

# Hardship Policy

<b>Council Policy: Pol/107</b>	<b>Hardship</b>		
<b>Reference</b>	<i>Council Plan 2023 - 2033</i> Priority Area: 1 Major Strategy: 1.1		
<b>Responsible Officer</b>	Director Corporate and Community Services		
<b>Policy Area</b>	Finance		
<b>Council Adoption Date</b>	23 June 2020	<b>Version Number</b>	2
<b>Amendment Dates</b>	25 November 2025	<b>Next Review Date</b>	July 2027

This Policy replaces all previous policies related to this topic.

## 1. Policy Purpose

The Town of Cottesloe recognises that unforeseen and challenging circumstances can result in financial hardship.

This Policy is intended to ensure that we offer fair, equitable, consistent and dignified support to a person suffering hardship, while treating all members of the community with respect and understanding.

## 2. Policy Scope

This policy applies to outstanding rates and service charges as at the date of adoption of this policy, and as subsequently levied. Where considered appropriate, the provisions of this policy may also be applied to outstanding rent, outgoings, or any other amounts payable to the Town pursuant to a lease, whether accrued prior to or after the date of adoption of this policy, and to any other debts owed to the Town, including those prescribed in the Town's Schedule of Fees and Charges.

It is an expectation that those with the capacity to pay rates will continue to do so. Therefore, this Policy is not intended to provide relief to persons 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.

### **3. Policy Requirements**

#### **3.1. 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 dependents.

The Town 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, we will also provide contact information for a recognised financial counsellor and/or other relevant support services.

#### **3.2. Financial Hardship Criteria**

While evidence of hardship will be required, we recognise that not all circumstances are alike. We 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
- Any other information provided.

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

#### **3.3. 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:

- 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 Town of any change in circumstance that jeopardises the agreed payment schedule.

### 3.4. Interest Charges

In the case of a successful Financial Hardship Application, the Town may consider writing off interest accrued on rates and service charge debts.

### 3.5. 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.

### 3.6. Debt Recovery

The Town 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 3rd due payment, then we 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, the Town will offer the ratepayer one further opportunity of adhering to a payment plan that will clear the total debt by the end of the next financial year.

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

### 3.7. Review

The Town 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.

### 3.8. Communication and Confidentiality

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

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

#### **4. Legislation**

- 4.1. Local Government Act 1995
- 4.2. Local Government (Financial Management) Regulations 1996
- 4.3. Rates and Charges (Rebates and Deferments) Act 1992

#### **5. Other Relevant Procedures/Key Documents**

- 5.1. Ombudsmen Western Australia. *Local government collection of overdue rates for people in situations of vulnerability: Good Practice Guidance*