



Whyalla City Council

Financial Hardship Policy	
Type	Financial
GDS Category	Financial Management – Public
Responsible Officer	Director Corporate
Policy Adopted	Pending
Review Period	Two years
Last Reviewed	June 2018 (<i>previously Debt Management Policy</i>)
Next Review Date	April 2022
Policy Version Number	4
Applicable Legislation	<ul style="list-style-type: none">Local Government Act 1999 – Chapter 10
Related Documents	<ul style="list-style-type: none">Rating PolicyDebtor Management Guidelines/Procedure
Public Consultation Required	No
Purpose	To outline the options that Council can provide to assist debtors who are experiencing genuine financial hardship whilst ensuring that Council can sufficiently fund services and comply with the Local Government Act 1999 (the “Act”)

1. Introduction

Council depends on income from rates and fees and charges to fund services and facilities for the community. The purpose of this policy is to outline the options that Council can provide to assist debtors who are experiencing genuine financial hardship whilst ensuring that Council can sufficiently fund services and comply with the Local Government Act 1999 (the “Act”).

2. Policy Objective

Council undertakes recovery action for overdue rates and debtors to ensure the fair, equitable and consistent collection of outstanding monies in an effective and timely manner. Council will attempt to recover all costs, interest and expenses incurred by Council, while recognising the need to identify and consider individual cases of genuine financial hardship.

The Act allows Council to remit or defer a whole or part of any rate or charge or interest if a person is suffering financial hardship. Council will only consider remittance of rate charges (excluding fines and interest) in exceptional circumstances and only by a decision of Council.

Council aims to:

- provide the community with assistance and options to pay their accounts in a timely manner;
- provides equitable treatment to all members of the community; and
- maintain legislative compliance.

3. Scope

The Hardship Policy is mainly concerned with the collection of General Rates, Waste Service Charges and NRM Levy, but will consider flexible payment arrangements for other classes of Debtors, including but not limited to:

- General Debtors;
- Landfill Debtors;
- Library Debtors;
- Animal Management Debtors;
- Child Care Centre Debtors; and
- Cemetery and Crematorium Debtors.

4. Definitions

Debtor – any person, corporation, business or other entity owing money to Council.

Provision for Doubtful Debts – an estimate of the amount of debt raised that is unlikely to be collected.

Financial Hardship – means a circumstance of experiencing a lack of financial means, which may be either on going or temporary, but does not include circumstances where a person chooses not to meet a liability for an unpaid debt.

A “deferment” of payment can be provided in whole or in part and be for a specified period and subject to any conditions determined by Council. When rates are deferred, payment is not required until the Council sends the person a notice requiring payment.

A “remission” removes the liability to pay and may be offered to include the whole or part of any interest or where applicable part of rates and charges. The variance between a remission and a deferral is that a deferral suspends payment for a period of time whereas a remission permanently excuses payment.

The interest referred to is in accordance with the Act.

The “Prescribed Percentage” is the percentage rate advised by Local Government Finance Authority each financial year.

5. Policy Statement

Council rates become overdue when not paid in accordance with a rate notice that is issued pursuant to Section 180 of the Act. Debtors become overdue when not paid in accordance with the terms on the invoice issued by Council. Councils’ standard payment terms for debtors is 30 days.

Council may apply interest and penalty for rates that are overdue.

Council may commence its legal recovery process through a debt collection agent on all overdue amounts for rates or debtors.

Where Council incurs legal costs, the legal costs may be recoverable from the ratepayer or debtors.

Payment plans and flexible payment arrangements will be made available to ratepayers and debtors for overdue amounts upon application.

The Council may, at its discretion, under delegated authority, remit penalties and related expenses for late payment of rates and debtors, including where genuine hardship can be substantiated.

Writing-off debts will only be considered when all reasonable attempts have been made to recover the outstanding amount. Writing-off of rates (excluding rates and interest) requires a decision of Council.

Where rates on a property become more than three years in arrears, Council may commence proceedings to sell the property in accordance with Chapter 10, Section 184 of the Local Government Act 1999.

Assisting the Community

Where customers are experiencing difficulty in making payments, Council will make available flexible payment plans, including setting up Centrepay arrangements for customers receiving Centrelink payments. These flexible payment arrangements may be short term in nature to handle a cash flow shortage, with a maximum extension of one month, but any ongoing arrangements will need to be sufficient to cover current year rates over a 12-month period. Fines and interest raised under the Local Government Act 1999 will be waived only if the arrangement is made before the due date and the account was current.

It should be noted that customers are able to set up recurring BPAY payments through their online banking to make rate payments on periodic basis. Council staff can provide assistance in calculating the amount required to keep up to date with payment due dates.

