

CP35 - Financial Hardship

Policy Objective

To ensure the City offers fair, equitable, consistent and dignified support to ratepayers experiencing hardship, while treating all members of the community with respect and understanding during financial hardship.

Policy Detail

1. This policy applies to all ratepayers of the City experiencing financial hardship and is applicable to outstanding rates and service charges as at the date of adoption of this policy and as subsequently levied.
2. The provisions of the *Local Government Act 1995 (WA)*, *Local Government (Financial Management) Regulations 1996 (WA)* and *Rates and Charges (Rebates and Deferments) Act 1992 (WA)* apply.

3. Payment difficulties, hardship and vulnerability

- a) 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.
- b) 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 City recognises that people in our community may be experiencing payment difficulties, financial hardship and vulnerability.
- c) This policy is intended to apply to ratepayers experiencing financial hardship.

4. Anticipated Financial Hardship

The City recognises that some ratepayers may experience financial hardship and respect and anticipate the probability that additional financial difficulties will arise when rates notices are received.

5. Financial Hardship Criteria

- a) While evidence of financial hardship will be required, the City recognises that not all circumstances are alike. The City will take a flexible approach to a range of individual circumstances including, but not limited to, the following situations:
 - i) recent unemployment or under-employment
 - ii) sickness or recovery from sickness
 - iii) low income or loss of income
 - iv) pandemics
 - v) impacts of natural disaster
 - vi) unanticipated circumstances such as caring for and supporting extended family.
- a) Ratepayers are encouraged to provide 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. In order for the City to assess an application, evidence of income is required. Examples of appropriate evidence required to assess an application are:
 - i) proof of Centrelink payments for at least three consecutive months for individuals,
 - ii) copy of Business Activity Statements submitted to the Australian Tax Office that show a loss of income of at least 50% over a quarter year for businesses, and/or
 - iii) other substantive evidence of hardship as required by the City (i.e. evidence of arrears balances for loan, utility and school fees).
- b) The City will consider all circumstances, applying the principles of fairness, integrity and confidentiality whilst complying with our statutory responsibilities.

6. Payment Agreements

- a) While incurred rates and service charges cannot be waived, the City will work with the applicant to determine an appropriate and affordable payment agreement.
- b) Payment agreements for rates and service charges will only be offered on a primary residence. Investment, commercial or industrial properties will not be eligible.

- c) Payment agreements may be made in accordance with Section 6.49 of the Act and are to include an agreed payment frequency and amount. Rates financial hardship, payment plan applications will be considered in context of:
 - i) The ratepayer has made genuine effort to meet rate and service charge obligations.
 - ii) The payment agreement will clear the debt within an agreed end date that is realistic and achievable.
 - iii) The ratepayer is responsible for informing the City of any change in circumstance that jeopardises the agreed payment plan.
 - iv) Payment agreements are only valid for the financial year in which they are made.

7. Interest Charges

In the case of severe financial hardship, the City may consider waiving the interest accrued on rates and service charge debts.

8. Pension / Concession / Seniors Cardholders

- a) Persons who hold a Pension Card, State Concession Card, Seniors Card, or Commonwealth Seniors Health Care Card once registered may be eligible to claim a concession on both the current Rates and Emergency Services.
- b) 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 and Emergency Services Levy balance:
 - i) remains as a debt on the property until paid,
 - ii) becomes payable in full upon the passing of the pensioner if they are the sole owner; if the property is sold or if the pensioner ceases to reside in the property,
 - iii) may be paid at any time after a rebate concession has been approved for the current financial year, and
 - iv) does not incur penalty interest charges.

9. Rates and Service Charge Debt Recovery

- a) The City will suspend debt recovery processes whilst negotiating a suitable rates and service charge payment agreement with the ratepayer.
- b) Where a ratepayer is unable to make payments in accordance with the agreed payment agreement and the ratepayer advises the City and makes an alternative arrangement before defaulting on the third due payment, then the City will continue to suspend debt recovery processes.
- c) Where a ratepayer has not reasonably adhered to the agreed payment plan, then for any debts that remain outstanding on 1 July of the current financial year, the City may offer the ratepayer one further opportunity of adhering to a payment plan that will clear both the arrears and current debt by the end of the following financial year.

10. Communication and Confidentiality

- a) The City will always maintain confidentiality about any financial hardship matter and undertake to communicate with a nominated support person or other third party at your request.
- b) The City recognise that applicants for financial hardship consideration are experiencing additional stressors and may have complex needs. The City will provide additional time to respond to communications and will communicate in alternative formats where appropriate. The City will ensure all communication with applicants is clear and respectful.

Reference/Associated Documents

Local Government Act 1995 (WA) Sections 5.51(c), 6.49, 6.51

Local Government (Financial Management) Regulations 1996 (WA) Part 5

Reference to Internal Procedure

Council Policy 32 – Collection of Rates

Financial Hardship Application Form

Definitions

'City' means the City of Belmont

'Emergency Services Levy' means the annual charge paid by all property owned in Western Australia and is charged by the Department of Fire and Emergency Services.

This Policy is supported by:		
Policy No:	CP35	
Strategic Community Plan:	Key Performance Area: Performance Outcome: 10. Effective leadership, governance and financial management.	
Register of Delegations:	n/a	
Service Area:	Corporate and Governance	
Policy Owner:	Manager Finance	
Policy Stakeholder:	Coordinator Rates	
Amendment Status:		
Date of Amendment	Status of Amendment	Minute Item Reference
26/05/20	New Policy	12.7
22/06/21	Major	12.8
24/05/23	Review - Minor	12.7
22/08/23	Review - Moderate	12.10
23/04/24	Review - Moderate	12.9
24/02/26	Review - Minor	12.11