

Council Policy

Council Policy Name: Financial Hardship

Responsible Directorate: Finance and Corporate Services

Version: ADOPTED

1. PURPOSE

- 1.1. The purpose of this Policy is to ensure that the City provides consistent and dignified support to Ratepayers or Debtors suffering hardship.

2. SCOPE

- 2.1. This Policy is intended to apply to all Ratepayers or Debtors experiencing Financial Hardship and is applicable to:
- outstanding rates and service charges as at the date of adoption of this Policy;
 - lease and or rental charges owed to the City from commercial or residential tenancy arrangements; and
 - any other debt arising from a fee, interest or charge levied by the City

3. DEFINITIONS

Term	Meaning
Act	<i>Local Government Act 1995</i>
Financial Hardship	where a change in a person's circumstances results in them being unable to pay City rates, service and/or lease/rental charges without affecting their ability to meet their basic living needs, or the basic living needs of their dependants
Policy	this City of Busselton Council policy titled "Financial Hardship"
Ratepayer	a person or entity that is responsible for the payment of rates to the City of Busselton
Debtors	a person or entity that owes money or has a financial obligation to the City of Busselton.

4. STRATEGIC CONTEXT

- 4.1. This Policy links to Strategic Theme 4: LEADERSHIP - A Council that connects with the community and is accountable in its decision making, of the City's Strategic Community Plan June 2021 and specifically Strategic Priority 4.2: Deliver governance systems that facilitate open, ethical and transparent decision making.

5. POLICY STATEMENT

- 5.1. The City recognises that Ratepayers and Debtors may experience Financial Hardship due to a range of factors.
- 5.2. The City will seek to support Ratepayers and Debtors experiencing Financial Hardship, by providing financial support in the form of the following:
- temporarily accept reduced payments under an alternative payment arrangement in payment of rates, service and/or lease/rental charges;

- b. temporarily pause payment of rates, service and/or lease/rental charges for a set period of time;
 - c. waive interest and/or fee accrual/s for a set period of time; and/or
 - d. suspend any debt recovery action subject to adherence with an agreed payment arrangement plan.
- 5.3. The City will advise Ratepayers or Debtors of this Policy and its application, when communicating with a Ratepayer or Debtor that has an outstanding rates, service and/or lease/rental charge.
- 5.4. Where possible and appropriate, the City will also provide contact information for a recognised financial counsellor and/or other relevant support services.

Financial Hardship Criteria

- 5.5. While evidence of hardship will be required when applying for Financial Hardship support, the City recognises that not all circumstances are alike. The City will take a flexible approach to assessing applications and consider a range of circumstances including, but not limited to:
- a. recent unemployment or under-employment;
 - b. sudden bereavement in the family;
 - c. sickness or recovery from sickness;
 - d. low income or loss of income;
 - e. domestic or family violence.
- 5.6. Individuals seeking financial support will be encouraged to provide any information about their individual circumstances that may be relevant for assessment. Documentation for assessment may include:
- a. a letter from a recognised Financial Counsellors' Association of WA (FCAWA) financial counsellor or financial planner confirming financial hardship;
 - b. a Statutory Declaration from a Ratepayer or Debtor outlining reasons for applying for hardship;
 - c. a copy of recent bank statements of all bank accounts;
 - d. any related Centrelink documentation (if applicable);
 - e. a repayment proposal;
 - f. evidence that the Ratepayer or Debtor is not bankrupt or subject to a bankruptcy petition.

Payment Arrangements

- 5.7. Payment arrangements facilitated in accordance with Section 6.49 of the *Local Government Act 1995* will be of an agreed frequency, amount and period of time. These arrangements will consider the following:
- a. whether an applicant has made genuine effort to meet debt obligations in the past;
 - b. whether the payment arrangement will establish a known end date that is realistic and achievable.
- 5.8. In the case of severe Financial Hardship, the City will consider waiving overdue interest and/or fees.

Interest Charges

- 5.9. Interest, fees or penalty charges on existing rates, service and/or lease/rental charges may not be levied for the period of a payment arrangement that has been approved by the City.

Debt Recovery

- 5.10. The City will suspend debt recovery procedures while negotiating a suitable payment arrangement.
- 5.11. Debt recovery procedures will remain suspended while payments are being met by the due date of an approved payment arrangement.
- 5.12. If a Hardship Applicant is unable to make payments in accordance with the agreed payment arrangement and that Applicant makes an alternative payment arrangement with the City before defaulting on the second due payment then the City will continue to suspend all debt recovery procedures.

- 5.13. Where payment arrangements are not adhered to, or an alternative arrangement is not made before the second payment default then the City will offer one further opportunity to adhere to a new payment arrangement that will clear all rates, service and/or lease/rental charges within an acceptable period of time.
- 5.14. New debts that remain outstanding at the end of the current financial year will be subject to the City's usual debt recovery procedures.

Review

- 5.15. Financial Hardship assessments and any associated payment arrangements will be reviewed by the City within a set period of time.
- 5.16. The City will advise Financial Hardship Applicants of the outcome of the review, and advise them of their right to seek further review and procedural adjustment.

Communication and Confidentiality

- 5.17. The City will maintain confidentiality in relation to Financial Hardship support.

6. RELATED DOCUMENTATION / LEGISLATION

- 6.1. *Local Government Act 1995*
- 6.2. *Local Government (Financial Management) Regulations 1996*
- 6.3. Ombudsman Western Australia publication: 'Local Government collection of overdue rates for people in situations of vulnerability: Good Practice Guidance'

7. REVIEW DETAILS

Review Frequency		Within 6 months of adoption		
Council Adoption	DATE	21 December 2022	Resolution #	C2212/303