Assessing genuine financial hardship

Where the flexible arrangements provided above are not sufficient for the customers circumstances, Council will rely on the advice of an accredited financial counsellor or recognised welfare agency to identify if a person/s is experiencing genuine financial hardship.

An individual who is experiencing financial hardship is someone who is identified 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 our payment terms.

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

Individuals who are identified as experiencing ongoing hardship are generally those on low or fixed incomes. These individuals may require ongoing assistance and management.

Individuals who may be identified as experiencing temporary hardship are those who have experienced a short-term change in circumstances, such as serious illness, disability or death in the family, loss or change in income, separation, divorce or other family crisis, a loss arising from an accident, or some other temporary financial difficulty. These customers generally require flexibility and temporary assistance, such as an extension of time to pay or an alternative payment arrangement.

Where we assess an individual's eligibility for hardship assistance, we will consider indicators including (but not limited to) whether the individual:

- is on a Centrelink income and holds a Pensioner Concession Card or holds a Centrelink Low Income Health Care Card;
- is eligible for a South Australian Government concession;
- advises they have previously applied for emergency relief (irrespective of whether or not their application was successful);
- payment history indicates that they have had difficulty meeting their rates bills in the past; and

- through self-assessment, has identified their position regarding their ability to pay.

Customers can access free financial Counselling through a number of different organisations, including but not limited to;

Anglicare SA - Outreach Centre
34-36 Galpin St, Whyalla Stuart, 5608 SA
(08) 8649 3267

Centacare Catholic Country SA – Whyalla Office
28 Head St, Whyalla Stuart, 5608 SA
(08) 8645 8233

Affordable SA Helpline
1800 025 539

National Debt Hotline
1800 007 007

Customers will need to sign an Authority to Act form to allow the financial counsellor to deal with Council on their behalf.

Where an individual has been identified as experiencing financial hardship, we will work with the individual's financial counsellor to determine a hardship payment arrangement will take into account the customers current ability to pay. The arrangement may include the waiving of fines for late payment and will be one of the following payment options:

- payments lower than what is required to keep up with quarterly payments; or
- an extended period where payments are not required.

It should be noted that any arrears are still payable in the future.

For customers who receive a Centrelink payment, approved hardship payment arrangements can be set up through Centrepay if requested. Council will assist with this process.

Any arrangements made on the recommendation of a financial counsellor will need to be reviewed after 12 months, with a further recommendation being required to extend the arrangement.

Postponement of Rates

In accordance with provisions of Section 182A of the Local Government Act 1999, persons who hold a current Seniors Card may apply to postpone any rate amount in excess of \$500 (\$125 per quarter) less any concession entitlement for their principal place of residence. Interest will accrue at the prescribed rate on postponed balances, with the accrued debt being payable on the disposal or sale of the property. Interest on postponed rates will be levied in accordance with the Act.

Seniors Card holders do not have to prove financial hardship to access this provision, but do need to meet the following requirements:

- the rates are payable on land that is the principal place of residence of the applicant; and
- the land is owned by—
 - (i) the applicant; or
 - (ii) the applicant and his or her spouse or domestic partner (and no other person has an interest (as owner) in the land).

Remission of Rates

Remission of rates (excluding fines and interest) will only be considered in extenuating circumstances. Delegation for decisions on remission of rates for up to two financial years is delegated to the Chief Executive Officer and shall not be sub-delegated. Any remission of rates other than this will be presented to Council for consideration in a confidential report.

Any remission is a one-off remission in response to circumstances presented at the time.

Failure to meet payment arrangement

Customers on a payment arrangement should contact Council if at any time they are not able to meet the conditions of the arrangement, to make alternative plans. If the conditions of a payment arrangement are not met, Council will proceed with normal debt collection processes.

6. Delegations

Council acknowledges that the Chief Executive Officer may sub-delegate matters related to this policy to staff or other persons employed or engaged by Council.

Contact details for further information

Phone: 08 8640 3444

Fax: 08 8569 1931

Email: council@whyalla.sa.gov.au

Where an individual believes that the Council has failed to properly apply this policy, it should raise the matter with the Council. In the first instance, contact our Rates Officer on 8640 3444 to discuss the matter. If, after this initial contact, a ratepayer is still dissatisfied they can write and explain the nature of their concern to:

The Chief Executive Officer
Whyalla City Council
PO Box 126
WHYALLA SA 5600

Availability of Policy

This policy will be available for inspection at Council's Principal Office as per the contact details above during ordinary business hours and on the Council's web-site www.whyalla.sa.gov.au.

Copies will also be provided to interested members of the community upon request, and upon payment of a fee in accordance with Council's Schedule of Fees and Charges.

7. Authority

Adopted by Council – Pending