



HARDSHIP POLICY GUIDELINES

These Guidelines Support Council's Hardship Policy

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| Responsible Person: | Manager Corporate Services & Finance |
| Applicable Legislation: | <i>Local Government Act 1999</i> |
| Related Documents: | Hardship Policy Application for Hardship Assistance |
| Purpose: | To provide a guide for how applications to the hardship policy will be assessed. |

1. Purpose

The District Council of Robe is committed to assisting customers experiencing financial hardship to manage their bills on an ongoing basis and pay outstanding and ongoing rates debt. These guidelines support the Hardship Policy.

2. Scope

This guideline refers to the Hardship Policy and outlines the options for ratepayers seeking relief from rates due to hardship or extenuating circumstances. The Council may grant relief in postponing rates, refer the ratepayer to see an accredited financial counsellor or negotiate a flexible long-term debt repayment arrangement. It does not include rate rebates or remissions.

3. Legislation and References

Local Government Act 1999

- Section 177 advises that rates imposed on land are a charge on the land
- Section 178 declares 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 183 of the Act determines the priority of which payments are to be allocated to ratepayers' debt.
- Section 184 of the Act advises Council may sell the land if rates have been in arrears for three years or more.

4. Definitions

Accredited financial counsellor means a person who holds a Diploma of Community Services (Financial Counselling), and who have worked at least 12 months as a financial counsellor under the supervision of the South Australian Financial Counsellors Association.

The Act is the Local Government Act 1999

Assistance means support available for ratepayers

Council is the local government entity known as the District Council of Robe.

Financial hardship means a circumstance of experiencing a lack of financial means that may be ongoing or temporary but does not include cases where a person chooses not to meet liability for an unpaid debt.

Guidelines mean the Hardship Guidelines

Policy means the Hardship Policy

Ratepayer means a person who owes amounts for rates, fees, or other charges due and payable to the Council.

5. Guidelines

5.1 Financial Hardship definitions

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 following Council's payment terms.

Hardship assistance required will be determined by either an **accredited financial counsellor** or **Council's** assessment process.

Depending on if the hardship experienced is ongoing or temporary, ratepayers may have different needs and require various assistance

Ratepayers who identified as experiencing ongoing hardship may require ongoing help and are generally on low or fixed incomes such as

- aged pension
- disability pension
- carers pension
- single parenting pensions

Ratepayers who may be experiencing **temporary hardship** may require short term assistance and are generally experiencing a short-term change 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
- an unexpected accident, incident, unexpected bills, or some other temporary financial difficulty

Hardship indicators considered when determining appropriate assistance

- receiving Centrelink income or low income
- holds or is eligible for a government concession
- the ratepayer's payment history
- previous recovery action
- previous assistance supplied
- the ratepayer is the owner /occupier of the property

5.2 Hardship assistance available

Council will inform the ratepayer of assistance available, including

- A **payment plan** based on
 - the ratepayers' capacity to pay and current financial situation
 - any arrears owing by the ratepayer
 - the ratepayer's likely debt needs over the following 12-month period
 - mutually agreed amount which addresses both arrears and new rates charges where possible
 - a frequency agreed with the ratepayer (e.g. weekly, fortnightly, monthly)
- an extension of time to pay where agreed
- availability of Centrelink's Centrepay service, or direct debit (when available)
- referral to an accredited financial counsellor
- confidential case management
- protection from debt recovery

5.3 Rights of Ratepayers

Ratepayers experiencing financial hardship have the right to

- be treated respectfully, empathetically and have their circumstances kept confidential
- receive information about the Hardship Policy
- seek the assistance of an accredited financial counselling assistance
- negotiate a mutually acceptable payment arrangement
- consider various payment methods
- obtain written confirmation of the agreed payment arrangement
- 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

5.4 Ratepayers' obligations

Ratepayers that have entered into a payment plan under this policy are obligated to

- make the agreed scheduled payments
- update the Council on any changes to contact information, including correct postal address, phone numbers and email address
- advise the Council of any changes to their circumstances
- advise Council if the reasons of hardship assistance are no longer applicable
- maintain contact with the rates team
- treat council employees respectfully
- not make false or misleading statements in the application of assistance

5.5 Applications for Hardship assistance

Applications for hardship assistance may be made by

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

Depending on the extent of the ratepayer's financial circumstances, Council may request that the ratepayer attend an appointment with an **accredited financial counsellor**.

