

Financial Hardship

Organisational Procedure

1. Purpose

This procedure supports the Hardship Policy and outlines options for ratepayers seeking relief and assistance from rates and charges due to financial hardship or extenuating circumstances.

2. Scope

This procedure applies to staff receiving requests for financial hardship assistance, assessing applications, entering into agreements relating to financial hardship and relevant decision-makers.

3. Roles and Responsibilities

Manager Finance	To oversee the consistent application of the Hardship Policy and Procedure.
Rates Specialist Finance Officer – Rates & Payroll	To apply consistent delivery of the Hardship Policy and procedure to ratepayers.
Customer Experience Employees	To refer ratepayers experiencing financial hardship to the Rates Team where required.

Applications for Hardship Assistance

Applications for hardship assistance may be made by:

- by an accredited financial counsellor on behalf of the ratepayer
- by the ratepayer direct with the rates team.

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.

Ratepayers seeking assistance direct with the rates team are required to undertake an assessment process to determine assistance required.

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.

4. Procedure

- 4.1. Advising of Council's Commitments, and the Rights and Obligations of Ratepayers as defined in the Financial Hardship Policy, ascertain the ratepayers' circumstances in a respectful and empathetic manner, ensuring their confidentiality is maintained.

- 4.2. Note that ratepayers may have different levels of need for assistance depending on their circumstances.
- 4.2.1. Ratepayers experiencing ongoing hardship due to low or fixed incomes (or example, various types of pensions) may require ongoing assistance.
- 4.2.2. Ratepayers experiencing temporary hardship may require short term assistance due to short-term changes in circumstances, such as loss or change in income due to unemployment or reduced employment, separation, divorce or other family crisis, serious illness, injury, or bereavement in the family, unexpected accident, incident, unexpected bills, or other temporary circumstances.
- 4.3. Consider hardship indicators such as receiving Centrelink income or low income, payment history, previous recovery action, or previous assistance received. Proactive contact with a ratepayer to provide appropriate assistance may be appropriate where there are strong indicators of hardship.
- 4.4. Assess the application for financial hardship against the criteria in Council's Financial Hardship Policy, and negotiate a recommended course of action with the ratepayer.
- 4.5. Where financial hardship is identified (whether through self-nomination, referral by a third party or proactive contact), inform the ratepayer of relevant assistance available, which may include:
- 4.5.1. A payment plan with fair and reasonable timeframes, that takes into account:
- capacity to pay and current financial situation
 - any arrears owing by the ratepayer
 - the ratepayer's likely ongoing rates charges
 - mutually agreed amount which addresses both arrears and ongoing charges where possible
 - a frequency agreed with the ratepayer (e.g. weekly, fortnightly, monthly)
 - extension of time to pay where agreed
 - availability of Centrelink's Centrepay service and/or whether direct debits should be established
 - referral to an accredited financial counsellor
 - confidential case management
 - protection from debt recovery.
- 4.5.2. A proposal to waive overdue fines and/or interest, in whole or in part.
- 4.4.3. Where applicants satisfy the requirements for rate relief under section 182 of the *Local Government Act 1999* due to hardship or extenuating circumstances the Council may grant relief in the form of postponement or remission of rates in whole or in part.
- 4.4.4. Under section 182A of the *Local Government Act 1999*, postponements of rates can be applied where the ratepayer meets eligibility criteria:
- the ratepayer holds, or qualifies to hold a current State Seniors Card issued by the state government
 - the person is, or is the spouse of, of the prescribed ratepayer
 - the rates are payable on land that is the principal place of residence of the prescribed ratepayer
 - the land is owned by the prescribed ratepayer or his/her spouse
 - no other person has an interest (as owner) in the land.
- 4.6. Ratepayers applying for postponement of rates for seniors should be encouraged to discuss their application with an accredited financial counsellor.

- 4.7. Where a Ratepayers has agreed to financial hardship arrangements ensure that they understand their obligations, including:
- making the agreed scheduled payments
 - updating the Council on any changes to contact information including correct postal address, phone numbers and email address
 - advising the Council of any changes to their circumstances
 - advising Council if the reasons of hardship assistance are no longer applicable
 - maintaining contact with the rates team
 - not making false or misleading statements in application of assistance, and
 - understanding that they will be removed from hardship assistance and be returned to Council's standard collection cycles, 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. Debt recovery may recommence, which may include legal action.
- 4.8. If requested, provide written confirmation of the agreed arrangements.
- 4.9. If a ratepayer has been removed from hardship assistance due to failure of the ratepayer to meet their obligations, commence appropriate actions for the recovery of the debt.

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 counsellor	Means accredited financial counsellor.
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.
Hardship program	Means an agreement between Council and a hardship debtor for payment of debt.

6. Administration Use Only

Reference Number:	Document Set ID: 4861583
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:	25/06/2024
Last Reviewed:	N/A
Next Review Date:	26/06/2027

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. <p>Section 184 - advises Council may sell the land if rates has been in arrears for three years or more.</p>
Related Policies:	Council Financial Hardship Policy
Other Reference Documents:	