

Financial Hardship

Council Policy

1. Purpose

This policy articulates Council's commitment to assist ratepayers and debtors experiencing financial hardship, with the aim of recovering council rates and charges in a compassionate, fair and financially responsible manner.

2. Scope

This policy applies to assistance for ratepayers seeking relief from rates and charges due to hardship or extenuating circumstances.

A ratepayer experiencing financial hardship is someone who is identified by themselves, by Council, by an accredited financial counsellor, or by a welfare agency, as having the intention, but not the financial capacity, to make required payments in accordance with Council's payment terms. Hardship does not include circumstances where a ratepayer chooses not to meet a liability for an unpaid debt that they have the means to pay.

3. Roles and Responsibilities

Council	Adoption of the policy principles by which financial hardship provisions will be provided and applied.
Chief Executive Officer	Ensure appropriate implementation of the Hardship Policy.
Manager Finance	To oversee the consistent application of the Hardship Policy.
Rates Specialist Finance Officer – Rates & Payroll	To apply consistent delivery of the Hardship Policy to ratepayers.
Customer Experience Team	To refer ratepayers experiencing financial hardship to the Rates Team where required.

4. Policy Statement

4.1 Council is committed to

- Assisting ratepayers who are experiencing financial hardship, and may do so in a responsive or proactive manner as required
- Providing mechanisms that enable people to feel comfortable approaching Council about outstanding debts and current financial hardship circumstances
- Assuring ratepayers they will be treated in a compassionate, consistent, equitable and confidential manner
- Ensuring the policy and procedure relating to financial hardship is fair to all ratepayers
- Ensuring Payment arrangements are within fair and reasonable timeframes
- Ensuring Council's debt collection practices are sensitive, responsive to financial hardship issues and used only as a last resort, and
- Demonstrating a constructive culture and core values when making decisions and interacting with ratepayers.

- 4.2 Ratepayers have the right to:
- be treated respectfully, empathetically and have their circumstances kept confidential
 - receive consistent information about available assistance
 - be offered referral to financial counselling and other services where required and/or seek assistance of a free accredited financial counselling services
 - have their capacity to pay fairly considered
 - be offered mutually negotiated and agreed payment plans or extension of time to pay, that address arrears and ongoing rates charges
 - receive written confirmation of the agreed payment arrangement if requested
 - renegotiate their payment arrangement if there is a change in their circumstances
 - be protected from legal action and additional debt recovery costs, whilst they continue to make payments according to an agreed payment arrangement.
- 4.3 Ratepayers are respectfully requested to treat Council officers respectfully and provide the information that staff require to effectively assess the situation so that appropriately supportive arrangements can be negotiated. Information provided will be treated as confidential and will be handled securely to protect privacy and the integrity of personal data.
- 4.4 Ratepayers that have agreed to financial hardship arrangements are required to:
- make the agreed scheduled payments (where relevant)
 - update the Council on any changes to their contact information
 - advise the Council of any changes to their circumstances
 - advise Council if the reasons of hardship assistance are no longer applicable
 - not make false or misleading statements in application of assistance
 - understand that should they cease to make payments according to the agreed payment arrangement or fail to contact, or respond to, Council for a period of greater than 60 days, they will be removed from hardship assistance and be returned to Council's standard collection cycles. Debt recovery actions may then be undertaken.
- 4.5 In receiving an application for financial relief, Council will consider the following:
- Whether the payment of rates will cause hardship having regard to the ratepayer's individual circumstances
 - The nature of the hardship, whether it is temporary due to unusual personal or economic circumstances, or hardship caused by permanent changes in life circumstances and/or financial situation, and the most appropriate measures to support the ratepayer
 - The additional support that could be provided to the ratepayer, including encouraging financial counselling and other support services, and
 - The extent the assistance does not have an unfair impact on other ratepayers.
- 4.6 Relief and assistance may be in the form of negotiated flexible repayment plans, referring the ratepayer to see an accredited financial counsellor, or postponement/remission of rates (refer to the Financial Hardship Procedure for further detail).
- 4.7 Council may consider waiving overdue fines and interest in whole or in part where ratepayers meet payment plan obligations.
- 4.8 Specific assistance for Seniors is available and includes the ability to pay a minimum of \$500 per year toward their Council rates plus the State Government Regional Landscape Levy, with payment of any remaining balance of general rates postponed for an indefinite period, until their property is sold or eligibility ceases. Payment options include either one lump sum of \$500 plus the Regional Landscape Levy, or quarterly payments of \$125 plus the Regional Landscape Levy. Interest is applied monthly to the total postponed rates amount based on the annual Cash Advance rate plus 1%, compounded until the postponed amount is paid.

- 4.9 Hardship assistance is provided at Council’s discretion and where ratepayers fail to fulfil their obligations, Council may:
- request future payments by either Centrepay or direct debit deductions
 - decline to enter into further payment arrangements, and/or
 - recommence any legal proceedings for the recovery of the debt.

Applications for Hardship Assistance

- 4.10 Applications for hardship assistance may be made by:
- by an accredited financial counsellor on behalf of the ratepayer
 - by the ratepayer, directly with Council’s Rates team.
- 4.11 Depending on the extent of the ratepayer financial circumstances, Council may request that the ratepayer attend an appointment with a free accredited financial counsellor. Applicants attending financial counselling are required to complete an:
- authority to act form for an accredited financial counsellor
 - income and expenditure statement.
- 4.12 Ratepayers seeking assistance direct with the rates team are required to undertake an assessment process to determine assistance required.
- 4.13 Further information and hardship application forms are available on www.holdfast.sa.gov.au, by telephoning 8299 9999 and requesting a hard copy be posted, or by visiting the Civic Centre at 24 Jetty Road, Brighton.

5 Definitions

Key term or acronym	Definition
Accredited financial counsellor	Means in South Australia, a person who holds a Diploma of Community Services (Financial Counselling), and who has worked at least 12 months as a financial counsellor under the supervision of the South Australian Financial Counsellors Association.
Debt	Means any money that is owed to Council.
Financial hardship	Means a circumstance of experiencing a lack of financial means on an ongoing or temporary basis but does not include circumstances where a person chooses not to meet a liability for an unpaid debt.
Hardship	Means financial hardship determined in accordance with this policy as an ongoing difficulty in making payments.

6 Administration Use Only

Reference Number:	Document Set ID: 4861468
Strategic Alignment:	Our Holdfast 2050+
Strategic Risk:	The City of Holdfast Bay has a LOW appetite for short-term financial risk that adversely impacts financial cash flow.
Responsible Officer(s):	Manager Finance Rates Specialist Finance Officer – Rates & Payroll
First Issued / Approved:	09/06/2020

Minutes Date and Council Resolution Number:	C250624/7800
Last Reviewed:	25/06/2024
Next Review Date:	25/06/2027
Applicable Legislation:	<p><i>Local Government Act 1999:</i></p> <ul style="list-style-type: none"> • Section 177 - advises that rates imposed on land are a charge on the land • Section 178 -advises that liability for the rates charged on the land is the principal ratepayer (owner) • Section 182 - advises of Council’s power to grant relief of rates due to hardship or extenuating circumstances by way of remission or postponement of rates. • Section 182A - advises of Seniors Rates Postponement eligibility. • Section 183 - determines the priority of which payments are to be allocated to ratepayer’s debt. • Section 184 - advises Council may sell the land if rates has been in arrears for three years or more.
Related Policies:	Council Rates Policy
Other Reference Documents:	Organisational Financial Hardship Procedure