DISTRICT COUNCIL OF Streaky Bay
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FINANCIAL HARDSHIP POLICY - RATES

Policy No: **DCSB-FM-07.19**	Approved on: **18 March 2025**	Administered by: **General Manager of Business**
Last Reviewed: **18 March 2025**	Review Date **March 2030**	Record No: **448967**
Classification: **Financial Management**		
Strategic Plan link: 1.2. Maintain financial viability and accountability in budgeting and administration.		
References and related Policies, Procedures and Forms: *Local Government Act 1999* *Local Government (Financial Management) Regulations 2011* DCSB-FM-07.15 Financial Hardship Policy – Water and Sewerage Services DCSB-07-Form 36 – Hardship Application Form DCSB-07-Form 73 – Postponement of Rates for Seniors DCSB-07-Form 78 – Payment Arrangements DCSB-07-Form 88 – Rates by Direct Debit Payment DCSB-CR-01 Complaints Policy DCSB-CR-02-04 – Ombudsman's Enquiry Policy Rates Postponement Fact Sheet - Seniors DCSB-FM-PROC-07-01 - Hardship Policy Guidelines		

1. Purpose

District Council of Streaky Bay 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.

2. Scope

This policy 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 (for seniors), refer the ratepayer to see an accredited financial counsellor, or negotiate a flexible debt repayment arrangement.

3. Legislation and References - *Local Government Act 1999*

- 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 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 has been in arrears for three years or more.

4. Definitions

The Act: is the *Local Government Act 1999*

Council: is the local government entity known as District Council of Streaky Bay

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

Accredited Financial Counsellor: means 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.

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

Hardship Program: means an agreement, between Council and a ratepayer for payment of outstanding debts due to Council.

Policy: means this Financial Hardship Policy

5. What is Financial Hardship?

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.

There are two types of financial hardship: ongoing and temporary. Depending on the type of hardship being experienced, hardship ratepayers will have different needs and require different solutions.

5.1 **Temporary Hardship**

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
- Loss resulting from an accident
- Matters outside of their control, ie: pandemics
- Any other financial matter that is causing payment difficulties

5.2 **Ongoing Hardship**

Debtors who are identified as experiencing ongoing hardship are generally those on low or fixed incomes. These debtors may require ongoing assistance.

The assessment will consider the following (but not limited to):

- the debtor is on a Centrelink income and holds a Pensioner Concession Card or holds a Centrelink Low Income Health Care Card;
- the debtor is eligible for a South Australian Government concession;
- the debtor has been referred by an accredited financial counsellor or welfare agency;
- the debtor advises that they have previously applied for emergency relief (irrespective of whether or not their application was successful);
- the debtor's payment history indicates that they have had difficulty meeting their payment obligations in the past;
- the debtor, through self assessment, has identified their position regarding their ability to pay.

6. Ratepayer Assistance

6.1 **Temporary Hardship**

Where a ratepayer, has identified as experiencing difficulty to pay, Council will allow extension of time to pay and the ratepayer can enter into a flexible payment plan that reflects their ability to pay.

A temporary arrangement, will be assessed on an ongoing basis for a period of two years, after this time, if more than 60% of two years rates are still owing, Council will encourage the ratepayer to undertake an ongoing Financial Hardship application.

While on a temporary hardship arrangement:-

- fines and interest will accrue as per Section 181, of the *Local Government Act, 1999;*
- the ratepayer will have protection from debt collection.

6.2 **Ongoing Hardship**

Where a debtor has been identified as experiencing ongoing financial hardship, Council will offer the ratepayer, as soon as reasonably practicable the following options:

- a flexible payment plan, that considers the ratepayers ability to pay
- an extension of time to pay
- the availability of Centrelink's services
- the ability to enter into a direct debit arrangement
- referral to an accredited financial counsellor
- protection from debt recovery
- confidential case management
- fines and interest may be exempted, but only in exceptional circumstances, so as not to provide an inequitable situation for the remainder of the community.

Council will work with a hardship debtor's accredited financial counsellor to determine the payment arrangement and instalment amount that best suits the debtor and their individual circumstances.

Where a hardship debtor's circumstances change, Council will work with the debtor, and their accredited financial counsellor, to re-negotiate their payment arrangement.

Where the amount of the debt outstanding is significant compared to the current capital valuation of the property Council may be prudent to not enter a payment arrangement particularly where the debtor is unlikely to be able to make full payment within a reasonable period of time.

Where a hardship debtor requests information or a redirection of their bills, Council will provide that information or redirection free of charge.

All hardship arrangements will be agreed and confirmed in writing. Email is acceptable. A copy of the payment arrangement offered to a hardship debtor, will be provided to the debtor in writing, (email is acceptable) within 10 business days of an agreement being reached.

