	<b>Function:</b> CORPORATE SERVICES (FINANCIAL MANAGEMENT)	<b>Adopted:</b> 5 <sup>th</sup> October 2011 <b>Resolution No.:</b> C352:11
	<b>Policy Number:</b> FIN015	<b>Last Review:</b> 5 <sup>th</sup> July 2023 <b>Resolution No.:</b> C234.0723
	<b>Version Number:</b> 13	<b>Next Review:</b> Bi-annually
<b>FINANCIAL HARDSHIP (RATES) POLICY (PREVIOUSLY KNOWN AS POSTPONEMENT OF RATES POLICY)</b>		

## Policy Statement

Copper Coast Council (Council) is committed to assisting ratepayers who are experiencing temporary or ongoing financial pressures to manage their payments and provide those ratepayers with options to manage their financial liabilities to Council on an ongoing basis.

### 1. Introduction

- 1.1. The Financial Hardship (Rates) Policy (Policy) assists ratepayers of the Council by providing them with an understanding of the options available to manage payment of rates that are outstanding or will become overdue in the near future. The options available to Council are payment arrangement, referral to a government funded Financial Counsellor, holding of debt collection, and postponement of rates.

### 2. Scope

- 2.1. This Policy applies to all ratepayers who are experiencing temporary or ongoing financial challenges and is provided to assist in managing rate payments for owner/occupied property ratepayers.
- 2.2. This Policy is restricted to discussing options to support payment of rates and other associated relief measures as it applies to general and other rates and charges only for owner/occupiers.
- 2.3. Alignment to Water Resources Act Hardship Provisions  
This Policy is to be read in conjunction with the Copper Coast Council Community Wastewater Management Schemes (CWMS) Hardship Policy for Residential Customers or Minor and Intermediate Retailers that has been established with the Essential Services Commission of South Australia (ESCOSA) and is based on information provided by the Minister for Human Services.
- 2.4. Property Valuations and the Regional Landscape Levy  
This Policy does not address ratepayers who may feel that their property valuation is incorrect. This should be addressed via the objection process with the State Valuation Office. In addition, this policy aligns with the Landscape South Australia Act 2019 provisions and treats the levy as if it were rates under this Policy.

### 3. Applicable Legislation

- 3.1. The following legislation applies to this Policy:
  - Local Government Act 1999.
- 3.2. This Policy is not a mandatory requirement but is essential for good governance.

#### 4. Integration with Corporate Objectives

- 4.1. This Policy supports Council's Strategic Plan 2019 - 2029
- 4.1.1. Governance Objective – Leadership  
Goal 5 - To provide leadership and ensure resources are managed efficiently and effectively.
- 5.2 Finance – to have open accurate and effective financial Management

#### 5. Definitions

- 5.1. **Accredited Financial Counsellor** means a person who holds a Diploma of Community Services (Financial Counselling), and who has worked at least twelve (12) months as a Financial Counsellor under the supervision of the South Australian Financial Counsellors Association.
- 5.2. **Arrangement** means an agreement between Council and a ratepayer to repay an amount of money within a time frame according to an agreed schedule. Dependent on the individual situation of our ratepayer's, arrangement could be considered under a short term or long term arrangement.
- 5.3. **Assistance** means support available for ratepayers.
- 5.4. **Financial hardship** means circumstances of experiencing:
- 5.4.1. Temporary financial difficulties for a period of less than twelve (12) months but does not include circumstances where a person chooses not to meet a liability for an unpaid debt. Hardship may result from a sudden change in circumstances such as serious illness, disability, death in the family, loss or change in income, separation, divorce, or other family crisis and/or loss resulting from an accident; this circumstance being the underlying cause for the rate arrears.
- 5.4.2. Hardship is considered temporary when impacts of the hardship are expected to be resolved in less than one year. Where the property needs to be sold to remedy the ratepayer's situation within twelve (12) months, Council will consider applying the appropriate hardship provisions contained within this policy and the ratepayer's situation will be considered as serious hardship. Longer periods are generally considered as financial stress and the account will be closely managed as the situation is ongoing.
- 5.5. **Financial stress** means a circumstance of experiencing a reduced financial ability to pay an account in full, which can be short or long term. Where an account is being paid although not up to date, the ratepayer is demonstrating a willingness to pay. Where a willingness is demonstrated and payment is being received, these accounts are to be treated as financial stress.
- 5.6. **Rate arrears (debt)** means rates are levied as a tax on a property in accordance with the provisions of the Local Government Act 1999 ('the Act'). Rates are not a service or user charge and are classified as a rate arrears if not paid by the due date, and are secured as a charge against the land pursuant to Section 177 of the Local Government Act 1999.
- 5.7. **Fines and/or interest** means rates in arrears are subject to fines and/or interest when an assessment falls into arrears, as per the Act. An assessment is deemed to be in arrears if an instalment of rates is not paid on or before the date on which it falls due. A fine of 2 percent (2%) is thereby payable and in addition to this, on the expiration of each full month from that date, interest will accrue.
- 5.8. **Ratepayer** means a person who owes amounts for rates, fees, or other charges due and payable to the Council.

