

DOCUMENT TYPE	Policy
TITLE	FINANCIAL HARDSHIP – RATES AND SUNDRY DEBTORS
NUMBER:	POL-2016

PURPOSE

This Policy is intended to provide a structure to ensure that The Shire offers fair, equitable, consistent and dignified support to ratepayers and sundry debtors suffering hardship, while treating all members of the community with respect and understanding.

DEFINITIONS

Applicable Contract means any formal agreement made between a property owner and property occupier, in which the property occupier becomes legally responsible for the payment of any rate or service charge that is imposed by the local government on the land.

Council means the Council of the Shire of Wyndham East Kimberley.

Default means that the customer has failed to meet their obligations in accordance with any special payment arrangement that they have entered into with the Shire of Wyndham East Kimberley.

Financial year means the period commencing on 1 July and ending on the next following 30 June.

Ratepayer means any person, business, club or community organisation who under section 6.44 of the *Local Government Act 1995*, or other Applicable Contract, is liable to pay a rate or service charge that is imposed by the local government on the land.

Sundry Debtor means any person, business, club or community organisation that has incurred a debt for goods or services supplied by the Shire.

The Shire means the Shire of Wyndham East Kimberley.

Waive means to provide a special concession to a person or organisation that extinguishes a debt that would have been owed to the Shire. A waiver may be provided prior to, or subsequent to the date that the debt is incurred.

POLICY STATEMENTS

This policy applies to:

1. Outstanding rates and service charges as at the date of adoption of this policy and future charges; and
2. Outstanding sundry debts, fees and charges as at the date of adoption of this policy and future charges.

It is a reasonable community expectation that those with the capacity to pay do so. For this reason, this Policy is not intended to provide relief to ratepayers or sundry debtors who are not able to evidence financial hardship. The statutory provisions of the *Local Government Act 1995* and *Local Government (Financial Management) Regulations 1996* will apply in conjunction with Council Policies CP/FIN-3212 Rates and Charges Debt Collection and CP/FIN-3214 Sundry Debt Collection.

POLICY

Payment difficulties, hardship and vulnerability¹

Payment difficulties, or short term financial hardship, occur where a change in a person's circumstances result in an inability to pay:

1. A rates or service charge ("rates"); or
2. A sundry debt, fee or charge ("sundry debt").

Payment difficulties, or short term financial hardship, occur where a change in a person's circumstances result in the inability to pay. Financial hardship occurs where a person is unable to pay rates and/or sundry debts without affecting their ability to meet their basic living needs, or the basic living needs of their dependents. This policy is intended to apply to ratepayers and sundry debtors experiencing hardship regardless of their status, be they a property owner, tenant, business owner etc.

Financial Hardship Criteria

While evidence of hardship will be required, The Shire recognises that not all circumstances are alike. A flexible approach will be taken 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.

Ratepayers and sundry debtors 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 Shire will consider all circumstances, applying the principles of fairness, integrity and confidentiality whilst complying with all statutory responsibilities.

The Shire may request additional information from applicants if it considers it necessary to do so.

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 or sundry debtor has made a genuine effort to meet payment obligations in the past;
- The payment arrangement will establish a known end date that is realistic and achievable;
- The ratepayer or sundry debtor will be responsible for informing the Shire of any change in circumstance that jeopardises the agreed payment schedule.

In the case of severe financial hardship, Council reserve the right to consider waiving any other additional charges.

Interest and other Charges

A ratepayer or sundry debtor that meets the Financial Hardship criteria:

¹ This section is adopted from the Ombudsman Western Australia publication, *Local government collection of overdue rates for people in situations of vulnerability: Good Practice Guidance*.

1. Will not be charged penalty interest on any overdue rates or sundry debt;
2. Will not be charged interest should they chose to pay their rates by instalments;
3. Will not be charged an administration fee should they choose to pay their rates by instalments;
4. Will not be charged any fees should they choose to pay their rates or sundry debt under an agreed Payment Arrangement.

