



1.3.11 FINANCIAL HARDSHIP POLICY

Finance

Title:	1.3.11 FINANCIAL HARDSHIP POLICY
Adopted:	15 April 2020
Reviewed:	N/A (new Policy)
Associated Legislation:	Local Government Act 1995
Associated Documentation:	1.3.9 Debt Collection Policy
Review Responsibility:	Finance and Administration Manager
Delegation:	Chief Executive Officer

NOTE: This policy is based on the WALGA Model Purchasing Policy Template with some modifications

Previous Policy Number/s N/A

Objectives:

- To give effect to the Shire's commitment to support the whole community to meet the unprecedented challenges arising from declared State of Emergencies, the Shire of Mingenew recognises that these challenges may result in financial hardship for ratepayers or debtors of the Shire.
- This Policy is intended to ensure that the Shire offers fair, equitable, consistent and dignified support to ratepayers or debtors suffering hardship, while treating all members of the community with respect and understanding at these difficult times.

Scope:

This policy applies to:

1. Outstanding rates, debtors and service charges as at the date of adoption of this policy; and
2. Rates and service charges levied during any period where a declared State of Emergency is in force.

It is a reasonable community expectation, as the Shire deals with the effects of any declared State of Emergency, that those with the capacity to pay rates will continue to do so. For this reason, the Policy is not intended to provide relief to ratepayers or debtors 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.

Policy Statement:

1 Payment difficulties, hardship and vulnerability

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 Mingenew recognises the likelihood that a declared State of Emergency will increase the occurrence of payment difficulties, financial hardship and vulnerability in our community. This policy is intended to apply to all ratepayers or debtors experiencing financial hardship.

2 Financial Hardship Criteria

While evidence of hardship is required, the Shire recognises that not all circumstances are alike, and 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
- Loss of primary source of income
- Unanticipated circumstances such as caring for and supporting extended family

Ratepayers or debtors are encouraged to provide as much information as possible to support their individual circumstances, which will be taken into consideration during the assessment process. Preference will be for ratepayers or debtors to enter into a reasonable payment proposal. The Shire will consider all circumstances, applying the principles of fairness, integrity and confidentiality whilst complying statutory responsibilities.

3 Payment Arrangements

Payment arrangements facilitated in accordance with Clause 2 of this Policy, and Section 6.49 of the Act are of an agreed frequency and amount. These arrangements will consider the following:

- That a ratepayer or debtor 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 or debtor will be responsible for informing the Shire of Mingenew of any change in circumstance that jeopardises the agreed payment schedule.

In the case of severe financial hardship, the Shire reserves 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 or debtor 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:

- 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.

6 Debt recovery

Debt recovery processes may be suspended whilst negotiating a suitable payment arrangement with a ratepayer or debtor. Where a ratepayer or 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, then the Shire will continue to suspend debt recovery processes.

Where a ratepayer or debtor has not reasonably adhered to an agreed payment plan, then for any Rates, debtors and Service Charges that remain outstanding on 1 July of any financial year, the Shire may 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, debtors and service charges that remain outstanding at the end of the said financial year, may be subject to the rates debt recovery procedures prescribed in the Local Government Act 1995, and Council Policy 1.3.9.

7 Review

The Shire will advise ratepayers or debtors of all decisions made under this policy and advise them of their right to seek a review by the full Council.

8 Communication and Confidentiality

The Shire will maintain confidential communications at all times and undertakes to communicate with a nominated support person or other third party at the ratepayer's or debtor's request.

The Shire recognises that applicants during the times of a declared State of Emergency are experiencing additional stressors, and may have complex needs, and will provide additional time to respond to communication and will communicate in alternative formats where appropriate. All communication with applicants is to be clear and respectful.

9 Conflict of Interest

Where the ratepayer or debtor has a close relationship with any staff member, or Councillor, that staff member or Council must remove themselves from any decision-making process.