



FINANCIAL HARDSHIP POLICY

PURPOSE

This Financial Hardship Policy outlines how the City will assist people or organisations experiencing financial hardship.

SCOPE

This Financial Hardship Policy applies to people or organisations who are liable for Fees and Charges or owe a Debt to the City.

DEFINITIONS

Applicant means a person applying for waiver, discount or write off an amount owned by them to the City, either in respect of Fees and Charges or a Debt.

CEO means the Chief Executive Officer of the City.

City means the City of Kalgoorlie-Boulder.

Debt means an amount owed to the City that is overdue and outstanding for payment.

Fees and Charges means a fee and charge payable pursuant to the Schedule of Fees and Charges adopted by Council.

Financial Counsellors' Association of WA (FCAWA) means a recognised service that can refer applicants to a financial counsellor in their area or alternatively they can refer the applicant to their Financial Counselling Helpline. The Helpline provides a free confidential service for all Western Australians with financial problems and queries.

Financial Hardship means that an Applicant is experiencing an inability to meet their basic living needs or their ability to meet their basic needs will be impacted by payment of Fees and Charges or a Debt to the City, and may be Ongoing Financial Hardship or Temporary Financial Hardship.

Ongoing Financial Hardship means that an Applicant is experiencing an ongoing hardship from being on low or fixed incomes, and may be experiencing similar changes in circumstances including but not limited to:

- a serious accident;
- sudden bereavement within a family;
- severe/life threatening illness or medical disability;
- an impact on a dependent or family member who has serious disability or health problem and who relies on the affected person for their financial support;
- marriage/partnership breakdown;



- prolonged imprisonment;
- business downturn;
- temporary physical or mental incapacity;
- emergency event from natural disasters such as flood, bushfire, cyclone or earthquake;
- domestic violence; or
- any other matter considered acceptable by the CEO.

Temporary Financial Hardship means that an Applicant is experiencing a short-term change in circumstance, caused by one or more of the following factors:

- loss of Debtor or Debtor's family member's primary income;
- separation or divorce from spouse;
- domestic or family violence;
- loss of a spouse or loved-one;
- physical or mental health problems;
- a chronically ill child;
- budget management difficulties because of a low income; or
- other unforeseen factors affecting debtor's capacity to pay, such as a reduction in income or an increase in non-discretionary spending.

POLICY STATEMENT

The City recognises that Applicants may, at times, suffer from financial stress and experience difficulty in paying amounts owed to the City (either payment of Fees and Charges or a Debt). The City is committed to working with all debtors to find an appropriate payment solution that is effective and sustainable.

The City will ensure all Applicants are treated fairly and consistently with respect and compassion when considering their circumstances in recognising Financial Hardship.

POLICY DETAILS

1. Financial Hardship Application

- a. A person or organisation may apply to the City for a waiver or discount on Fees and Charges, or the write off of a Debt, if they are experiencing Financial Hardship and satisfy the requirements of this policy.
- b. An application must be made in the form required by the City, and include all relevant information reasonably requested by the City either through the operation of this Policy or reasonable request of relevant City officers.

- c. Where there is more than one Fees and Charges or Debt that applies to the Applicant, the City will take the total cumulative value for the purpose of determining the relevant value and therefore policy requirements.

2. Application for relief to value of \$500 or less

- a. Where the value of the relevant Fees and Charges or Debt is \$500 or less, the Applicant must complete a declaration in the form required by the City of their Financial Hardship including reasonable details of the Financial Hardship and whether the circumstances are causing Temporary Financial Hardship or Ongoing Financial Hardship.
- b. Where reasonably requested by the relevant City officer/s, the Applicant must provide genuine and tangible evidence of their Financial Hardship.
- c. An application submitted for relief valued at \$500 or less can be determined by City officers in accordance with their level of delegated authority, and if approved can have immediate effect for the Applicant.

3. Application for relief to the value of \$501 or more

- a. **Application:** Where the value of the relevant Fees and Charges or Debt is \$501 or more, the Applicant must submit a Financial Hardship Application (FHA) addressed to the CEO, with the required supporting documentation:
 - letter from a recognised financial counsellor (i.e. must be a member of a financial counselling association, for example Financial Counsellors' Association of WA (FCAWA) or financial planner confirming financial hardship or a Statutory Declaration from ratepayer outlining reasons for applying for hardship;
 - copy of recent bank statements of all bank accounts;
 - any related Centrelink documentation (if applicable);
 - a written statement and/or advice provided by a recognised financial counsellor on capacity to pay if the City provides concessions and leniencies the City would otherwise consider; and
 - a payment proposal.
- b. **Review of application:** The Applicant's application will be reviewed within ten (10) business days and if it meets the criteria set out in this Policy, will proceed to assessment. An application may be referred back to the Applicant or their financial counsellor for further information or discussion if the application does not contain the correct information.
- c. **Assessment Process:** The extent of hardship will be determined by the Manager of the department to which the relevant Fees and Charges or Debt relates with the assistance of that department's accountant. The Manager may refer the application to an external body for assessment (for example, an accredited financial counsellor). The Manager will apply the principles of fairness, integrity and confidentiality whilst complying with statutory requirements, and will exercise due diligence in assessing and identifying



genuine hardship based on the submitted circumstances and submitted evidence in relation to the Applicant's capacity to pay.

