

Hardship Procedure

Procedure Author	General Manager - Strategy and Corporate
Date of next review	August 2024

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. References and Supporting Documentation

This procedure is to be read in conjunction with the:

- Hardship Policy
- Application for Hardship Assistance Form

3. Responsibilities

Manager Rates	To oversee the consistent application of the Hardship Policy.
Rates Officers	To apply consistent delivery of the Hardship Policy to ratepayers.
Customer Contact Officers	To refer ratepayers experiencing financial hardship to the Rates Team where required.

4. Procedure

4.1 Financial Hardship Definition

A ratepayer experiencing financial hardship is someone who is identified by themselves, by Council staff, by an accredited financial counsellor, or by a welfare agency, as having the intention, but not the financial capacity, to make required payments in accordance with Council's payment terms.

Ratepayers may have different assistance needs depending on their circumstances.

Ratepayers experiencing ongoing hardship may require ongoing assistance and are generally on low or fixed incomes such as aged, disability, carers and single parenting pensions.

Ratepayers experiencing temporary hardship may require short term assistance and are generally experiencing 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, unexpected accident, incident, unexpected bills, or some other temporary financial difficulty.

Hardship indicators considered when determining appropriate assistance include receiving Centrelink income or low income, payment history, previous recovery action, or previous assistance received.

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

4.2 Hardship Assistance Available

Council should inform the ratepayer of assistance available including:

A **payment plan** based on:

- ratepayer 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)

and

- extension of time to pay where agreed
- availability of Centrelink's Centrepay service, or direct debit options
- referral to an accredited financial counsellor
- confidential case management
- protection from debt recovery

Payment arrangements should be within fair and reasonable timeframes to pay the debt.

Council **may consider** waiving overdue fines in whole or in part where ratepayers meet payment plan obligations.

4.3 Rights of Ratepayers

Ratepayers experiencing financial hardship have the right to:

- be treated respectfully, empathetically and have their circumstances kept confidential
- receive information about available assistance
- seek assistance of a free accredited financial counselling service
- negotiate a mutually acceptable payment arrangement
- consider various payment methods
- receive written confirmation of the agreed payment arrangement if requested
- 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

4.4 Ratepayers obligations

Ratepayers that have entered into a payment plan under this policy are required 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 application of assistance

4.5 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 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; and
- 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.playford.sa.gov.au.

4.6 Completion of hardship assistance

Completion of hardship assistance is when the ratepayer has paid all outstanding debt. The ratepayer will be returned to regular billing cycles, after they have successfully completed the hardship assistance.

Ratepayers have the option to continue making ongoing instalments towards their current council rates.

4.7 Removal of hardship assistance

The ratepayer should be advised 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. At this time they should also be advised that debt recovery will recommence, 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 may request future payments by either Centrepay or direct debit deductions.

4.8 Debt recovery

Council may suspend debt recovery processes while negotiating a suitable payment arrangement with a hardship ratepayer, and where the ratepayer has agreed to a payment arrangement and continues to adhere to the terms of that arrangement.

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.

4.9 Remission and postponement of payment

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.

Application forms are available on www.playford.sa.gov.au.

4.10 Postponement of rates for seniors

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; and
- no other person has an interest (as owner) in the land.

Ratepayers applying for postponement of their rates should be offered a referral to an **accredited financial counsellor** for assistance with their application.

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

- a copy of the Seniors card; and
- a completed Authority to Act if an accredited financial counsellor will be acting on the ratepayers behalf.

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.

Payment options include:

- one lump sum of \$500;
- quarterly payments of \$125; or
- fortnightly Centrepay deductions of \$20.

Interest is applied monthly to the total postponed rates amount based on the annual Cash Advance rate plus 1%, compounded until the postponed amount is paid.

The Senior Rates Postponement fact sheet and the Senior Rates Postponement application form is available on www.playford.sa.gov.au.

5. Feedback

Your feedback on this procedure is invited and can be directed to the Manager Governance via email to governance@playford.sa.gov.au or by calling the Customer Contact Team on 8256 0333.

Administration use only

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Version history

Version no.	Approval date	Approval by	Change
1	June 2018	Senior Manager Finance	New Guidelines
2	25 May 2021	Ordinary Council Resolution No. 4616	Scheduled Review - formerly Guidelines
3	23 August 2022	Ordinary Council Resolution No.5099	Scheduled review with longer review date and other minor changes.
