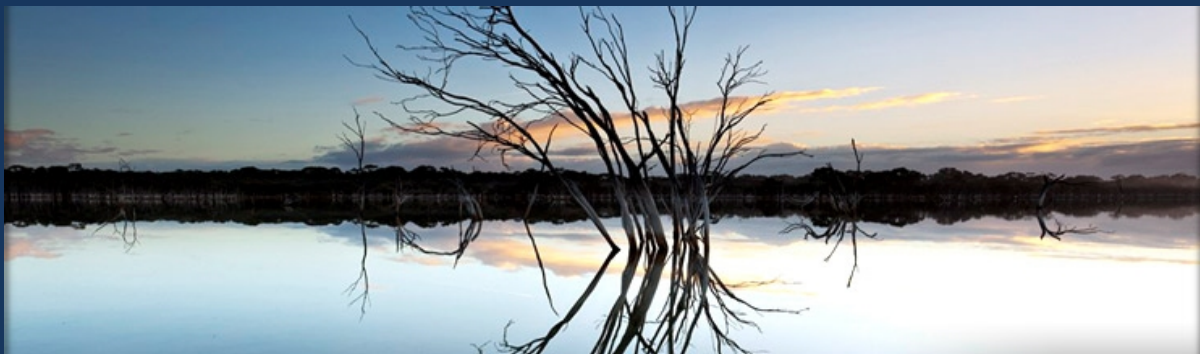




## Financial Hardship Policy



*“Working with our Rural & Coastal Communities”*



# FIN-POL-11 – HARDSHIP POLICY

Version No:	1.1
Issued:	June 2023
Next Review:	May 2026

Responsible Department:	Corporate Services
Policy Adopted:	21/06/2023
Minute Reference:	
Applicable Legislation:	Local Government Act 1999
Related Policies/Procedures:	FIN-POL-03 – Treasury Management
Review Frequency:	Following Council elections

## 1. INTRODUCTION

Council recognises that there may be times in which, despite their best intentions, a customer may not be able to meet financial obligations due to their current circumstances.

This Policy sets out the processes that will be used to identify customers experiencing payment difficulties due to hardship, and outlines the range of processes or programs that Council may use to assist customers.

Decisions will be made in line with this policy, noting that applications made will vary on a case by case basis and solutions may be tailored to meet individual circumstances.

At all times, our customers will be treated respectfully and have their circumstances kept confidential.

## 2. SCOPE

This Policy applies to customers who are experiencing temporary or ongoing financial hardship in managing payment of rates and/or sundry debtor charges.

Financial hardship does not include circumstances where a person chooses, without good reason, to not meet an unpaid financial obligation to the Council for which they are liable.

Any actions or decisions made by staff in relation to this policy will be enacted in line with the authorisations and conditions as set out in Council’s current Delegations Register.

### 3. IDENTIFYING HARDSHIP

- 3.1 A customer experiencing financial hardship can be a ratepayer/debtor that identified themselves, or has been identified by Council, a financial counsellor or a welfare agency as having the intention, but not the ongoing financial capacity, to make required payments in accordance with normal Council payment terms.
- 3.2 It is recognised that in some cases customers may be identified as experiencing financial difficulty, as opposed to financial hardship, and will benefit from flexibility and temporary assistance, such as an extension of time to pay or the making of alternative payment arrangements.
- 3.3 All claims for hardship, will be assessed and determined by the Corporate Services Department, which determination may be assisted by a report from an external body, such as a financial counsellor or welfare agency outlining the extent of hardship.
- 3.4 In assessing a customer's eligibility for hardship assistance, Council will consider indicators including (but not limited to) whether the customer:
- (a) is receiving a Centrelink income or payment;
  - (b) holds a Centrelink low income health care card or a pensioner concession card;
  - (c) is eligible for a South Australian Government concession;
  - (d) has been referred by a financial counsellor or welfare agency;
  - (e) has a payment history which demonstrates a difficulty in meeting their rate notices/sundry debtor obligations in the past;
  - (f) has been impacted by an emergency event (refer to Clause 10 of this policy);
  - (g) has identified other personal circumstances they may choose to disclose in support of their application.
- 3.5 Council will inform a customer of this Policy where it appears that non-payment of rates is due to the customer experiencing payment difficulties due to hardship.
- 3.6 Council will ensure ratepayers identified as being in hardship are given the option to apply to Council for Financial Hardship and are provided with various options to pay their rates in a timely and satisfactory matter.

