



F1.10 FINANCIAL HARDSHIP – RATES AND CHARGES

Policy Objective

The purpose of this policy is to allow flexibility for payment of overdue Rates and Service Charges for ratepayers in severe financial hardship.

This policy is intended to ensure that all ratepayers suffering hardship are offered fair, equitable, consistent and dignified support.

Policy Scope

This policy applies to all ratepayers experiencing genuine severe financial hardship.

Policy Statement

Introduction

The Shire of York recognises that there are cases of genuine severe financial hardship, where ratepayers will experience difficulty in paying rates and service charges as they fall due.

It is not the Shire's intention to cause hardship to any ratepayer through the Shire's recovery process and consideration will be given to acceptable arrangements to clear any debt within an acceptable time frame. Consideration may also be given to reduce the impact of penalty interest on a ratepayer's ability to pay their debt.

The level of relief applicants may receive will be based on the evidence of genuine financial hardship, such as trauma/tragedy, level of income, reliance on social security, illness/disability, business failure or other factors considered relevant by the Chief Executive Officer (CEO).

Principles

- (a) Relief is provided to ratepayers experiencing genuine severe financial hardship.
- (b) Applicants are treated with respect, dignity and confidentiality.
- (c) The process is clear, equitable, consistent and transparent.

Provisions

Payment Difficulties, Hardship and Vulnerabilities

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 dependants.

Vulnerability can arise from the combination of individual characteristics, circumstances and the actions (or inaction) of institutions. There are a number of risk factors that increase the

potential for people to find themselves in a situation of vulnerability. The Shire will use the Ombudsman Western Australia's four principles of good practice (Good Culture, Good Decisions, Good Support and Good Service) when considering the collection of overdue rates of people in situations of vulnerability. Any information provided to the Shire will be treated confidentially and respectfully with the aim of achieving positive outcomes.

Financial Hardship Criteria

While evidence of hardship will be required, the Shire recognises that not all circumstances are alike. A flexible approach is to be applied 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
- Unanticipated circumstances such as caring for and supporting extended family

Ratepayers seeking relief under this policy, must provide evidence from a qualified financial body (financial counsellor, accountant or bank). Ratepayers are encouraged to provide any 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.

Any requests for relief outside the scope of this policy are to be referred to Council for their consideration.

The Shire will consider all circumstances, applying the principles of fairness, integrity and confidentiality whilst complying with statutory responsibilities.

Relief Options

Payment Agreements

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.

Interest Charges

A ratepayer that meets the Financial Hardship Criteria and enters into a payment arrangement may request a suspension and/or write off of interest charges (excluding the late payment interest applicable to the Emergency Services Levy) up to a maximum of \$400.

Applications will be assessed on a case by case basis.

Debt Recovery

The Shire will suspend any debt recovery process that has commenced, whilst negotiating a suitable payment arrangement with a ratepayer, provided the ratepayer is making regular payments towards the debt and is maintaining reasonable communication with Shire officers.

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

Where a ratepayer has not reasonably adhered to the agreed payment plan, any rates and charges that remain outstanding will then be subject to the rates debt recovery procedures prescribed in the *Local Government Act 1995*, as outlined in Shire of York policy F1.1 Revenue Collection. If interest had been held, this will also begin to accrue.

Applications

Applications for Financial Hardship Assistance must be made using the Financial Hardship (Rate Relief) Application Form.

Applications must include an original copy of an extreme hardship letter from a financial body.

Upon receipt, the ratepayer's application will be assessed by the Chief Executive Officer and the ratepayer will be notified of the decision in due course.

Key Terms/Definitions

Not Applicable

Policy Administration

Responsible Directorate/Division:	Corporate and Community Services
Author/Contact Officer Position:	Finance Officer (Rates and Sundry Debtors)
Relevant Delegation:	<i>DE3-12 Suspension and/or Write-off of Interest relating to Rates and Service Charges</i>
Relevant Legislation:	<i>Local Government Act 1995 Division 6 – Rates and Service Charges Subdivision 4 — Payment of rates and service charges</i>
Relevant Documents:	<i>Ombudsman Western Australia - Local Government collection of overdue Rates for People in situations of vulnerability: Good Practice Guidelines. Policy F1.1 Revenue Collection</i>
Date Adopted:	21 April 2020
Reviews/Amendments:	