



## Financial Policies

### 3.10 Financial Hardship Policy

## Financial Policies - 3.10 Financial Hardship Policy

### Policy

Financial Policies – 3.10 Financial Hardship Policy

### Purpose

To give effect to our commitment to support the Shire community to meet the unprecedented challenges arising from the COVID19 pandemic, the Shire of Peppermint Grove recognises that these challenges will result in financial hardship for our ratepayers.

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

### Status

Administrative - Statutory

## Policy

This policy applies to:

1. Outstanding rates and service charges as at the date of adoption of this policy; and
2. Rates and service charges levied for the 2020/21 financial year.

It is a reasonable community expectation, as we deal with the effects of the pandemic that those with the capacity to pay rates 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.



## Financial Policies

### 3.10 Financial Hardship Policy

---

## 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 dependants. The Shire of Peppermint Grove recognises the likelihood that COVID19 will increase the occurrence of payment difficulties, financial hardship and vulnerability in our community. This policy is intended to apply to all ratepayers experiencing financial hardship regardless of their status, be they a property owner, tenant, business owner etc.

## Anticipated Financial Hardship due to COVID19

We recognise that many ratepayers are already experiencing financial hardship due to COVID-19. We respect and anticipate the probability that financial difficulties will arise when their rates are received.

We 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.

## 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
- Your business has been closed by the State Government due to COVID 19 or your business is still traded but had a significant reduction in revenue.



## Financial Policies

### 3.10 Financial Hardship Policy

---

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

## Small Business Assistance

The Shire will provide a rate refund or rebate for small business that were closed by the State Government as part of the COVID 19 control measures. The refund/rebate will be for the 3-month period 1 July – 30 September 2020. Unless there are special circumstance, this support is not available to national companies operating within the Shire.

For small businesses that were not closed due to COVID 19, but had a significant reduction on cashflow/revenue, you may be eligible for a 30% rate refund/rebate for the period 1 April – 30 June for the 2019/20 rates and 1 July – 30 September 2020 for the 2020/21 rates. The 30% rebate refund will be based on 2019/20 rates raised against this property.

Eligibility criteria will be based a number of factors which could include participation in the Government Jobkeeper program, receiving lease support from your landlord under the Code of Conduct for Commercial Leases or other supporting evidence considered appropriate by the Shire CEO.

## Payment Arrangements

Payment arrangements facilitated in accordance with Section 6.49 of the Act 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 Shire of Peppermint of any change in circumstance that jeopardises the agreed payment schedule.

The Shire will not be charging instalment establishment charges, interest on instalments or interest on overdue rates for 2020/21.



## Financial Policies

### 3.10 Financial Hardship Policy

---

## 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.

## Debt recovery

We 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 2021, we will offer the ratepayer one further opportunity of adhering to a payment plan that will clear the total debt by the end of the 2021/2022 financial year.

Rates and service charge debts that remain outstanding at the end of the 2021/22 financial year, will then be subject to the rates debt recovery procedures prescribed in the Local Government Act 1995.

## Review

We 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.



## Financial Policies

### 3.10 Financial Hardship Policy

---

## Communication and Confidentiality

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

We will advise ratepayers of this policy and its application, when communicating in any format (i.e., verbal or written) with a ratepayer who has an outstanding rates or service charge debt.

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

---

**Adopted/Amended**

April 2020

---