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 ratepayer will not receive any concession when the rates are paid (any concession entitlement for the financial year will be forfeited);
- Does not incur penalty interest charges.

Debt recovery

The Shire will suspend debt recovery processes whilst negotiating a suitable payment arrangement with a ratepayer or sundry debtor. Where a ratepayer or sundry debtor is unable to make payments in accordance with the agreed payment plan and advises the Shire and makes an alternative plan before defaulting on the 3rd due payment, the Shire will continue to suspend debt recovery processes.

For ratepayers and sundry debtors assessed as being in financial hardship under Council Policy CP/FIN-3219 COVID-19 Financial Hardship – Rates and Sundry Debtors, rates and sundry debts that remain outstanding at the end of the 2022/23 financial year may be subject to debt recovery procedures in accordance with Council Policies CP/FIN-3212 Rates and Charges Debt Collection and CP/FIN-3214 Sundry Debt Collection. However, the Shire recognises that financial hardship may extend beyond the 2022/23 financial year and may on application consider extending the provisions of this policy on a case-by-case basis.

Review

Shire Officers will advise unsuccessful applicants of their right to seek review and the procedure to be followed.

With reference to a review of decisions made under this Policy, Shire Officers will report to the Audit (Finance and Risk) Committee on a quarterly basis. The report will detail the applicant, the nature of the debt, the amount of the debt, whether the application was successful or not, the payment terms and the status of the arrangement.

Communication and Confidentiality

The Shire will maintain confidential communications at all times and undertakes to communicate with a nominated support person or other third party at the request of the ratepayer or sundry debtor.

The Shire will advise ratepayers and sundry debtors of this policy and its application when communicating in any format (i.e. verbal or written) with a ratepayer or sundry debtor that has an outstanding rates or sundry debt.

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

EXPLANATORY NOTES

The collection of rates and sundry debts is an important component of the Shire's management of adequate cash flows as well as the overall management of the Shire's financial performance and position.

This policy aims to provide manageable and efficient control over rates and sundry debts by closely monitoring outstanding accounts in order to reduce the likely occurrence of unrecoverable debts.

RISK

Risk: Failure to adequately resource and manage funding requirements which meet the needs of the Shire's service delivery requirements and strategic objectives.

Control: Implementation of LTFP and Annual Budget.

Policies reviewed and updated in accordance with schedule and operational requirements.

Risk: Failure to develop appropriate, meaningful policies which enable the administration to perform in an effective and efficient way.

Control: New policies adopted as required.

Policies reviewed and updated in accordance with schedule and operational requirements.

DOCUMENT AND VERSION CONTROL

Responsible Directorate	Corporate Services		
Responsible Officer	Director Corporate Services		
Statutory References	Local Government Act 1995 Local Government (Financial Management) Regulations 1996		
Related Documents	Rates and Charges Debt Collection Sundry Debt Collection Fees and Charges Pricing MOR-2000 Audit (Finance and Risk) Committee Terms of Reference		
Amendment History (Adoption and last 3 amendments)			
Version	Date Issued - Resolution Number	Item #	Description of Change
1.0	18/04/2023 - 118816	12.4.1	Council Adoption
1.1	08/11/2023 - CEO041	--	Reference Updates as per POL-1014 Policy Management (Previously CP-FIN-3220)
Date of Next Review	April 2025		

DOCUMENT TYPE:	Form or Template
TITLE:	APPLICATION FOR RATES EXEMPTION LOCAL GOVERNMENT ACT 1995, SECTION 6.26
NUMBER:	FMT-2021

PRIVACY

The personal information collected on this form will only be used by the Shire of Wyndham East Kimberley (the Shire) for the sole purpose of providing requested and related services. Information will be stored securely by the Shire and will not be disclosed to any third parties without your express written consent.

INSTRUCTIONS

Please print clearly in the spaces provided and fill out the attached checklist.

