

## **CCS358: RATES FINANCIAL HARDSHIP POLICY**

<b>Business Entity Name</b>	: City of Albany
<b>Attachments</b>	: Rates Financial Hardship Policy
<b>Report Prepared By</b>	: Manager Governance & Risk (S Jamieson)
<b>Responsible Officers:</b>	: Executive Director Corporate & Commercial Services (D Olde)

### **STRATEGIC IMPLICATIONS**

1. This item relates to the following elements of the City of Albany Strategic Community Plan or Corporate Business Plan informing plans or strategies:
  - **Theme:** Leadership.
  - **Objective:** To provide strong, accountable leadership supported by a skilled and professional workforce
  - **Community Priority:** Provide positive leadership that delivers community outcomes.

#### **In Brief:**

- Council is requested to consider the proposed revised Rates Financial Hardship Policy in response to the COVID-19 pandemic.

#### **COVID Impact:**

- Detailed in report.

### **RECOMMENDATION**

#### **CCS358: RESPONSIBLE OFFICER RECOMMENDATION**

**THAT the proposed REVISED Rates Financial Hardship Policy be ADOPTED.**

### **BACKGROUND**

2. On 26 May 2020, Council adopted the current Rates Financial Hardship Policy.
3. This policy is required to be reviewed prior to the 30 June 2021.

### **DISCUSSION**

4. The Local Government (COVID-19 Response) Amendment Order 2021 (the Order), comes into effect on 2 June 2021, providing ongoing assistance to WA ratepayers hardest hit by the COVID-19 pandemic for the 2021-22 financial year.
5. The Order extends requirements of the Local Government (COVID-19 Response) Order 2020 that deal with:
  - a. interest on money owing to local governments
  - b. options for payment of rates or service charges
  - c. accrual of interest on overdue rates or service charges.
6. The only significant change being, that the maximum interest rate that can be charged has been lowered from 8 percent to 7 percent.

### **GOVERNMENT & PUBLIC CONSULTATION**

7. Department of Local Government, Sport and Cultural Industries advised of the amendment order on 1 June 2021.

## STATUTORY IMPLICATIONS

8. *Local Government Act 1995* (the Act), section 6.49:

### **Section 6.49 Agreement as to payment of rates and service charges.**

A local government may accept payment of a rate or service charge due and payable by a person in accordance with an agreement made with the person.

## POLICY IMPLICATIONS

9. The proposed amended policy does not change the process required for applying and processing financial hardship applications from ratepayers, that existed in the current policy position.

## RISK IDENTIFICATION & MITIGATION

10. The risk identification and categorisation relies on the City's Enterprise Risk and Opportunity Management Framework.

Risk	Likelihood	Consequence	Risk Analysis	Mitigation
<b>Compliance.</b>  <b>Risk:</b> The current policy position expires on the 30 June 2021.	Likely	Moderate	High	Review and adopted the revised policy position by the 30 June 2021.
<b>Opportunity:</b> Continued consistency and understanding of rules for both ratepayers and staff for applications of rates financial hardship.				

## FINANCIAL IMPLICATIONS

11. When waiving late payment interest, the City will receive reduced income.
12. A reduction in the timely payment of rates as a result of ratepayers applying for hardship may result in a negative cash flow impact for the City.

## LEGAL IMPLICATIONS

13. None.

## ENVIRONMENTAL CONSIDERATIONS

14. Not applicable.

## ALTERNATE OPTIONS

15. If the proposed revised financial hardship policy is not adopted, City staff will continue to negotiate payment arrangements in accordance with an administrative endorsed policy position that compliments the Local Government (COVID-19 Response) Amendment Order 2021.

## CONCLUSION

16. Adoption of a revised policy for rates hardship will continue to provide clear direction to ratepayers and staff.

<b>Consulted References</b>	:	<ul style="list-style-type: none"> <li><a href="#"><u>Local Government (COVID-19 Response) Amendment Order 2021</u></a></li> <li><i>Local Government Act 1995</i></li> <li>Delegations Register</li> </ul>
<b>File Number (Name of Ward)</b>	:	RV.RPY.20
<b>Previous Reference</b>	:	OCM 26 May 2020 Resolution CCS247. OCM 24 March 2020 Resolution CCS237.