Policy F10 – Rates Financial Hardship

1. Policy Intention

To give effect to the Shire's commitment to support those in need in our community to meet financial challenges if they arise.

This policy is intended to ensure that we offer fair, equitable, consistent and dignified support to ratepayers suffering hardship, while treating all members of the community with respect and understanding during financial hardship.

2. Policy

This policy applies to ratepayers of the Shire experiencing financial hardship and is applicable to outstanding rates and charges as at the date of adoption of this policy and as subsequently levied.

The provisions of the *Local Government Act 1995* (***Act***), *Local Government (Financial Management) Regulations 1996* and *Rates and Charges (Rebates and Deferments) Act 1992* apply.

2.1. Payment difficulties, hardship and vulnerability

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 dependents. The Shire recognises that people in our community may be experiencing payment difficulties, financial hardship and vulnerability.

This policy is intended to apply to all ratepayers experiencing financial hardship.

2.2. 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; or
- sickness or recovery from sickness; or
- low income or loss of income; or
- unanticipated circumstances such as caring for and supporting extended family.

Ratepayers will be required to provide any information about their individual circumstances that may be relevant and support their assessment. This may include demonstrating a capacity to make some payment and where possible, entering into a payment arrangement. We will consider all circumstances, applying the principles of fairness, integrity and confidentiality whilst complying with our statutory responsibilities.

2.3. Payment Arrangements Considerations

Payment arrangements may be made in accordance with Section 6.49 of the Act and are to include an agreed payment frequency and amount. Rates financial hardship payment plan applications will be considered in the context of:

- that a ratepayer has made genuine effort to meet rate and service charge

obligations in the past; and

- the payment arrangement will establish a known end date that is realistic and achievable; and
- the ratepayer will be responsible for informing the Shire of any change in circumstance that jeopardises the agreed payment plan.

2.4. Interest Charges

A ratepayer that meets the Financial Hardship Criteria and enters into a payment arrangement may request a suspension or waiver of interest charges. Applications will be assessed on a case by case basis.

2.5. 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.

2.6. Debt Recovery

We will suspend our debt recovery processes whilst negotiating a suitable payment arrangement with the ratepayer.

Where a ratepayer is unable to make payments in accordance with the agreed payment plan and the ratepayer advises us and makes an alternative plan before defaulting on the 3rd due payment, then we will continue to suspend debt recovery processes.

Rates and service charge debts that remain outstanding on default of the agreed payment arrangement, will then be subject to the rates debt recovery procedures described in Policy F6 – Debt Collection and as prescribed in the Act.

2.7. Communication and Confidentially

The Shire will always maintain confidentiality about any financial hardship matter, and we undertake to communicate with a nominated support person or other third party at your request.

We recognise that applicants for hardship consideration are experiencing additional stressors and may have complex needs. We will ensure all communication with applicants is clear and respectful.

Policy Detail		
Responsible Directorate	Corporate Services	
Responsible Department	Finance	
Responsible Officer	Manager Finance	
Next Policy Review / Schedule	2027 (3-yearly)	
Council Adoption	**Date / Resolution**	19 December 2024 (OCM24/159)
Amendment Record	**Date / Resolution**	