
FP014 – Financial Hardship

1. Intention

To give effect to our commitment to support members of the community who may be experiencing financial pressures, the Shire of Waroona recognises that certain financial challenges may result in financial hardship for ratepayers.

2. Scope

This policy applies to:

1. Outstanding rates and service charges as at the date of adoption of this policy.

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

3. Statement

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 at this difficult time.

3.1 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 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. The Shire of Waroona recognises that these financial pressures may increase the occurrence of payment difficulties, financial hardship and vulnerability in our community. This policy is intended to apply to all ratepayers experiencing financial hardship regardless of their status, be they a property owner, tenant, business owner etc.

3.2 Financial Hardship

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

3.3 Financial Hardship Criteria

While evidence of hardship will be required, we recognise that not all circumstances are alike. The Shire 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; and
- 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 proposal. The Shire will consider all circumstances, applying the principles of fairness, integrity and confidentiality whilst complying with statutory responsibilities.

3.4 Payment Arrangements

Payment arrangements facilitated in accordance with section 6.49 of the *Local Government Act 1995* 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; and
- The payment arrangement will establish a known end date that is realistic and achievable; and
- The ratepayer will be responsible for informing the Shire of Waroona of any change in circumstance that jeopardises the agreed payment schedule.

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

3.5 Interest Charges

A ratepayer that meets the Financial Hardship Criteria and enters into a payment arrangement may request a suspension or waiver of interest charges. Applications will be assessed on a case by case basis.

3.6 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; and
- 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; and
- 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.

3.7 Debt Recovery

The Shire 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 the Shire and makes an alternative plan before defaulting on the third due payment, the Shire will continue to suspend debt recovery processes.

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, the Shire will offer the ratepayer one further opportunity of adhering to a payment plan that will clear the total debt by the end of that financial year. Rates and service charge debts that remain outstanding at the end of that financial year, will then be subject to the rates debt recovery procedures prescribed in the *Local Government Act 1995*.

3.8 Review of Decisions

The Shire 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.

3.9 Communication and Confidentiality

The Shire will maintain confidential communications at all times and undertake to communicate with a nominated support person or other third party upon request.

The Shire 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.

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 will ensure all communication with applicants is clear and respectful.

4. Legislative and Strategic Context

The *Local Government Act 1995* and the associated subsidiary legislation provide the broad framework within which this policy operates.

5. Review

This policy is to be reviewed as required.

6. Associated Documents

Nil.

Division	Finance				
Policy Number	FP014				
Contact Officer	Chief Executive Officer				
Related Legislation	Local Government Act 1995 Local Government (Financial Management) Regulations 1996				
Related Shire Documents	Nil				
Risk Rating	Low	Review Frequency	As required	Next Review	When required
Date Adopted	28/04/2020				OCM20/04/059

Amendments		
Date	Details of Amendment	Reference
22/06/2021	Updated as part of major review and reformatted.	OCM21/06/071

22/08/2023	Reviewed with minor amendments	OCM23/08/101
Previous Policies		
FIN036 – Financial Hardship		