



4. FINANCE POLICIES

4.1 Business

4.1.4 Financial Hardship (Rate Relief) Policy

Background and Issues

The Shire acknowledges that due to exceptional circumstances ratepayers may at times encounter difficulty in paying rates and service charges as they fall due. It is not the intention of the Shire to cause further hardship to any ratepayer through the Shire's procedures and recovery policy 4.1.7 Collection of Outstanding Rates and is committed to working with ratepayers to find an appropriate payment solution that is effective and sustainable.

Objectives

- 1) Enable a ratepayer liable for rates and service charges, who is experiencing financial hardship, to make application for assistance relating to any unpaid rates or service charges levied on their residential property under the Local Government Act 1995;
- 2) Ensure all ratepayers are treated fairly and consistently with respect and compassion when the Shire is considering their circumstances in recognising financial hardship;
- 3) Directly align the policy framework to policy 4.1.7 Collection of Outstanding Rates.

Area of Application

- 1) Applicable to all ratepayers within the Shire of Manjimup.
- 2) Applied by staff in the Rates office who are responsible for the recovery of overdue rates and charges.
- 3) A guide used for external stakeholders when assisting customers in financial hardship e.g. financial counsellors.

Definitions

Recognised Financial Counselling Service

These are agencies that provide free and independent financial counselling and advocacy services to people in financial difficulty. They are generally community-based non-government organisations funded by government or community sector organisations such as welfare organisations (ASIC definition).

Financial Counsellors' Association of WA (FCAWA)

FCAWA is a recognised service that can refer applicants to a financial counsellor in their area or alternatively they can refer the applicant to their Financial Counselling Helpline. The Helpline provides a free confidential service for all Western Australians with financial problems and queries.



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Policy Measures

1) Payment difficulties, hardship and vulnerability

Financial hardship occurs where a person is unable to pay rates and charges without affecting their ability to meet their basic living needs, or the basic living needs of their dependants. The Shire of Manjimup recognises the occurrence of payment difficulties, financial hardship and vulnerability in our community, and is committed in providing additional support to assist the ratepayer.

The Financial Hardship application is for all ratepayers experiencing financial hardship regardless of their status, be they a property owner, tenant, business owner etc.

2) Financial Hardship Criteria

While evidence of hardship will be required, we recognise that not all circumstances are alike. The Shire will take a flexible approach to a range of individual circumstances and depending on the type of hardship being experienced, it will assist with appropriate solutions.

A ratepayer can be identified as experiencing a short term or ongoing financial hardship, caused by one or more of the following factors:

- low income or loss of income;
- marriage/partnership breakdown;
- domestic or family violence;
- recent unemployment or under-employment
- sickness or recovery from sickness;
- unanticipated circumstance such as caring for and supporting extended family
- a serious accident;
- sudden bereavement within a family;
- severe/life threatening illness or medical disability;
- an impact on a dependent or family member who has serious disability or health problem and who relies on the affected person for their financial support;
- prolonged imprisonment;
- business downturn;
- temporary physical or mental incapacity;
- emergency event from natural disasters such as flood, bushfire, cyclone or earthquake;
- any other matter considered acceptable by the Chief Executive Officer



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Ratepayers are encouraged to contact the Shire as soon as possible if they think they are in financial hardship or alternatively a financial counsellor may contact direct on their behalf.

The ratepayer must provide evidence of genuine financial hardship to satisfy the Shire and will consider all circumstances, applying the principles of fairness, integrity and confidentiality whilst complying with our statutory responsibilities.

3) Applying for Financial Hardship

An application for Financial Hardship (Rate Relief) (FHRR) form will need to be completed by the ratepayer and submitted to the Shire, addressed to the Chief Executive Officer, with the required supporting documentation:

- letter from a recognised financial counsellor (i.e. must be a member of a financial counselling association, for example Financial Counsellors' Association of WA (FCAWA) or financial planner confirming financial hardship or a Statutory Declaration from ratepayer outlining reasons for applying for hardship;
- copy of recent bank statements of all bank accounts;
- any related Centrelink documentation (if applicable);
- a written statement and/or advice provided by a recognised financial counsellor on capacity to pay if the Shire provides concessions and leniencies the Shire would otherwise consider; and
- a repayment proposal.

4) Review Process

The application will be reviewed within 10 business days and if it meets the policy criteria will proceed for processing. An application may be referred back to the rates debtor or the financial counsellor for further information or discussion if the application does not contain the correct information.

5) Approval

The Rates Officer will refer the application with their recommendation to the Chief Executive Officer (CEO) for final approval and signoff.

6) Payment Plan

If the Shire determines the ratepayer is in financial hardship, they will be offered a payment plan based on their application status.

- an extension in time to pay;
- a payment plan;



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- A suspension of interest charges and administration fees whilst a payment plan is in place; and
- The reasonable maximum length of time to be on the FHRR payment plan is considered to be three years.

7) **Deferring interest and write off of charges**

- a) A suspension of interest will occur immediately from the date of receiving a completed application form and confirmation of the appointment made with a Financial Counsellor.
- b) Any action as to writing off interest is in accordance with the delegated authority of Council and sub delegated authority by the Chief Executive Officer.

8) **Debt Recovery**

- The Shire will suspend the debt recovery processes whilst negotiating a suitable payment arrangement with the ratepayer.
- The Shire will not commence any legal proceedings to recover debt whilst the rate debtor's financial application is being reviewed and assessed.
- The Shire will not commence any legal proceedings to recover rates and charges where the ratepayer is complying with their payment plan.

Legal Proceedings

If legal proceedings have been commenced and the debtor lodges a financial hardship application, these proceedings will be temporary suspended whilst the debtor's application is reviewed and assessed.

If the debtor is successful with their application, no further legal action will be taken whilst the debtor is complying with their payment plan.

The Shire reserves the right to recommence the legal proceedings if the debtor's payment plan is cancelled for noncompliance.

The Shire will make all reasonable attempts to contact the debtor to advise them of our next course of action.

Non Compliance to Payment Plan

- If a rates debtor does not comply with their extension in time to pay, payment plan or other payment arrangement, the Shire may commence or recommence debt recovery proceedings as per Council's Policy, 4.1.7 Collection of Outstanding Rates.
- Legal action proceedings will be initiated or re-initiated, where a debtor's account will be referred to:
 - The Shire Debt Collection Agency.



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Legal Costs

All legal costs and expenses incurred in recovering outstanding rates and charges will be charged against the property in accordance with section 6.56(1) of the Local Government Act 1995.

Legal Action taken in error

If legal proceedings were inadvertently taken by the Shire due to an internal administrative error the Shire will take every measure to rectify a ratepayers account. This may include:

- reversing any associated costs or fees,
- seeking a Notice of Discontinuance or Memorandum of Consent, will be lodged at the Magistrates Court at the Shire's expense.

9) Review of Application

The Shire will review all Financial Hardship approvals under this Policy in March of each year, or unless changes in circumstances have become apparent and a review is required.

10) Communication and Confidentiality

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

The Shire 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.

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

ADOPTED 13 August 2020

NEXT DUE FOR REVIEW August 2024

The Administration of this Policy is by Business Division.