**Hardship Provisions**

**Status** Council

**Responsible Division** Corporate and Strategy

**Objective** To provide direction on the City response to financial hardship during the Coronavirus Disease 2019 (COVID-19) crisis.

**Context**

City of Nedlands residents, ratepayers, suppliers, lessees, businesses and groups; both community & sporting are experiencing the effects of COVID-19, including financial impacts. For some the financial impacts are making payments to the City difficult. In addition, bookings for a number of City facilities and activities have been cancelled.

**Statement**

1. This policy will apply from 16 March 2020, the date at which the State of Emergency was declared and for as long as the Council determines it is needed.
2. Bookings

* Cancelled bookings of City facilities and activities other than Tresillian will be fully refunded.
* Tresillian customers will be offered a credit on future enrolments for classes missed due to the Tresillian closure on the basis of the popularity of this option.

1. Leases, Management Licences to Not for Profit Groups, Community Groups & Clubs

* No rent will be charged to Not for Profit groups, Community Groups, & Clubs. This excludes leases to the State Government.
* Storage fees will not apply.
* Where applicable, utilities and other tenant payments will remain the responsibility of the lessee or licensee, who may negotiate terms with the applicable utility provider and or the City.
* Other lease or licence terms may be settled between the City and the lessee or licensee at the discretion of the CEO.

1. Evidence of COVID-19 hardship

Evidence of COVID-19 hardship includes;

* documentation from the employer or Centrelink that the person or their household partner has lost their job, or their income has been reduced by 25% or more since March 16th 2020; and
* for businesses, financial documentation, Centrelink information or the provision of a statutory declaration that the business’ income has declined by 25% or more since March 16th 2020.

1. Where evidence of COVID-19 hardship is provided the City will provide the following payment relief for:
   1. Rates and Service Charges

* 6 months interest free payment deferment for rates and service charges will be provided. Interest accrued on outstanding debt prior to 16 March 2020 will remain payable, however further interest will not accrue during the interest free period.
  1. State Government Levies
* State Government relief will be passed on, as determined by the State Government.
  1. Commercial Tenants
* Commercial tenants will be provided rent free terms from 1 April 2020 until 30 June 2020 when the City of Nedlands 2020/21 Budget is adopted incorporating a review of necessary commercial tenancy rates in the fast evolving COVID 19 pandemic. Utilities and other tenant payments will remain the responsibility of the commercial tenant, who may negotiate terms with the applicable utility provider and/or the City.’
  1. Residential Tenants
* Residential tenants will be provided rent free terms from 1 April 2020 until 30 June 2020 when the City of Nedlands 2020/21 Budget is adopted incorporating a review of necessary residential tenancy rates in the fast evolving COVID 19 pandemic. Utilities and other tenant payments will remain the responsibility of the residential tenant, who may negotiate terms with the applicable utility provider.
  1. Infringements and Prosecutions
* Interest free payment deferment to the end of the declared emergency plus three months, for infringements and prosecutions will be provided.
* The infringement or prosecutions will not be referred to fines enforcement.
* The CEO may use his discretion to enter into payment terms for outstanding prosecution amounts.
  1. Other fees and charges
* Interest free payment deferment to the end of the declared emergency plus three months for other City fees and charges not related to development applications and building permits and related activities, at the discretion of the CEO.

1. Debt Recovery

In order to maintain equity for all residents and ratepayers, action must be taken to recover debts owed to the City of Nedlands. The following debt recovery measures will apply except where evidence of COVID-19 hardship is provided. Pre-existing debt collection arrangements will remain outstanding, however, in where COVID hardship occurs further interest accrual to the end of the declared emergency plus three months, will be suspended.

* 1. Rates Debt Recovery

Except where a ratepayer is entitled to defer the payment of their rates, Council will actively pursue the recovery of any rate arrears (including legal action and the issue of a Goods and Land Warrant).

* 1. General Debtors

If a general debtor does not respond to a formal demand letter issued, then legal action may be commenced. The Chief Executive is authorised to deny a debtor access to Council’s services and facilities.

* 1. Infringement Debt Recovery

Any unpaid infringement will be referred to the Fines Enforcement Registry.

1. Point Resolution Child Care Centre

* Payment terms will be as determined by the Federal Government.

1. Nedlands Community Care

* Payment terms will be as determined by the Federal Government

1. Suppliers of Goods and services

* Where evidence is provided of business hardship as a result of Covid-19 the City will reduce its payment terms from 30 days to 14 days

**Related Documentation**

Debt Recovery Policy – to be revoked

**Related Local Law / Legislation**

* Local Government Act 1995, sections 6.12, 6.49, 6.56, 6.60
* Local Government (Financial Management) Regulations, regulation 66(2)
* Local Government (Financial Management) Regulations, regulation 66(2)
* Planning and Development (Local Planning Schemes) Regulations 2015, regulation 61(2)(d)

**Related Delegation**

* Local Government Act 1995, section 6.12(1)(b);
* Local Government Act 1995, section 6.49;
* Local Government (Financial Management) Regulations, regulation 66(2);
* Local Government Act 1995, section 6.56(1);
* Local Government Act 1995, section 6.60(2).
* Local Government Act 1995, section 6.60(4).
* Local Government (Financial Management) Regulations, regulation 66(2);

**Review History**

First Adopted by Council – Special Council Meeting - 14 April 2020 (Item 6)