

Policy Number	Policy Title
CP41	Financial Hardship for a declared State of Emergency

OBJECTIVE

To give effect to our commitment to support the whole community to meet the unprecedented challenges arising from a declared State of Emergency, the Shire of Irwin recognises that these challenges may result in increasing financial hardship for our ratepayers.

This Policy is intended to ensure that the Shire offers fair, equitable, consistent and dignified support to ratepayers suffering hardship, while treating all members of the community with respect and understanding at this difficult time.

POLICY

This policy is intended to apply to all ratepayers experiencing financial hardship regardless of their status, be they a property owner, tenant, business owner etc, and applies to:

1. Outstanding rates and service charges as at the date of adoption of this policy; and
2. Rates and service charges levied for the 2020/21 financial year.

It is a reasonable community expectation, as we deal with the effects of the declared State of Emergency that those with the capacity to pay rates are required to continue to do so. For this reason the 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.

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, fees and service charges 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 dependents. The Shire of Irwin recognises the likelihood that the declared State of Emergency may increase the occurrence of payment difficulties, financial hardship and vulnerability in our community.

Anticipated Financial Hardship due to COVID19

The Shire recognises that many ratepayers are already experiencing financial hardship due to the declared State of Emergency. We respect and anticipate the probability that additional financial difficulties may arise when rate notices are received.

The Shire is to write to ratepayers at the time when an account falls into arrears, to advise of the terms of this policy and encourage eligible ratepayers to apply for hardship consideration. Where possible and appropriate, the Shire may also provide contact information for a recognised financial counsellor and/or other relevant support services.

Financial Hardship Criteria

While evidence of hardship will be required, the Shire recognises that not all circumstances are alike. The Shire will maintain 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 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 into a payment proposal. The Shire is required to consider all circumstances, applying the principles of fairness, integrity and confidentiality whilst complying our statutory responsibilities.

Payment Arrangements

Payment arrangements facilitated in accordance with Section 6.49 of the *Local Government Act 1995* are of an agreed frequency and amount. These arrangements are required to consider the following:

- That a ratepayer has made genuine effort to meet rate and service charge obligations in the past;
- The payment arrangement is to establish a known end date that is realistic and achievable;
- The ratepayer is to be responsible for informing the Shire of Irwin of any change in circumstance that jeopardises the agreed payment schedule.

In the case of severe financial hardship, the Shire reserves the right to consider waiving additional charges or interest (excluding the late payment interest applicable to the Emergency Services Levy).

Interest Charges

A ratepayer that meets the Financial Hardship Criteria and enters into a payment arrangement may request a suspension or waiver of interest charges. Applications are to be assessed on a case by case basis.

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

The Shire may suspend our debt recovery processes whilst negotiating a suitable payment arrangement with a debtor. Where a 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 the Shire is required to 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 2021, the Shire may offer the ratepayer one further opportunity of adhering to a payment plan that will clear the total debt by the end of the 2021/2022 financial year.

Rates and service charge debts that remain outstanding at the end of the 2021/22 financial year, are to be subject to the rates debt recovery procedures prescribed in the *Local Government Act 1995*.

Review

The Shire is to establish a mechanism for the 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

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

The Shire is to advise Shire debtors of this policy and its application, when communicating in any format (i.e. verbal or written) with a debtor that has an outstanding rates, fees or service charge debt.

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

RECORDS MANAGEMENT

All records associated with a financial hardship application or communication are to be recorded and retained in compliance with the *State Records Act 2000 (WA)* and related recordkeeping policies, plans and procedures.

Date of Adoption:	28/07/2020	Adoption Ref:	100720 (INT20/515BF64)
Date of Review:	28/07/2020	Review Frequency:	biennial
Responsible Directorate:	Chief Executive Officer		
Legislation:	Local Government Act 1995 Local Government (Financial Management) Regulations 1996		
Related Policies and/or Procedures:	CP24 Recordkeeping CP14 Debt Recovery PRO Financial Hardship Procedure Manual		