

Responsible Directorate	Corporate Services
Responsible Business Unit/s	Finance
Responsible Officer	Service Lead Rates & Receivables
Affected Business Unit/s	Finance

Objective

The City and all its customers share the responsibility and financial impact of non-payment of rates. The City relies upon rates to connect the City’s people and places, create a sustainable and prosperous city, and support stronger communities and businesses. The effect of non-payment of rates is a reduction in the City’s ability to provide its services and programs and can impact the future cost of rates on the community at large.

This policy is intended to ensure that the City offers fair, equitable, consistent, and dignified support to ratepayers suffering hardship by providing flexibility for those who are experiencing hardship and treating all members of the community with respect and understanding at difficult times.

The key objectives of this policy are:

- To enable customers to feel comfortable in approaching the City about outstanding debts
- Reduce the number of vulnerable people involved in formal recovery processes
- Encouraging a consistent and proactive approach in identifying and assisting customers who may be experiencing difficulty paying their rates
- Encouraging people experiencing hardship to access financial, legal, and other support services
- Minimising court proceedings and associated court and legal costs being added to ratepayer’s account
- Providing remission of interest on overdue rates where hardship is determined; and
- Manage the City’s risk in terms of:
 - inconsistent and non-transparent decisions made outside of a determined framework;
 - public perception and reputation in fostering an inclusive and positive community; and
 - non-compliance with legislation and poor governance practices

This policy sets out the grounds of what the City will consider as constituting financial hardship and options available to the City to assist those that qualify.

Policy

This policy is founded on legislative provisions contained within the *Local Government Act 1995 (WA)*. This policy enables people experiencing hardship to seek assistance in the payment of rates and enables the City to respond to requests for assistance. This policy also implements a framework on the operational requirements and decision-making process to ensure that all ratepayers who apply for hardship under this policy are treated fairly with limited scope for arbitrariness between applications.

Definitions

Financial hardship is considered to exist where the ratepayer is unable to settle their rate obligations by utilising normal payment options or entering another payment arrangement without significantly effecting their ability to meet their basic living needs, or the basic living needs of their dependants.

Factors contributing to financial hardship may include, but are not limited to:

- Unemployment
- Loss of income
- Family tragedy
- Serious illness or recovery from serious illness
- Impact of natural disaster
- Pandemics
- Financial misfortune
- Unanticipated circumstances such as caring for and supporting extended family
- Severe hardship resulting in Ratepayer being unable to pay
- Other serious or difficult circumstances resulting in ratepayer unable to pay rates

Eligible Ratepayers

This policy applies to:

- Residential Ratepayer – applicable to the principal place of residence only
- Small Business Ratepayer – applicable only whilst the Local Government (Covid-19) Response Order 2020 amendments to the Local Government Act 1995 are in place.

COVID-19

The Local Government (Covid-19) Response Order 2020 made amendments to the *Local Government Act 1995* which included the removal of interest charges for residential and small business ratepayers suffering financial hardship as a consequence of the Covid-19 pandemic. The Rates Hardship Policy ensures the City meets the obligations of the amended legislation.

Financial Hardship Application

Ratepayers who believe that they are unable to meet the rate payment obligations of the City's payment plans due to financial hardship are invited to contact the City's rates team.

Ratepayers seeking consideration of financial hardship must contact the City for an initial financial hardship assessment. The City may request an application to be completed should the ratepayer meet the criteria; the application must contain but is not limited to the following information:

- The address and contact details of the ratepayer(s)
- Details of occupants living in the property
- The reason(s) for hardship (see City of Stirling definitions)
- Timeframe ratepayer is expecting to be in financial hardship

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

The Rates Hardship Application will be used to collect the required information.

Assessment of the Application

The City will review the application to determine:

1. If the ratepayer is an eligible ratepayer
2. If there is any assistance the City can provide outside of this policy e.g., deferral of rates as a pensioner, senior or other eligible ratepayer

The application would then be assessed to determine if the ratepayer meets the City definition of Financial Hardship.

Ratepayers Experiencing Financial Hardship

For those ratepayers who meet the definition of financial hardship, the City will:

- Cease charging interest or penalties on overdue accounts
- Suspend any debt recovery process

Financial Hardship will commence from the date of the application.

The City will work with the ratepayer to review their financial position and agree on:

- The timeframe that the Hardship measures will be in place
- whether the ratepayer would be able to make contributions to the rates amount due under a payment plan.

Payment Arrangements

The City will look to negotiate a payment plan with ratepayers who have the ability to make some contribution towards the rates amount due. The aim of the Payment plan will be to manage the rates debt without placing additional financial pressure on the Ratepayer. Payment Plans will be entered into with a known end date and payment amounts that are realistic and achievable for the Ratepayer. The end date of the payment plan will be at the discretion of the City.

The Payment Plan will be reviewed after a period to be agreed with the Ratepayer but not exceeding six months. If the Ratepayer is not meeting the payment obligations under the plan, the Payment Plan will be reviewed after the second default payment.

Centrepay

The City accepts payment arrangements for Centrelink customers through Centrepay. The ratepayer can make regular deductions from their Centrelink payment and is a voluntary and easy payment option which can be cancelled at any time by the ratepayer.

Deferring Payments

Where the ratepayer is experiencing severe financial hardship, the City may agree to the deferral of the payment of rates and charges in part or whole for specified period (maximum 12 months).

The City may request the ratepayer considers seeking advice from a member of the Financial Counsellors Association of Western Australia (FCAWA). The City can provide a list of local service providers to consider but there is no obligation from the ratepayer to take up the service.

