

COVID-19 FINANCIAL HARDSHIP COUNCIL POLICY

POLICY STATEMENT

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

This Policy is intended to ensure that the City offers a 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.

This policy is to read in conjunction with Council Decision 067/20 on 31 March 2020, where:

1. Council suspended interest charges on current (2019/20) outstanding rates, backdated to 1 March 2020; and
2. Council suspended the application of Council Policy Corporate Revenue Debt Collection until 30 September 2020.

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 the community deals 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 DETAILS

1. Payment difficulties, hardship and vulnerability

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 City of Bunbury 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.

2. Anticipated Financial Hardship due to COVID-19

The City of Bunbury recognises 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.

The City will contact 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, the City will also provide contact information for a recognised financial counsellor and/or other relevant support services.

3. Financial Hardship Criteria

While evidence of hardship will be required, the City of Bunbury recognises that not all circumstances are alike. The City 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; or
- 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 with our statutory responsibilities.

4. Payment Arrangements

Payment arrangements facilitated in accordance with Section 6.49 of the *Local Government Act 1995* are of an agreed frequency and amount. These arrangements will consider the following:

- That a ratepayer has made a genuine effort to meet rate and service charge obligations in the past;
- The payment arrangement will establish a known end date that is realistic and achievable;
- The ratepayer will be responsible for informing the City of Bunbury of any change in circumstance that jeopardises the agreed payment schedule.

In the case of severe financial hardship, the City reserves the right to consider waiving additional charges or interest (excluding the late payment interest applicable to the Emergency Services Levy).

5. Interest Charges

Consistent with Council Decision 067/20 of 31 March 2020, all interest charges for outstanding rates on 2019/20 have been suspended.

From 1 July 2020, a ratepayer that meets the Financial Hardship Criteria and enters into a payment arrangement may request a suspension or waiver of interest charges. Applications will be assessed on a case by case basis.

6. 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.

7. Debt recovery

Consistent with Council decision 067/20, Council Policy Corporate Revenue Debt Collection has been suspended until 30 September 2020.

Thereafter, the City of Bunbury will suspend its debt recovery processes whilst negotiating a suitable payment arrangement with a debtor. Where a debtor is unable to make payments in accordance with the agreed payment plan and the debtor advises us and makes an alternative plan before defaulting on the 3rd due payment, then the City will continue to suspend debt recovery processes.

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, the City will offer the ratepayer one further opportunity of adhering to a payment plan that will clear the total debt by the end of the 2021/2022 financial year. Rates and service charge debts 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* and Council Policy Corporate Revenue Debt Collection.

8. Review

The City of Bunbury 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

The City of Bunbury will maintain confidential communications at all times and will undertake to communicate with a nominated support person or other third party at the applicant's request.

The City will advise ratepayers of this policy and its application when communicating in any format with a ratepayer that has an outstanding rates or service charge debt.

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

COMPLIANCE REQUIREMENTS

LEGISLATION

- *Local Government Act 1995*
- *Local Government (Financial Management) Regulations 1996*
- *Rates and Charges (Rebates and Deferments) Act 1992*

INDUSTRY

ORGANISATIONAL

- *COUNCIL POLICY – Corporate Revenue Debt Collection*

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