

## F12. Financial Hardship Policy

### Policy Objective

To aid vulnerable members of the community by offering equitable, consistent, and dignified support to ratepayers suffering hardship.

### Policy Scope

This policy applies to ratepayers of the Shire of Dundas regarding:

1. Outstanding rates and service charges as at the date of adoption of this policy; and
2. Rates and service charges levied during the current financial year.
3. The Helping Hands Project as detailed in item 3 of this policy

### Policy Statement

To give a commitment to support the whole community to meet the unprecedented challenges arising from the COVID19 pandemic, the Shire of Dundas recognises that these challenges will result in financial hardship for our ratepayers.

It is a reasonable community expectation, as the community deals with the effects of the pandemic that those with the capacity to pay rates will 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.

#### 1. 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. The Shire of Dundas recognises the likelihood that COVID19 will increase the occurrence of payment difficulties, financial hardship and vulnerability in our community. 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.

#### 2. Anticipated Financial Hardship due to COVID19

The Shire recognise that many ratepayers are already experiencing financial hardship due to COVID-19.

The Shire will write to ratepayers at the time their 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, The Shire will also provide contact information for a recognised financial counsellor and/or other relevant support services.

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### **3. IGO Helping Hands Assistance**

The Helping Hands Project aims to assist vulnerable residents in Norseman, such as seniors and people living with disability with the maintenance and upkeep of their properties.

Eligibility for the assistance will prioritize residents with seniors/disability or health care cards and will look at and will focus on:

- Assisting residents to meeting compliance with Bush Fire Regulations.
- Assisting residents where household waste has accumulated to pose fire risk to properties
- Assisting residents to address items that pose a fall or lose debris in storms.

### **4. Financial Hardship Criteria**

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

### **5. Payment Arrangements**

Payment arrangements facilitated in accordance with Section 6.49 of the Act are 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 Dundas of any change in circumstance that jeopardises the agreed payment schedule.

### **6. Interest Charges**

A ratepayer that meets the Financial Hardship Criteria will not attract interest or penalty charges on rates / service charge debt in 2020/21, subject to the period of time that the Local Government (COVID-19 Response) Ministerial Order 2020 remains effective (SL 2020/67 – Gazetted 8 May 2020).

In the case of severe financial hardship, the Shire of Dundas may consider writing off interest applicable to the Emergency Services Levy and / or interest previously accrued on rates and service charge debts.

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### **7. 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.

### **8. Debt recovery**

The Shire will 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 3<sup>rd</sup> due payment, then the Shire 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 2021, the Shire will 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, will then be subject to the rates debt recovery procedures prescribed in the *Local Government Act 1995*.

### **9. Review**

The Shire 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.

### **10. Communication and Confidentiality**

The Shire will always maintain confidential communications and will 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.

***Policy Reviewed March 2021***