

Financial Hardship Assistance Policy

Statutory context Local Government Act s 6.12

Corporate context Small Rates Balance Write Off Policy
Delegation 1.16 Waive or Write Off Debts

History Adopted dd mmm yyyy
Reviewed
Review Period: every 3 years or if legislation changes

POLICY OBJECTIVE

The purpose of this policy is to enable Council to provide assistance to community members who are suffering financial hardship by providing an appropriate level of relief from Local Government rates or other debt.

POLICY STATEMENT

Scope

This policy applies to ratepayers experiencing genuine and serious financial hardship and needing assistance to meet both their basic needs and their rate payment obligations to Council. It is not intended to be used to maintain financial positions for those who do not need it and are not genuinely impacted by serious financial hardship. Although primarily intended to address rating debts, the policy may also consider other debts owed to Council.

Genuine Financial Hardship

According to the Australian Taxation Office (ATO), individuals are considered to be in serious hardship when they are unable to provide the following for themselves, their family or other dependants:

- (1) Food
- (2) Accommodation
- (3) Clothing
- (4) Medical treatment
- (5) Education
- (6) Other basic necessities

Evidence of Financial Hardship

Applicants will need to provide evidence of their circumstances of financial hardship to justify Council's special consideration of their case. The type of evidence required will depend on the circumstances and may include, for example, one or more of the following:

- Assessment by an independent accredited financial counsellor demonstrating an inability to both pay rates and to rearrange asset portfolios to facilitate payment
- A statutory declaration from an appropriate and independent professional, familiar with the applicant's circumstances (e.g. a family doctor for health-related evidence, a bank official, insurance policy manager, etc.)
- Pending disconnection of essential services, like water, electricity, gas (does not include mobile phone or internet bills)
- Notice of impending legal action
- Letter from charitable organisation regarding loss of employment or inability to provide for basic necessities
- Bank notice for example, overdraft call or mortgaged property repossession
- Employer notice of redundancy or termination of employment
- Overdue medical bills
- Letter from doctor verifying the inability to earn an income due to illness or caring for a sick family member
- Final notice from school regarding payment of mandatory fees
- Funeral expenses
- Repossession notice of essential items, like a car or motorcycle

How Council can Help

Shire of Moora can offer three methods of rate relief:

- (1) Postponing rate payments
- (2) Remission of late payment penalties or interest
- (3) Remission of rates

Postponing Rate Payments – Deferral Arrangements

In confirmed cases of financial hardship, Council may choose deferral of individual rates payments within a defined period, in whole or in part, to be paid back later, subject to any conditions Council determines. The deferral arrangement applies to specified payments, and other rate payments are not affected and continue to accrue as normal.

The terms of rate deferral arrangements will be proportionate to the applicant's demonstrated financial hardship circumstances, so supplying sufficient evidence of these circumstances is important for developing the appropriate terms.

Rate payment deferrals approved under this section are typically deferred by 3 months. However, rate deferral arrangements can only defer individual payments up to a maximum of two (2) years and only in the most serious circumstances.

All deferred payments must be repaid as specified in accordance with the deferral arrangement, otherwise regular late payment penalties and/or interest will apply.

Ratepayers who are subject to a deferral arrangement who overcome their financial hardship circumstances are encouraged to begin repaying their deferred rates payments as early as they are able.

Note that Council may revoke any postponement of rates payments at any time, by giving 60 days' notice in writing to the ratepayer.

Remitting Late Payment Penalties and Interest

For typical circumstances that are not of financial hardship, rates must be paid by the due date and Council may charge a penalty or daily interest or both for each late payment. However, for confirmed cases of financial hardship, Council may waive either the applicable late payment penalties, or the interest accumulated, or both, for a specified period that relates to the period of financial hardship.

Remitting Rates

Remission of any rates, late payment penalties or interest, in part or in full, is reserved only for the most serious and exceptional of financial hardship cases. Even in these cases, deferral of rate payments must be applied for and granted first, before an application for rates remission can be considered.

After the applicant has entered into a deferral arrangement with Council, the applicant may apply for remission of rates. The application must demonstrate:

- (1) Financial hardship
- (2) Exceptional and serious circumstances
- (3) How the applicant's exceptional financial hardship circumstances make the maximum term deferral arrangement unfeasible and unreasonable to fulfil and
- (4) How enforcing fulfilment of the maximum term deferral arrangement would only deepen the seriousness of the applicant's financial hardship and critically impact their ability to provide for the basic living necessities (food, accommodation, clothing, medical treatment) of the applicant and dependents

In the interests of community fairness and equity, wherever possible and appropriate in determining rates remission applications:

- (1) Deferral arrangements are preferable to rates remission
- (2) Amounts or proportions of rates to be remitted are to be minimised, for example, below \$1000 or 50%; the remainder subject to payment arrangements
- (3) Instances of rates remission are to be minimised to no more than one rates remission per applicant

Applying for Financial Hardship Assistance

To seek financial hardship assistance from Council, an application must be made in writing, addressed to the Chief Executive Officer (CEO), and submitted as follows:

- Emailed to shire@moora.wa.gov.au or
- Mailed to PO Box 211, MOORA WA 6510
- Delivered to 34 Padbury Street, Moora

Applications must:

- Demonstrate and provide evidence for financial hardship and circumstances
- Describe the type of assistance sought, being:
 - Postponing rate payments (a deferral arrangement);
 - Postponing or waiving late payment penalties or interest;
 - Remitting rates, late payment penalties or interest, in part or in full;
- Address the requirements of the relevant subsections of How Council can Help