

3.15 Financial Hardship Policy

Responsible Directorate	Corporate Services
Responsible Officer	Manager Corporate Services
File Number	

Objective

This Policy is intended to recognise there are unforeseen cases of genuine financial hardship where payment of outstanding rates would cause the ratepayer further distress. The policy outlines the scope and criteria for determining applications for rating relief.

Policy

This policy applies to residential and small business owner ratepayers. However, the Shire encourages any ratepayer experiencing payment difficulty to make contact with the Shire.

Definitions

<i>Financial Hardship</i>	<p>When a Ratepayer is willing but unable to pay their rates because of unforeseen and unexpected events that impacts substantially upon short term cash flow, for example:</p> <ul style="list-style-type: none"> • Changes in employment status (such as losing a job or having hours significantly reduced). • Significant life events such as serious illness, a relationship breakdown or death in the family. • Significant loss of revenue. • Emergency event or natural disaster.
<i>State Concessions</i>	Meeting eligibility criteria for approved Pensioner or State Concession Card, Commonwealth Seniors Health Card with a WA Seniors Card.
<i>Payment Arrangement</i>	A payment plan is an agreement between the Shire and the rate payer, to receive a certain amount of money in regular instalments over an agreed timeframe.
<i>Payment Options</i>	Centrepay, internet, direct debit, telephone, mail or POST Bill pay.

<i>Fees and Charges</i>	Includes waste collection fees, security service charge and emergency services levy
<i>Penalty Interest</i>	An amount of interest charged by the Shire in accordance with the annual budget for overdue payment of rates, fees and charges. The Shire on behalf of the State, collects and charges interest on any overdue Emergency Services Levy Amounts.
<i>Approving Officer</i>	Means any person to whom power has been authorised to determine applications in accordance with Council's approved policy guidelines.
<i>Residential Ratepayer</i>	The category of ratepayer which is not classified as non-residential or unimproved land.
<i>Small Business Ratepayer</i>	<p>A small business which:</p> <ul style="list-style-type: none"> • Employs less than 20 people <p>*Australian Bureau of Statistics (ABS) definition of small business.</p> <p>Where the owner draws a wage from the business they are considered an employee and are included in the employee count above.</p> <ul style="list-style-type: none"> • Owns and operates their business from premises within the Shire (being both ratepayer and business owner). This includes home-based businesses.

Qualifying Criteria

Subject to qualifying criteria, eligible residential and small business ratepayers in Financial Hardship will be provided assistance where:

- a) In the opinion of the Chief Executive Officer, upon recommendation by the Approving Officer, the ratepayer is experiencing genuine financial hardship;
- b) The ratepayer's circumstances can be substantiated if requested;
- c) The ratepayer is not bankrupt or subject to a bankruptcy petition;
- d) No revenue is being derived from the residential property;
- e) The non-residential property is the principal place of business of the ratepayer;
- f) The applicant must be the owner or co-owner of the property and liable for payment of rates and charges.

Assistance

When ratepayers are determined to be in Financial Hardship the Shire will:

- a) Cease any penalty interest; **excluding the late payment interest applicable to the Emergency Services Levy*
- b) Temporarily pause payment of your rates, fees and charges;
- c) Establish an alternative payment arrangement plan.

The maximum time for a concession on future interest charges is two years.

The maximum time for a pause on payment is 6 months.

Supporting Documentation

Third party documentation may be requested to assist in determining applications for Financial Hardship.

Ratepayer Obligations

Ratepayers are obliged to inform the Shire of any changes in their circumstances that would no longer warrant consideration of Financial Hardship.

Residential ratepayers are encouraged to make application for State concessions which may provide them with further financial benefit.

Small business ratepayers are encouraged to make application for Federal and State Government funding which may provide them with further financial benefits.

Ratepayers are required to use available Payment Options.

Duration

A temporary suspension from the payment of rates and subsequent establishment of alternative payment arrangements, shall aim to clear overdue rates, fees and charges, and restore regularity of payments within 2 years.

It is acknowledged that experiencing unfortunate events may not be a one-off lifetime event and that some ratepayers may need to make application for Financial Hardship more than once.

Debt recovery

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, the Shire will continue to suspend debt recovery processes.

Where a ratepayer has not reasonably adhered to the agreed payment plan, one further opportunity of adhering to a payment plan that will clear the total debt within the allowed timeframe is possible.

Review position and date

This policy will apply for rates levied from 1 July 2019 onwards.

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.

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 requesting financial 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.

References			
Related Procedures			
Date Adopted by Council	28 May 2021	Item No	10.2.5 Review of Council Policies – Corporate Services
Review/Amendment Date		Item No	
Next Review			