#### **4. ASSISTING CUSTOMERS WHO ARE EXPERIENCING FINANCIAL HARDSHIP**

- 4.1 Where a customer has completed an application for hardship and has been identified as experiencing financial hardship, Council may offer flexible and frequent payment options having regard to the hardship customer's liability to Council, capacity to pay and current financial situation. These options may include, but are not limited to, the following:
- Postponement of rates (Refer Clause 8)
  - Payment arrangements (Refer Clause 5)
  - an interest and fee-free payment plan (in emergency situations only as referenced in Clause 10)
  - other arrangement to provide a reasonable outcome for both the person experiencing the hardship and Council.
- 4.2 To identify a satisfactory means of support, the Council will engage in discussion with the customer to determine a realistic payment arrangement, taking into account the customer's capacity to pay.
- 4.3 Council will also support the customer with information in relation to:
- the right to have rate notices redirected to a third person, if that third person consents in writing to the redirection (where considered appropriate); and
  - opportunities to access State and Federal Government concessions, rebates, grants and assistance programs; and
  - accredited financial and other relevant counselling and support services, particularly where a customer is experiencing ongoing financial hardship.

#### **5. PAYMENT ARRANGEMENTS**

- 5.1 Council will, with the consent of a customer, work with their financial counsellor or an identified welfare agency (where relevant) to determine a payment arrangement and instalment amount that best suits the customer and their individual circumstances.
- 5.2 Where a customer's circumstances change, Council will work with the customer, and their financial counsellor or welfare agency (where relevant), to re-negotiate the payment arrangement.
- 5.3 Payment arrangements will be outlined in writing and signed by the customer and the Council.
- 5.4 Provided the customer maintains payments as agreed to by the parties, Council will not take any action to remove a customer from a hardship support program until such time as the customer has repaid any outstanding balances and can resume normal debtor payment conditions.
- 5.5 If agreed payments cease, Council will contact the customer and provide at least 10 working days from the date of the contact for the customer to reinstate payments.

## 6. CONCESSIONS

From 1 July 2015, the State Government elected to replace the concession available on Council rates with the "cost of living payment" provided directly to those entitled.

The payment may be used for any purpose, including offsetting Council rates. To check eligibility contact the Department for Communities and Social Inclusion Concessions Hotline 1800 307 758 or at [www.dcsi.sa.gov.au](http://www.dcsi.sa.gov.au).

## 7. REMISSION OF RATES

7.1 Section 182 of the Local Government Act 1999 permits a Council, upon application by the ratepayer, to partially or wholly remit rates on the basis of hardship. All ratepayers are invited to make written application setting out their relevant particulars.

## 8. POSTPONEMENT OF RATES

8.1 Section 182 of the Local Government Act 1999 permits a Council, upon application by the ratepayer, to partially or wholly postpone rates, on the basis of hardship, to support businesses or to alleviate valuation anomalies.

8.2 Section 182A of the Local Government Act 1999 stipulates that a Council, upon application by the prescribed ratepayer (a person who holds a State Seniors Card issued by the State Government), must postpone rates of any amount in excess of \$500.00 subject to the applicant meeting eligibility criteria.

8.3 Council considers that the postponement of rates is a fair and reasonable method of providing rate relief to identified groups of ratepayers, whilst providing equity across the rate-paying community.

8.4 All applications for postponement of rates must be made in writing and applications must meet all of the criteria contained in the Local Government Act.

8.5 No discount will be applied to any portion of the rates payable by a ratepayer in the event that an agreement is reached for the postponement of rates on a property (other than for an Emergency Event situation as described in Clause 10 of this policy, and supported by a resolution of the Council).

