

1. PURPOSE

The purpose of this policy is to provide guidance for the collection of rates and charges where the ratepayer is experiencing genuine financial hardship due to the COVID-19 pandemic.

2. INTRODUCTION

The management and recovery of outstanding debt is an important aspect of Council's financial management function. Council derives a large share of its revenue from rates and charges, and therefore has a responsibility to ensure that monies owing are collected in a timely, effective and efficient manner where possible.

Horsham Rural City Council aims to provide financial relief for property based debts and other charges to individuals and businesses who have been impacted by the COVID-19 pandemic in the form of interest waivers and flexible payment arrangements. Hardship assistance under this temporary policy will only be granted to customers who have contacted Council to enter into a payment arrangement, or to advise that they are unable to pay anything due to genuine financial hardship caused by COVID-19.

3. SCOPE

This policy applies to all Council staff who have responsibility to ensure collection of Council's rates and charges.

4. PRINCIPLES

4.1 General Principles

Council will enforce the legislative powers available under the *Local Government Act 1989* and the new *Local Government Act 2020* where applicable, in the pursuit of outstanding rates and other charges.

Council is committed to:

- Assisting customers who are experiencing financial hardship
- Ensuring that the collection process is transparent
- Treating all people fairly, consistently, respectfully and with sensitivity
- Ensuring Council staff have the training and resources necessary to effectively and consistently manage financial hardship
- All collection matters under this policy are strictly confidential.

Where Council staff have identified that a ratepayer is experiencing financial hardship due to COVID-19, outstanding rates and other charges owed to the municipality shall be pursued in accordance with this policy.

4.2 Applications for Hardship

Ratepayers may speak with any member of the Revenue Team to enter into a payment arrangement or to advise that due to COVID-19 they are unable to make any payments at this time. As long as this contact has been made and is sustained, interest will be waived on all outstanding debts at the time. When assessing financial hardship applications, employees must be extremely aware of the financial, emotional, physical or psychological difficulties that the ratepayer may be experiencing.

4.3 Types of Assistance Available

The following types of assistance may be offered:

4.3.1 Payment Plans: A payment plan is a schedule of payments agreed to by both the Council and the ratepayer, which provides for flexible payment of debts once they have become overdue. Ratepayers do not need to be experiencing financial hardship to enter into a payment plan. Arrangements entered into may be renegotiated on amount payable, frequency and/or duration. Interest, if applicable, will cease to accrue for the term of the payment plan unless the ratepayer were to default on their arrangement and neglect to discuss the matter with a member of the rates department. All payment arrangements will be monitored on a fortnightly basis and if the ratepayer defaults they will receive a text message reminder. If after three text message reminders no payment has been received and no contact has been made, then a letter will be sent outlining the ratepayer's obligations to contact Council by a given due date.

4.3.2 Interest Waiver: All payment plans entered into during the COVID-19 pandemic will be accompanied by an interest waiver for the duration that the arrangement is adhered to. All ratepayers that contact Council to discuss their inability to make any payments due to the pandemic, and sustain that contact throughout by way of regular updates, will also receive an interest waiver on all outstanding debts.

4.3.3 Centrepay: Automatic deductions may be made from ratepayer's Centrelink payments. Anyone receiving Centrelink payments can apply to have a designated amount of their payment directed to their Council rates. Although this facility is free to Centrelink customers, there is a small charge to Council for each transaction.

4.3.4 Sunset Clause: This temporary policy caters for financial hardship scenarios being of a short-term nature (up to one year) due to the impacts of COVID-19.

All other cases of financial hardship should be assessed using the Policy – C04/153 Rates and Charges Financial Hardship.

4.4 EXTERNAL RESOURCES

Council officers are able to direct customers to financial information services.

The Consumer Action Law Centre (<http://consumeraction.org.au>) is a not for profit provider of phone based and online financial counselling services. The financial counselling hotline can be reached on 1800 007 007. The free hotline is open from 9.30am to 4.00pm, Monday to Friday. The centre can also direct callers to their closest in-person service.

Financial Counselling Australia has developed online resources at www.debtsselfhelp.org.au. The website provides letter templates, fact sheets, information on financial counselling services and a debt management self-help tool.

Bethany Community Support provides telephone and face-to-face financial counselling within our municipality. Contact their office at 31 Wilson Street Horsham, phone 5278 8122, email info@bethany.org.au or visit their website at www.bethany.org.au.

Rural Financial Counselling Service Victoria provides support for farmers and rural small business owners. Contact their office at Wembley Chambers, Office 5, 142 Baillie Street Horsham, phone 1300 735 578, email admin@wswrcs.com.au or visit their website at www.wswrcs.com.au.

5. COMMUNICATION

Horsham Rural City Council's website and intranet.

6. RESPONSIBILITY

Policy Owner: Co-ordinator Revenue

7. DEFINITIONS

Definition	Meaning
Financial hardship	A situation where a customer is unable, because of prolonged illness or unemployment, or other reasonable cause, to discharge their financial obligations to Council and the customer reasonably expects to be able to discharge those obligations if payment arrangements were changed. Financial hardship means an inability to fulfil a financial obligation, not an unwillingness to do so. The hardship may be short or long term, and will be considered on an individual basis.

8. SUPPORTING DOCUMENTS

Document	Location
Rates and Charges Financial Hardship Policy	Website, Intranet
Rates and Charges Debt Collection Policy	Website, Intranet
<i>Local Government Act 1989</i>	Internet

9. DOCUMENT CONTROL

Version Number	Approval Date	Approval By	Amendment	Review Date
001	4 August 2020	EMT	New policy	August 2023
002	22 June 2021	EMT	Reviewed and updated	June 2024