

## 5.8. RATES INTEREST GRACE PERIOD EXTENSION

<b>REPORT AUTHOR</b>	Tara Killeen, Chief Financial Officer
<b>MANAGER</b>	Juanita Warner, Acting Chief Executive Officer
<b>DEPARTMENT</b>	Finance and Corporate Services

### RECOMMENDATION

**Council resolves to endorse the extension of the interest grace period to 30 days for the current rates levy due 26 August 2021.**

---

### EXECUTIVE SUMMARY

Council officers wish to propose an extension of the interest grace period to 30 days for the current rates levy due 26 August 2021 as a Covid-19 relief measure to assist the ratepayers of Douglas Shire.

### BACKGROUND

The Covid-19 pandemic has had a significant impact on many businesses and individuals in the Douglas Shire, particularly the tourism sector. Council wishes to offer the proposed extension of interest grace period as a measure of relief to assist in supporting affected ratepayers.

*S133(1) Local Government Regulation states that 'interest is payable on overdue rates or charges from -*

- (a) the day the rates or charges become overdue; or*
- (b) a later day decided by the local government.'*

Under this proposal, if the current rates levy is paid within the grace period, no interest will be charged. If paid after the grace period, interest will apply from the rate levy due date of 26 August 2021.

### COMMENT

The economic impact of the Covid-19 pandemic on the Operating Result for 30 June 2022 is being tracked and forecast. This includes proposed relief measures and the impact on revenue and expenditure due to lockdown measures.

### PROPOSAL

Council resolves to endorse the extension of the interest grace period to 30 days for the current rates levy due 26 August 2021.

### FINANCIAL/RESOURCE IMPLICATIONS

The negative financial impact of the above relief measure on the Operating Result for the year ended 30 June 2022 is estimated to be \$18k.

## RISK MANAGEMENT IMPLICATIONS

The Covid-19 pandemic has and will continue to have a negative impact on Council Operating Results. The Acting Chief Executive Officer, the Chief Financial Officer, Management Team and Finance Team will continue to monitor and manage financial and other risks as they are identified.

## SUSTAINABILITY IMPLICATIONS

**Economic:** The Covid-19 pandemic will have a negative impact on the economic sustainability of Douglas Shire Council and may impact sustainability ratios. This will be closely managed by Council and mitigated where possible.

**Environmental:** Nil

**Social:** Nil

## CORPORATE/OPERATIONAL PLAN, POLICY REFERENCE

This report has been prepared in accordance with the following:

### Corporate Plan 2019-2024 Initiatives:

#### Theme 5 - Robust Governance and Efficient Service Delivery

Strong governance and financial management are the foundations of the way in which Council will conduct its business and implement the initiatives of the Corporate Plan.

**Goal 1** - *We will conduct Council business in an open and transparent manner with strong oversight and open reporting.*

**Goal 3** - *We will make sound financial decisions by ensuring robust strategic planning, financial management and reporting.*

**Goal 4** - *We will work with our communities to ensure they are informed, empowered and supported so that they are resilient to the impacts of disaster events. Through our leadership and capabilities we will plan, prepare, respond and recover from events so as to minimise the impact on people, property, the environment, and our economic stability.*

## COUNCIL'S ROLE

Council can play a number of different roles in certain circumstances and it is important to be clear about which role is appropriate for a specific purpose or circumstance. The implementation of actions will be a collective effort and Council's involvement will vary from information only through to full responsibility for delivery.

The following areas outline where Council has a clear responsibility to act:

**Regulator** Council has a number of statutory obligations detailed in numerous regulations and legislative Acts. Council also makes local laws to ensure that the Shire is well governed. In fulfilling its role as regulator, Council will utilise an outcomes based approach that balances the needs of the community with social and natural justice.

## **CONSULTATION**

**Internal:** Chief Executive Officer, Management Team, Finance Team

**External:** Nil

## **COMMUNITY ENGAGEMENT**

Nil

## **ATTACHMENTS**

Nil