



POLICY NO	CP/FIN-3219	
POLICY	COVID-19 Financial Hardship – Rates and Sundry Debtors	
RESPONSIBLE DIRECTORATE	Corporate Services	
RESPONSIBLE OFFICER	Director Corporate Services	
COUNCIL ADOPTION	Date: 28 April 2020	Resolution No: 118208
REVIEWED/MODIFIED	Date: 20 May 2020	EMT 20.05.2020
	Date: 17 June 2020	EMT 17.06.2020
REVIEW DUE	March 2021	
LEGISLATION	<ol style="list-style-type: none"> 1. <i>Local Government Act 1995</i> 2. <i>Local Government (Financial Management) Regulations 1996</i> 	
RELATED POLICIES	<ol style="list-style-type: none"> 1. CP/FIN-3212 Rates and Charges Debt Collection 2. CP/FIN-3214 Sundry Debt Collection 3. CP/FIN-3211 Fees and Charges Pricing 	
RELATED ORGANISATIONAL DIRECTIVES	<ol style="list-style-type: none"> 1. Code of Conduct for Council Members, Committee Members and Employees 2. Audit (Finance and Risk) Committee Terms of Reference 	

PURPOSE:

To give effect to Council's commitment in supporting the whole community to meet the unprecedented challenges arising from the COVID-19 pandemic, the Shire recognises that these challenges will result in financial hardship for some ratepayers and sundry debtors.

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

DEFINITIONS:

Applicable Contract means any formal agreement made between a property owner and property occupier, in which the property occupier becomes legally responsible for the payment of any rate or service charge that is imposed by the local government on the land.

Council means the Council of the Shire of Wyndham East Kimberley.

Default means that the customer has failed to meet their obligations in accordance with any special payment arrangement that they have entered into with the Shire of Wyndham East Kimberley.

Financial year means the period commencing on 1 July and ending on the next following 30 June.

Ratepayer means any person, business, club or community organisation who under section 6.44 of the *Local Government Act 1995*, or other Applicable Contract, is liable to pay a rate or service charge that is imposed by the local government on the land.

Sundry Debtor means any person, business, club or community organisation that has incurred a debt for goods or services supplied by the Shire.

The Shire means the Shire of Wyndham East Kimberley.

Waive means to provide a special concession to a person or organisation that extinguishes a debt that would have been owed to the Shire. A waiver may be provided prior to, or subsequent to the date that the debt is incurred.

POLICY STATEMENTS:

This policy applies to:

1. Outstanding rates and service charges as at the date of adoption of this policy; and
2. Outstanding sundry debts, fees and charges as at the date of adoption of this policy; and
3. Rates and service charges levied for the 2020/21 financial year; and
4. Sundry debts, fees and charges incurred from the date of adoption of this policy until 30 June 2020; and
5. Sundry debts, fees and charges incurred for the 2020/21 financial year.

It is a reasonable community expectation as the Shire and the community deal with the effects of the pandemic that those with the capacity to pay rates, sundry debts and fees and charges, will continue to do so. For this reason, this Policy is not intended to provide relief to ratepayers or sundry debtors who are not able to evidence financial hardship due to the effects of the COVID-19 pandemic.

The statutory provisions of the *Local Government Act 1995* and *Local Government (Financial Management) Regulations 1996* will apply in conjunction with Council Policies CP/FIN-3212 Rates and Charges Debt Collection and CP/FIN-3214 Sundry Debt Collection.

POLICY

1.1 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:

1. A rates or service charge ("rates"); or
2. A sundry debt, fee or charge ("sundry debt").

Financial hardship occurs where a person is unable to pay rates and/or sundry debts without affecting their ability to meet their basic living needs, or the basic living needs of their dependents. The Shire recognises the likelihood that COVID-19 will increase the occurrence of payment difficulties, financial hardship and vulnerability in the community. This policy is intended to apply to ratepayers and sundry debtors experiencing hardship regardless of their status, be they a property owner, tenant, business owner etc.

1.2 Anticipated Financial Hardship due to COVID19

The Shire recognises that many ratepayers and sundry debtors are already experiencing financial hardship due to COVID-19. The Shire respects and anticipates the probability that additional financial difficulties will arise when rates notices for the 2020/21 financial year and tax invoices for sundry debts, fees and charges are received.

¹ This section is adopted from the Ombudsman Western Australia publication, *Local government collection of overdue rates for people in situations of vulnerability: Good Practice Guidance*.