## 6. What is financial hardship?

- 6.1. Financial hardship is when a person is willing but unable to meet their debt obligations because of unexpected events or unforeseen changes that impacts cash flow, for example:
  - a) Changes in income or expenditure;
  - b) Changes in employment status (such as losing a job or having hours reduced);
  - c) Significant life events such as a relationship breakdown or death in the family;
  - d) Injury or illness; and
  - e) Emergency events or natural disasters
  - f) Other circumstances the Council administration may consider appropriate.
- 6.2. It is important to acknowledge that a person in financial hardship can reasonably be expected to recover their financial position if appropriate assistance or arrangements are provided. Financial hardship assistance is intended to bridge the time between when a person's circumstances change and the time when they can start attending to their debt – either because the original financial situation is restored (e.g. a person is re-employed after a period of unemployment) or because a new repayment arrangement is agreed which the person can manage while under financial stress.
- 6.3. Financial hardship does not include circumstances where a person chooses not to meet an unpaid financial obligation for which they are liable. A willingness to pay will be assessed on a case by case basis. In circumstances where there is no payment within an extended period and/or attendance with an accredited Financial Counsellor has not occurred, or the ratepayer is refusing to contact Council, these circumstances will be considered as an unwillingness to meet their obligations for payment of rates, causing the account to be escalated into the debt collection cycle.
- 6.4. Depending on the type of financial hardship being experienced, there will be different needs requiring different options that are considered sustainable for the ratepayer, Council and the community.
- 6.5. There are two types of financial hardship:
  - 6.5.1. temporary; and
  - 6.5.2. ongoing.
- 6.6. Any ratepayers who is experiencing financial hardship are encouraged to seek an assessment by an accredited Financial Counsellor.
- 6.7. These ratepayers may require ongoing assistance through the form of a sustainable payment plan management, so as not to be escalated into the debt recovery process and legal system.

## 7. Identifying ratepayers experiencing financial hardship

- 7.1. Where it is assessed that a ratepayer may be eligible for hardship assistance, consideration will be given but not limited to the following options:
  - 7.1.1. Longer term payment arrangement
  - 7.1.2. Account held from further escalation into the debt collection process
  - 7.1.3. Ongoing support from an accredited Financial Counsellor and other services referrals.

## 8. Financial difficulties

- 8.1. Ratepayers who have been identified as experiencing *temporary* limited ability to attend to their account, are those who have experienced a short-term change in circumstances. These ratepayers generally require flexibility and temporary assistance, such as extension of time to pay or an alternative payment arrangement that does not exceed twelve (12) months and holds the account from being further escalated into the debt collection process. A further extension, if required, is likely to be provided upon request where a ratepayer is demonstrating an ongoing willingness to pay.
- 8.2. Ratepayers who have been identified as experiencing *ongoing* financial challenges are those who have experienced a change in circumstances and one in which they do not expect to recover from in a reasonable timeframe (more than twelve (12) months). These ratepayers may require ongoing assistance from Council and this is intended to bridge the time between when a person's change in circumstance and when they can start paying their debt in full, either because their original financial situation is restored or the ratepayer can increase the amount being contributed in the arrangement that will eventually address the outstanding arrears. In these circumstances Council will continue to offer the ratepayer flexible frequent payment options and will hold the account from being further escalated into the debt collection process. Council will consider a remission for fines and interest request on a case by case basis.

## 9. Guiding Principles

- 9.1. This Policy operates under the following guiding principles to ensure ratepayers who are experiencing financial pressures are supported, while ensuring an equitable approach is provided which meets community expectations.
- 9.2. In most cases, a payment arrangement will be negotiated with the ratepayer and personalised to meet their needs to avoid additional financial pressure being placed on the ratepayer. Minimum payment amounts for ratepayers is not generally set by Council. The ratepayer will be provided with details of their debt and will be allowed to pay an amount that meets their budget requirements whilst still making progress on payment of arrears.
- 9.3. Where an arrangement is ongoing for more than twelve (12) months, Council will encourage the ratepayer to seek additional support from an accredited Financial Counsellor if they haven't already. In all circumstances Council will provide details that will guide the ratepayer in understanding their obligations, and providing a ratepayer is meeting the arrangement, Council will not pursue legal action.
- 9.4. Council commits to working with the ratepayer's accredited Financial Counsellor to determine a payment arrangement and instalment amount that best suits the ratepayer and their individual circumstances.
- 9.5. Where a ratepayer experiencing hardship has a change in circumstances, Council will work with the ratepayer and their accredited Financial Counsellor to re-negotiate the payment arrangement.
- 9.6. Where the amount of the debt outstanding is significant (greater than two (2) years in rate arrears) Council will offer:

