

## POL-C-198 Financial Hardship - Rates and Service Charges

### 1. Purpose

The purpose of POL-C-198 Financial Hardship - Rates and Service Charges (Policy) is to outline the City of Swan's (City) approach for providing assistance to residential ratepayers experiencing financial hardship.

All residential ratepayers, regardless of their financial circumstances, will be treated with respect, dignity, fairness, equity and confidentiality.

### 2. Scope

This Policy applies to:

- i. Residential ratepayers/property owners of the City who are experiencing financial hardship; and
- ii. Rates and service charges owed to the City in relation to a residential ratepayer's principal place of residence only.

This Policy does not apply to non-residential ratepayers. However, any non-residential ratepayers experiencing financial hardship are encouraged to contact the City.

### 3. Terms and definitions

In this Policy the terms below have the following meanings.

Term	Definition
<b><i>Payment difficulties</i></b>	Payment difficulties or temporary financial hardship, is a state of financial disadvantage that isn't likely to be ongoing; and occurs where a change in a person's circumstances results in an inability to pay a rates or service charge debt.
<b><i>Financial Hardship</i></b>	Is an ongoing state of financial disadvantage and 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.

### 4. Policy statement

This Policy enables flexibility for residential ratepayers who may at times experience financial hardship and difficulty in paying rates and service charges.

The Policy provides clear and consistent criteria for how financial hardship applications are to be assessed and managed, and complements POL-C-186 Debt Collection – Rates and Service Charges.

## 5. Policy criteria

### 5.1 Financial hardship criteria

While evidence of financial hardship will be required, the City recognises that not all circumstances are alike.

- a) The City will take a flexible approach to a range of individual circumstances including, but not limited to, the following situations:
  - i. Low income or loss of your, or a family members', primary income;
  - ii. Sickness, or recovery from sickness;
  - iii. Loss of a spouse or loved one;
  - iv. Domestic or family violence; or
  - v. Other unanticipated circumstances, such as caring for and supporting extended family.
- b) Residential ratepayers are required to provide any applicable information about their individual circumstances that may be relevant for assessment. This may include:
  - i. Letter from a recognised financial counsellor. The City can refer you to a financial counsellor or you can make direct contact by visiting <https://fcawa.org/> or emailing [admin@fcawa.org](mailto:admin@fcawa.org)
  - ii. Letter from employer confirming change in employment status;
  - iii. Any related Centrelink documentation (if applicable); or
  - iv. Repayment proposal.
- c) The City's decision, and the level of relief, will be based on:
  - i. The history of the debt and repayments;
  - ii. Previous cooperation with the City;
  - iii. The residential ratepayer's response to correspondence;
  - iv. Financial hardship supporting documentation; and
  - v. The evidence of genuine financial hardship.

### 5.2 Payment arrangements

If the City determines that a residential ratepayer is in financial hardship, a payment arrangement will be facilitated in accordance with s6.49 of the **Local Government Act 1995**.

- a) Payment arrangements will comprise of the following:
  - i. An extension in time to pay;
  - ii. A payment plan; and
  - iii. A suspension of penalty against interest charges and administration fees for the duration of the payment plan.
- b) The repayment amount will be determined by the City, and where applicable, in accordance with the income and expenditure statement provided by a financial counsellor.
- c) The City reserves the right to review its decision and the residential ratepayer's circumstances at its discretion.

- d) Where possible, consideration will be given to acceptable arrangements to clear any debt owing at the time of application plus the next two financial years' rates and service charges.

## 5.3 Write-off accrued interest charges and administration fees

- a) The City may write-off accrued interest for rates and service charges (excluding ESL penalty interest) and administration fees in the circumstances where:
  - i. The residential ratepayer is unable to pay the accrued interest and administration fees for reasons beyond their control; or
  - ii. The payment of accrued interest and administration fees would cause the residential ratepayer further financial hardship.
- b) The residential ratepayer must submit a request in writing with an explanation as to why interest and administration fees should be waived.
- c) Any request to write-off accrued interest charges and administration fees will require the approval of the Chief Executive Officer (CEO).

## 5.4 Debt collection

- a) Payment plans
  - i. Whilst the residential ratepayer's financial hardship application is being reviewed and assessed, the City will not commence any legal proceedings to recover a residential ratepayer's debt.
  - ii. Where the residential ratepayer is complying with their payment plan, the City will not commence any legal proceedings to recover a residential ratepayer's debt.
- b) Legal proceedings
  - i. If legal proceedings have been commenced, and the residential ratepayer submits a financial hardship application, these proceedings will be suspended whilst the residential ratepayer's financial application is reviewed and assessed.
  - ii. If the City has determined a residential ratepayer is in financial hardship, no further legal action will be taken whilst the residential ratepayer is complying with their payment plan.
  - iii. The City reserves the right to commence, or re-recommence, legal proceedings if a residential ratepayer doesn't comply with a payment plan in accordance with POL-C-186 Debt Collection – Rates and Service Charges. The City will make all reasonable attempts to contact the residential ratepayer to advise them of the next course of action.

## 5.5 Residential ratepayers' commitment to the City

The City requests that residential ratepayers experiencing financial hardship:

- a) Keep the City informed of any changes in their circumstances;
- b) Agree and maintain a suitable payment arrangement;
- c) Contact the City to request an alternative arrangement if they are having difficulty maintaining the agreed payment plan;
- d) If requested, to contact a financial counsellor or relevant consumer representative to discuss their financial situation and consider the options available.

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## 5.6 Complaints handling

The City is committed to solving issues as quickly as possible. If a residential ratepayer has a complaint, please contact the City on (08) 9267 9267 or by email [swan@swan.wa.gov.au](mailto:swan@swan.wa.gov.au).

If your complaint isn't resolved or you are unhappy with the outcome, you may refer your complaint to the Ombudsman.

Address: PO Box Z5386, St Georges Terrace, Perth, WA 6831

Phone: 08 9220 7555 or free call 1800 117 000

Email: [mail@ombudsman.wa.gov.au](mailto:mail@ombudsman.wa.gov.au)

Website: <https://www.ombudsman.wa.gov.au/>

## Document control

Document approvals:			
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<b>Industry:</b>			
<b>Organisational:</b>	POL-C-186 Debt Collection – Rates and Service Charges		
<b>Strategic Community Plan:</b>	G2 Sustainable and optimal use of City resources		