

# Financial Hardship (Rates) Guidelines

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Responsible Officer:	General Manager Corporate & Development
Relevant Legislation:	Local Government Act 1999
Related Policies/Protocols:	Rating Policy Financial Hardship Policy Debt Recovery – Non Payment of Rates Protocol

## 1. Introduction

- 1.1. City of Burnside is committed to assisting customers who are experiencing financial hardship to manage their bills on an ongoing basis, make payments in a manner that is mutually acceptable, and with the aim to clear their outstanding and ongoing rates debt in a planned and efficient manner.
- 1.2. This guideline refers to the Financial Hardship Rates Policy and outlines the options for ratepayers seeking relief from rates due to hardship or extenuating circumstances. Council may grant relief in the form of postponement of rates, refer the ratepayer to see an accredited financial counsellor, or negotiate a flexible long-term debt repayment arrangement.

## 2. Strategic Plan Desired Outcomes

- 2.1. A financially sound Council that is accountable, responsible and sustainable.
- 2.2. Delivery of good governance in Council business.

## 3. Our Approach

- 3.1. The aim of these guidelines is to assist ratepayers seeking relief from rates due to hardship or extenuating circumstances. Provide options of relief in the form of postponement of rates, refer ratepayers to see an accredited financial counsellor, or negotiate a flexible long-term repayment arrangement. Assistance does not include rate rebates or remissions.

#### 4. Legislative Requirements and Corporate Policy Context

- 4.1. Section 178 of the *Local Government Act 1999* (the Act) advises that liability for the rates charge on the land is the principal ratepayer (owner).
- 4.2. Section 182 of the Act advises of Council's power to grant relief of rates due to hardship or extenuating circumstances by way of remission or postponement of rates.
- 4.3. Section 183 of the Act determines the priority of which payments are to be allocated to ratepayer's debt.
- 4.4. Section 184 of the Act advises Council may sell the land if rates has been in arrears for three years or more.

#### 5. Interpretation

- 5.1 For the purpose of these guidelines:
  - 5.1.1 The "Act" means the Local Government Act 1999
  - 5.1.2 "Council" is the local government entity known as City of Burnside
  - 5.1.3. "Ratepayer" means a person who owes amounts for rates, fees or other charges due and payable to the Council
  - 5.1.4 "Guidelines" means the Fines and Interest Remissions Guidelines
  - 5.1.5 "Assistance" means support available for ratepayers

#### 6. Financial Hardship

- 6.1. A ratepayer experiencing financial hardship is someone who is identified, by themselves, by Council, by an accredited financial counsellor, or welfare agency as having the intention, but not the financial capacity, to make required payments in accordance with Council's payment terms.
- 6.2. Hardship assistance required will be determined by either an accredited financial counsellor (please refer to attachment A) or Council's assessment process.
- 6.3. Depending if the hardship experienced is ongoing or temporary, ratepayers may have different needs and require different assistance.
- 6.4. Ratepayers who identified as experiencing ongoing hardship may require ongoing assistance and are generally on low or fixed incomes such as:
  - 6.4.1. aged pension;
  - 6.4.2. disability pension;
  - 6.4.3. carers pension; or
  - 6.4.4. single parenting pensions.
- 6.5. Ratepayers who may be experiencing **temporary hardship** may require short term assistance and are generally experiencing short-term change in circumstances, such as
  - 6.5.1. loss or change in income due to unemployment or reduced employment;
  - 6.5.2. separation, divorce or other family crisis;

- 6.5.3. serious illness, injury, or bereavement in the family;
  - 6.5.4. unexpected accident, incident, unexpected bills, or some other temporary financial difficulty; and
  - 6.5.5. impacts of natural disaster.
- 6.6. Hardship indicators considered when determining appropriate assistance :
- 6.6.1. receiving Centrelink income or low income;
  - 6.6.2. holds or is eligible for a government concession;
  - 6.6.3. the ratepayer's payment history;
  - 6.6.4. previous recovery action;
  - 6.6.5. previous assistance supplied; and
  - 6.6.6. if the ratepayer is the owner /occupier of the property.

*Hardship assistance available*

- 6.7. Council will inform the ratepayer of assistance available including a payment plan based on:
- 6.7.1. the ratepayers' capacity to pay and current financial situation;
  - 6.7.2. any arrears owing by the ratepayer;
  - 6.7.3. the ratepayer's likely debt needs over the following 12-month period;
  - 6.7.4. mutually agreed amount which addresses both arrears and new rates charges where possible;
  - 6.7.5. a frequency agreed with the ratepayer (e.g. weekly, fortnightly, monthly);
  - 6.7.6. an extension of time to pay where agreed;
  - 6.7.7. direct debit setup;
  - 6.7.8. referral to an accredited financial counsellor;
  - 6.7.9. confidential case management;
  - 6.7.10. protection from debt recovery; and
  - 6.7.11. fines and interest remitted during a payment plan period.

