

<b>Policy Name:</b>	<b>2.12</b> COVID19 Financial Hardship Policy
<b>Department:</b>	Finance
<b>Date Adopted:</b>	16 <sup>th</sup> April 2020
<b>Last Reviewed:</b>	18 <sup>th</sup> November 2021

**Preamble** Policy in relation to dealing with ratepayers and debtors facing financial hardship during the COVID19 Pandemic.

**Objective** To give effect to the Shire’s commitment to support the whole community to meet the unprecedented challenges arising from the COVID19 pandemic, the Shire of Bruce Rock recognises that these challenges may result in financial hardship for our ratepayers and debtors.

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.

**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**

**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 Shire of Bruce Rock recognises the likelihood that COVID19 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 COVID19**  
We recognise that some ratepayers and debtors 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 Shire 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.

### **3 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.

### **4 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:

- That a ratepayer has made 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 Shire of Bruce Rock of any change in circumstance that jeopardises the agreed payment schedule.

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

### **5 Interest Charges**

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 Deferral of Rates**

Deferral 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**

The Shire will suspend our 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 we 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, 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 2021/2022 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.

## **8 Review**

The Shire will advise ratepayers or debtors of all decisions made under this policy and advise them of right to seek a review by the full Council.

## **9 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 the ratepayers or debtors request.

The Shire will advise ratepayers and debtors 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.

The Shire recognises that applicants during the time of the COVID19 Pandemic are experiencing additional stressors and may have complex needs. The Shire will provide additional time to respond to communication and will communicate in alternative formats where appropriate. All communication with applicants will be clear and respectful.

## **10 Conflict of Interest**

Where a ratepayer or debtor has a close relationship with any staff member or Councillor, that staff member or Councillor must remove themselves from any decision making process in relation to this policy.

**Head of Power**

*Local Government Act 1995 and Local Government (Financial Management) Regulations 1996.*

