

## Council Policy – Financial Hardship

<b>Responsible Directorate</b>	Corporate Services
<b>Responsible Business Unit/s</b>	Finance
<b>Responsible Officer</b>	Manager Finance
<b>Affected Business Units</b>	Rates Finance

### Objective

Council acknowledges that due to exceptional circumstances ratepayers may, at times, encounter difficulty in paying rates and service charges as they fall due.

Whilst acknowledging all landowners should make an equitable contribution toward funding the cost of the provision of the essential services provided by the Shire of Serpentine Jarrahdale (the Shire), it is not the intention of Council to cause hardship to any ratepayer through the Council's debt recovery procedures and consideration will be given to acceptable arrangements to clear any debt.

The objective of this Policy is to have a consistent, collaborative and supportive approach to recovery and collection of debts including rates and charges whilst recognising the need to ensure that all payments due are collected, in order to deliver Shire of Serpentine Jarrahdale services.

### Scope

Collection of all rates, service charges and other fees or charges made under Part 6 – Division 5 & 6 of the *Local Government Act 1995*, the *Waste Avoidance and Resource Recovery Act 2007* Part 6 and the *Emergency Services Act 1998* Part 6A.

### Policy

#### Introduction

##### Payment difficulties and hardship

A person in a situation of vulnerability may have, as a result of their circumstances, be experiencing a financial shock, leading to difficulties in paying rates by the due date.

This can take the form of 'payment difficulties' or 'financial hardship'.

Payment Difficulties can be defined as:

- a state of immediate financial disadvantage that results in a debtor being unable to pay an outstanding amount by reason of a change in personal circumstances.

Financial Hardship can be defined as:

- a state of more than immediate financial disadvantage which results in a debtor being unable to pay an outstanding amount without affecting the ability to meet the basic living needs of the debtor or a dependant.

Payment difficulties therefore reflect short-term financial constraints while financial hardship may reflect financial constraints with longer term or broader implications. It is important to note that in both cases, there is willingness to pay, but an inability to do so.

This Policy is not designed to inform the collection of rates from people who are able, but unwilling, to pay their rates in accordance with their obligations under the *Local Government Act 1995*.

Any debtor payment due to the Shire of Serpentine Jarrahdale that has not been received by the due date or receipt of a substantiated claim of financial hardship under this policy, shall be recovered in accordance with Council Policy – Rates Collection and General Debtors and any relevant legislation.

The Shire recognises that Landowners may from time to time experience Payment Difficulties or Financial Hardship.

Should a landowner be assessed by an independent Financial Counsellor to be experiencing either situation and meet the following criteria the Shire will enter into a payment plan that will not see the debt clear by the end of the financial year.

Any such payment plan is to be re-assessed after each 3 month period for up to one year.

If the financial hardship criteria is not met or at the expiration of one year, officers refer to Council Policy – Rates Collection and General Debtors and any relevant legislation in determining an appropriate payment arrangement.

### **Financial Hardship Criteria**

While evidence of hardship will be required, the Shire recognises that not all circumstances are alike.

The applicant is required to complete the Shire's Financial Hardship Application Form and include an original copy of a recent hardship letter from a Financial Counsellor.

These completed documents need to be submitted either by attending the Shire's Administration Building in person or via electronic means - email.

### **Eligible Criteria**

- The ratepayer has no outstanding rates or service charges from the previous rating period.
- The property being claimed will only qualify for Hardship provisions if it is the principal place of residence or business at time of application.
- A current, original hardship letter from a Financial Counsellor supporting the applicant's circumstances.
- Financial Counsellor letter must include suitable payment plan and state they have sighted and evaluated the applicant's proven income and expenditure.
- The applicant is not bankrupt or subject to a bankruptcy petition.
- The application must be from all owners or co-owners of the property who are liable for payment of rates and charges – or as per the Certificate of Title.

## Payment Arrangements

Payment arrangements facilitated in accordance with Section 6.49 of the Act are to be of an agreed frequency and amount. These arrangements will consider the following:

- Whether a ratepayer has made a genuine effort to meet rate and service charge obligations in the past; and
- If the payment arrangement made under this policy will endeavour to clear the debt prior to the end of the current financial year; and
- That the ratepayer will be responsible for informing the Shire of any change in circumstance that jeopardises the agreed payment schedule.

Where the ratepayer has defaulted three times or more from the Council approved payment arrangement, Officers may proceed with legal action and not agree to enter into another payment arrangement.

## Communication and Confidentiality

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

The Shire recognises that applicants for hardship consideration are experiencing additional stressors and may have complex needs. The Shire will respond to communication and will communicate in alternative formats where appropriate. The Shire will ensure all communication with applicants is clear and respectful.

Elected Members and/or Shire Employees will not tolerate any offensive language or threatening behaviour, as per Council Policy – Habitual or Vexatious Complainants.

## Definitions

**Financial Counsellor** is identified as any agency that provides free and independent financial counselling and advocacy services to people in financial difficulty.

**Financial Hardship** means where a change in a person's circumstances results in them being 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.

**Ratepayer** means a person or entity that is responsible for the payment of rates to the Shire of Serpentine Jarrahdale.

**Service Charges** means charges that appear on the annual rate notice. (Waste Services, ESL, Pool Inspection fee).

## Related Documents

- Council Policy – Rates Collection and General Debtors
- Register of Delegations and Authorisations

## Legislation / Local Law Requirements

- *Local Government Act 1995*
- *Local Government (Financial Management) Regulations 1996*

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

### Amendment Record

		Date	Resolution Number
<b>Council Adoption</b>		<b>27/07/2020</b>	<b>SCM241/07/20</b>
Version	Date	Resolution Number	Amendment Details
2	17 March 2025	OCM068/03/25	New template and minor formatting changes.