

## Policy P697 Financial Hardship Assistance

<b>Responsible Business Unit/s</b>	<b>Finance</b>
<b>Responsible Officer</b>	<b>Manager Finance</b>
<b>Affected Business Unit/s</b>	<b>Community, Culture and Recreation; Development Services; Governance; Finance</b>

### Policy Objectives

The City recognises that a person(s) and organisations may suffer from financial stress and experience difficulty in paying their debts as and when they are due. Whilst individual circumstances may vary, situations that may cause hardship include pandemics (COVID-19), natural disasters, economic downturn, other state, national and international events.

This Policy is intended to ensure the City offer a fair, equitable, consistent and dignified approach to individuals and organisations suffering financial hardship, whilst balancing the needs and expectations of our community. In addition, the Policy promotes a simple application and assessment process and where possible utilises existing Federal and/or State Government hardship criteria.

### Policy Scope

This policy applies to debts owed to the City, including:

- Annual rates notice: inclusive of rates, Emergency Services Levy (ESL), waste service charge and fees and charges as per the City's adopted schedule of fees and charges.
- Leases, licences and rentals
- Self-supporting loans
- Other

### Policy Statement

Payment difficulties, or short term financial hardship, occurs where there is a change in a person(s) or organisations circumstances resulting in an inability to pay a City debt as and when it falls due.

It is a reasonable community expectation that person(s) and organisations that have the capacity to pay their debts continue to do so, especially under abnormal or crisis circumstances. For this reason the Policy is not intended to provide debt relief to persons(s) or organisations whom are not in a financial hardship situation. Therefore, the City's payment terms, statutory provisions of the *Local Government Act 1995*, various local government regulations, other laws and City Policies still apply.

For person(s) or organisations experiencing financial hardship, the City is committed to working with them to find an alternative payment solution that is effective and sustainable. We will ensure debtors are treated fairly, consistently, with respect and compassion when considering their circumstances in recognising financial hardship.

## Financial Hardship

Financial hardship means that a person or organisation is experiencing difficulty in meeting their financial obligations. The debtor has the intention but not the financial capacity to pay. In the case of an individual, paying their debt to the City will impact on their ability to meet their basic living needs. This may be as a result of unexpected events or unforeseen changes outside their control. Examples of events that may cause financial hardship may include, but not limited to: a loss of employment; reduction of income due to illness; relationship breakdown; natural disaster; pandemic and economic downturn.

Financial hardship may be of a temporary nature. The City will consider all financial hardship applications, working with each person or organisation in an effort for them to be able to repay their debt.

Financial hardship will be determined by the City's assessment process which may allow for criteria established by an external body, for-example State or Federal Government. The intent is to create an expedient and administrative efficient process. An application will be assessed by applying the principles of fairness, integrity and confidentiality whilst complying with statutory requirements.

In relation to state, national and international events (for example natural disasters or pandemics), the City will utilise, where appropriate, current or introduced state and/or federal financial hardship criterion.

## Assistance

In considering an application for Financial Hardship Assistance, the City may apply temporary and permanent measures.

Temporary measures may include reduction in repayment amounts, deferring payments for a specified time, reduction or elimination of penalty interest for a specified time and suspension of the debt recovery process. Permanent measures are included incorporated within Delegation DC616 Write off debts.

Existing laws and Delegations determine the responsibility (Council or Chief Executive Officer) for determining financial hardship. Where possible the City will ensure the assessment and determinations are made as soon as possible.

## Review

The City will advise all applicants for Financial Hardship Assistance of the decision made and inform all unsuccessful applicants that the decision may be reviewed by applying in writing to the Chief Executive Officer. The City will observe Good Practice Guide issued by the Ombudsman Western Australia (Local government collection of overdue rates for people in situations of vulnerability).

## Communication and confidentiality

The City will maintain confidential communications with a nominated person or other third party at the request of the applicant. We recognise that Financial Hardship Assistance applicants are experiencing additional stressors and may have complex needs. We will provide additional time to respond to communication and will communicate with alternative formats where possible, if required. We will ensure communication with the applicants is clear and respectful.

## Legislation / Local Law Requirements

*Local Government Act 1995*

Local Government (Financial Management) Regulations 1996

*Rates and Charges (Rebates and Deferments) Act 1992*

## Other Relevant Policies / Key Documents

Delegation DC616 – Write-off Debts