Applicants attending financial counselling are required to complete a

- hardship application form
- authority to act form for an accredited financial counsellor (if applicable)
- income and expenditure statement

Hardship application forms are available on www.robe.sa.gov.au

Ratepayers seeking assistance directly with the **rates team** will be required to complete an assessment process to ensure staff can determine the required aid

Payment arrangements are to

- be based on capacity to pay
- include the arrears and ongoing council rates where possible
- be fair and reasonable timeframes to pay the debt
- be mutually negotiated and agreed

5.6 Completion of hardship assistance

Completion of hardship assistance is when the ratepayer has paid all outstanding debt. Council will explain to the ratepayer that they will return to regular billing cycles after completing the hardship assistance.

Council will advise the ratepayer that they have completed their hardship payment arrangement and are given the option to continue making ongoing payments towards their current council rates based on their historical annual rates.

On successful completion of the hardship assistance Council **may consider** waiving overdue fines in whole or in part.

5.7 Removal of hardship assistance

Council will explain to the ratepayer that they will be removed from hardship assistance and return to Council's standard collection cycles, including debt recovery

- should they cease to make payments according to the agreed payment arrangement
- fail to contact, or respond to, Council for a period of greater than 60 days

Council will advise the ratepayer that they have been removed from receiving hardship assistance for not meeting their obligations. Council will recommence debt recovery, which may include legal action.

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 either

- Centrepay or
- direct debit deductions

5.8 Debt recovery

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

Council will not engage in legal action or commence proceedings to recover 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.

Council can recommence legal proceedings for recovery of the debt once the ratepayer has been removed from hardship assistance due to failure of the ratepayer to meet their obligations.

6. Applications for Hardship Postponement

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 or remit the rates in full or in part.

Hardship postponement requirement will be determined by either an **accredited financial counsellor** or **Council's** assessment process.

7. Applications for Seniors Postponement

The District Council of Robe understands that sometimes senior ratepayers may be undergoing long term financial difficulties and require assistance through a rates postponement. Under section 182 of the Local Government Act 1999, postponements can be granted where Council is satisfied that the payment of rates following the act would cause hardship.

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 an application for postponement of rates.

Applications must be made on the prescribed application form and be accompanied by the required information as requested by Council, including

- completed Authority to Act for an accredited financial counsellor
- completed Income and Expenditure statement
- completed postponement application form and signed declaration details
- copy of Seniors card

Council may provide for the postponement of the payment of the prescribed portion of rates for the current or future financial year if satisfied, and it would cause hardship if:

- the ratepayer holds or qualifies to have 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 and;
- the prescribed ratepayer or their spouse owns the land; and
- no other person has an interest (as owner) in the land

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

Ratepayers can opt to pay

- one lump sum of \$500
- quarterly payments of \$125 or
- fortnightly centre pay deductions of \$20

Should the entitlement to postponement cease to exist, the owner of the land must inform Council.

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 every month, compounded until the amount is paid.

Note: The interest rate and administration charge apply to the postponed rates prescribed in the Local Government Act 1999 and may vary from 1 July for each rating year. Council will provide information about the postponed rates debt, and the charges accrued with future rates notices.

8. Responsibilities

The District Council of Robe Hardship Policy, guidelines, and application forms are the finance team's responsibility.

9. Accessibility

Applications for rate postponement or hardship assistance are made on Council's application form and accompanied by the appropriate supporting documentation. The policy, guidelines and application forms are available on Council's website www.robe.sa.gov.au, by contacting Council on (08) 8768 2003 or visiting the office at 3 Circus Parade, Robe SA 5276.



