

Financial Hardship – Collection of Rates and Service Charges Policy



November 2022

This policy was adopted by Council to set governing principles in place that align with the Strategic Community Plan 2040: Focus Area Performance: Outcome PF.2: Community and customer focus.

Objectives

To give effect to the Shire's commitment to support its ratepayers during challenging times that result in financial hardship.

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

Application

This policy applies to outstanding rates and service charges levied by the Shire.

It is a reasonable community expectation that those with the capacity to pay rates will continue to do so. For this reason, the Policy is not intended to provide rate relief to ratepayers who are not able to evidence financial hardship and the statutory provisions of the *Local Government Act 1995* (the Act) and *Local Government (Financial Management) Regulations 1996* will apply.

Definitions

Genuine financial hardship is defined as a ratepayer's difficulty to pay its rates and service charges as they fall due as a result of one of the following factors:

- Low income or loss of income
- Sickness or recovery from sickness
- Unanticipated circumstances such as caring for and supporting extended family suffering poor health or hardship
- Business failure
- Other factors considered relevant by the Chief Executive Officer

where the ratepayer will be responsible for providing evidence of such hardship in support of an application for financial hardship relief.

Ratepayer includes any individual, company, community organisation or other entity responsible for the payment of Council rates. Businesses that are not property owners may be eligible for classification as 'ratepayers' subject to the provision of documentation demonstrating that they have a legal obligation to pay the rates on the property they occupy.

Policy

Ratepayers may apply for relief provisions on the bases of genuine financial hardship, with the Shire making a determination on the basis of the evidence provided in support of an application.

Where a ratepayer has applied for and been determined to be facing genuine financial hardship, the following relief provisions may be made available:

1. 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:

- 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 any change in circumstance that jeopardises the agreed payment schedule.

2. Interest Charges

A ratepayer experiencing genuine financial hardship who enters into a payment arrangement with the Shire will be entitled to a suspension or waiver of interest and charges, including penalty interest, instalment interest and instalment charges, while the payment arrangement terms are satisfied. Applications will be assessed on a case by case basis.

3. Waiver of additional charges and interest

In the case of severe financial hardship, the Shire reserve the right to consider waiving any additional charges or interest (excluding the late payment interest applicable to the Emergency Services Levy).

4. Debt recovery

We will suspend our debt recovery processes whilst a suitable payment arrangement is in place and being satisfied. In the event of payment default debt recovery processes will be reinstated.

Rates and service charges that are outstanding at the end of the financial year and where the ratepayer has not entered into a payment arrangement, will be subject to the rates debt recovery procedures prescribed in the Act.

Review

The Shire has established a procedure for review of decisions made under this policy. This procedure will advise the applicant of their right to seek review of their application for relief under this policy, and the process to be followed. The procedure will identify the Officers authorised by the CEO to undertake the review.

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.

Where appropriate, and if requested, the Shire will provide contact information for a recognised financial counsellor and/or other relevant support services.

Document and version control table			
Responsible Directorate	Corporate and Community Services		
Contact officer	Manager Corporate Performance		
Adopted/approved by	Council		
Date of adoption/approval	9 November 2022	Decision ref:	OM2022/199
Date of next review	2026		
Version	Date	Decision Ref	Brief description
1.0	12 August 2020		Initial issue
2.0	25 August 2021		Revised – generalisation of policy
3.0	9 November 2022	OM2022/199	Review