

Council Policy Name: COVID-19 Financial Hardship

Responsible Directorate: Finance and Corporate Services

Version: CURRENT

**1. PURPOSE**

- 1.1. The City of Busselton recognises the likelihood that COVID-19 will increase the occurrence of Financial Hardship and vulnerability in our community.
- 1.2. The purpose of this Policy is to ensure that the City of Busselton provides fair, equitable, consistent and dignified support to ratepayers suffering hardship, while treating all members of the community with respect and understanding at what is a difficult time.

**2. SCOPE**

- 2.1. 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., and is applicable to:
  - a. outstanding rates and service charges as at the date of adoption of this Policy;
  - b. rates and service charges levied for the 2020/21 financial year; and
  - c. lease and or rental charges owed to the City of Busselton from commercial or residential tenancy arrangements

**3. DEFINITIONS**

Term	Meaning
Act	Local Government Act 1995
WA Code of Conduct	Schedule 1 Code of Conduct of the Commercial Tenancies (COVID-19 Response) Regulations 2020
Financial Hardship	where a change in a person’s circumstances results in them being 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
Policy	this City of Busselton Council policy titled “COVID-19 Financial Hardship”
Ministerial Order	The Local Government (COVID-19) Ministerial Order 2020 (SL 2020/67 – Gazetted 8 May 2020)
Ratepayer	A person or entity that is responsible for the payment of rates to the City of Busselton

**4. STRATEGIC CONTEXT**

- 4.1. This Policy links to Key Goal Area 6 – Leadership of the City’s Strategic Community Plan 2017 and specifically the Community Objective 6.1: Governance systems, process and practices are responsible, ethical and transparent.

## 5. POLICY STATEMENT

- 5.1. The City recognises that many ratepayers will and / or are already experiencing Financial Hardship due to the COVID-19 pandemic. The City respects and anticipates the probability that additional financial difficulties will arise when rates and service charges are received by the community.
- 5.2. The City will seek to support Ratepayers and the community more generally in dealing with Financial Hardship and other challenges arising from the COVID-19 pandemic.
- 5.3. The City will write to Ratepayers at the time their account falls in 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**

- 5.4. While evidence of hardship will be required, the City recognises that not all circumstance are alike. The City will take a flexible approach to a range of individual circumstances including, but not limited to, the following situations:
  - a. recent unemployment or under-employment
  - b. sickness or recovery from sickness
  - c. low income or loss of income
  - d. unanticipated circumstances such as caring for and supporting extended family.
- 5.5. Ratepayers will be 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/s and where possible, entering into a payment proposal. The City will consider all circumstances, applying the principles of fairness, integrity and confidentiality, whilst complying with statutory responsibilities.
- 5.6. The City will apply where appropriate, the WA Code of Conduct in relation to lease and rental agreements with the City.

### **Payment Arrangements**

- 5.7. Payment arrangements facilitated in accordance with Section 6.49 of the Act will be of an agreed frequency and amount. These arrangements will consider the following:
  - a. whether a Ratepayer has made genuine effort to meet rate and service charge obligations in the past;
  - b. whether the payment arrangement will establish a known end date that is realistic and achievable;
- 5.8. The Ratepayer will be responsible for informing the City of any change in circumstances that may jeopardise the agreed payment schedule.
- 5.9. In the case of severe Financial Hardship, the City may consider waiving additional charges or interest (excluding the late payment interest applicable to the Emergency Services Levy).

### **Interest Charges**

- 5.10. A Ratepayer that meets the Financial Hardship criteria will not attract interest or penalty charges on rates/service charge debt in 2020/21, for the period of time that the Ministerial Order remains effective.

### **Debt recovery**

- 5.11. The City will suspend its debt recovery processes while negotiating a suitable payment arrangement with a Ratepayer. Where a Ratepayer is unable to make payments in accordance with the agreed payment

arrangement and the Ratepayer makes an alternative payment arrangement with the City before defaulting on the 3<sup>rd</sup> due payment, the City will continue to suspend all debt recovery processes.

- 5.12. Where a Ratepayer has not reasonably adhered to the agreed payment plan, the City will, for any rates and service charge debt that remains outstanding on 1 July 2021, offer the Ratepayer one further opportunity to adhere to a payment arrangement that will clear the total debt by the end of the 2021/22 financial year.
- 5.13. Rates and service charge debts that remain outstanding at the end of the 2021/22 financial year, will be subject to the rates debt recovery procedures prescribed in the Act.

**Review**

- 5.14. The City will establish a mechanism for review of decisions made under this Policy, and advise Ratepayers of their right to seek review and the procedure to be followed.

**Communication and Confidentiality**

- 5.15. The City will maintain confidential communications at all times and undertake to communication with a nominated support person or other third party at the Ratepayers request.
- 5.16. The City will advise Ratepayers of this Policy and its application, when communicating in any format (i.e., verbal or written) with a Ratepayer with an outstanding rate or service charge debt.

**6. RELATED DOCUMENTATION / LEGISLATION**

- 6.1. *Local Government Act 1995*
- 6.2. *Local Government (Financial Management) Regulations 1996*
- 6.3. City of Busselton COVID-19 Financial Hardship Brochure and FAQ's
- 6.4. City of Busselton COVID-19 Financial Hardship Application Form
- 6.5. WALGA Template COVID-19 Financial Hardship Policy
- 6.6. Ombudsman Western Australia publication: '*Local Government collection of overdue rates for people in situations of vulnerability: Good Practice Guidance*'
- 6.7. *Local Government (COVID-19) Ministerial Order 2020 (SL 2020/67 – Gazetted 8 May 2020)*
- 6.8. *Commercial Tenancies (COVID-19 Response) Regulations 2020*

**7. REVIEW DETAILS**

<b>Review Frequency</b>		To be reviewed within 6 months of adoption		
<b>Council Adoption</b>	<b>DATE</b>	29 July 2020	<b>Resolution #</b>	C2007/075
<b>Previous adoption under Delegated Authority</b>	<b>DATE</b>	7 April 2020	<b>Verification</b>	