



F7 Financial Hardship

Policy Objective

To give effect to our commitment to support individuals for personal circumstances or the whole community to meet the unprecedented challenges arising from declared states of emergency and disaster, the Shire of Ravensthorpe recognises that these challenges may result in financial hardship for our ratepayers.

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 a difficult time.

Policy

The Shire of Ravensthorpe recognises that individual financial circumstances differ across the community and that, as a government organisation, it has a fiscal responsibility to meet the community's service expectations with regard to flexible options for the payment of rates and charges that it establishes.

This policy seeks to guide Council in determining alternative payment options outside of the Annual Budget process. There remains a reasonable community expectation that those with the capacity to pay rates will continue to do so, so therefore 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* and Local Government (Financial Management) Regulations 1996 will still apply.

F7.1 Payment Difficulties, Hardship and Vulnerability

Payment difficulties, or financial hardship, occur where a change in a person's circumstances result in an inability to pay a rates or service charge debt in the short term.

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.

F7.2 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;
- Sickness or recovery from sickness;
- Low income or loss of income; or
- Unanticipated circumstances such as caring for and supporting extended family.

Ratepayers are encouraged to provide sufficient 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.

F7.3 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.

F7.4 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.

F7 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 on the 3rd due payment, then we will continue to suspend debt recovery processes.

F7.6 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.

F7.7 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.

F7.8 Financial Hardship due to COVID-19 (State of Emergency)

We recognise that some ratepayers may already be experiencing financial hardship due to COVID-19. We respect and anticipate the probability that additional financial difficulties may arise when their rates are received.

We will notify ratepayers at the time their account falls into arrears, to advise them of the options under this policy and encourage eligible ratepayers to apply for hardship consideration. Where possible and appropriate, we will also provide contact information for a recognised financial counsellor and/or other relevant support services.



VERSION 15.1

A ratepayer that meets the financial hardship criteria will not attract interest or penalty charges on rates / service charge debt in 2020/21, subject to the period of time that the Local Government (COVID-19 Response) Ministerial Order 2020 remains effective (SL 2020/67 – Gazetted 8 May 2020).

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.

Rates and service charge debts that remain outstanding at the end of the 2020/21 financial year, will then be subject to the rates debt recovery procedures prescribed in the *Local Government Act 1995*.

DOCUMENT CONTROL BOX		
Custodian: Executive Manager Corporate Services		Decision Maker: Council
Compliance Requirements:		
Delegated Authority: DA 1.2.17 – Agreement as to payment of rates and service charges.		
Legislation: Local Government Act 1995 Local Government (Financial Management) Regulations 1996 Local Government Amendment (COVID-19 Response) Act 2020		
Industry:	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/	
Organisational:		
Document Management:		
Risk Rating: Low	Review Frequency: 2 Years	Next Due:
Version #	Decision Reference:	Description:
a	OCM 19/07/2022 Item 12.1.2	Comprehensive Policy Register Review
b	OCM 21/11/2023 Item 12.1.1	Comprehensive Policy Register Review
c	OCM 17/12/2024 Item 12.1.2	Policy Reconfirmed – No Amendments