When payment of the rates is deferred, payment is not required until the agreed date which is approved between the City and the ratepayer. The City will review the deferral two months before the agreed end date. Should ownership of the property change, or the ratepayer becomes deceased, deferred rates are charged on to the property and become due and payable. Deferring payments is non-transferable.

Financial Counselling

The Financial Counsellor will assist the Ratepayer to manage their financial situation during the period of Financial Hardship. Financial counselling is a free and confidential service offered by not-for-profit community organisations. Financial counsellors are skilled professionals who provide advice and support to people struggling with bills and debt.

The City will work with the Ratepayer and Financial Counsellor to plan the management of the rates amount due. This could be through a payment arrangement or the deferral of payments for a period of time.

Financial Hardship Review

Financial hardship reviews will be conducted every two months with the ratepayer. The City may agree longer review timeframes dependant on the result of the initial financial hardship assessment. The review dates will be mutually agreed between the City and the ratepayer during the assessment

The review will include updating the Ratepayers financial situation to determine if they are still considered to be in financial hardship. This review may result in:

- The Ratepayer no longer being in financial hardship. The City may still agree to enter into a payment arrangement with the Ratepayer to assist them to manage the outstanding rates amount
- An extension of payment arrangements if the ratepayer has made a genuine effort to meet payments obligations in the past
- A request that the Ratepayer consider seeking financial help from a member of Financial Counsellors Association of Western Australia (FCAWA).
- An agreement to defer the payment of Rates if the Ratepayer is in severe financial hardship

Change of Property Ownership

Where property ownership changes or the rate payer is deceased, all overdue rates and charges must be fully paid at settlement date. Payment arrangements are non-transferable and deferred rates are charged on to the property and become due and payable.

Ratepayers no longer in Financial Hardship

If a Ratepayer is no longer considered to be in Financial Hardship under the assessment criteria of this Policy, the City will notify the Ratepayer in writing, stating that:

- The Ratepayer is no longer considered as in Financial Hardship.
- The City will continue to help the ratepayer to manage their rates debt through flexible payment options or payment arrangements
- That the City will apply interest charges and penalties to any overdue amounts
- The City may commence legal proceedings to recover any outstanding debt and the ratepayers would be charged for any associated costs

Ratepayer's obligations under this Policy

The ratepayer is obliged to:

- Contact the City should their financial situation change
- Make the best effort to meet the financial obligations of any agreement reached with the City and inform the City if they are likely to miss a payment date
- Provide the necessary information to the City required to assess their Financial Hardship application and ongoing financial situation
- Consider seeking advice from a Financial Counsellor

Legislation/local law requirements

- *Local Government Act 1995 (WA) Division 6 (Generally), s 6.12, 6.32, 6.43, 6.45, 6.49, 6.50, 6.51*
- *Local Government (Financial Management) Regulations 1996 (WA), Part 5 (Generally), reg 19AA*
- *Rates and Charges (Rebates and Deferments) Act 1992 (WA) (Generally)*

Resources Ratepayer(s) may find useful		
Description	Phone	Web
Aboriginal Family Law Service	(08) 9355 1502	https://www.afls.org.au/
AnglicareWA	1300 11 44 46	https://www.anglicarewa.org.au
Askizzy		https://askizzy.org.au/
Australian Financial Security Authority	1300 364 785	https://www.afsa.gov.au/
Australian Red Cross	(08) 9419 7237	https://www.redcross.org.au
Blue Sky Community Group		https://www.blueskygroup.com.au
Centrelink	13 24 68	https://www.humanservices.gov.au/
Citizens Advice Bureau	(08) 9221 5711	http://cabwa.com.au/
ConcessionsWA		https://concessions.communities.wa.gov.au/
Consumer Credit Legal Service WA	(08) 9221 7066	https://cclswa.org.au/
Crisis Care	(08) 9223 1111	
Employment Law Centre (WA)	(08) 9227 0111	https://elcwa.org.au/
ERConnect		https://erconnect.org.au/
Family Relationship Advice Line	1800 050 321	https://www.familyrelationships.gov.au/
Financial Counsellors' Association of Western Australia		https://financialcounsellors.org/
Homeless Advisory Service	1800 065 892	
Legal Aid Western Australia	1300 650 579	https://www.legalaid.wa.gov.au/
Lifeline	13 11 14	https://www.lifeline.org.au/
Mental Health Law Centre WA	(08) 9328 8012	https://mhlcwa.org.au/
Mission Australia	(08) 9262 4200	https://www.missionaustralia.com.au/
MoneySmart		https://www.moneysmart.gov.au/
MyCreditFile		https://www.mycreditfile.com.au/
National Debt Helpline	1800 007 007	http://www.ndh.org.au/
Northern Suburbs Community Legal Centre - Mirrabooka	(08) 9440 1663	https://www.nsclegal.org.au/
Problem Gambling Help	1800 858 858	http://www.gamblinghelponline.org.au/
The Spiers Centre	(08) 9402 2699	http://www.thespierscentre.com.au/
UnitingCare West	(08) 9220 1255	https://www.unitingcarewest.org.au/
Welfare Rights & Advocacy Service (WA)	(08) 9328 1751	https://www.wraswa.org.au/
Women's Legal Service WA	(08) 9272 8800	https://www.wlswa.org.au/
Youth Legal Service	(08) 9202 1688	http://youthlegalserviceinc.com.au/

Office use only

Relevant delegations			
Initial Council adoption	Date	6 December 2022	Resolution 1222/009
Last reviewed	Date		Resolution
Next review due	Date	2024	