The payment arrangement will include:

- the duration of the arrangement;
- the amount of each instalment payable under the plan, the frequency of instalments and the date by which each instalment must be paid;
- the number of instalments to pay the arrears.

7. Senior Postponements

If Council is satisfied on application of the ratepayer that payment of rates in accordance with Section 182 of the Local Government Act 1999 would cause hardship, then Council may provide for the postponement of the payment of the prescribed portion of rates for the current or future financial year if:

- The ratepayer holds a current State Seniors Card issued by the state government, or qualifies to hold such a card and has applied for the card but has yet to be issued with the card; and
- The person is a prescribed ratepayer, or is the spouse of a prescribed ratepayer; and
- The rates are payable on land that is the principal place of residence of the prescribed ratepayer; and
- The land is owned by the prescribed ratepayer or his/her spouse; 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 Centrepay deductions of $20
- Or any arrangement that is considered reasonable by the Rates Officer.

Senior applicants should be referred to an accredited financial counsellor for assistance with their postponement application.

Applications for the postponement of rates are to be made on Council's postponement application form DCSB 07- Form 73 – Postponement of Rates for Seniors and accompanied by the requested supporting documentation.

Under the Local Government Act, and detailed in the District Council Rating Policy, amounts over $500 can be postponed subject to the prescribed interest rate.

Penalties

Reference is also made to Sections 182A (8) and 182A (9) of The Act which outlines that if a person has applied for the benefit of a seniors postponement of rates and entitlement to that postponement ceases to exist, the owner of the land must inform the Council in writing of that fact (unless the liability to the relevant rates has been extinguished).

If a person fails to comply with the above requirement to inform Council of a change in circumstances, that person is guilty of an offence under The Act with a maximum penalty of $5,000.

A person must not make a false or misleading statement or representation in an application made for seniors postponement of rates. Maximum penalty $10,000.

Any rates applicable on the grounds that the rebate was no longer applicable become due and payable immediately.

8. Debt Waiver

As per Section 182 (1) (a) (b) of the Local Government Act, 1999, Council may waive rates in whole or in part of an outstanding debt:-

The following options are available:-

- Waive of fines and interest;
- Waive of rates and/or charges

A remission of fines and interest will only be considered in exceptional circumstances, and will be subject to an assessment process, based on previous payment history.

A remission or waiving of rates, in whole or in part, will only be considered in exceptional circumstances, as undertaking this process, provides an inequitable situation for the remainder of the community.

Deferment of rates, with no fines or interest, for a period of time, will be determined by Council.

9. Exiting from hardship arrangements.

Once the Ratepayer has completed the Hardship Program, Council will advise the ratepayer, and they will have the option to return to Council's standard collection cycle, including debt recovery. Council will encourage the ratepayer to continue to make regular ongoing payments based on their annual Council Rates.

Council may remove a hardship offer, if the customer defaults on the payment arrangement, and this will be used in any future assessments of hardship applications.

Council will advise the ratepayer, that we are intending to remove them from a Hardship Program, and allow them 15 days, from the date of the notice to rectify this matter.

If a ratepayer has been removed from a Hardship Program, Council may recommence debt recovery.

10. Completion of hardship assistance

Council will advise the customer when they have paid all outstanding arrears and they are no longer receiving hardship assistance and provide options to continue making ongoing payments towards their current council rates based on their historical annual rates.

11. Removal of hardship assistance

Council will remove the hardship offer, if the customer defaults on the payment arrangement, and it may be used in an assessment on any future applications for hardship assistance.

12. Debt recovery

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

13. Delegations

Council delegates to the General Manager of Business the delegated authority under Section 182(1) and Section 182(2) of the *Local Government Act 1999.*

The Business and Administration staff will respect the ratepayer without making judgements, and ongoing development of staff will ensure the early identification of a ratepayers ability to pay, so that a referral to an accredited financial counsellor or welfare agency for assistance.

14. Complaints and Appeals

Complaints and appeals will be considered in accordance with Council's complaints and grievance procedures and sections 270 and 271 of *The Act*.

A copy of the DCSB-CR-01 Customer Service and Complaints Policy can be found at www.dcstreakybay.sa.gov.au

If you are not satisfied with the outcome of your complaint you may contact the Ombudsman SA on 1800 182 150 or Ombudsman@ombudsman.sa.gov.au

15. Records Management

All records shall be kept and disposed of in accordance with councils, Records Management Policy & Procedure, the current General Disposal Schedule.

16. Availability of Policy

This policy will be available for inspection at the Council's principal office during ordinary business hours at no charge. Copies of this policy may be obtained upon request at a cost to be determined by Council from time to time.

17. Document History

Version No:	Issue Date:	Description of Change:	Date Endorsed
1.00	April 2020	New version	16 April 2020

2.00	March 2025	Ombudsman Phone Number and Senior Manager Officer naming	18 March 2025