

4.4 FINANCIAL HARDSHIP

COUNCIL MEETING HELD: 25 MAY 2023

DATE TO BE REVIEWED: MAY 2025

Introduction

This Policy ensures that the Shire offers fair, equitable, consistent and dignified support to ratepayers suffering genuine financial hardship, while treating all members of the community with respect and understanding.

Objective

To provide guidance to Shire Officers and Members regarding rate relief to ratepayers who are able to evidence financial hardship.

Scope

This policy applies to all ratepayers experiencing financial hardship regardless of their status, be they a property owner, tenant, business owner etc

Policy Statement

Council delegates to the CEO the exercise of its power or the discharge of any of its duties in relation to *Local Government Act 1995, Part 6, Division 6, section 6.49* Agreement as to payment of rates and services charges which states a local government may accept payment of a rate or service charge due and payable by a person in accordance with an agreement made with the person.

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, fees and service charges debt.

Financial hardship occurs where a person is unable to pay rates, fees and service charges without affecting their ability to meet their basic living needs, or the basic living needs of their dependants.

2. Financial Hardship Criteria

While evidence of hardship is required, the Shire recognises that not all circumstances are alike. The Shire has 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;
- Unanticipated circumstances such as caring for and supporting extended family.

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 arrangement.

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

3. Payment Arrangements

Payment arrangements are facilitated in accordance with *Section 6.49 of the Act*. Such arrangements are of an agreed frequency and amount, considering 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 Sandstone of any change in circumstance that jeopardises the agreed payment schedule.

4. Deferral of Rates

Deferral 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.

5. Debt recovery

The Shire will suspend its 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 the Shire and makes an alternative plan before defaulting on the 3rd due payment, 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 Debt Collection policy*. If interest had been held, this will also begin to accrue.

6. Review

Corporate Services establishes a mechanism for review of decisions made under this policy and advises the applicant of their right to seek review and the procedure to be followed.

7. Communication and Confidentiality

The Shire maintains confidential communications and undertakes to communicate with a nominated support person or other third party when requested.

The Shire must ensure that all Workers sign a confidentiality agreement and abide by the Code of Conduct.

The Shire advises Shire debtors of this policy and its application, when communicating in any format (i.e. verbal or written) with a debtor that has an outstanding rates, fees or service charge debt.

The Shire recognises that applicants for hardship consideration are experiencing additional stressors and may have complex needs. The Shire will provide additional time to respond to communication and will communicate in alternative formats where appropriate. The Shire ensures all communication with applicants is clear and respectful.