1.3.11 FINANCIAL HARDSHIP POLICY
Finance 1.3.11

Title:	1.3.11 FINANCIAL HARDSHIP POLICY
Adopted:	15 April 2020
Reviewed:	Annually (last reviewed 20 August 2025)
Associated Legislation:	Local Government Act 1995
Associated Documentation:	1.3.9 Debt Recovery Policy
Review Responsibility:	Manager Corporate Services
Delegation:	Chief Executive Officer

Previous Policy Number/s N/A

Objectives:

To give effect to the Shire's commitment to support those in need in our community to meet financial challenges if they arise, 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 all ratepayers and residents of the Shire of Mingenew, experiencing financial hardship and is applicable to outstanding rates, debtors and service charges.

It is a reasonable community expectation 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 (Act) and Local Government (Financial Management) Regulations 1996 will apply.

Policy Statement:

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, debtor or service charge debt.

Financial hardship occurs where a person is unable to pay a debt without affecting their ability to meet their basic living needs, or the basic living needs of their dependants. The Shire of Mingenew recognises that people in our community may be experiencing payment difficulties, financial hardship and vulnerability. This policy is intended to apply to all ratepayers or debtors experiencing financial hardship.

2. Anticipated Financial Hardship

The Shire recognise that some ratepayers or debtors may experience financial hardship and respect the probability that additional financial difficulties will arise when rates notices are received.

At the time the debt falls into arrears, communication to the ratepayer or debtor to advise the terms of this policy and encourage, subject to eligibility, application for hardship consideration. Where possible

and appropriate, provide contact information for a recognised financial counsellor and/or other relevant support services.

3. 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 information to support their individual circumstances, which will be taken into consideration during the assessment process. This may include demonstrating a capacity to make some payment and where possible, enter into a payment arrangement. The Shire will consider all circumstances, applying the principles of fairness, integrity and confidentiality whilst complying to statutory responsibilities.

4. Payment Arrangements

Payment arrangements may be made in accordance with Section 6.49 of the Act are to include an agreed payment frequency and amount. Applications will be considered in context of:

- 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).

5. 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 (excluding interest charges applicable to the Emergency Service Levy). Applications will be assessed on a case by case basis.

6. Pension / Concession / Seniors Cardholders

Persons who hold a Pension Card, State Concession Card, or Commonwealth Seniors Health Care Card may be eligible to claim a Rate Rebate, Emergency Services Levy Rebate or Deferment of Rates.

Ratepayers who hold Pension Card, State Concession Card, Seniors Card or Commonwealth Seniors Health Care Card and who are experiencing financial hardship may also apply for consideration under this policy.

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.

7. 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 ratepayer or 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 the current financial year, the Shire may offer the ratepayer or debtor 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 that next financial year, may be subject to the rates debt recovery procedures prescribed in the Local Government Act 1995, and Council Policy 1.3.9.

8. Review

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

9. Communication and Confidentiality

The Shire will maintain confidentiality about any financial hardship matter and undertake to communicate with a nominated support person or other third party at the ratepayer's or debtor's request.

The Shire will advise ratepayers or debtors of this policy and its application, when communicating in any format (i.e. verbal or written), that has an outstanding rates or service charge debt.

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