*Application for Hardship Postponement*

- 6.8. Where applicants satisfy the requirements for relief from rates due to hardship or extenuating circumstances the Council may grant relief in the form of postponement of rates in whole or in part for such period as the Council thinks fit.
- 6.9. Ratepayers applying for postponement of their rates should be referred to an accredited financial counsellor for assistance with their application. Information provided is required to assist Council to assess application for postponement of rates.
- 6.10. Applications must be made on the prescribed application form, and be accompanied by the required information as requested by council including:

- 6.10.1. completed Authority to Act for accredited financial counsellor;
- 6.10.2. completed Income and Expenditure statement; and
- 6.10.3. Evidence of Centrelink approval.

*Application for Seniors Postponement (must hold a senior's card to apply)*

- 6.11. The City of Burnside understands that sometimes senior ratepayers may be undergoing long term financial difficulties and require assistance through a rates postponement. Under section 182A of the Local Government Act 1999, postponements can be granted where council is satisfied that the ratepayer is eligible.
- 6.12. Applications must be made on the prescribed application form, and be accompanied by the required information as requested by council including:
  - 6.12.1. completed postponement application form and signed declaration details;
  - 6.12.2. copy of Seniors card;
  - 6.12.3. the ratepayer holds, or qualifies to hold a current State Seniors Card issued by the State Government;
  - 6.12.4. the person is, or is the spouse of, of the prescribed ratepayer;
  - 6.12.5. the rates are payable on land that is the principal place of residence of the prescribed ratepayer and;
  - 6.12.6. the land is owned by the prescribed ratepayer or his/her spouse; and
  - 6.12.7. no other person has an interest (as owner) in the land.
- 6.13. Eligible ratepayers are required to pay a minimum of \$500 per year toward their Council rates with payment of the remaining balance postponed for an indefinite period, until their property is sold or eligibility ceases.
- 6.14. Ratepayers can opt to pay
  - 6.14.1. one lump sum of \$500
  - 6.14.2. quarterly payments of \$125
- 6.15. Should the entitlement to postponement cease to exist, the owner of the land must inform council.
- 6.16. The interest rate which will apply to the postponement of rates amount for the rating year is based on the annual Cash Advance rate plus 1% and will be applied to the total amount postponed on a monthly basis, compounded until the amount is paid.
- 6.17. The interest rate and administration charge which applies to the postponed rates is prescribed in the Local Government Act 1999 and may vary from 1 July for each rating year.
- 6.18. Council will provide information about the postponed rates debt, and the charges accrued, with future rates notices.
- 6.19. The Senior Rates Postponement fact sheet and the Senior Rates Postponement application Form is available on [www.burnside.sa.gov.au](http://www.burnside.sa.gov.au)

### Applications for Hardship assistance

- 6.20. Applications for hardship assistance may be made by:
- 6.20.1. by an accredited financial counsellor on behalf of the ratepayer; or
  - 6.20.2. by the ratepayer direct with the rates team.
- 6.21. Depending on the extent of the ratepayer's financial circumstances, council may request that the ratepayer attend an appointment with an accredited financial counsellor.
- 6.22. Applicants attending financial counselling are required to complete a:
- 6.22.1. hardship application form
  - 6.22.2. authority to act form for an accredited financial counsellor (if applicable)
  - 6.22.3. income and expenditure statement

### Completion of hardship assistance

- 6.23. Completion of hardship assistance is when the ratepayer has paid all outstanding debt. Council will explain to the ratepayer that they will be returned to regular billing cycles, after they have successfully completed the hardship assistance.
- 6.24. Council will advise the ratepayer that they have completed their hardship payment arrangement and given the option to continue making ongoing payments towards their current council rates based on their historical annual rates.

### Removal of hardship assistance

- 6.25. Council will explain to the ratepayer that they will be removed from hardship assistance, and be returned to Council's standard collection cycles, including debt recovery
- 6.25.1. should they cease to make payments according to the agreed payment arrangement
  - 6.25.2. fail to contact, or respond to, Council for a period of greater than 30 days
- 6.26. Council will advise the ratepayer that they have been removed from receiving hardship assistance for not meeting their obligations, and that Council will recommence debt recovery, which may include legal action. Fines and interest will also recommence for defaulting on an arrangement.
- 6.27. Where a hardship ratepayer is re-seeking assistance but has failed to fulfil their previous obligations under an existing hardship arrangement, Council will require them to set up future payments by Bpay direct debit deductions

### Debt recovery

- 6.28. Council will suspend debt recovery processes while negotiating a suitable payment arrangement with a hardship ratepayer.

