

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 all 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 customer 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

Customers 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, 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 customer 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 customer, which provides for flexible payment of debts after their due date has lapsed. Arrangements entered into may be renegotiated on amount payable, incidence or length at any time. All payment arrangements will be monitored on a fortnightly basis and if the customer 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 customers obligations to contact Council by a given due date. The payment arrangement will only apply for the year that the request is made and a new arrangement must be made for each subsequent year.

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 customers that contact Council to discuss their inability to make any payments due to the pandemic will also receive an interest waiver on all outstanding debts.

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

Wimmera Uniting Care provides telephone and face-to-face financial counselling within our municipality. Contact the office at 185 Baillie Street Horsham, phone 5362 4000 or online at www.wuc.org.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