



## Financial Hardship Assistance Policy

<b>Status</b>	Council
<b>Responsible Division</b>	Corporate and Strategy
<b>Objective</b>	To provide direction on the City response to financial hardship.

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### Purpose

The City recognises that ratepayers may suffer from financial stress and have trouble in paying their debts as and when they fall due.

This Policy is intended to ensure the City offers a fair, equitable, consistent and dignified approach to individuals and organisations suffering financial hardship, whilst balancing the needs and expectations of our community.

The provision of the *Local Government Act 1995 (WA)*, *Local Government (Financial Management) Regulations 1996 (WA)* and *Rates and Charges (Rebates and Deferments) Act 1992 (WA)* apply.

### Statement

This policy applies to any person (including ratepayers, tenants, property owners and business owners) that owes money or due to application of a policy may in the future owe money to the City and is experiencing financial hardship.

The policy applies in relation to:

- Outstanding rates and service charges, in place at the time this policy is adopted and for any future charges.
- Outstanding rent, insurance charges or any outgoings associated with a lease, licence or rental at the time this policy is adopted.
- Fees to be applied as per the City's adopted schedule of fees and charges.
- Any debt owed to the City that is not otherwise stated above.

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 applicants are treated fairly, consistently, with respect and compassion when considering their circumstances in recognising financial hardship.

It is a reasonable community expectation that persons 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 or organisations not in a financial hardship situation. Therefore, the City's



payment terms, statutory provisions of the *Local Government Act 1995 (WA)*, various local government regulations, other laws and City Policies still apply.

### **Financial hardship criteria**

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.

Although evidence of financial hardship is required to be provided, we recognise that not all circumstances are the same. The City will be flexible when considering an application may include but not limited to: capacity to pay; a loss of employment; reduction of income due to illness; relationship breakdown; natural disaster; pandemic; economic downturn and/or any other circumstance.

Ratepayers are encouraged to provide information about their individual circumstances that may be relevant for assessment which may include demonstrating a capacity to make some payment and where possible, entering into a payment arrangement.

### **Assistance**

Existing laws and delegations determine the responsible officer for assessing financial hardship. Where possible the City will ensure the assessment and determinations are made as soon as possible.

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 1.1.22 Write off debts.

### **Payment arrangements**

Payment arrangements facilitated in accordance with Section 6.49 of the *Local Government Act 1995* will be of an agreed frequency and amount. These arrangements will consider the following:

- That a ratepayer or debtor has made genuine effort to meet rate and service charge obligations in the past;
- The payment arrangement will establish a known end date that is realistic and achievable;



- The ratepayer or debtor will be responsible for informing the City of Nedlands of any change in circumstance that affects the agreed payment schedule.
- The need to have the debt fully repaid by the end of the subsequent financial year.

In the case of severe financial hardship, the City reserves the right to consider waiving additional charges or interest (excluding the late payment interest applicable to the Emergency Services Levy).

### **Debt recovery and interest charges**

The City will suspend debt recovery processes for a reasonable period of time:

- Whilst negotiating a suitable payment arrangement.
- Whilst the person is adhering to an approved payment arrangement agreed in writing.
- For the time period of any agreed deferral.

Interest continues to accrue on all debts in accordance with the City's Schedule of Fees and Charges.

### **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.

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### **Related Documentation**

Nil.

### **Related Local Law / Legislation**

- *Local Government Act 1995*
- *Local Government (Financial Management) Regulations 1996*
- *Rates and Charges (Rebates and Deferrals) Act 1992*



## **Related Delegation**

Delegation 1.1.22 – Write-off Debt

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## **Review History**

First Adopted by Council – Ordinary Council Meeting – 6 August 2025 (Item 17.1)