

GL26 - COVID-19 Financial Hardship Policy



12 August 2020

This policy was adopted by Council to set governing principles in place that align the strategic direction of the organisation in relation to financial hardship associated with the COVID-19 Pandemic.

Objective and Scope

The purpose of this policy is to establish and define the principles and criteria by which the Shire of Augusta Margaret River is able to support the community meet the challenges of the COVID-19 pandemic by recognising that these challenges may result in financial hardship for some ratepayers.

The policy applies to rates and service charges levied for the 2020-21 financial year and outstanding rates from 2019-20 noting that 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* (the Act) and *Local Government (Financial Management) Regulations 1996* will apply.

Summary

The Shire has established a Hardship Fund within the 2020-21 annual budget funded from the Shire's 2019-20 Community Care Package which will be available to support community members able to demonstrate financial hardship attributable to COVID-19. Hardship determination will require the provision of the specified evidence to support an application.

If ratepayers haven't already contacted us the Shire will contact ratepayers after the 2020-21 rates due date and discuss payment options with them in order to determine a payment arrangement that accords with the ratepayer's financial circumstances and the Shire's requirements.

Where appropriate, and if requested, the Shire will also provide contact information for a recognised financial counsellor and/or other relevant support services.

Financial Hardship Criteria

Supporting evidence of hardship will be required when providing a claim. Evidence must demonstrate that hardship is a direct result of the impact of the COVID-19 pandemic on the ratepayer's financial circumstances. Specific criteria will be applied for residential and business ratepayers.

We recognise that not all circumstances are alike and will take a flexible approach to a range of individual circumstances including, but not limited to, the following situations:

- Recent unemployment or under-employment as a result of COVID-19.
- Low income or loss of income as a result of COVID-19.
- Business ratepayers that meet Federal Government criteria for financial support.
- Sickness or recovery from sickness associated with COVID-19.
- Unanticipated circumstances such as caring for and supporting extended family suffering health or hardship as a result of COVID-19.

Ratepayers are required to provide the information specified about their individual circumstances for assessment as a minimum requirement. This will include demonstrating a capacity to make some payment and, where possible, entering into a payment plan.

The Shire recognises that some businesses are liable to pay rates for their landlords through a commercial arrangement. These businesses may be eligible as “ratepayers” subject to the provision of documentation demonstrating that they have a legal obligation to pay the rates.

We will consider all circumstances, applying the principles of fairness and equity with integrity and confidentiality whilst complying with our statutory responsibilities.

Assistance for Commercial Businesses and Community Groups/Organisations

Business and Incorporated Community Organisations may be eligible for the following relief.

Business and Community Organisations liable to pay rates, lease fees, fees and charges are required to provide the information specified about their individual circumstances for assessment as a minimum requirement. This will include demonstrating a capacity to make some payment and, where possible, entering into a payment plan.

Area of Assistance	Detail
Rates and Rating Initiative	<p>Payment plan or payment term extension for rates for the period from 1 July 2020 to 30 June 2021 in accordance with the GL26 - COVID-19 Hardship Policy.</p> <p>Halting any debt recovery action on outstanding rates on a case by case basis if affected by COVID-19.</p>
Commercial Leases with the Shire of Augusta Margaret River	<p>Payment plan or payment term extension for rent and outgoings for those businesses affected by COVID-19 on a case by case basis until 30 June 2021.</p>
Community Leases and Building Assistance	<p>Deferral or waiving of lease costs, rent and/or outgoings for community organisations until 30 June 2021 on a case by case basis.</p> <p>Deferral or waiving of utilities reimbursements provided community group is not eligible for State subsidies or assistance.</p>

Fees and Charges	<p>Exemption from Fees and Charges applied to Commercial Businesses.</p> <p>Directional and entrance signs annual licence renewal. Lodging house annual licence renewal and Food Business registration annual licence renewal until 30 June 2021.</p>
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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 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).

Interest Charges

A ratepayer that meets the Financial Hardship Criteria and enters into a payment arrangement will be entitled to a suspension or waiver of interest and charges, including penalty interest, instalment interest and instalment charges, while the payment arrangement terms are satisfied. Applications will be assessed on a case by case basis.

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 or if they are no longer entitled to the pension;
- 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 processes whilst a suitable payment arrangement is in place and being satisfied. In the event of payment default debt recovery processes will be reinstated.

Rates and service charges that are outstanding at the end of the 2020-21 financial year and where the ratepayer has not entered into a payment arrangement, will be subject to the rates debt recovery procedures prescribed in the Act.

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. The procedure will identify the Officers authorised by the CEO to undertake the review.

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.

Application

Responsibility for the implementation of this policy rests with the Chief Executive Officer. The policy will be in place for a period of 12 months at which time a review will be undertaken to determine any need for continuation.

Document and version control table

Strategic outcome	Key Result Area 5: Effective leadership and governance		
Responsible Directorate	Corporate and Community Services		
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Date of original issue	12 August 2020		
Contact officer	Director Corporate and Community Services		
Date of next review	July 2021		
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