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

1.3 Financial Hardship Criteria

While evidence of hardship will be required, The Shire recognises that not all circumstances are alike. A flexible approach will be taken 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 and sundry debtors 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. The Shire will consider all circumstances, applying the principles of fairness, integrity and confidentiality whilst complying with all statutory responsibilities.

The Shire may request additional information from applicants if it considers it necessary to do so.

1.4 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 or sundry debtor has made a genuine effort to meet payment obligations in the past;
- The payment arrangement will establish a known end date that is realistic and achievable;
- The ratepayer or sundry debtor 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, Council reserve the right to consider waiving any other additional charges.

1.5 Interest and other Charges

A ratepayer or sundry debtor that meets the Financial Hardship criteria:

1. Will not be charged penalty interest on any overdue rates or sundry debt;
2. Will not be charged interest should they chose to pay their rates by instalments;
3. Will not be charged an administration fee should they choose to pay their rates by instalments.
4. Will not be charged any fees should they choose to pay their rates or sundry debt under an agreed Payment Arrangement.
5. Will not be charged penalty interest on any overdue Emergency Service Levies (effective as at the date of adoption of this policy until 30 June 2021).

1.6 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 ratepayer will not receive any concession when the rates are paid (any concession entitlement for the financial year will be forfeited)
- Does not incur penalty interest charges.

1.7 Debt recovery

The Shire will suspend debt recovery processes whilst negotiating a suitable payment arrangement with a ratepayer or sundry debtor. Where a ratepayer or sundry debtor is unable to make payments in accordance with the agreed payment plan and advises the Shire and makes an alternative plan before defaulting on the 3rd due payment, the Shire will continue to suspend debt recovery processes.

Where a ratepayer or sundry debtor has not reasonably adhered to the agreed payment plan, then for any rates or sundry debts that remain outstanding on 1 July 2021, The Shire will offer the ratepayer or sundry debtor 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 sundry debts that remain outstanding at the end of the 2021/22 financial year may then be subject to debt recovery procedures in accordance with Council Policies CP/FIN-3212 Rates and Charges Debt Collection and CP/FIN-3214 Sundry Debt Collection. However, the Shire recognises that financial hardship may extend beyond the 2021/22 financial year and may on application consider extending the provisions of this policy on a case-by-case basis.

1.8 Review

The Shire will establish a mechanism for applicants to apply for a review of decisions made under this policy, and will advise applicants of their right to seek review and the procedure to be followed.

With reference to a review of decisions made under this Policy, Shire Officers will report to the Audit (Finance and Risk) Committee on a quarterly basis. The report will detail the applicant, the nature of the debt, the amount of the debt, whether the application was successful or not, the payment terms and the status of the arrangement.

1.9 Communication and Confidentiality

The Shire will maintain confidential communications at all times and undertakes to communicate with a nominated support person or other third party at the request of the ratepayer or sundry debtor.

The Shire will advise ratepayers and sundry debtors of this policy and its application when communicating in any format (i.e. verbal or written) with a ratepayer or sundry debtor that has an outstanding rates or sundry debt.

The Shire recognises that applicants for hardship consideration are experiencing additional stressors, and may have complex needs. The Shire will provide additional time to respond to

communication, will communicate in alternative formats where appropriate, and will ensure all communication with applicants is clear and respectful.

EXPLANATORY NOTES:

The collection of rates and sundry debts is an important component of the Shire's management of adequate cash flows as well as the overall management of the Shire's financial performance and position.

This policy aims to provide manageable and efficient control over rates and sundry debts by closely monitoring outstanding accounts in order to reduce the likely occurrence of unrecoverable debts.

RISK:

Risk: Failure to adequately resource and manage funding requirements which meet the needs of the Shire's service delivery requirements and strategic objectives.

Control: Implementation of LTFP and Annual Budget.

Policies reviewed and updated in accordance with schedule and operational requirements.

Risk: Failure to develop appropriate, meaningful policies which enable the administration to perform in an effective and efficient way.

Control: New policies adopted as required.

Policies reviewed and updated in accordance with schedule and operational requirements.



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8.00am - 4.00pm MON - FRI

Annexure A to Council Policy CP/FIN-3219 Application for COVID-19 Financial Hardship

The Shire of Wyndham East Kimberley has adopted a Financial Hardship Policy as we know many in our community may be suffering financial hardship as a result of the Coronavirus (COVID-19) that impacts a their capacity to pay their Rates and/or Sundry Debts. We want to ensure that eligible Ratepayers and Sundry Debtors can apply and be considered for assistance to meet their payment responsibilities.

A successful application will result in a payment plan agreed between you and the Shire of Wyndham East Kimberley.

