

## COVID-19 FINANCIAL HARDSHIP GUIDELINES

### 1. INTRODUCTION

In response to the impact of the COVID-19 pandemic on the community, the City is committed to helping residents, ratepayers and businesses facing financial hardship.

Financial hardship is a circumstance of experiencing a lack of financial means, which may be either ongoing or temporary. If you are facing financial difficulty on a personal level, you may wish to obtain advice from a community financial counsellor. You can talk to a financial counsellor from anywhere in Australia by calling 1800 007 007 (Monday to Friday, 9.30 am – 4.30 pm). This number will automatically switch through to the service in the State or Territory closest to you, or you can visit the National Debt Helpline at [www.ndh.org.au](http://www.ndh.org.au).

### 2. PURPOSE, SCOPE & REVIEW DETAILS

These guidelines are to address temporary financial hardship due to impacts of COVID-19 and to provide a framework for financial relief. The aim is for the City to provide assistance to ratepayers and general debtors (for fees and charges) that have a willingness but not the capacity to pay, and treats customers with fairness, sensitivity and equity. The assistance will generally be by way of payment arrangement or deferral, without any penalty interest being applied.

To qualify, ratepayers and/or debtors will generally need to submit a short application stating how COVID-19 has impacted their ability to pay their rates or other charges.

Rates are a charge on the property and will generally not be waived.

<b>Original approval date:</b>	25/03/2020 (earlier version)
<b>Review cycle:</b>	6 Months
<b>Review Date:</b>	30/06/2021
<b>Responsible Officer:</b>	Manager Financial Strategy
<b>Owner:</b>	Financial Strategy
<b>Responsible Director:</b>	Corporate Performance
<b>Relevant Legislation/Authority:</b>	Local Government Act 1989
<b>DOCSETID:</b>	4374321

### **3. PAYMENT ARRANGEMENTS AND INTEREST HOLD**

The City's aim is to provide cash-flow relief without creating significant additional financial stress when the pandemic has been resolved.

The City encourages ratepayers/customer to set up a payment plan tailored specifically to their needs. This will reduce the amount of debt owing in the long term. The City will not charge interest on debt accumulated due to the COVID-19 pandemic. For rates, the interest hold is applicable from the declaration of the State of Emergency, 16 March 2020, until the 30 June 2021, to allow time for the debt to be paid without interest. For debts outstanding at 30 June 2021, the City's Revenue & Debt Collection (including Financial Hardship) Policy will apply. Rate notices will continue to be issued while payment arrangements are in place.

### **4. GENERAL DEBTORS / OTHER FEES AND CHARGES**

For general debtors / those with specific fees and charges - the City encourages customers to discuss with the City a plan tailored specifically to their needs. In many cases this will also be a payment arrangement.

In circumstances where fees may cause or be contributing to financial hardship for a business, group, or community member – there are provisions within the Financial Hardship Guidelines (pre-COVID 19) to consider waivers of General Debtors. Please go to the bottom of the 'Pay Your Rates' page on our website to find these Guidelines.

### **5. PAYMENT DEFERRAL AND INTEREST HOLD (LONGER TERM DEFERRALS)**

The City understands that for some ratepayers, income has ceased entirely and there is not the option to enter into payment plans immediately. Where this is the case, the City can defer the debt accumulated during the COVID-19 pandemic. As with payment plans, interest will not be charged on this debt from the declaration of the State of Emergency, 16 March 2020, until the 30 June 2021. For ratepayers that have deferred payments entirely, the City will make contact to ensure that there is transparency around the arrangement and amended due date.

If any debt is still outstanding at 30 June 2021, the City's Revenue & Debt Collection (including Financial Hardship) Policy will apply. The City will make a reasonable attempt to contact a customer, and a payment plan may be negotiated earlier or at this time. Please note that new rate notices will continue to be issued while deferrals or payment plans are in place.

### **6. DEBT RECOVERY**

Unless a payment arrangement or deferral is entered into, the City will make a reasonable attempt to contact a customer about their overdue account before proceeding with debt recovery or legal action. This may include a reminder letter, account statement, email, text message or phone call.

### **7. ASSOCIATED DOCUMENTS**

City of Greater Bendigo Financial Hardship Guidelines  
Revenue and Debt Collection Policy

## 8. DEFINITIONS

**The City** means Greater Bendigo City Council

**Debt** means an amount of money owed, including an alleged debt

**Deferment** means the postponement of payment in whole or in part for a specified period

**Waiver** means the reversal or forgiveness of a fee or charge in whole or in part

**Payment Arrangement** means spreading the outstanding amount owed to the City over an agreed period, allowing for additional time to make the payment without any legal action being taken (e.g. regular repayments which will clear the amount owing).