
Policy Statement

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 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 Christmas Island 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 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.

We 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.

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 with 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:

¹ Adapted from the Ombudsman Western Australia publication, Local government collection of overdue rates for people in situations of vulnerability: Good Practice Guidance: <http://www.ombudsman.wa.gov.au/>

- 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 Christmas Island 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.

5 Interest Charges

A ratepayer that meets the Financial Hardship Criteria and enters into a Payment Plan to be discussed with the Shire for their outstanding debts and/or 2020/2021 rates and service charges. Under this Payment Plan, the applicant will receive a waiver of interest charges for the 2020/2021 financial year from the date of submission of the Financial Hardship Application Form 20/21. Future periods of interest waiver past the 20/21 year will be made on a case by case basis.

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 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

Debts associated with a Financial Hardship Application will be dealt with under this Policy instead of the Shire of Christmas Island FI Debt Recovery until as such a time the options for recovery and collaboration with the debtor are exhausted under this Policy.

We 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 and the Shire of Christmas Island FI5 Debt Recovery policy*.

8 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.

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 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.

A Financial Hardship Application document will be created to give a structured document for ratepayers to notify Council of their circumstances for consideration of options described in this policy.

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| Key Performance Indicators | The number of times a Financial Hardship Application form is requested by a rate payer |
| Keywords | COVID 19, Financial Hardship, Rates, Interest |
| Related Policies | Nil |
| Related Procedures/ Documents | FI5 – Debt Recovery |
| Delegation Level | CEO |
| First endorsed by Council | 26 th May 2020 |
| Resolution No. | 50/20 |
| Consultation | Nil required |
| Reviewed by Council | / |
| Resolution No. | / |
| Date Document Updated | / |
| Next Review Date | June 2021 |
| File Reference | / |
