

CF006	FINANCIAL HARDSHIP – RATES & SERVICE CHARGES DEBTS		
POLICY OWNER:	Council		
DEPARTMENT:	Office of the CEO	**REVIEW SCHEDULE:**	Executive Manager Corporate Strategy & Performance
CREATION DATE:	23/08/2022	**REVIEW SCHEDULE:**	Annually
RELATED PROCEDURES:			
RELATED FORMS:			
RELATED DELEGATIONS:			
RELATED POLICIES:			
LEGISLATION:	Local Government Act 1995 Local Government (Financial Management) Regulations 1996		

DOCUMENT CONTROL			
DATE REVIEWED:	**REVIEWED BY:**	**CHANGES (IF ANY):**	**ENDORSED BY COUNCIL:**
23/08/2022	Council	Nil	FC7/8/22
28/11/2023	Council	Nil	OCM 11/11/23
24/09/2024	Council	Minor Changes: Refer minutes of meeting.	OCM03/09/24
19/10/2026	Council	Refer to minutes	OCM 07/10/26

CF006 Financial Hardship

OBJECTIVES

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 at difficult times.

This 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 in those instances.

POLICY STATEMENT/S

This policy applies to:

- Outstanding rates and service charges as at the date of adoption of this policy; and
- Rates and service charges levied

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 (e.g. property owner, tenant, business owner)**.**

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:

- Recent unemployment or under-employment
- Sickness or recovery from sickness
- Low income or loss of income
- Unanticipated circumstances such as caring for and supporting extended family

Assessment

A ratepayer seeking assistance may be required to provide reasonable information to support assessment of their circumstances and capacity to pay.

The level of information requested should be proportionate to the assistance sought and the circumstances of the ratepayer.

In assessing financial hardship, consideration may be given to:

- the circumstances giving rise to the hardship;
- the ratepayer's capacity to make payments;
- previous efforts to meet rates and service charge obligations;
- the amount and age of the outstanding debt;
- the sustainability of any proposed payment arrangement; and
- any other relevant circumstances.

Applications will be assessed fairly, consistently and confidentially.

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

Payment Arrangements

Payment arrangements facilitated in accordance with s6.49 of the Act are to be of an agreed frequency and amount.

These arrangements will consider the following:



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

Payment arrangements should:

- be realistic and sustainable;
- recognise the ratepayer's demonstrated capacity to pay;
- provide for regular payments where practicable;
- establish an appropriate timeframe for managing the outstanding debt; and
- be reviewed where the ratepayer's circumstances materially change.

Ratepayers are responsible for advising the Shire where a change in circumstances affects their ability to comply with an agreed arrangement.

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).

Interest Charges

Where permitted by legislation, consideration may be given to the waiver or concession of applicable interest, fees or charges where genuine financial hardship has been demonstrated.

Any waiver, concession or write-off must be authorised in accordance with the Local Government Act 1995, applicable delegations and Council policy.

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.

Debt recovery

We will suspend our debt recovery processes whilst negotiating a suitable payment arrangement with a debtor. If the 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 3rd 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 at the end of the financial year, 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 following financial year.

Rates and service charge debts that remain outstanding at the end of the financial year, will then be subject to the Shire's normal debt recovery procedures, including the sale of property option as 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 a review and the procedure to be followed.

Communication and Confidentiality

We will always maintain confidential communications, 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 communications and will communicate in alternative formats where appropriate. We will ensure all communications with applicants is clear and respectful.

Review of Decision

A ratepayer who is dissatisfied with a decision made under this policy may request an internal review.

The review will be undertaken by an officer who was not the original decision-maker, where practicable, and the outcome will be communicated to the ratepayer.