- 9.6.1. Where appropriate, information about the right to have a debt redirected to a third party, providing the third party consents to that redirection;
  - 9.6.2. Information about, and referral to, Commonwealth and South Australian Government assistance;
  - 9.6.3. Information about, and referral to an accredited Financial Counsellor and other relevant support services, particularly where a ratepayer is experiencing ongoing financial challenges and the previous assistance provided to the ratepayer has not remedied the financial situation;
  - 9.6.4. Where there is a registered mortgage on the property, Council will advise the Mortgagee on behalf of the ratepayer that there is an outstanding arrears and Council will seek payment that addresses the arrears in full to prevent the property being considered for sale under Section 184 of the Act.
- 9.7. All hardship arrangements will be agreed and confirmed in writing with the ratepayer and a copy of the terms will be forwarded to the accredited Financial Counsellor to support the ratepayer.
  - 9.8. Council will not commence legal action for the recovery of the debt relating to rates where a ratepayer has agreed to a payment arrangement and continues to adhere to the terms of the payment arrangement, irrespective of whether the ratepayer has been assessed for financial hardship or is waiting on an appointment with a Financial Counsellor. If legal proceedings commenced prior to the ratepayer applying for or presenting in hardship, those proceedings where possible will be held.
  - 9.9. For rating purposes, the Act under Section 184 allows Council to sell a property where the rates have been in arrears for a period of three (3) years or more. Council will notify the owner(s) of the land and other interested parties of its ability to sell the land if payment of the outstanding amount is not received within the terms of letter issued at that time for that ratepayer. Once the sale of land is pursued and the appropriate notices are served, financial hardship provisions in accordance with this policy will no longer apply. Council will not commence this recovery action where a ratepayer is maintaining a payment arrangement under this Policy.

## 10. Postponement of Rates

- 10.1. In accordance with Section 182A (Postponement of rates – Seniors) of the Act, a person may apply for a postponement of the payment of the prescribed proportion of rates (fines and interest will still be incurred in accordance with Section 182A(12) of the Act).
- 10.2. Council will also accept applications for postponement of rates from ratepayers suffering extreme on-going financial hardship through an accredited Financial Counsellor and will consider recommendation such as this on a case by case basis.
- 10.3. Rates debt on the principal place of residence can be postponed until the property is sold or the ownership is transferred to another party and is available for a maximum period of 12 months (fines and interest will still be incurred in accordance with Section 181(17) of the Act).

## 11. Application

- 11.1. Council will require the ratepayer to complete and lodge the Financial Hardship (Rates) Application Form pursuant to this Policy.

11.2. Initial discussion will be held with the Senior Rates Officer, being an approach that supports first point resolution. At any stage the Senior Rates Officer will be available to discuss options and the process with the ratepayer should they require additional information.

**12. Complaints**

12.1. Complaints under this Policy must be in writing to the Chief Executive Officer and lodged in accordance with Council’s Complaints Policy.

**13. Delegation**

13.1. Pursuant to Section 44 of the Local Government Act 1999, Council has delegated its power to the Chief Executive Officer to administer Council’s policies.

**14. Adoption and Review**

14.1. This Policy shall be reviewed biannually, or more frequently, if legislation or Council requires by the Corporate Services Department and a report shall be provided to Council for consideration and adoption.

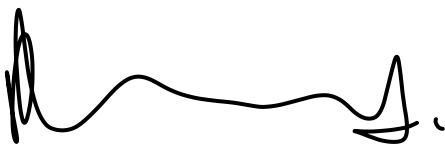

**15. Records Management**

15.1. Official records will be managed in accordance with Council’s Records Management Policy pursuant to Section 125 of the Local Government Act 1999.

**16. Availability of Policy**

16.1. Policies will be available for inspection without charge at Council’s Principal Office and on Council’s website [www.coppercoast.sa.gov.au](http://www.coppercoast.sa.gov.au).

16.2. A copy of this Policy may be obtained on payment of a fee in accordance with Council’s Schedule of Fees and Charges.

Signed		
	Mayor	Chief Executive Officer
Date	5 <sup>th</sup> July 2023	