## 9. DEBT RECOVERY

- 9.1 Council will place on hold and/or suspend any debt recovery process while negotiating a suitable payment arrangement with a customer who has been assessed as eligible for assistance under this Policy.
- 9.2 Council will not commence legal action for the recovery of any debt relating to rates and/or a sundry debt or invoice if the customer has agreed to a payment arrangement and continues to adhere to the terms of that arrangement.
- 9.3 The Local Government Act 1999 provides that the Council may sell a property where the rates have been in arrears for three years or more, subject to following the required statutory process. However, the Council will not commence such action or continue with such action where a customer has agreed to and is maintaining, a payment arrangement for a rating debt under this Policy.

## 10. EMERGENCY EVENTS

- 10.1 Where an emergency event affects a considerable group of ratepayers (such as a Pandemic, Bushfire, Flood or other Natural Disaster), the Council may consider assisting those affected members of the community by way of any or all of the following:
- a) postponement of general rates and NRM Levy
  - b) the waiving of fines and interest applied
  - c) the waiving of development application fees for rebuilding in the event of a natural disaster (excluding CITB Levy)
  - d) other assistance as deemed appropriate at the time.
- 10.2 Where an emergency event (such as a Pandemic, Bushfire, Flood or other Natural Disaster) affects a Person / Organisation/Business that holds a lease or license of a Council facility or land on which they make regular lease payments the Council may consider assisting those affected members of the community by:
- (a) considering an adjustment to the quantum of lease amounts on a case by case basis with consideration of the circumstances and impact on the lease holder of the emergency event;
  - (b) considering a deferral of lease amounts on a case by case basis with consideration of the circumstances and impact on the lease holder of the emergency event;
  - (c) other assistance as deemed appropriate at the time.
- 10.3 Assistance provided by Council in such an event as outlined in Clause 10.1 or 10.2 above will only be enacted by resolution of the Elected Member body.

## 11. COMPLAINTS HANDLING

- 11.1 Details of the Council’s Compliant Handling Policy is available on Council’s website: [www.lowereyrepeninsula.sa.gov.au](http://www.lowereyrepeninsula.sa.gov.au).
- 11.2 Council will also make a copy of this Policy available, upon request, and at no charge to the customer.
- 11.3 A customer experiencing hardship has a right to have any complaint heard and addressed by Council and in the event that the complaint cannot be resolved, the right to escalate their complaint to the most appropriate external dispute resolution body.
- 11.4 A customer may request a review of any decision made by Council under this Policy in accordance with Council’s policy for Internal Review of a Council Decision (GOV-POL-11).

## 12. AVAILABILITY

This policy is available for inspection at the Council offices during ordinary business hours or on Council’s website ([www.lowereyrepeninsula.sa.gov.au](http://www.lowereyrepeninsula.sa.gov.au)) at no cost.

## 13. DEFINITIONS FOR THE PURPOSES OF THIS POLICY

**Act** means the *Local Government Act 1999*.

**Arrangement** is an agreement between the Council and a customer to repay an amount of money within an agreed timeframe.

**Council** means the District Council of Lower Eyre Peninsula.

**Customer** is a person or legal entity that is liable to pay rates on an owner-occupied property and/or a sundry debtor for goods or services received from the Council.

**Emergency Event** is an event such as a Pandemic, Bushfire, Flood or other Natural Disaster that affects multiple members of the community.

**Financial Hardship** is a circumstance of experiencing a lack of financial means that may be either ongoing or temporary and may result from expected events or unforeseen changes that impact cash flow, including but not limited to:

- changes in income or expenditure;
- changes in employment status (such as losing a job or having hours reduced);
- significant life events such as a relationship breakdown or death in the family;
- injury or illness; and
- emergency events or natural disasters.



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<b>Issued:</b>	June 2023
<b>Next Review:</b>	May 2026

## DOCUMENT HISTORY

<b>Version:</b>	<b>Issue Date:</b>	<b>Description of Change:</b>
1.0	17/04/2020	Adopted
1.1	21/06/2023	Reviewed without amendment.