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1. PREAMBLE

1.1 Purpose

The City of Holdfast Bay understands that members of our community sometimes face challenging times. The purpose of the Financial Hardship Policy (“the Policy”) is to enable ratepayers who are experiencing financial hardship the ability to make application to Council for assistance relating to rates and charges levied on a property under the *Local Government Act 1999* (“the Act”).

The Policy defines hardship and provides the framework, in accordance with the Act, for the possible granting of a deferral of the payment of rates or changes, or waiver of part or all of those rates and changes.

1.2 Scope

This policy applies to all ratepayers who apply for financial relief. It addresses the principles, eligibility criteria, assistance options, general assessment principles and delegations for dealing with financial hardship.

1.4 Definitions

Act – refers to the *Local Government Act 1999*

Ratepayer - a person or entity whose name appears in the assessment record as the owner, or occupier of a rateable property.

Seniors – a person who holds a State Seniors Card.

Hardship - refers to financial hardship which occurs when a ratepayer is unable to meet their financial commitments due to an unforeseen change in circumstances.

Serious Financial Hardship – refers to personal financial hardship when a ratepayer is unable to provide for basic necessities for themselves and/or their dependents.

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Financial Counselling Service – an accredited organisation or individual professionally qualified to provide financial counselling.

Financial Hardship Procedures – approved documented guidelines for administering Council's Financial Hardship Policy.

1.5 Strategic Reference

Culture: Providing customer-centered services

Culture: Being financially accountable

Culture: Supporting excellent, efficient operations

Economy: Making it easier to do business

Economy: Supporting and growing local business

Community: Fostering and engaged and contributing community

2. PRINCIPLES

2.1 Objective

The objective of this policy is to:

- Provide assistance to ratepayers experiencing financial hardship.
- Provide a mechanism that enables people to feel comfortable approaching Council about outstanding debts and current financial hardship circumstances.
- Provide ratepayers with assurance they will be treated in a consistent, equitable and confidential manner.
- Ensure the policy is fair to all ratepayers.
- Ensure Council's debt collection practices are sensitive, responsive to financial hardship issues and considered as a last resort.
- Demonstrate Council's constructive culture and core values.

2.2 General Principles

Municipal rates constitute a majority of Council's annual income. Council's powers to raise rates are contained in Chapter 10 of the Local Government Act 1999 (the Act). Section 182 of the Act provides for the remission and postponement of rate payments.

In receiving an application for financial relief, Council will consider the following general principles:

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- a) The payment of rates will cause hardship having regard to the ratepayer's individual circumstances.
- b) 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.
- c) The additional support that could be provided to the ratepayer, including encouraging financial counselling and other support services.
- d) The extent the assistance does not have an unfair impact on other ratepayers.

Hardship does not include circumstances where a ratepayer chooses not to meet a liability for an unpaid debt.

Additional support will be considered in instances where hardship is endemic, as in the case of a pandemic or financial crisis.

2.3 Financial Hardship

For the purpose of this policy, financial hardship is considered a change in circumstances which will affect the ability of a ratepayer to pay rates and charges.

Council recognises that not all circumstances are alike, and that financial hardship may arise from a range of individual circumstances, including but not limited to, the following situations:

- Unemployment
- Sickness or injury
- Family break down
- Low income or loss of income

Applications are to be assessed in a consistent manner while retaining the flexibility to respond to individual circumstances.

All relevant factors are taken into consideration and each application is assessed on its merit.

The following additional general principles apply:

- a) Privacy and confidentiality is preserved.

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- b) Applicants are informed on the progress of their application in a timely manner.
- c) Additional information requests may be made when necessary.
- d) Referrals may be made to a financial counselling service provider to assist with completing the application.
- e) In situations of an unsuccessful application, applicants will be advised of reasons for refusal and their complaint and appeal rights.
- f) Successful applicants are advised of agreed terms and conditions including what action will be taken if the applicant defaults on the payment arrangement.

2.4 COVID-19 Impact

Council understands that many in our community are experience financial hardship due to the COVID-19 pandemic.

Priority for assistance will be considered for:

- Commercial ratepayers who have been required to close due to COVID-19;
- Commercial ratepayers eligible for the 'JobKeeper' payments;
- Non-commercial ratepayers eligible for the 'JobSeeker' or 'JobKeeper' payments; and
- Any other ratepayers experiencing financial hardship due to income dropping by 15 per cent or more.

This measure will remain in place for the period the COVID-19 emergency is declared by the Government of South Australia.

2.5 Financial Relief Options

Financial relief options are covered within the Act and are summarised as follows:

- a) Payment arrangements including individually tailored time payment plans s181(4)(b).
- b) Remission of fines and interest s181(9).
- c) Postponement enables the deferral of payments in whole or part with or without recovery of interest s182.
- d) Seniors postponement scheme s182A – seniors can choose to postpone a portion of their rates on their principal place of residence until the

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property is sold or any time of their choosing. The scheme is non-concessional and interest is charged on the postponed amount.

- e) Full remission s182(1)(b) - considered in circumstances where the ratepayer can demonstrate long-term serious financial hardship and generally considered as a last resort.

Council's preference is to not waive rates on the basis it is considered equitable for the majority of ratepayers to subsidise the property assets of hardship applicants. A more equitable solution for the entire community is to defer rates and charges. However, Council will consider the waiving or reduction of rates for ratepayers where exceptional circumstances are experienced, and where severe impact can be demonstrated.

2.6 Council Delegations

Delegations are in place for the waiving of fines and/or interest incurred under Section 181 (9) to the Chief Executive Officer, General Manager Strategy and Business Services and Manager Financial Services.

Delegations are in place for remission and postponement of payment under Section 182 to the General Manager Strategy and Business Services and Manager Financial Services.

2.7 Financial Hardship Procedure

Financial Hardship procedures sit underneath this policy and outline the internal steps for Council staff to follow when processing an application.