

**2/005 Financial Hardship Policy****Objective**

The objective of this policy is 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.

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

**Content****Qualifying Criteria**

Subject to qualifying criteria, eligible residential and small business ratepayers experiencing 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 Town 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 Town 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 Town 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**

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.

### 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"> <li>• Changes in employment status (such as losing a job or having hours significantly reduced).</li> <li>• Significant life events such as serious illness, a relationship breakdown or death in the family.</li> <li>• Significant loss of revenue.</li> <li>• Emergency event or natural disaster.</li> </ul>
<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 (Also known as a Direct debit agreement) is an agreement between the Town and the rate payer, to receive a certain amount of money in regular instalments over an agreed timeframe.
<i>Payment Options</i>	Centrepay, BPAY, BPoint, direct debit, telephone, mail or POST Bill pay.

*Relevant Legislation*

*Local Government Act 1995*

Part 6, Division 4, Clause 6.13 – Interest on money owing to governments

Part 6, Division 6, Subdivision 4, Clause 6.45 – Options for payment of rates and service charges

Part 6, Division 6, Subdivision 4, Clause 6.51 – Accrual of interest on overdue rates or service charges

Part 6, Division 6, Subdivision 5, Clause 6.56 – Rates or service charges recoverable in court

Part 6, Division 6, Subdivision 5, Clause 6.60 – Local government may require lessee to pay rent

Part 6, Division 6, Subdivision 6, Clause 6.64 – Action to be taken

*Rates and Charges (Rebates and Deferments) Act 1992*

*Debt Collectors Licencing Act 1964*

Delegated Authority	Chief Executive Officer
Business Unit	Financial Services
Directorate	Corporate Services

Governance to complete this section			
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