The Shire of Wyndham East Kimberley expects that Ratepayers and Sundry Debtors will make reasonable efforts to make payments in accordance with their agreed payment plan, but we do understand that things can change and you can contact us at any time to request an adjustment to your payment plan.

Are you eligible to apply?

Any Ratepayer or Sundry Debtor experiencing difficulties in meeting their financial commitments due to Coronavirus (COVID-19) is eligible to apply.

How is a decision made about my application?

Decisions about financial hardship applications will be assessed based on the information provided in the application form and attachments submitted. This information will be assessed against the requirements of the Shire of Wyndham East Kimberley's Financial Hardship Policy. A copy of our Financial Hardship Policy can be found on our website www.swek.wa.gov.au/publications/shire-policies or you can request a copy by email from mail@swek.wa.gov.au. After you submit an application, we will contact you if we need more information.

Do you need help to make an application?

Contact our Office on (08) 9168 4100 or mail@swek.wa.gov.au and one of our staff will be able to assist you. We can assist you over the phone or in a face-to-face appointment.

Privacy and Confidentiality

We understand that the information requested in this application is sensitive and we will treat it as confidential and only use this information for making decisions regarding your rates and/or sundry debt.

Right to have the decision reviewed

If you are not happy with our decision about your application, you can ask for the decision to be reviewed. Decision review requests can be submitted to the Chief Executive Officer, who will consider your request and advise you of the outcome. Email your request to mail@swek.wa.gov.au or mail to PO Box 614, Kununurra WA 6743.

If you are still unhappy with the decision and outcome of your appeal, you can seek advice from Ombudsman WA – check the website www.ombudsman.wa.gov.au or Phone 08 9220 7555, Freecall 1800 117 000 or email mail@ombudsman.wa.gov.au

Please note: *If you are applying for assistance for more than one property, you must complete a separate application form for each property, as the nature, type and ownership of each may differ.*

The Shire will advise you in writing of the outcome in due course. Please attach any additional documents requested, as failure to do so may result in the application being refused.

Annexure A to Council Policy CP/FIN-3219

Application for COVID-19 Financial Hardship

1. APPLICANT DETAILS	
Ratepayer/Sundry Debtor 1	
Surname/Organisation Name	
Given Names	
Trading Name (if applicable)	
Residential/Business Address	
	Town/Suburb: _____ State: _____ Postcode: _____
Postal Address	
	Town/Suburb: _____ State: _____ Postcode: _____
Contact Number	
Email	
If we need to phone you, what time is most convenient for you? <input type="checkbox"/> 8:00am – 12:30pm <input type="checkbox"/> 12:30pm – 4:00pm	
Ratepayer/Sundry Debtor 2	
Surname/Company Name	
Given Names	
Trading Name (if applicable)	
Residential/Business Address	
	Town/Suburb: _____ State: _____ Postcode: _____
Postal Address	
	Town/Suburb: _____ State: _____ Postcode: _____
Contact Number	
Email	
If we need to phone you, what time is most convenient for you? <input type="checkbox"/> 8:00am – 12:30pm <input type="checkbox"/> 12:30pm – 4:00pm	

2. NOMINATE AN AUTHORISED AGENT

You can authorise another person to deal with the Shire regarding your financial hardship application and rates/sundry debt:

Agency Name	
Contact Name	
Contact Address	
	Town/Suburb: _____ State: _____ Postcode: _____
Contact Number	
Email	

This application relates to: Rates (Continue to Question 3.)
 Sundry Debts (Continue to Question 4.)

3. PROPERTY DETAILS (Rates Applications Only)

Assessment Number	
Address of Rated Property	
Is the property owner occupied or is it rented?	<input type="checkbox"/> Owner Occupied
	<input type="checkbox"/> Tenanted Rental
	<input type="checkbox"/> Untenanted Rental
If the property is rented, how is it managed?	<input type="checkbox"/> Managing Agent (provide agent's name)
	<input type="checkbox"/> Privately managed
If you are the lessee of the rateable property, what type of lease do you hold?	<input type="checkbox"/> Peppercorn <input type="checkbox"/> Mining tenement
	<input type="checkbox"/> Commercial <input type="checkbox"/> Crown
	<input type="checkbox"/> Other Applicable Contract