- 6.29. Council will not engage in legal action or commence proceedings for the recovery of a debt of a hardship ratepayer if the ratepayer has agreed to a payment arrangement and continues to adhere to the terms of that arrangement.
- 6.30. Council can recommence any legal proceedings for the recovery of the debt once the ratepayer has been removed from hardship assistance due to failure of the ratepayer to meet their obligations.

### Rights of Ratepayers

6.31. Ratepayers experiencing financial hardship have the right to:

- 6.31.1. be treated respectfully, empathetically and have their circumstances kept confidential;
- 6.31.2. seek assistance of an accredited financial counselling assistance;
- 6.31.3. negotiate a mutually acceptable payment arrangement;
- 6.31.4. consider various payment methods;
- 6.31.5. receive written confirmation of the agreed payment arrangement;
- 6.31.6. renegotiate their payment arrangement if there is a change in their circumstances; and
- 6.31.7. be protected from legal action and additional debt recovery costs, whilst they continue to make payments according to an agreed payment arrangement.

### Ratepayers obligations

6.32. Ratepayers that have entered into a payment plan under this application are obligated to

- 6.32.1. make the agreed scheduled payments;
- 6.32.2. update the council on any changes to contact information including correct postal address, phone numbers and email address;
- 6.32.3. advise the council of any changes to their circumstances;
- 6.32.4. advise council if the reasons of hardship assistance are no longer applicable;
- 6.32.5. maintain contact with the rates team;
- 6.32.6. treat council employees respectfully;
- 6.32.7. not make false or misleading statements in application of assistance; and
- 6.32.8. Provide evidence of illness, injury, or bereavement.

## **7. Review and Authority**

- 7.1. These guidelines will be reviewed every four years at maximum in line with Council's Policies and Protocols Framework

## 8. Availability

8.1. These Guidelines are available to be downloaded, free of charge, from Council's website [www.burnside.sa.gov.au](http://www.burnside.sa.gov.au)

8.2. These Guidelines will be available for inspection without charge at the Civic Centre during ordinary business hours and a copy may be purchased at a fee as set annually by Council.

City of Burnside Civic Centre

401 Greenhill Road, Tasmore SA 5065

Telephone; 8366 4200

Fax; 8366 4299

Email; [burnside@burnside.sa.gov.au](mailto:burnside@burnside.sa.gov.au)

Office hours: Monday to Friday, 8.30am to 5.00pm (except public holidays)

### Financial Hardship & Counselling Supports

Service	Location	Phone	Email
<b>SA Financial Counsellor Association</b>	Link to locate your nearest		<a href="http://safca.org.au/get-help/find-a-financial-counsellor/">http://safca.org.au/get-help/find-a-financial-counsellor/</a>
<b>Anglicare SA</b>	Adelaide 111 Beach Road Christies Beach 159 Port Road Hindmarsh	1800 759 707 08 8186 8900 08 8305 9200	<a href="mailto:admin@anglicaresa.com.au">admin@anglicaresa.com.au</a>
<b>The Salvation Army</b>	Phone National Debt Helpline	1800 007 007	
<b>Uniting Care Wesley Bowden</b>	77 Gibson Street Bowden 730 Marion Road Marion	8245 7100 8296 6455	<a href="mailto:ucwb@ucwb.org.au">ucwb@ucwb.org.au</a>
<b>Lutheran Community Care</b>	26 Second Street Nuriootpa 309 Prospect Road Blair Athol 22 Heytesbury Road Davoren Park 2 Belalie Road Ingle Farm	08 8562 2688 08 8269 9300 08 7070 6711 08 8349 6099	<a href="mailto:barossa@lccare.org.au">barossa@lccare.org.au</a> <a href="mailto:blairathol@lccare.org.au">blairathol@lccare.org.au</a> <a href="mailto:davorenpark@lccare.org.au">davorenpark@lccare.org.au</a> <a href="mailto:inglefarm@lccare.org.au">inglefarm@lccare.org.au</a>
<b>Uniting Communities</b>	43 Franklin Street Adelaide	08 8202 5180	<a href="mailto:fconduty@unitingcommunities.org">fconduty@unitingcommunities.org</a>
<b>Centacare Catholic Family Services</b>	45 Wakefield Street Adelaide	08 8215 6700	<a href="mailto:enquiries@centacare.org.au">enquiries@centacare.org.au</a>