***WALGA Note:*** *WALGA provides this template policy as a* ***guide*** *for Local Governments. This template policy provides suggested wording only and Local Governments should review this policy content and consider, develop and implement policy suitable to their operational requirements.*

***Remember:*** *Policy implementation is given effect through appropriate induction, ongoing training and operational procedures that evidence Council Members and Employees have been made aware of and are accountable for their obligations and responsibilities.*

**Policy Objective**

To give effect to the <<Shire/ Town / City of XXX>>’s commitment to support those in need in our community to meet financial challenges if they arise.

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 during financial hardship.

**Policy Scope**

This Policy applies to all Ratepayers of <<Shire/ Town / City of XXX>>, 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.

The provisions of the *Local Government Act 1995*, *Local Government (Financial Management) Regulations 1996* and *Rates and Charges (Rebates and Deferments) Act 1992* apply.

|  |
| --- |
| If you are experiencing financial hardship, don’t wait, our team is here to assist you. Please contact our Rates Department on (08) 9999 0000 or by email on rates@LG.wa.gov.au. You can make a Rates Financial Hardship Application by completing and submitting the form found on the <<Shire/ Town / City of XXX>>’s website.  |

**Policy Statement**

# Payment difficulties, hardship and vulnerability[[1]](#footnote-1)

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 a debt without affecting their ability to meet their basic living needs, or the basic living needs of their dependants. The <<Shire/ Town / City of XXX>> recognises that people in our community may be experiencing payment difficulties, financial hardship and vulnerability.

This policy is intended to apply to Ratepayers experiencing financial hardship.

# Anticipated Financial Hardship

We recognise that some Ratepayers may experience financial hardship and we respect and anticipate the probability that additional financial difficulties will arise when rates notices are received.

We will write to Ratepayers at the time their rating account falls into arrears, to advise them of the terms of this policy and encourage eligible Ratepayers to apply for hardship consideration. Where possible and appropriate, we will also provide contact information for a recognised financial counsellor and/or other relevant support services.

# Financial Hardship Criteria

While evidence of financial 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.

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

# Payment Agreements

Payment arrangements 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:

* The Ratepayer has made genuine effort to meet rate and service charge obligations in the past.
* The payment plan will clear the debt within an agreed end date that is realistic and achievable.
* The ratepayer is responsible for informing the <<Shire/ Town / City of XXX>> of any change in circumstance that jeopardises the agreed payment plan.

# Interest Charges

In the case of severe financial hardship, the <<Shire / Town / City>> may consider writing off interest accrued on rates and service charge debts.

# Pension / Concession / Seniors Cardholders

Persons who hold a Pension Card, State Concession Card, Seniors 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 a 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.

# Rates and Service Charge Debt recovery

We will suspend our debt recovery processes whilst negotiating a suitable rates and service charge payment arrangement with the Ratepayer.

Where a Ratepayer is unable to make payments in accordance with the agreed payment arrangement and the Ratepayer advises <<Shire / Town / City>> and makes an alternative arrangement 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 on 1 July of the current 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 next financial year.

Rates and service charge debts that remain outstanding at the end of that next financial year, will then be subject to the rates debt recovery procedures 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 review and the procedure to be followed.

# Communication and Confidentiality

The <<Shire / Town / City>> will always maintain confidentiality about any financial hardship matter 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 financial 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 communication with applicants is clear and respectful.

|  |
| --- |
| **Document Control Box** |
| **Document Responsibilities:** |
| **Owner:** | [insert Position Title] | **Owner Business Unit:** | [insert Unit Title] |
| **Reviewer:** | [insert Position Title] | **Decision Maker:** | Council |
| **Compliance Requirements:** |
| **Legislation:** | [Local](https://www.slp.wa.gov.au/legislation/statutes.nsf/law_s34895.html) Government Act 1995Local Government (Financial Management) Regulations 1996[Rates and Charges (Rebates and Deferments) Act 1992](https://www.legislation.wa.gov.au/legislation/statutes.nsf/law_a670.html) |
| **Other:** |  |
| **Organisational:** |  |
| **Document Management:** |
| **Risk Rating**: | **[low / med / high]** | **Review Frequency**: | **[annaul / biennial / triennial]** | **Next Due:** | **[20##]** | **Records Ref:** | **[CP####]** |
| **Version #** | **Decision Reference:** | **Synopsis:** |
|  | [decision date / TRIM Ref] | [brief description of the adoption / changes approved] |
|  |  |  |

1. Adapted from the Ombudsman Western Australia publication, **Local government collection of overdue rates for people in situations of vulnerability: Good Practice Guidance:** http://www.ombudsman.wa.gov.au/ [↑](#footnote-ref-1)