

POLICY

Financial Hardship Policy



Purpose

The purpose of this policy is to provide guidance for the collection of rates and charges where the ratepayer is experiencing financial hardship. This policy also extends to those who are ill, have been diagnosed with a mental health conditions and/or terminal illness.

Scope

This policy applies to all ratepayers within Hindmarsh Shire.

Policy

1. Policy Principles

1.1. General Principles

Council will enforce the legislative powers available under the Local Government Act 1989 (**Act**) in the pursuit of outstanding rates and charges debts (please see Appendix 1).

Council is committed to:

- Assisting Ratepayers who are experiencing financial difficulty;
- Ensuring that the collection process is transparent;
- Treating everyone fairly, consistently, respectfully and with sensitivity;
- Ensuring all Council Employees have the training and resources necessary to effectively and consistently manage ratepayer hardship; and
- Ensuring all applications and their subsequent determination and handling are strictly confidential.

Where Council Employees have identified that a ratepayer is experiencing financial hardship, outstanding rates and charges owed to the municipality shall be pursued in accordance with this policy.

1.2. Applications for Hardship

A formal application for financial hardship must be completed and signed in front of a Justice of the Peace or other authorised officer and forwarded to Council's rates department.

The Rates Coordinator may make decisions pertaining to payment arrangements with ratepayers to assist with their financial obligations. However, the Chief Executive Officer will consider requests for interest to be held or waived. All applications requesting to have their rates and charges waived partially or in full will be referred to Council and considered in a closed Council meeting.

Any Applications made under this policy and the associated procedure will be considered, however applications will only be granted where there is genuine financial hardship. Council generally does not waive rates, as this ensures that financial hardship assistance granted to one does not have a distributional effect on the rate base.

Council will take into consideration whether the applicant is seeking professional assistance for their financial hardship when making its decision.

Applicants will be formally notified of the decision as soon as is practically possible.

In addition to hardship, this policy will also cover compassionate grounds. This generally relates to immediate family illness or death up can also include:

- A sudden death in the family;
- A life threatening illness or injury, acute or chronic pain or acute or chronic illness;
- Modifications to the home or vehicle to accommodate their needs or their dependents to accommodate a severe disability;
- The need to pay for palliative care for themselves or a dependent with a terminal medical condition;
- Expenses associated with a dependents death, funeral or burial; and
- Unable to work due to a medical condition and the support of Government assistance to pay living expenses.

1.3. Unknown Addresses

Ratepayers have an obligation to Council to notify any changes to their addresses immediately. Ratepayers also have an obligation to notify Council if they are not receiving their instalment notices each quarter. Applications for financial hardship where the ratepayer has not been receiving their notices due to an address change that was not notified to Council will not be considered.

When mail is returned to Council, our officers will make reasonable attempts to locate the Ratepayer. After such time, if attempts have been insufficient, notices will not be mailed until such time as the Ratepayer makes contact with Council. Interest will continue to accrue during this time.

1.4. Rate Recovery Sales

In accordance with s181 of the Act, a property may be sold to recover unpaid rates and charges where all other measures to collect the debt have been unsuccessful. Any proposed sales must be endorsed by Council.

1.5. Defaults

Where payment arrangements have been made and the ratepayer has not followed the agreement without prior conveying of their circumstances to the rates department, this will be seen as a default.

The rates department will make reasonable attempts to contact the ratepayer to resolve the situation.

2. Responsibilities and delegations

This policy applies to the rates department and Councillors authorised with the responsibility of maintaining our debt recovery system and determining applications for financial hardship.

3. Governance

3.1. Owner

The Chief Executive Officer is responsible for approving the Financial Hardship Policy.

The Director Corporate and Community Services is responsible for approving Financial Hardship procedures.

3.2. Review

The policy will be review for any necessary amendments no later than two years after its formulation, or after the last review.

3.3. Compliance responsibility

This policy applies to all Employees and Councillors of Hindmarsh Shire Council and must be adhered to accordingly.

3.4. Charter of Human Rights Compliance

It is considered that this policy does not impact negatively on any rights identified in the Charter of Human Rights Act (2007).

3.5. Consultation

Council is committed to consultation and cooperation between management and employees. Council will formally involve elected staff consultative committee representatives in any workplace change that may affect the health and safety of any of its Employees.

4. Definitions

Council means Hindmarsh Shire Council

Employee means a person employed by Council, including the Chief Executive Officer, Directors, Managers, and any person engaged as a short term Employee or a contractor undertaking duties on behalf of Council.

Financial Hardship means a situation where a ratepayer is unable, because of prolonged illness or unemployment, or other reasonable cause, to discharge their financial obligations to Council, and the

ratepayer reasonably expects to be able to discharge those obligations if payment arrangements were changed.

Ratepayer means any person, corporation, business or other entity owing money to Council in respect of rates and charges. This includes those who may not legally own a property, but who are required to pay rates and charges such as those determined by lease agreements.

Related Documents [Council Policies Only]

Hindmarsh Shire Council Financial Hardship Procedure

Hindmarsh Shire Council Financial Hardship Application Form

Hindmarsh Shire Council Annual Budget (including Fees & Charges, Rating Strategy)

Hindmarsh Shire Council Councillor Code of Conduct

Hindmarsh Shire Council Staff Code of Conduct

Hindmarsh Shire Council Debt Management Procedure

Hindmarsh Shire Council Records Management Procedure

Hindmarsh Shire Council Instrument of Delegation

Resources

Local Government Act 1989

Australian Accounting Standards

DOCUMENT CONTROL

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| Financial Hardship Policy | | Policy Category | Corporate Services |
| Version Number | 1.02 | Policy Status | APPROVED |
| Approved/Adopted By | Council | Approved/Adopted on: | 24 July 2019 |
| Responsible Officer | Director Corporate and Community Services | | |
| Version History | Date | Version | Description |
| | June 2016 | 1.01 | Original Policy |
| | March 2019 | 1.02 | Update to format of Policy. Change in approval requirements for interest waiver. |
| | | | |
| Next review date | | March 2021 | |

Appendix 1 – Local Government Act Section 171A Waiver by application – financial hardship

(1) A person who—

(a) is suffering financial hardship; or

(b) would suffer financial hardship if that person paid the full amount of a rate or charge for which he or she is liable—

may apply to a Council for the waiver of the whole or part of any rate or charge or of any interest imposed for late payment.

(2) The Council may require the applicant—

(a) to give further particulars; or

(b) to verify particulars—

in relation to the application.

(3) The Council may grant an application if the Council is satisfied that the applicant is a person who is suffering financial hardship if that person paid the full amount of the rate or charge for which he or she is liable.

(4) A person who—

(a) gives to a Council any information which is false or misleading in any material particular in respect of an application under this section; or

(b) fails to notify a Council of any change in circumstances which is relevant to an application or to a waiver granted under this section—

is guilty of an offence.

Penalty: 10 penalty units.