

POLICY NO.	F.24
POLICY SUBJECT	COVID-19 Financial Hardship Policy
ADOPTION DATE	30 April 2020 (C.10/0420)
REVIEW DATE	28 May 2020 (C.06/0520)

Policy Objective

To give effect to our commitment to support the whole community to meet the unprecedented challenges arising from the COVID19 pandemic, the Shire of Bridgetown-Greenbushes recognises that these challenges will result in financial hardship for our ratepayers.

This Policy is intended to ensure that we offer fair, equitable, consistent and dignified support to ratepayers suffering hardship, while treating all members of the community with respect and understanding at this difficult time.

Policy Scope

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 the 2020/21 financial year.

It is a reasonable community expectation, as we deal with the effects of the pandemic 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 and the statutory provisions of the *Local Government Act 1995* and *Local Government (Financial Management) Regulations 1996* will apply.

Policy Statement

Payment difficulties, hardship and vulnerability¹

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

Financial hardship occurs where 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 Shire of Bridgetown-Greenbushes recognises the likelihood that COVID-19 will increase the occurrence of payment difficulties, financial hardship and vulnerability in our community. This policy is intended to apply to all ratepayers experiencing financial hardship regardless of their status, be they a property owner, tenant, business owner etc.

¹ Adapted from the Ombudsman Western Australia publication, **Local government collection of overdue rates for people in situations of vulnerability: Good Practice Guidance:**
<http://www.ombudsman.wa.gov.au/>

Anticipated Financial Hardship due to COVID19

We recognise that many ratepayers are already experiencing financial hardship due to COVID-19. We respect and anticipate the probability that additional financial difficulties will arise when their rates are received.

We will write to ratepayers at the time their account falls into arrears, to advise them of the terms of this policy and encourage eligible ratepayers to apply for hardship consideration. Where possible and appropriate, we will also provide contact information for a recognised financial counsellor and/or other relevant support services.

Financial Hardship Criteria

While evidence of hardship will be 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
- Low income or loss of income
- Unanticipated circumstances such as caring for and supporting extended family

Ratepayers are encouraged to provide any information about their individual circumstances that may be relevant for assessment. This may include demonstrating a capacity to make some payment and where possible, entering into a payment proposal. We will consider all circumstances, applying the principles of fairness, integrity and confidentiality whilst complying our statutory responsibilities.

In assessing requests for COVID financial hardship under this Policy staff will have regard to any WALGA guidelines prepared to assist the local government sector in processing such requests.

Payment Arrangements

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

- The payment arrangement will establish a known end date that in the opinion of the Chief Executive Officer is realistic and achievable;
- The ratepayer will be responsible for informing the Shire of Bridgetown-Greenbushes of any change in circumstance that jeopardises the agreed payment schedule.

Payment Arrangement Administration Fee & Interest Charges

No administration fees will be applied for the duration of payment plans entered into from 1 April 2020 to 31 December 2020.

All penalty interest charges for late payment of current rate arrears will be waived from 1 April 2020 to 30 June 2020.

For those that are in hardship and meet the eligibility of this policy (including any associated guidelines prepared for the sector by WALGA) then no penalty interest or instalment interest rate applies for the 2020/21 financial year.

Where a ratepayer doesn't meet the eligibility of this policy and elects to pay by the statutory 4-instalment plan then an interest rate of 3% will apply for payment of rates under that plan.

Where a ratepayer doesn't meet the eligibility of this policy and doesn't select the statutory 4-instalment plan option penalty interest charges will apply from 1 July 2020 for late payment of 2020/21 rates (including Emergency Services Levy) and any other prior rates arrears. If the ratepayer enters into a payment plan that ensures full payment of rates by 30 June 2021 penalty interest of 5.5% will apply. If the ratepayer doesn't enter into such a repayment plan then penalty interest of 8% will apply.

Deferment of Rates

Deferment of rates may apply for ratepayers who have a Pensioner Card, State Concession Card or Seniors Card and Commonwealth Seniors Health Care Card registered on their property. The deferred rates balance:

- remains as a debt on the property until paid;
- becomes payable in full upon the passing of the pensioner or if the property is sold or if the pensioner ceases to reside in the property;
- may be paid at any time, BUT the concession will not apply when the rates debt is subsequently paid (deferral forfeits the right to any concession entitlement); and
- does not incur penalty interest charges.

Debt recovery

We will suspend our debt recovery process for all unpaid rates and service charges until 31 December 2020, please note this doesn't mean a write off of debt.

Ratepayers are encouraged to negotiate an approved payment plan in accordance with this policy prior to 31 December 2020. Any rate account outstanding as at 1 January 2021 not on instalments or an approved payment plan will be subject to the rates debt recovery procedures prescribed in the *Local Government Act 1995*.

Where a ratepayer has not reasonably adhered to the agreed payment plan, then for any rates and service charge debts that remain outstanding on 1 July 2021, we will offer the ratepayer one further opportunity of adhering to a payment plan that will clear the total debt by the end of the 2021/22 financial year.

All rates and service charge debts (excluding eligible rate deferrals) that remain outstanding at the end of the 2021/22 financial year, will then be subject to the rates debt recovery procedures prescribed in the *Local Government Act 1995*.

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.

Communication and Confidentiality

We will maintain confidential communications at all times and we undertake to communicate with a nominated support person or other third party at your request.

We will advise ratepayers of this policy and its application, when communicating in any format (i.e. verbal or written) with a ratepayer that has an outstanding rates or service charge debt.

We recognise that applicants for hardship consideration are experiencing additional stressors, and may have complex needs. We will provide additional time to respond to communication and will communicate in alternative formats where appropriate. We will ensure all communication with applicants is clear and respectful.