- d. **Review by Applicant:** The Applicant and their financial counsellor will be engaged in discussions to determine a payment option in line with the Applicant's capacity to pay before a decision is made.
- e. **Application Approval:** The relevant Manager will refer the Applicant's application with their recommendation for resolution to their Director for final approval and signoff. If the amount being waived, discounted or written off exceeds the delegated authority of the Director, the application must be referred to the CEO and if the amount exceeds the CEO's delegated authority, must be referred to Council for decision-making.

4. Options for resolution

If the City determines the Applicant is in financial hardship, the application may be resolved through one of the following means:

- a. Complete or partial waiver, discount or debt write off with immediate effect; or
- b. Payment Plan.

5. Waiver, discount or write off

Pursuant to their delegated authority, relevant City officers may determine that a Fees and Charge or Debt should be waived, discounted or written off with immediate effect. In such circumstances, the Applicant will be notified of the outcome and the City officer must ensure accurate records are kept in relation to the Applicant, the decision, reasons for the decision and value of the waiver, discount or write off.

6. Payment Plan

- a. The Applicant will first be offered a payment plan with the terms of the payment plan being reasonably determined based on their application status (Temporary Financial Hardship or Ongoing Financial Hardship). The City is not obligated to offer a payment plan if the debtor has had three payment plans cancelled because of non-payment or declined payments. The payment plan will comprise of the following:
 - an extension in time to pay; and/or
 - a payment schedule with amounts and due dates for payment; and
 - a suspension of interest charges and administration fees whilst a payment plan is in place.
- b. The City will review a payment plan if an Applicant submits their request in writing, with genuine and tangible evidence that their circumstances have change. If the review indicates that the Applicant is unable to meet their obligations under the current terms of their arrangement, the plan will be revised, extending the duration of the payment arrangement and/or reducing the periodic payment amount.
- c. If an Applicant does not comply with their payment plan and fails to contact the City to re-negotiate the terms, the City will make all reasonable attempts to contact the debtor to advise them of our next course of action.



- d. If the Applicant misses three consecutive payments and fails to contact the City, the City reserves the right to cancel the payment arrangement for noncompliance. On cancellation, penalty interest will recommence from the date the arrangement was undertaken.
- e. If an Applicant is an occupier of a property under a crown lease, the City will notify the land owner (i.e. State of WA) advising them of the City's intention to provide the Applicant a payment plan before formally entering into the payment plan.
- f. The City will suspend debt recovery processes whilst negotiating a suitable payment arrangement with an Applicant. The City will not commence any legal proceedings to recover Debt whilst the Applicant's Financial Hardship Application is being reviewed and assessed and will not commence any legal proceedings to recover a Debt where the Applicant is complying with their payment plan.

7. Write-off Accrued Interest and/or legal fees

- a. The City may write off accrued interest and additional fees for a Debt valued at \$501 or more if in the City's opinion:
 - The Applicant is unable to pay the accrued interest or fees for reasons beyond their control; or
 - The payment of the accrued interest would cause the Applicant further hardship (the debtor must apply in writing stating the explanation as to why interest should be waived).
- b. Where the CEO does not have delegated authority to approve such waiver or write off, a report to Council will be required which must include:
 - a description of the debt, the debt amount, the period of debt, and
 - the reason/s for the recommendation to write off.

8. Legal proceedings and debt collection

- a. If legal proceedings have been commenced in relation to a Debt and the Applicant lodges a financial hardship application, these proceedings will be temporary suspended whilst the Applicant's application is reviewed and assessed pursuant to this Policy.
- b. If an Applicant does not comply with their payment plan or other payment arrangement, the City may commence or recommence debt recovery proceedings in accordance with its policies including the Debt Collection Policy.
- c. All legal costs and expenses incurred in recovering outstanding rates and charges will be charged against the property in accordance with section 6.56(1) of *the Local Government Act 1995*. When collecting a debt the City will comply with Part 2 of the Australian Competition and Consumer Commission (ACCC) and Australian Securities and Investments Commission (ASIC) Debt collection guidelines for collectors and creditors.
- d. If legal proceedings were inadvertently taken by the City due to an internal administrative error, the City will take every measure to rectify the account. This may include:
 - reversing any associated costs or fees,



- seeking a Strike-out Order from the Magistrates Court, and
- lodging the related strike-out order with Credit Providers to clear the negative entry on a debtor's credit history file.

RELEVANT DOCUMENTS

Debt Recovery Policy

Rates Recovery Policy

Delegated Authority Register

Financial Hardship Policy for Water Services

Financial Hardship Declaration Form

DOCUMENT CONTROL				
Responsible Department	Finance			
Description of Changes	New Policy			
Version	Resolution Number	Endorsement Date:	Last Reviewed Date:	Next Review Date:
1	15.2.1	16 June 2025	May 2025	May 2027