Council Policy P697

Financial Hardship Assistance for Ratepayers

Strategic Direction	Leadership
Responsible Business Unit/s	Financial Services
Responsible Officer	Manager Finance
Affected Business Unit/s	All Business Units

Policy Objectives

The City of South Perth (the City) recognises that some ratepayers may experience financial hardship or vulnerability that affects their ability to meet their obligations for the payment of overdue debtor, and rates and service charges.

The objectives of this Policy are to:

- Enable ratepayers experiencing financial hardship or vulnerability to apply for assistance in relation to unpaid rates and service charges levied on their property under the *Local Government Act 1995* (the Act).
- Ensure all applications for hardship assistance are assessed fairly, consistently, respectfully and with consideration of individual circumstances.
- Provide appropriate financial relief and support to ratepayers experiencing genuine financial hardship in meeting their rates and service charge obligations, including clear processes for the provision of assistance.
- Establish a transparent and consistent approach to assessing and determining applications for financial hardship assistance.

Policy Scope

This Policy applies to ratepayers of the City who are experiencing financial hardship or vulnerability and are seeking assistance with overdue debtor, and rates and service charges.

Policy Provisions

The City will consider requests for financial hardship assistance in accordance with the following provisions.

Financial Hardship Criteria

The City recognises that financial hardship can arise from a range of circumstances and that each application will be assessed on its individual merits. Financial hardship may include, but is not limited to:

- Loss or significant reduction of the ratepayer's primary source of income
- Serious illness, injury or medical condition affecting the ratepayer or an immediate family member
- Physical or mental health issues
- Family or domestic violence
- Death of an immediate family member
- Caring responsibilities for a person with significant health or support needs
- Other unforeseen circumstances that significantly affect a ratepayer's capacity to meet their rates and service charge obligations.

Applicants are encouraged to provide any information relevant to their circumstances to support their application.

Eligibility

Financial hardship assistance is available to:

- Rates debtor(s)
- Small business owners.

Financial hardship assistance is not available in respect of:

- Investment properties, unhosted-short term rental accommodation, vacant land, or other properties that are not the applicant's primary place of residence.
- Large business or enterprise in accordance with the *Corporations Act 2001*.

Assessment

Applications will be assessed on a case-by-case basis, considering the ratepayer's individual circumstances, capacity to pay, and any supporting evidence provided.

The City may request information reasonably required to assess an application, including:

- A letter from a recognised financial counsellor or other suitably qualified professional;
- A statutory declaration outlining the circumstances giving rise to the hardship;
- Bank statements or other evidence of financial position;
- Centrelink or concession documentation (where applicable)
- Documentation relating to early access to superannuation (where applicable); and
- A proposed payment arrangement.

In addition to the circumstances giving rise to financial hardship, the City may consider the following factors when assessing an application:

- The amount of outstanding rates and charges and the period over which the debt has accrued
- Whether the property is owned outright or subject to a mortgage
- Whether the property is advertised for sale or lease
- Sole residence
- The ratepayer's individual circumstances and history, including pensioner or concession status;
- Previous communications and engagement with the City
- Demonstrated efforts to meet rates and service charge obligations; and
- Any history of payment default or non-responsiveness.

Applicants are responsible for providing sufficient information to enable the City to determine eligibility for financial hardship assistance.

Payment Arrangements

Payment arrangements may be entered into in accordance with section 6.49 of the Act. The frequency and number of payments will be agreed between the City and the ratepayer, considering the ratepayer's individual circumstances and capacity to pay.

When considering a payment arrangement, the City may have regard to:

- The ratepayer's previous efforts to meet their rates and service charge obligations
- The establishment of a realistic and achievable repayment period with a defined end date
- The ratepayer's commitment to promptly advise the City of any change in circumstances that may affect their ability to meet the agreed arrangement

- The payment arrangement must provide for the outstanding debt to be repaid in full by the end of the subsequent financial year, except where exceptional circumstances justify a longer repayment period.

