

## Governance 17: COVID-19 Financial Hardship Policy

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### 1. Purpose

The purpose of this policy is to give effect to the City of Kalamunda's (the City) commitment to support the whole community to meet the unprecedented challenges arising from the COVID19 pandemic, the City recognises that these challenges may result in financial hardship for our ratepayers.

This Policy is intended to ensure that the City 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.

This policy applies to:

- a) Outstanding rates and service charges as at the date of adoption of this policy; and
- b) Rates and service charges levied for the 2020/21 and the 2021/22 financial year.

for the duration of the Western Australian State and Public Health Emergency Declarations for COVID 19.

### 2. Planning

#### Priority 4: Kalamunda Leads

**Objective 4.1** - To provide leadership through transparent governance.

**Strategy 4.1.1** - Provide good governance.

### 3. Policy Statement

It is a reasonable community expectation, as the City deals with the effects of the pandemic that those with the capacity to pay rates will continue to do so. Accordingly, this Policy is focused on the provision of assistance to those ratepayers who are able to evidence financial hardship and the statutory provisions of the Local Government Act 1995 and Local Government (Financial Management) Regulations 1996 will apply.

### 4. Detail

#### 4.1 Payment difficulties, hardship and vulnerability

The City is offering rates assistance for those ratepayers who are still experiencing financial hardship as a result of COVID-19. For payment of rates, the City will not charge penalty interest and the administration fee that is usually charged for alternative payment arrangements. In addition, an extension for payment of the rates outside of the payment options will be provided for on the rate notice for eligible ratepayers.

## 4.2 Anticipated Financial Hardship due to COVID19

Covid-19 Financial hardship occurs when a ratepayer is genuinely struggling to pay their rates and charges owed and struggling to meet other financial obligations. Genuine financial hardship does not arise where it is inconvenient to pay the amount of rates owed or it is subject to the timing of income; for example, holiday pay, dividends, lump sum payments. Genuine financial hardship may occur in the following circumstances arising as a result of the COVID-19 pandemic crisis:

- a) Loss or significant reduction in family income due to job loss or business closure (or both).
- b) Serious illness resulting in incapacity to work.
- c) Any other factor that results in an unforeseen and substantial change in the ratepayer's capacity to meet their financial obligations.

## 4.3 Financial Hardship Criteria

While evidence of hardship will be required, we recognise 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:

- 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 an extended family

Ratepayers are encouraged to provide any information about their individual circumstances that will be relevant for assessment. This may include demonstrating a capacity to make some payment and where possible, entering into a payment proposal. The City will consider all circumstances, applying the principles of fairness, equity and confidentiality whilst complying with our statutory responsibilities.

## 4.4 Payment Arrangements

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

- a) The payment arrangement will establish a known end date that is realistic in achieving the discharge of the debt;
- b) The ratepayer will be responsible for informing the City of any change in circumstance that jeopardises the agreed payment schedule.

#### 4.5 Debt recovery

Debt recovery actions via the courts for 2021/2022 will remain suspended for outstanding debts. This is only for those ratepayers who adhere to the payment arrangements agreed to as part of the financial hardship rates assistance application approval.

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, as agreed to by Council.

#### 4.6 Review

The City 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.

#### 4.7 Communication and Confidentiality

The City will always maintain confidential communications and undertakes to communicate with a nominated support person or other third party at their request.

### 5. Community Consultation

The financial hardship rates assistance application form is available on the City's website. Furthermore, the back of the rates notices advises to contact the rates department if experiencing financial difficulties.

### 6. Governance

This Policy will be governed by the Council until such time as the COVID pandemic is resolved.

### 7. Measures of Success

The City aims to review and process financial hardship applications forms within two weeks. Ratepayer to be advise of the outcome as soon as practical.

### 8. Definitions

Nil.

Status	Council requirement		
Related Local Law	nil		
Related Council Policies	nil		
Relevant Delegation	CEO		
Related Internal Procedures	nil		
Related Budget Schedule	Municipal budget		
Legislation	<i>Local Government Act 1995</i> Local Government (Financial Management) Regulations 1996		
Notes and Conditions			
Authority			
Adopted	12 October 2021	Next Review Date	12 October 2023