



Council Policy Manual

WEST WIMMERA SHIRE COUNCIL

COUNCIL POLICY	
FINANCIAL HARDSHIP POLICY	Policy No:
	Adopted by Council: 24 July 2024
	Next review date: July 2028
Executive Director:	Chief Financial Officer
Responsible Officer:	Finance and Rating Coordinator
Functional Area:	Finance
Introduction & Background	<p>The West Wimmera Shire Council levies rates and charges on properties in accordance with <i>the Local Government Act 1989, the Local Government Act 2020 and the Local Government Legislative Amendment (Rating and Other Matters) Act 2022</i> (the Acts).</p> <p>Council is responsible to ensure the collection of rates and charges in order to facilitate the delivery of ongoing services and capital work projects, and also to comply with its legislative obligations.</p> <p>Council may provide alternative payment arrangements for property-based debts to assist ratepayers who are experiencing financial hardship.</p> <p>Additional assistance measures outlined within this policy are available to ratepayers who are experiencing genuine financial hardship due to factors including (but not limited to) loss of income, unemployment, serious illness or injury, and economic abuse associated with family violence.</p>
Purpose & Objectives	<p>Council is committed to providing ratepayers who are experiencing genuine financial hardship with appropriate opportunities to manage their rates payment obligations, within the context of Council's legislative and service delivery obligations.</p> <p>The purpose of this policy is to ensure a fair, transparent, and consistent approach to recover overdue rates and charges where the ratepayer is experiencing genuine financial hardship in accordance with sections 170, 171 and 171A of the Acts.</p>
Response to the Overarching Governance Principles of the Local Government Act 2020	<p>Section 9 of the Local Government Act 2020 states that a Council must in the performance of its role give effect to the overarching governance principles.</p> <p>This policy is in response to the following overarching governance supporting principle/s of the Local Government Act 2020:</p> <p>(a) the financial management principles (section 101);</p>



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Scope	This policy applies to rateable assessments in the West Wimmera Shire where the property is the ratepayer(s)' principal place of residence.
Definitions	<p>Accredited Financial Counsellor means a person who holds a Diploma of Community Services (Financial Counselling), including not-for-profit financial counsellors.</p> <p>Financial Hardship means the inability to meet basic requirements (including food, clothing, medicine, accommodation, utilities and children's education).</p> <p>Ratepayer means the party liable to pay Rates and Charges as defined by the Acts s156.</p> <p>Residential Property means a property whose primary use is for residential purposes.</p> <p>Rates and Charges is as defined by the Acts: What rates and charges may a Council declare (s155) and Liability to pay rates and charges (s156).</p>

Policy Details	
1.	<p>GENERAL PRINCIPLES</p> <p>Council is committed to:</p> <ul style="list-style-type: none"> • Assisting ratepayers who are experiencing financial hardship. • Ensuring that the collection process is transparent. • Treating all people fairly, consistently, respectfully and with sensitivity. • Ensuring Council staff have the resources necessary to manage ratepayer financial hardship and special payment arrangement agreements effectively and consistently. • Ensuring collection matters under this policy remain confidential. <p>Where Council staff have identified that a ratepayer is experiencing financial hardship, outstanding rates and charges shall be pursued in accordance with this policy.</p> <p>If the outstanding rates and charges have been referred to Council's debt collection agency for recovery prior to genuine financial hardship being identified, the referral will be withdrawn. Similarly, any ratepayer who is assessed as experiencing genuine financial hardship by Council will not be referred to Council's collection agency.</p> <p>Where a Special Payment Arrangement or Financial Hardship Arrangement is in default, normal collection activities will be initiated/resumed.</p>
2.	<p>SPECIAL PAYMENT ARRANGEMENT</p> <p>Where a ratepayer is unable to make their payments as required, a Special Payment Arrangement (Payment Plan) may be negotiated. These arrangements can be made at any time during the recovery process subject to the following conditions:</p> <ul style="list-style-type: none"> • Payment plans may be agreed to via phone, in person, writing or email- • Payment plans that will clear the arrears and current balances within 12 months can be approved by any rates officer or collection agency.



