

## POL 0025: Financial Hardship

### Purpose

To give effect to our commitment to support the whole community to meet the unprecedented challenges arising from financial hardship.

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 financial difficulties.

### Scope

This policy applies to -

1. Outstanding rates and service charges as at the date of adoption of this policy; and
2. Rates and service charges levied for the financial year.

It is a reasonable community expectation, as we deal with the effects of financial hardship that those with the capacity to pay rates will continue to do so. For this reason, 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 apply.

### Definitions

N/A

### Practice

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. 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.

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 -

- a. Recent unemployment or under-employment
- b. Sickness or recovery from sickness
- c. Low income or loss of income

- d. 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. We will consider all circumstances, applying the principles of fairness, integrity and confidentiality whilst complying our statutory responsibilities.

### 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 -

- a. That a ratepayer has made genuine effort to meet rate and service charge obligations in the past;
- b. The payment arrangement will establish a known end date that is realistic and achievable;
- c. The ratepayer will be responsible for informing the Shire of Esperance 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).

### 4. 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.

### 5. 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 -

- a. Remains as a debt on the property until paid;
- b. 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;
- c. 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
- d. Does not incur penalty interest charges.

### 6. 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 third due payment, then we 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, we will offer the ratepayer one further opportunity of adhering to a payment plan that will clear the total debt by the end of the financial year.

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

**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.

**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.

.....End.....

**Document Information**

Responsible Position	Director Corporate and Community Services
Risk Rating	Low

**Referencing Documents**

- *Local Government Act 1995*

**Revision History**

Date	Version	CM Reference	Reason for Change	Resolution #	Next Review
Apr 2020	1	D20/10271	New policy	O0420-114	Apr 2022
Feb 2022	2	D20/10271[v2]	Update responsible officer title and dates throughout	O0222-033	Feb 2024
Dec 2023	3	D20/10271[v3]	Amend title and remove references to COVID. Amend 'payment proposal' to 'payment arrangement' in section 2.	O1223-203	Dec 2025