

## Extreme Financial Hardship Rate Relief

### 1. PURPOSE

Council acknowledges that due to exceptional circumstances ratepayers may at times encounter difficulty in paying rates and service charges as they fall due.

For 2021/22 Council has adopted the Budget 2021/22 implementing a range of support measures including:

- No increase to 2021/22 rates yield (if calculated on the same rateable property base);
- No instalment interest or administration fee for ratepayers entering into the formal rates instalment program;
- Flexible payment options;
- Continuation of COVID-19 Financial Hardship Policy in 2021/22;
- Council resolution from the Special Council Meeting on April 15, 2020 to suspend debt recovery for rates and other debt owed to the City for ratepayers, community groups and businesses that are adversely affected by COVID-19 for a period of six (6) months following the standing down of the State of Emergency declaration is still in effect.

It is not the intention of Council to cause hardship to any ratepayer through the Council's recovery procedures and consideration will be given to acceptable arrangements to clear any debt, where possible, prior to the end of the current financial year.

Council recognises there are cases of genuine extreme financial hardship where the interest on outstanding rates will cause the ratepayer further hardship. The guideline below outlines the scope and criteria for assessing applications of cases of extreme financial hardship and to write off interest of up to \$400 on outstanding rates.

The guidelines below outline the scope and criteria for assessing two different types of applications of cases of extreme financial hardship;

1. Extreme Financial Hardship due to being adversely affected by COVID-19 State of Emergency;
2. Extreme Financial Hardship due to exceptional circumstances (not due to COVID-19 State of Emergency).

### 2. COVID-19 - State of Emergency 2021/22

For the 2021/21 Council adopted not to charge interest or administration fee for ratepayers entering into the formal rates instalment program and to reinstate penalty interest at three per cent (3%) per annum on all overdue rates.

Council resolution from the Special Council Meeting on April 15, 2020 to suspend debt recovery for rates and other debt owed to the City for ratepayers, community groups and businesses that are adversely affected by COVID-19 for a period of six (6) months following the standing down of the State of Emergency declaration is still in effect.

### **3. GUIDELINE – Extreme Financial Hardship**

On 5 July 2017, the Council delegated to the Chief Executive Officer (CEO) the power under s6.12(1)(c) of the Local Government Act 1995 to write off interest on outstanding rates incurred (no interest applicable in the current financial year), subject to the conditions outlined below.

Extreme financial hardship relief policy is to continue each financial year until revoked by Council.

The Extreme Financial Hardship application approval is subject to the following conditions:

- A. In the opinion of the CEO, the ratepayer is experiencing extreme and genuine financial hardship.
- B. The ratepayer has no outstanding rates as at 30 June 2021.
- C. The ratepayer's circumstances are supported by an original hardship letter from a financial counsellor.
- D. The ratepayer is not a corporation or trustee.
- E. The ratepayer is not bankrupt or subject to a bankruptcy petition.
- F. The maximum interest amount to be written off is \$400
- G. The property is the principal place of residence.
- H. The applicant must be the owner or co-owner of the property and liable for payment of rates and charges.

### **4. GUIDELINE – COVID-19 Extreme Financial Hardship**

This Guideline has been amended to recognise the State of Emergency situation due to COVID-19, declared on March 15, 2020.

On April 15, 2020, Council resolved to provide rates relief through flexible payment options and create a City of Swan COVID-19 Financial Hardship policy to govern debt recovery during the state of the emergency. The guideline below outlines the scope and criteria for assessing applications of cases of extreme financial hardship due to being adversely affected by COVID-19.

- A. In the opinion of the CEO, the ratepayer is experiencing extreme and genuine financial hardship adversely affected by COVID-19.
- B. The ratepayer had no outstanding rates as at June 30, 2019.
- C. The ratepayer is unemployed due to COVID-19 and:
  - a confirmation letter from an employer is attached ,or/and
  - unemployment benefit eligibility confirmation letter from Centrelink is attached.

## 5. APPLICATION PROCESS

Applications for Extreme Financial Hardship Assistance must be made on the Extreme Financial Hardship Rate Relief Application form attached to this guideline. This form is also available from Council’s website [www.swan.wa.gov.au](http://www.swan.wa.gov.au) or by contacting Customer Service on 08 9267 9267.

Applications including original or copy of a letter from an employer or/and Centrelink or an extreme hardship letter with supporting documentation.

Upon receipt, the ratepayer’s application will be assessed by the CEO and in due course, the ratepayer will receive notification of the decision.

## 6. PAYMENT METHODS

The City of Swan is mindful that not all ratepayers are able to pay their annual bill in full. Therefore alternative payment options are available, such as weekly/ fortnightly direct debit or monthly payment plans.

## Document Control

Document Approvals:			
Version #	Adoption		
1.	Ordinary Meeting of Council 5 July 2017 - delegated to CEO the power under s6.12(1)(c) of the Local Government Act		
2.	Special Meeting of Council 15 April 2020		
Document Responsibilities			
<b>Custodian:</b>	Manager, Financial Services & Rates	<b>Custodian Unit:</b>	Financial Services & Rates
Document Management:			
<b>Risk Rating:</b>		<b>Review Frequency:</b>	Annual
<b>Next Review:</b>	2022	<b>ECM Ref:</b>	
Compliance Requirements:			
<b>Legislation:</b>	S6.12(1)(c) Local Government Act 1995 Local Government (Financial Management) Regulations 1996		
<b>Industry:</b>			
<b>Organisational:</b>	Extreme Financial Hardship Rate Relief application form Extreme Financial Hardship Rate Relief process		
<b>Strategic Community Plan:</b>			