APPLICATION FOR HARDSHIP ASSISTANCE

The District Council of Robe is committed to assisting customers experiencing financial hardship to manage their bills on an ongoing basis and make payments in a mutually acceptable manner. The Council aims to help residents clear their outstanding and ongoing rates debt in a planned and efficient way.

The information provided is required to Council to assess your application.

| Applicant | | |
|-----------------|-------------|--------------|
| Title: | Given Name: | Family Name: |
| Postal Address: | | |
| | | Post Code: |
| Email: | | |

| Details of Land | | |
|---|-------------|--------------|
| Please Note: <i>Hardship applications only apply to property that you own and occupy and is your main place of residence. Please refer to your Rates Notice(s) for this information.</i> | | |
| Property Address: | | |
| | | Post Code: |
| Owner/s of land (if not you): | | |
| Title: | Given Name: | Family Name: |
| Title: | Given Name: | Family Name: |
| Land Valuation on Rates Notice: \$ | | |
| Balance of Mortgage: \$ | | |

Essential Details

Ratepayers applying for hardship assistance may be required to seek the help of an accredited Financial Counsellor.

The following documents will need to be submitted with this application:

- Authority to act for accredited Financial Counsellor
- Income and expenditure statement completed by accredited Financial Counsellor
- Completed application and signed declaration

Application Details

Is the property for which you are applying for rate relief your principal place of residence?

Yes No

Are you the owner or spouse of the owner of the property?

Yes No

What is your employment status?

Full Time Permanent Part Time Self Employed
Casual Unemployed Retired

If you are not working, what type of Centrelink benefit are you receiving?

Aged Pension Disability Pension
Carer's Pension Parenting Payment
Newstart Other (Please specify)

Do you hold or have you applied for a State Government Concession?

Yes No

How long have you owned the property?

Years

Do you have dependent children?

Yes No

If yes, please advise how many:

Application Details, continued

Please complete the following or supply your accredited financial counsellor's fortnightly household income and expenditure statement, to verify your financial position.

| Income (fortnightly) | \$ |
|---|-----------|
| Salary or Wages | |
| Pensions or Annuity Payments | |
| Other Government Payments | |
| Rental Income | |
| All other Income | |
| Total Fortnightly Income | |
| Expenses (fortnightly) | |
| Mortgage Payments | |
| Food Shopping | |
| Petrol/ car | |
| Gas/ electricity | |
| Water | |
| Council Rates | |
| Entertainment | |
| Other Loan repayments | |
| Credit card payments | |
| Other Expenditure | |
| Total Fortnightly Expenses | |
| Net Fortnightly Income/ Expenses | |

Application Details continued

Please outline the reasons for your hardship assistance application.

Assistance Requested

Please outline the assistance you are seeking from this hardship assistance application.

- Postponement of rates
- Remittance of rates
- Long term payment plan

References

Section 182 advises of Council's power to grant relief of rates due to hardship or extenuating circumstances by way of remission or postponement (seniors only) of rates.

Please note that the penalty for providing false or misleading information on this form is an offence under the Local Government Act 1999. The maximum penalty for this offence is \$5000.

Declaration

Please complete the following declaration for hardship assistance.

- I understand the above application applies to hardship assistance
- If the grounds for this application cease to exist, I must advise Council
- I understand that any outstanding debt is payable in full at time of disposal or sale of the
- I declare that the information I have provided in this application is true and correct to the best of my knowledge
- I have attended an appointment with an accredited Financial Counsellor on/...../.....

Applicants Name:

Applicants Signature:

Date of Application:

Accredited Financial Counselling Agency Name:

Accredited Financial Counsellors Name:

Accredited Financial Counsellors Signature:

Lodging your Application

Please fill in the essential details, attach requested documentation, and make sure forms are signed before returning the application form to Council.

Applications can be sent by mail, marked Attention Rate Officer to:

PO Box 1

Robe, SA 5276

For enquiries regarding hardship assistance, contact Council's Rates Officer Via email at

council@robe.sa.gov.au

- Via telephone on (08) 8768 2003