This application form is to be used by organisations seeking a rates exemption, pursuant to Section 6.26 of the Local Government Act 1995. You will be advised of the outcome in due course. Please attach any additional documents requested, as failure to do so may result in the application being refused.

PROPERTY DETAILS

Assessment Number	
Address of Rated Property	

PROPERTY OWNER DETAILS

Organisation Name					
Surname/Family Name					
Given Names					
Postal Address					
Town/Suburb		State:		Postcode:	
Contact Person					
Contact Number					
Email					

APPLICANT / RATEPAYER DETAILS (if different from above)

Organisation Name					
Postal Address					
Town/Suburb		State:		Postcode:	
Contact Person					
Contact Number					
Email					

PLEASE ANSWER THE FOLLOWING QUESTIONS

QUESTION	YES	NO
Is the applicant the owner or lessee/occupier of the land? If lessee, please provide a copy of the lease agreement showing that the lessee is responsible for the payment of rates.		
Is the organisation an incorporated body as per the Association Incorporated Act 1987? If yes, please provide a copy of the Certificate of Incorporation		
Is the organisation considered not for profit?		
<i>If yes, please state the purpose of the organisation's operations including but not limited to; the use and occupancy of the property, the type of service provided, frequency of the service, is payment received for service.</i>		
Is the organisation registered under the Australian Charities and Not for Profit Commission (ACNC) or a Public Benevolent Institution? <i>If yes, please provide evidence</i>		
Does the organisation receive a tax exemption from the Australian Taxation Office? <i>If yes, please provide taxation exemption certificate from ATO</i>		
Are commercial activities being conducted at the property address?		
<i>If yes, please provide details outlining the activities</i>		
Does the organisation make a profit, which is not used for a charitable purpose from the operations?		
<i>If yes, please state how the profit is utilised or distributed by the organisation</i>		
Is the organisation exempt from the payment of the rates under legislation other than the Local Government Act 1995?		
<i>If yes, please provide evidence and details of the specific legislation</i>		

Does the organisation occupy the whole property?		
If you answered yes to the previous question, is the exemption claimed over the whole property? <i>If no, please provide copy of floor plans showing areas leased and/or areas claiming exemption.</i>		
Does the organisation have development (planning) approval for the land use of the property? <i>A site inspection maybe required before the application is processed</i>		
Does the Property hold a Liquor Licence? <i>If yes, please provide details on type currently held</i>		

SUPPORTING DOCUMENTATION CHECKLIST

Lease Agreement	Certificate of Incorporation
Tax Exemption Certificate	Organisation's constitution
Floor plan of the area, if only part of the property is to be exempt	
Evidence that organisation is registered under the Australian Charities and Not for Profit Commission (ACNC) or a Public Benevolent Institution	
Evidence the organisation is exempt from the payment of the rates under legislation other than the Local Government Act 1995	
Current and prior years audited financial or other financial statements	

AUTHORISATION

By signing this application, I hereby certify that the information provided is true and correct to the best of my knowledge.

I understand that Applications must be submitted in accordance with the timeframes determined by Council to be considered for the next two financial years. Applications lodged after this date may be considered for the second financial year only.

Organisations that are granted rates exemption by Council will be asked to reapply every financial year, if Council considers this appropriate.

I have read and understand the Council's Policy POL-2005 Rates Exemption for Charitable Organisations (Non Rateable Land).

Name			
Position			
Organisation			
Signed		Date	

OFFICE USE ONLY

Rates Exemption Application Approved			
Effective Financial Years for Exemption		and	
The decision to approve / deny a Rates Exemption under Section 6.26 of the Local Government Act 1995 was approved / denied by the Shire on / /			
Signature			
Name			
Position			
Date			

DOCUMENT AND VERSION CONTROL

Responsible Directorate	Corporate Services		
Responsible Officer	Coordinator of Customer Service & Records Officer		
Related Documents	POL-2005 Rates Exemption for Charitable Organisations (Non-Rateable Land)		
Version Number	1.0	Date of Next Review	28/03/2026