVID-19

Access to the Financial Hardship provisions of this policy is via the Application for existing Financial Hardship Assistance form.

3.1.3 Assessment of applications for Financial Hardship caused by the impacts of COVID- 19

Assessment of applications for Financial Hardship caused by the impacts of COVID-19 will be an objective assessment based on the information provided by the individual or business in the application by the Revenue Officer.

3.2 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. Council's aim is to provide assistance through the COVID-19 event without creating additional financial stress after the pandemic is over.

Council will encourage individuals and businesses to set up a payment plan tailored specifically to their 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 30 June 2021 to allow ample time for the debt to be paid without interest.

If any debt is still outstanding at 30 June 2021 outside of an agreed payment plan or pathway, Council's Debt Management, Relief and Hardship Policy will apply.

3.3 Rates deferral and interest hold

If the individual or business is unable to enter in to 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 June 2021 to allow ample time for the debt to be paid without interest.

If any debt is still outstanding at 30 June 2021, outside of an agreed payment plan or pathway, Council's Debt Management, Relief and Hardship Policy will apply.

3.4 Debt recovery

Council will make a reasonable attempt to contact a customer about their overdue account. This may include a reminder letter, account statement, email or phone call.

During the COVID-19 pandemic, from the declaration of the State of Emergency, 16 March 2020, until the 30 June 2021 Council will hold off on all legal action for the collection of rates and charges that have fallen into arrears from 1 July 2020 onwards.

The debtor will be liable for all legal costs incurred by Council in the debt collection process.

Policy Review

This policy will be operational until 30 June 2021.

4. Legislative Context

Local Government Act 1989

5. Associated Documents

Debt Management, Relief and Hardship Policy

Council Approved Policy

Policy Adopted:	Ordinary Meeting 27 May 2020	Minute Book Page 367
Policy Reviewed:	Ordinary Meeting 28 April 2021	Minute Book Page 31