

COVID-19 FINANCIAL HARDSHIP POLICY

Policy Objective

The Town supports the community to meet challenges arising from the COVID-19 pandemic. It recognises that from time to time ratepayers and other persons may experience short-term financial hardship as a result.

This policy ensures that the Town offers fair, equitable and respectful support to be applied consistently to ratepayers and other persons suffering hardship.

Policy Details

This policy applies to:

1. Outstanding rates and service charges as at the date of adoption of this policy; and
2. Rates and service charges levied for 2020/21.

It is a reasonable community expectation that those with the capacity to pay rates will continue to do so. For this reason the Policy is not intended to provide rate relief to ratepayers who are not able to evidence financial hardship under the statutory provisions of the *Local Government Act 1995* (the Act) and Local Government (Financial Management) Regulations 1996 will apply.

The Town of Mosman Park (Town) is committed to ensuring that it manages its cash flows in a manner that provides financial sustainability in order to meet the objectives of the Strategic Community Plan.

This policy has been formulated to treat all ratepayers in the Town fairly, equitably and consistently while recognising Council has the responsibility to recover all outstanding debts in a timely manner to finance its operations and ensure effective cash flow.

Policy Statement

1 Payment difficulties, hardship and vulnerability

Payment difficulties, or short-term financial hardship, occur when a change in a person's circumstances result in an inability to pay a rates or service charge debt.

Financial hardship occurs when a person is unable to pay rates and service charges without affecting their ability to meet their basic living needs, or the basic living needs of their dependants. The Town of Mosman Park recognises the possibility that COVID-19 may increase the occurrence of payment difficulties and vulnerability in our community. This policy is intended to apply to all ratepayers experiencing financial hardship regardless of their status, be they property owners, tenants or business owners.

2 Financial Hardship due to COVID-19

The Town recognises that the COVID-19 pandemic may cause financial hardship for some ratepayers when they receive their rates.

3 Financial Hardship Criteria

While evidence of hardship is required, we recognise that not all circumstances are alike. We will take a flexible approach to a range of individual circumstances including, but not limited to, the following situations:

- recent unemployment or under-employment;
- sickness or recovery from sickness; and
- low income or loss of income.

We require ratepayers to provide any information about their individual circumstances that will assist in our assessment. This includes demonstrating a capacity to make some payment and, where possible, entering into a payment plan. We will consider all circumstances, applying the principles of fairness and confidentiality while complying with our statutory responsibilities.

4 Payment Plans

Payment plans facilitated in accordance with Section 6.49 of the Act are an agreed frequency and amount. These plans will consider the following:

- That a ratepayer has made genuine effort to meet rate and service charge obligations in the past;
- We will establish an end date that is realistic and achievable;
- The ratepayer will be responsible for informing the Town of Mosman Park of any change in circumstance that jeopardises the agreed payment plan. Failure to do so will result in the debt recovery process.

The Chief Executive Officer (CEO) or delegate will take into account evidence as required on the Financial Hardship Application Form in assessing a Payment Plan Application in the case of financial hardship:

5 Interest Charges

A ratepayer who meets the Financial Hardship Criteria **and** enters into a payment plan will not attract penalty interest or additional charges applicable to the rates/service charge debt in the 2020/21 financial year or for the period of time that the Local Government (COVID-19 Response) Ministerial Order 2020 remains effective (SL 2020/67 – Gazetted 8 May 2020).

6 Debt recovery for payment plans when in financial hardship

We will suspend our debt recovery processes whilst negotiating a suitable payment plan with a ratepayer. Where a ratepayer is unable to make payments in accordance with the agreed payment plan and the rate payer advises us and makes an alternative plan before defaulting on the 3rd due payment, then we will continue to suspend debt recovery processes.

Where a ratepayer has not adhered to the agreed payment plan or contacted the Town, for rates and service charge debts that remain outstanding on 1 July 2021 will become due and the Town will follow the debt recovery process.

8 Review

We will establish a mechanism for review of decisions made under this policy, and advise the applicant of their right to seek review and the procedure to be followed.

9 Communication and Confidentiality

At all times, the Town will keep confidential communications with ratepayers suffering financial hardship. The Town will communicate with a nominated support person or third party if requested to do so in writing. Alternative forms of communication can be used where appropriate.

Definitions

Act means *Local Government Act 1995*

CEO means Chief Executive Officer

Town means Town of Mosman Park

Governance References

Statutory Compliance	Local Government (COVID-19 Response) Ministerial Order 2020
Organisational Compliance	Debt Recovery Policy

Policy Administration

Directorate:		Officer title:
Finance		Manager Finance
Next Review		Review Cycle
June 2021		12 months in the first year (COVID-19)
Version	Date	Ref
1	23 June 2020	OCM-078-2020
2		
3		