Policy 2.2.2 – Financial Hardship – Rates and Service Charges

1. Policy Purpose

The Shire of Harvey 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 the Shire is committed to working with ratepayers to find an appropriate payment solution that is effective and sustainable.

This policy is intended to ensure that the Shire offers fair, equitable, consistent and dignified support to ratepayers suffering hardship.

2. Policy Scope

This Policy applies to all ratepayers within the Shire of Harvey.

3. Policy

3.1. 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 Harvey 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.

3.2. Financial hardship criteria

While evidence of financial 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:

- Low income or loss of your, or a family members', primary income.
- Sickness, or recovery from sickness.
- Loss of a spouse or loved one.
- Domestic or family violence.
- Other unanticipated circumstance such as caring for and supporting extended family.

The Shire reserves the right not to offer or approve a subsequent financial hardship application where a previous application has been denied or cancelled due to non-compliance. Any subsequent application will be considered at the Shire's discretion and on its individual merits.

3.3. Applying for financial hardship

Ratepayers seeking financial hardship assistance must complete a financial hardship application form and submit to the Shire with the required supporting documentation. This may include, but is not limited to, the following:

- A 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 hardship.
- A letter from employer confirming change in employment status.
- Any related Centrelink documentation (if applicable).
- A repayment proposal.

Failure to complete a financial hardship application form and provide supporting documentation within the required timeframe, will result in the application being considered incomplete and therefore null and void. Legal action will be reinstated without prior notification.

3.4. 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 will consider the following:

a) That a Ratepayer has made a genuine effort to meet rate and service charge obligations in the past

b) The payment arrangement will establish a known end date that is realistic and achievable, and will ideally allow the Ratepayer to finalise payment as soon as is reasonably practical within the current financial year

c) The Ratepayer will be responsible for informing the Shire of Harvey of any change in circumstance that jeopardises the agreed payment schedule.

3.5. Interest charges and payment arrangement fees

The Shire reserves the right to waive or suspend interest charges and administration fees associated with rates and charges. Applications will be assessed on a case-by-case basis.

Any waiver or suspension of interest charges or administration fees may be approved for a specified period and does not automatically apply for the duration of the payment arrangement.

The Shire may review and amend these at any time, subject to the ratepayer's ongoing compliance with the agreed payment arrangement.

3.6. Debt recovery

The Shire will suspend its normal debt recovery procedure whilst a ratepayers financial hardship application is being reviewed and assessed.

Where the residential ratepayer is complying with their payment plan, the Shire will not commence any legal proceedings to recover a residential ratepayer's debt.

If legal proceedings have been commenced, and the ratepayer lodges a financial hardship application, these proceedings will be suspended whilst the ratepayer's application for hardship is reviewed and assessed. If the ratepayer is successful with their application, no further legal action will be taken whilst the ratepayer is complying with their payment arrangement.

The Shire reserves the right to commence, or re-recommence, legal proceedings if a ratepayer doesn't comply with the approved hardship payment plan in accordance with rates debt recovery procedures prescribed in the *Local Government Act 1995.*

3.7. Ratepayers commitment to the Shire

It is a reasonable community expectation, that those with the capacity to pay the rates and charges 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.

The Shire requests that residential ratepayers experiencing financial hardship:

a) Keep the Shire informed of any changes in their circumstances

b) Agree and maintain a suitable payment arrangement that has been approved by the Shire of Harvey

c) Contact the Shire to request an alternative arrangement if they are having difficulty maintaining the agreed payment plan

d) If requested, to contact a financial counsellor or relevant consumer representative to discuss their financial situation and consider the options available.

3.8. Review

Applicants who are dissatisfied with the decision may request an internal review by the Director Corporate Services, followed by access to the Council's complaints process.

3.9. Communication and confidentiality

The Shire is committed to maintaining confidentiality in all communications. At your request, we will communicate with a nominated support person or an authorised third party.

Ratepayers will be informed of this policy and its application whenever we communicate with them, whether verbally or in writing, regarding outstanding rates.

The Shire acknowledges that applicants seeking hardship consideration may be experiencing additional stress and have complex needs. To support these applicants, we will:

a) Allow additional time for responses

b) Use alternative communication formats where appropriate

c) Ensure all communication is clear, respectful, and considerate.

3.10. Non-compliance

If a ratepayer fails to comply with the terms of an approved financial hardship payment arrangement, the arrangement may be cancelled by the Shire.

Upon cancellation, the outstanding balance of rates, service charges, interest, costs and fees will become immediately due and payable. Any interest or debt recovery action previously suspended under the arrangement may be reinstated.

The Shire reserves the right to commence or recommence debt recovery proceedings in accordance with the *Local Government Act 1995* and the Shire's debt recovery procedures.

A ratepayer whose arrangement has been cancelled due to non-compliance may apply for financial hardship assistance again; however, the Shire is under no obligation to approve a subsequent application.

4. Strategic Objective

The policy aligns with the following strategic objective**:**

	Performance A representative leadership that is future thinking, transparent and accountable.

5. Legislation and Guidelines

This policy is informed by the following legislation and good practice guidelines:

- *Local Government Act 1995 (WA)*
- Local Government (Financial Management) Regulations 1996
- Ombudsman WA – Local Government Collection of Overdue Rates for People in Situations of Vulnerability: Good Practice Guide

These frameworks guide the Shire’s approach to supporting ratepayers in hardship while ensuring compliance with statutory obligations and best practice standards.

Responsible Officer	Director Corporate Services		
Responsible team	Rates		
Responsible area	Corporate Services		
Version control	Date	Resolution	Number
Version 1	28.04.2020	Resolution	20/096
Version 2	23.11.2021	Resolution	21/233
Version 3	23.05.2023	Resolution	23/068
Version 4	25.08.2026	Resolution	26/173