

Council Policy – Financial Hardship

Council Policy Objective

To:

- Provide the criteria on assisting ratepayers that qualify as experiencing financial hardship and are unable to pay their rates and service charges; and
- Ensure that all ratepayers are treated fairly and consistently with respect and compassion when the City is considering their circumstances in recognising financial hardship.

Council Policy Scope

This Policy applies to all City of Rockingham Residential and Small Business ratepayers who are experiencing financial hardship.

Council Policy Statement

1. Eligibility

The Policy is intended to assist those ratepayers where there is a willingness but an inability to pay their rates and includes:

- Immediate financial disadvantage that results in a person being unable to pay an outstanding amount by reason of a change in personal circumstances (short term); and
- More than immediate financial disadvantage which results in a person being unable to pay an outstanding amount without affecting the ability to meet the basic living needs of the person or a dependant (longer term).

This may be caused by (but is not limited to) one or more of the factors below:

- Loss of the ratepayer's or family member's primary income;
- Spousal separation or divorce;
- Physical and mental health issues;
- Loss of a spouse or a loved one;
- Chronic illness in immediate family;
- Domestic violence;
- Budget management issues associated with a low income; and
- Other unforeseen factors resulting in a ratepayer's capacity to pay, such as a reduction in income or an increase in non-discretionary expenditure.

This Policy is not to provide relief to those ratepayers who are not able to evidence financial hardship or are unwilling to pay rates and service charges.

An approved financial hardship application is valid for a once only three-year period.

2. Assessment

To enable the City to assess a ratepayer's financial hardship, evidence of their financial hardship is required including details of the ratepayer's circumstances, current financial situation and capacity to enter into a payment arrangement.

Policy Name:	Council Policy – Financial Hardship	Council Adoption:	28/07/2020 (CS-017/20)
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Review Date:	1 March 2026	Responsible Team:	Financial Services

Ratepayers who are not able to pay all their rates and charges by the end of the next financial year, and claim financial hardship, will be requested to seek financial counselling. This provides an opportunity for the ratepayer to obtain independent financial advice and the information provided by the financial counsellor must be used by the City to confirm the ratepayer's capacity to pay.

3. **Assistance Available**

- **Payment Arrangements**

The City provides a range of payment options to ratepayers including by instalment (one, two or four payments) and rates smoothing (weekly, fortnightly, or monthly payments) which will result in the rates and services charges being paid during the current financial year.

Ratepayers that are experiencing financial hardship are required to enter into an approved alternate payment arrangement by direct debit based on their capacity to pay.

The approved alternate payment arrangement will provide an extension to pay all rates and service charges by the end of the next financial year or will be based on the ratepayer's capacity to pay information provided by a financial counsellor.

It is the ratepayer's obligation to contact the City immediately if a payment under the approved alternate payment arrangement cannot be made or to request a new payment arrangement.

The approved alternate payment arrangement will be cancelled if the ratepayer defaults on a payment three times.

- **Interest Charges**

Penalty interest on outstanding rates and service charges will be waived for ratepayers on approved financial hardship arrangements.

- **Deferment of Payments**

Ratepayers that experience financial hardship may make an application to have payments under a payment arrangement deferred for up to three months.

- **Debt Recovery**

Debt recovery will be suspended while a ratepayer experiencing financial hardship is on an approved alternate payment arrangement.

Where the approved alternate payment arrangement has been cancelled due to the ratepayer defaulting on a payment three times and a new approved alternate payment arrangement is not entered into, legal action may commence.

At the completion of the approved financial hardship application, if a ratepayer has not finalised the outstanding rates and charges, legal action may commence to recoup all outstanding amounts.

4. **Communication and Reviews**

Ratepayers who are experiencing financial hardship should contact the City immediately and apply for assistance under this Policy.

Ratepayers will be advised of their entitlements and obligations and will be provided with written confirmation of any decisions made in relation to the Policy.

All financial hardship applications must be reviewed at least every six months to ensure that the circumstances have not changed and feedback provided to the ratepayer on the amount outstanding and the anticipated date of the final payment.

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5. Executive Policy and Procedures

The Chief Executive Officer is to maintain relevant Executive Policies and Procedures to ensure financial hardship is managed effectively, with respect and compassion and in accordance with statutory requirements.

6. Delegation of Authority

For information purposes, delegated authority has been provided to the Chief Executive Officer, in accordance with:

- Section 6.12 of *Local Government Act 1995*, to write off individual debts that do not exceed \$2,000.
- Section 6.47 and 6.49 of *Local Government Act 1995*, to accept payment of a rate or service charges due and payable by a person in accordance with an agreement made with the person.

Definitions

Dwelling has the meaning given to it in the City of Rockingham Town Planning Scheme No. 2.

Financial hardship is when 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.

Immediate family member is:

- A person who is the ratepayers spouse, or
- A spouse or defacto spouse who cohabited with the ratepayer for at least two years, or
- A parent or step-parent of the ratepayer, or
- A child or step-child of the ratepayer or other child of whom the ratepayer is the guardian, or
- A brother, sister, step-brother or step-sister, half-brother or half-sister of the ratepayer.

Ratepayer means those that are liable for the payment of rates in accordance with section 6.44 of the Local Government Act 1995.

Residential Land means any land used, or designed, or adapted for use, for the purpose of a dwelling and includes vacant land within the Residential, Development, Rural, Special Rural, Special Residential, Commercial, District Town Centre, Primary Centre Waterfront Village, Primary Centre Urban Village, Primary Centre City Centre, Primary Centre City Living, Primary Centre Campus and Primary Centre Urban Living zones under the City of Rockingham Town Planning Scheme No. 2.

Residential means the ratepayers' primary place of residence.

Small Business means a business undertaking which is wholly owned and operated by an individual person or by individual persons in partnership or by a proprietary company within the meaning of the Corporations Act 2001 of the Commonwealth and which:

- i. Has a relatively small share of the market in which it competes; and
- ii. Is managed personally by the owner or owners or directors, as the case requires; and
- iii. Is not a subsidiary of, or does not form part of, a larger business or enterprise.

Legislation

Local Government Act 1995 – s6.12. Power to defer, grant discounts, waive or write off debts

Local Government Act 1995 – s6.47. Concessions

Local Government Act 1995 – s6.49. Agreement as to payment of rates and service charges

Local Government Act 1995 – s6.51. Accrual of interest on overdue rates or service charges

Local Government (Financial Management) Regulations 1996

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Other Relevant Policies/ Key Documents

Delegation Authority Register – 2.3 Waive/grant concession or write off monies owing

Delegation Authority Register – 2.5 Agreement as to payment of rates and service charges

Delegation Authority Register – 2.6 Rates or service charges recoverable in court

Responsible Division

Corporate Services

Review Date

1 March 2026

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