Ratepayers are expected to comply with the agreed payment arrangement and work collaboratively with the City should their circumstances change.

Debt Recovery

The City may suspend debt recovery action while a financial hardship application is being assessed or while negotiating an appropriate payment arrangement with a ratepayer.

Where a ratepayer is unable to meet the terms of an agreed payment arrangement, they are expected to contact the City before defaulting on the arrangement to discuss their circumstances and, where appropriate, establish an alternative payment plan. Where an alternative arrangement is agreed, the City may continue to suspend debt recovery action.

Payment arrangements should provide for the outstanding debt to be repaid in full by the end of the subsequent financial year.

Where a ratepayer fails to comply with an agreed payment arrangement and does not make alternative arrangements with the City, debt recovery action may recommence.

Deferred Rates

Eligible and registered pensioners may apply to defer payment of rates and Emergency Services Levy charges for their principal place of residence in accordance with the *Rates and Charges (Rebates and Deferments) Act 1992*. Eligibility for a rebate or deferment must be registered with the City.

Where rates are deferred:

- the deferred amount remains a debt against the property until paid
- the deferred amount becomes payable in full if the property is sold, the eligible ratepayer no longer resides at the property, or upon the passing of the eligible ratepayer
- any entitlement to a rates concession is forfeited where rates are deferred
- penalty interest will not be applied to the deferred rates balance.

Legal Proceedings and Recovery Actions

If legal proceedings have been commenced, and the ratepayer lodges a financial hardship application, these proceedings will be temporarily 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 City reserves the right to recommence the legal proceedings if the ratepayer's payment arrangement is cancelled for noncompliance. The City will make all reasonable attempts to contact the ratepayer to advise them of the next course of action.

All legal costs and expenses incurred in recovering outstanding rates and charges will be charged against the property in accordance with section 6.56(1) of the Act.

Communication and Confidentiality

The City will, at the applicant's request, communicate with a nominated representative or other authorised third party and maintain the confidentiality of all information provided.

The City recognises that applicants experiencing financial hardship may also be facing additional challenges or complex circumstances. In recognition of this, the City will adopt a flexible and compassionate approach to communication, including providing reasonable additional time to respond to correspondence and, where practicable, offering information in alternative formats to meet individual needs.

The City is committed to ensuring all communications with applicants are clear, respectful, accessible, and conducted in a manner that supports the dignity and privacy of the applicant.

Review of Decisions

The City will notify all applicants of the outcome of their Financial Hardship Assistance application. Applicants whose applications are unsuccessful may request a review of the decision by submitting a written request to the Chief Executive Officer within 14 days of receiving notification of the outcome. The request should outline the reasons the applicant believes the decision should be reconsidered and include any additional information supporting their circumstances. The review will be undertaken by an officer who was not involved in the original assessment where practicable, and the applicant will be advised in writing of the review outcome and the reasons for the decision.

In administering financial hardship matters, the City will have regard to the principles contained in the *Good Practice Guide: Local Government Collection of Overdue Rates for People in Situations of Vulnerability* published by Ombudsman Western Australia.

Policy Definitions

Rates debtor means a ratepayer of the City of South Perth that is the owner or part owner of the property and is liable for payment of rates.

Small business has the same meaning in accordance with the Small Business Development Corporation Act 1983:

(a) 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;

(ii) is managed personally by the owner or owners or directors, as the case requires;

(iii) is not a subsidiary of, or does not form part of, a larger business or enterprise; or

(b) which is declared by the Governor by Order in Council pursuant to subsection (2) to be a small business for the purposes of the Small Business Development Corporation Act 1983.

Unhosted short-term rental accommodation means short-term rental accommodation that –

(a) is not hosted short-term rental accommodation; and

(b) accommodates a maximum of 12 people per night.

Document Control Box			
Legislation	*Local Government Act 1995* *Corporations Act 2001* *Rates and Charges (Rebates and Deferments) Act 1992* *Small Business Development Corporation Act 1983*		
Organisational:	City of South Perth Strategic Community Plan 2021 - 2031		
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