4. FINANCIAL HARDSHIP

Please tell us about your financial position by indicating reason/s below:		Applicant 1	Applicant 2
Have you petitioned for bankruptcy? <i>If yes, you are <u>not</u> eligible under the financial hardship policy.</i>		<input type="checkbox"/> Yes / <input type="checkbox"/> No	<input type="checkbox"/> Yes / <input type="checkbox"/> No
<input type="checkbox"/>	Is your financial hardship caused by the impacts of the COVID-19?	<input type="checkbox"/> Yes / <input type="checkbox"/> No	<input type="checkbox"/> Yes / <input type="checkbox"/> No
<input type="checkbox"/>	Unemployed Date employment ceased:		
<input type="checkbox"/>	Under-employed Average hours worked p/week:		
<input type="checkbox"/>	Temporarily stood-down Date of stand-down:		
<input type="checkbox"/>	Income has been reduced <i>Please provide details in the Financial Information section below.</i>		
<input type="checkbox"/>	Unable to work due to caring for someone with Covid-19		
<input type="checkbox"/>	Diagnosed with COVID-19 and unable to work		
<input type="checkbox"/>	Unable to work due to self-isolation	Start Date:	
		End Date:	

5. INCOME AND EXPENDITURE

Accurate financial information is important so as not to commit to an unrealistic payment plan

INCOME		Applicant 1	Applicant 2
<i>Please provide monthly Net Income</i>			
<input type="checkbox"/>	Business Revenue	\$	\$
<input type="checkbox"/>	Wages / Salary	\$	\$
<input type="checkbox"/>	Pension or other Government Benefit	\$	\$
<input type="checkbox"/>	Job Keeper / Job Seeker / Access to Superannuation	\$	\$
<input type="checkbox"/>	Child Support Payments	\$	\$
<input type="checkbox"/>	Rental Income	\$	\$
<input type="checkbox"/>	Other	\$	\$
Office use ONLY	Calculate Total Monthly Income	\$	\$

If Reduced Income is a reason for this Financial Hardship Application, Please complete:		Applicant 1	Applicant 2
Previous Monthly Income:		\$	\$
Date that reduced income occurred:			
Current Monthly income:		\$	\$
Office use ONLY	Calculate Total Monthly Income	\$	\$

EXPENSES		\$ Amount per month
<i>Please provide <u>monthly</u> expenditure as a total for all applicants</i>		
<input type="checkbox"/>	Business Expenditure	\$
<input type="checkbox"/>	Home/Business Loan/Credit Card/s	\$
<input type="checkbox"/>	Utilities (Electricity, Water, Internet, Phone, etc.)	\$
<input type="checkbox"/>	Insurances	\$
<input type="checkbox"/>	Personal Living (Food, Memberships, Subscriptions, etc.)	\$
<input type="checkbox"/>	Motor vehicle expenses (licensing, repairs, fuel)	\$
<input type="checkbox"/>	Other	\$
Office use ONLY	Calculate Total Monthly Expenses	\$

6. PAYMENT PROPOSAL

Please nominate how much you can afford to pay and the frequency you wish to pay this amount

Proposed Payment Amount:	\$		
Proposed Payment Frequency:	<input type="checkbox"/> Weekly	<input type="checkbox"/> Fortnightly	<input type="checkbox"/> Monthly
Proposed Start Date:			

7. SUPPORTING DOCUMENTATION

Please provide any relevant documentation from the list below to support your financial hardship application.

Note that the Shire may request additional information from applicants if it considers it necessary to do so.

<input type="checkbox"/>	Business Cash-flow Forecast
<input type="checkbox"/>	Letter from financial counsellor confirming financial hardship circumstances
<input type="checkbox"/>	Letter from medical practitioner
<input type="checkbox"/>	Centrelink payment evidence
<input type="checkbox"/>	Letter from your employer / recent payslips
<input type="checkbox"/>	Letter from another agency that has deemed you to be in financial hardship <i>i.e. your bank, superannuation fund or utility provider</i>
<input type="checkbox"/>	Statutory declaration from a professional familiar with your financial circumstances <i>i.e. family doctor, accountant</i>
<input type="checkbox"/>	Other (please advise)

8. AUTHORISATION

By signing this application for COVID-19 Financial Hardship, I hereby certify:

1. That the information provided is true and correct and there have been no misrepresentations or omissions of fact that would otherwise influence the review and decision of the Shire of Wyndham East Kimberley; and
2. I am authorised to sign this form as the ratepayer or sundry debtor as detailed above; and
3. I have read and understand the Council's Policy CP/FIN-3219 COVID-19 Financial Hardship - Rates and Sundry Debtors

Ratepayer/Sundry Debtor 1		Date:	
Ratepayer/Sundry Debtor 2		Date:	
Company Name:			
Position:			
Signed:		Date:	