


## LG532 – FINANCIAL HARDSHIP POLICY

	<p><b>LG532:</b> Financial Hardship Policy</p>
<p><b>Key Focus Area:</b> Leadership and Governance</p>	<p><b>Responsibility:</b> Chief Executive Officer</p> <p><b>Relevant Council Delegation:</b> DA 7- Defer, Grant Discounts, Waive or Write Off Debts</p> <p>DA 42- Agreement as to payment of rates and service charges</p>

### Purpose

This Policy is intended to provide a structure to ensure that the Town offers fair, equitable, consistent and dignified support to a person (including any ratepayers, property owners, business owners, members of the community and sporting groups) suffering financial hardship, while treating all members of the community with respect and understanding.

### Policy

This policy applies in relation to:

1. Outstanding rates and service charges as at the date of adoption of this policy and future charges.
2. Outstanding rent, insurance charges, outgoings or any other amounts due pursuant to a lease with the Town as at the date of adoption of this policy and future charges.
3. Any debt owed to the Town including those listed in the Town's Schedule of Fees and Charges.

It is a reasonable community expectation, that those with the capacity to pay do so. For this reason this Policy is not intended to provide relief to persons who are not able or not willing to evidence financial hardship and the statutory provisions of the *Local Government Act 1995* and *Local Government (Financial Management) Regulations 1996* will apply.

### Principles

Payment difficulties, or short term financial hardship, occur where a change in a person's circumstance result in an inability to pay. Financial hardship 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.

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### *Financial Hardship Criteria*

While evidence of hardship is requested, the Town recognises that not all circumstances are alike. The Town will take a flexible and adaptable approach and will consider circumstances including, but not limited to, the following situations:

- Capacity to pay;
- Reduction of income;
- Employment status including recent unemployment or under-employment;
- Injury or illness;
- Dynamic of household including number of dependants;
- Unanticipated circumstances such as caring for and supporting extended family;
- Natural Disaster or other acts of God; and/or
- Any other information provided.

The Town encourages a person to provide any information about their circumstances that may be relevant to enable a fair assessment by the Town. This may include demonstrating a capacity to make some payment and where possible, entering into a payment proposal. The Town will consider all circumstances, applying the principles of fairness and equity, integrity and confidentiality whilst complying with our statutory responsibilities.

If you are experiencing financial hardship, the Town can provide additional time to pay and payment arrangement options. Payment arrangements facilitated in accordance with Section 6.49 of the *Local Government Act 1995* are of an agreed frequency and amount. These arrangements can, but are not limited to a consideration of the following:

- The payment arrangement will establish a known end date that is realistic and achievable.
- The person will be responsible for informing the Town of any change in circumstance that jeopardises the agreed payment schedule.

The Town will suspend our debt recovery processes:

- Whilst negotiating a suitable payment arrangement.
- Whilst the person is adhering to an approved payment arrangement (which must in writing and signed by the person and the Town).
- For the time period of any agreed deferral.

Please be aware that interest continues to accrue on all debts in accordance with the Town's Schedule of Fees and Charges.

### **COVID-19**

The Town of Claremont recognises the likelihood that COVID19 will increase the occurrence of payment difficulties, financial hardship and vulnerability in our community.

### **Other Relevant Policies and Documents**

DA 7- Defer, Grant Discounts, Waive or Write Off Debts  
DA 42 - Agreement as to payment of rates and service charges  
Financial Hardship Application Form

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## Work Procedures

NIL

## Policy Adoption and Amendment History

Reviewed/Modified	Minutes Reference	Date	Meeting Type
New Policy		21 April 2020	Ordinary Council Meeting