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	<ul style="list-style-type: none"> • Interest, if applicable, will cease to accrue for the term of the payment plan unless the ratepayer were to default on their arrangement. Default on the arrangement will result in reinstatement of the interest which had been suspended for the duration of the payment plan. • Payment plans that extend further than 12 months will only be approved in circumstances of Financial Hardship and must be considered under section 3 of this policy. • Once a payment plan is established, a letter will be sent via post or email to the ratepayer detailing the approved arrangement. • Any default in the terms of the payment plan will be notified in writing by post or email and may result in recovery action being initiated/resumed.
3.	<p>FINANCIAL HARDSHIP</p> <p>Council recognises that ratepayers may experience times of financial hardship due to circumstances beyond their control which may seriously impair their capacity to pay their rates in accordance with their legislative obligations.</p> <p>Financial hardship is a circumstance of experiencing a lack of financial means, which may be either ongoing or temporary. If a ratepayer is experiencing genuine financial hardship and wishes to request consideration in respect to the payment of their Council rates, Council will refer them to a free financial counselling service. A request to Council for relief under this Policy can only be approved if it is made on the ratepayer(s)' behalf by an accredited financial counsellor.</p> <p>Under section 170 of the Act, a person may apply to have the whole or part of any payment of a rate or charge deferred for a specified period. Council can grant that application, absolutely or subject to conditions, if it considers that payment would cause hardship to the applicant.</p> <p>Under section 171 and 171A of the Act, a person suffering financial hardship may make application to Council for a waiver of the whole or part of any rate, charge, or interest. Council may grant that application.</p> <p>Where Ratepayers are unable to make their rate payments on time or at all, they can make application for deferral or waiver. If Council is satisfied that any applicant will suffer financial hardship, consideration will be given to deferral or waiver (or a combination of both).</p> <p>The intent of this section of the policy is that any benefit granted is not meant to be an ongoing benefit. It is to give the applicant time to reassess their financial situation.</p> <p>3.1 Eligibility</p> <p>Assistance will be considered in the following circumstances:</p> <ol style="list-style-type: none"> 1. For a property used primarily for residential purposes or land classified as farmland, in circumstances where the applicant lives on the property, and it is their sole or principal place of residence; and 2. The ratepayer has contacted an accredited financial counsellor (can be a not-for-profit accredited financial counsellor); and 3. The ratepayer has authorised an accredited financial counsellor to liaise with Council on their behalf in relation to the outstanding rates and charges; and 4. The accredited financial counsellor has assessed and provided Council with an independent assessment that the ratepayer is experiencing genuine financial hardship; and



5. By approving a payment plan submitted by an accredited financial counsellor, Council has confirmed that the proposed plan is acceptable.

3.1.1 Special Circumstances

Council acknowledges that special circumstances may exist where the applicant does not meet all the above conditions. For example, in cases of Special Charge Schemes or natural disasters.

Where such special circumstances are deemed to exist, approval of any hardship relief measures may be provided by the Chief Financial Officer.

3.2 Assistance Provided

If deemed eligible for financial hardship assistance, the assistance will take the following form:

The Chief Executive Officer may grant assistance to a ratepayer under this policy as per the following:

1. Suspension of court action or sale of land; and/or
2. An agreed payment plan outside the current debt recovery action; and/or
3. Subject to satisfactory completion of an agreed payment plan:
 - Reimbursement of interest already applied and charged; and/or
 - Reimbursement of interest charges accruing between the application, consideration, and completion of an agreed payment plan; and/or
 - Reimbursement of legal fees for costs to recover outstanding rates and charges.

3.3 Assessment of Financial Hardship

The Chief Executive Officer will assess requests for financial hardship concession under this policy.

Assessment will include consideration of:

1. Information received from an accredited financial counsellor; and
2. Ratepayer history; and
3. Information on the property's rate assessment including the value of the outstanding rates and charges, the period the rates and charges have been overdue, and related matters.

3.4 Dispute of Failure to Comply

Normal debt recovery action will resume if:

1. The request for hardship relief is not approved by Council; or
2. The ratepayer:
 - Does not respond to the offer of assistance; or
 - Fails to wholly comply with the offer of assistance; or
 - Once an agreed payment plan is entered, fails to comply with the requirements of that agreed payment plan.



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	<p>In circumstances where the ratepayer is on an agreed payment plan and fails to comply, Council may consider the creation of a new or amended payment plan.</p> <p>If a ratepayer objects to the outcome of their application under this policy, a review of that decision may be sought in accordance with Council's Complaints Policy.</p>
4.	<p>EXTERNAL RESOURCES</p>
	<p>Council officers can assist ratepayers to contact financial information services including financial counselling services.</p> <p>The National Debt Helpline provides free financial counselling services Australia-wide. It can be accessed at www.ndh.org.au or by calling 1800 007 007.</p> <p>Website: https://www.areable.org.au/contact/horsham.</p>
5.	<p>Review</p>
	<p>The Policy will be reviewed every four years.</p>

Policy Adopted:	Ordinary Meeting 15/06/22	Minute Book Page	RecFind: E22/000243
Policy Reviewed:			
Policy Reviewed:			
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