

COUNCIL POLICY – Rates Financial Hardship Policy	
Reference Number	704117
Responsible Business Unit	Finance
Responsible Officer	General Manager Corporate Services
Legislation	Local Government Act 1999 Local Government Finance Authority Act 1983 Local Government (Financial Management) Regulations 2011 Local Government (General) Regulations 2013 Rates and Land Tax Remissions Act 1986 As found on Legislative Register Reference Number 792726
Relevant Delegations	Chief Executive Officer General Manager Corporate Services
Related Policies Management Guidelines Frameworks	Financial Sustainability Policy Rating Policy Rates Debt Recovery Policy Debt Recovery Policy Rates Senior Postponement Policy Rate Debt Recovery Management Guideline Rates Financial Hardship Management Guideline Privacy Policy
Link to Strategic Plan	5.4 - Transparent
Council resolution	275.1
Date Adopted	11 December 2023
Review Date	July 2025
Previous Revisions	Item 122.9 – September 2014 Item 220.1 – September 2015 Item 137.1 – August 2017 Covid Financial Hardship Policy Item 100.6 – June 2020 Item 13.2 – January 2022 Item 31.6 - December 2022 – revoked Covid Financial Hardship and reinstated Rates Financial Hardship Policy
POLICY STATEMENT	
<p>To ensure that all applications for the postponement of rates payments due to financial hardship are considered in a consistent, equal and fair manner as per the provisions set out under section 182 of the Local Government Act 1999. Council is committed to assisting ratepayers who are experiencing financial hardship to manage their bills on an ongoing basis, making payments in a manner that is mutually acceptable, with the aim to clear their outstanding and ongoing rates debt in a planned and efficient manner.</p>	
OBJECTIVES	
<p>Rates are a form of taxation and are levied under the Local Government Act 1999 on the basis of land value and use. As per Council's Rating Policy, land value and land use are</p>	

used as a reasonable indicator of capacity to pay.

This policy recognises that there may be circumstances where the value of the property or the land use does not indicate the ratepayer's capacity to pay and allows Council to consider applications for temporary relief from rates.

Section 182 of the Local Government Act 1999 allows that postponement of rates may be considered if Council is satisfied that the payment of rates would cause extreme hardship.

Council can, at its discretion, remit or defer payment in part or full of any rates or charges of interest and fines if a person is suffering hardship.

SCOPE

This policy is set to establish the guidelines for the assessment of financial hardship applications.

This policy does not relate to Seniors postponement of rates, only to applications from the principal ratepayer who has requested consideration relating to financial hardship and only after all other options of payment consideration have been explored.

PRINCIPLES

As a Council:

- Review applications from ratepayers suffering ongoing or extreme financial hardship and will consider each application on its own merits
- We are committed to providing regular, consistent and proactive communications and messaging, when requested, on the options available to customers in financial stress. This could include the provision of information on such things as:
 - Payment options available to customers, including weekly, fortnightly or monthly payments and direct debit options; and
 - The level and availability of concessions (where applicable) and the steps to apply for and retain them.
- We are committed to using clear and easy to understand language free of technical jargon when we are working with people under financial stress.
- We are committed to treating customers in financial stress with respect and compassion.
- We are committed to providing support to people to help them maintain control over their financial situation for the mutual benefit of both parties.
- We are committed to investigating the potential for new and innovative products within Council that might assist people in meeting their financial commitments.

Principal ratepayers may be eligible for financial hardship consideration relating to the payment of rates where:

- They are unable to pay rates and any accrued fines and interest when due for

reasons beyond their control

- Payment of rates when due, would cause extreme hardship for the principal ratepayer.

Assessment criteria for hardship consideration will be, but not limited to, the following:

- Income from all sources
- All expenses
- Reasons for financial hardship
- Compliance with any previous periodic payment arrangements
- Applicants will be required to attend an accredited financial councillor who must supply a detailed current income and expenditure statement. The ratepayer is required to sign an Authority to Disclose form to allow the financial councillor to deal with council on their behalf to be able to provide assistance.

Postponement of rates longer than 1 year will be reviewed under Council's Rates Debt Recovery Policy.

IMPLEMENTATION

Ratepayers may apply for postponement of rates where their financial circumstances do not allow them the means to meet their financial liability when due.

All financial hardship applications must be in writing on Council's form and will only be legitimate after written confirmation of approval is provided by Council.

All financial hardship application requests will be treated in confidence in accordance with Council's Privacy Policy.

Applications for financial hardship are required to be supported by documentation with evidence of financial hardship.

Information regarding payment arrangement plans and progress payments of overdue rates accounts will be made available to the ratepayer upon written application.

Council may, at its discretion, remit penalties and related expenses for late payment of rates where genuine financial hardship can be substantiated.

Any payment arrangements made and approved by council will need to be reviewed every 3 months.

Ratepayers with a payment arrangement should contact council if at any time they are not able to meet the conditions of the arrangement, they need to make alternative plans. If the conditions of a payment arrangement are not met council may proceed with the normal debt collection process.

DEFINITIONS

"Accredited Financial Councillor" means a person who holds a Diploma of Community Services (Financial Counselling) and who has worked at least 12 months as a financial

councillor under the supervision of the South Australian Financial Counsellors Association

“Council” is the Local Government entity known as the Rural City of Murray Bridge

“Default” means where a Council approved payment arrangement is in place and payments are not made as agreed by the principal ratepayer.

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

“Payment arrangements” means where the principal ratepayer forwards a written proposal for alternative arrangements for payment of rates to the instalment of rates defined on the rates notices for the financial year and Council provides written approval of the proposal.

“Principal ratepayer” means the nominated person, organisation or other party that is responsible for ensuring rates are paid and accurate contact details are provided for the rateable property.