

# POLICY 5.28

## Finance and Internal Controls

### Rates Customer Hardship



Version: 1 | Next Review: Following Next Council Election

#### AIMS AND OBJECTIVES

The District Council of Tumby Bay is committed to assisting ratepayers who are experiencing financial hardship to manage their bills on an ongoing basis, make payments in a manner that is mutually acceptable, and with the aim to clear their outstanding and ongoing rates debt in a planned and efficient manner.

The purpose of this policy is to identify ratepayers who are experiencing payment difficulties due to hardship, and assist those ratepayers to manage their payments on an ongoing basis,

This policy outlines the options for ratepayers seeking relief from rates due to hardship or extenuating circumstances. Council may grant relief in the form of postponement of rates, request the ratepayer to see an accredited financial counsellor, or negotiate a flexible long term debt repayment arrangement. Assistance does not include rate rebates or waiving of rates.

This policy sets out processes to identify ratepayers experiencing payment difficulties due to hardship; including identification by Council; self-identification by a ratepayer; and identification by an accredited financial counsellor or welfare agency. The policy outlines a range of processes to assist our ratepayers who have been identified as experiencing payment difficulties.

#### POLICY DETAIL

Depending on whether the hardship experienced is ongoing or temporary, ratepayers may have different needs and require different assistance.

Ratepayers who are identified as experiencing **ongoing hardship** may require ongoing assistance and are generally on low or fixed incomes;

- Aged pension
- Disability pension
- Carers pension
- Single parenting pensions

Ratepayers who may be experiencing **temporary hardship** may require short term assistance and are generally experiencing a 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.

Council will advise the ratepayer of assistance available including

- Payment plans and extensions of time to pay
- Referral to an Accredited Financial Counsellor
- Centrelink's Centrepay service, or direct debit payment options (when available)

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## 1. Identifying Ratepayers Experiencing Financial Hardship

A ratepayer experiencing financial hardship is someone who is identified by themselves, by us, 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, hardship customers will have different needs and will require different solutions.

The extent of hardship will be determined by either Council's assessment process or by an external body, such as an accredited financial counsellor.

Where Council assess a ratepayers eligibility for hardship assistance, we will consider indicators including (but not limited to) whether:

- the customer is on a Centrelink income and holds a Pensioner Concession Card or holds a Centrelink Low Income Health Care Card
- the customer is eligible for a South Australian Government concession
- the customer has been referred by an accredited financial counsellor or welfare agency
- the customer advises they have previously applied for emergency relief (irrespective of whether or not their application was successful)
- the customer's payment history indicates that they have had difficulty meeting their retail services bills in the past
- the customer, through self assessment, has identified their position regarding their ability to pay.

## 2. Assisting Ratepayers Who Are Experiencing Financial Hardship

Council will inform ratepayers of this customer hardship policy where:

- it appears to us that non-payment of rates is due to the customer experiencing payment difficulties due to hardship

Where a ratepayer has been identified as experiencing financial hardship, Council will offer the customer, as soon as is reasonably practicable, flexible and frequent payment options that have regard to the hardship customer's capacity to pay and current financial situation. These options will include the following:

- an interest and fee free payment plan,
- Centrelink's Centrepay service (only where available), or
- other arrangement, under which the customer is given more time to pay rates or to pay in arrears recognising that some ratepayers have a short-term financial hardship issue that may be resolved in the near to medium-term, where others may require a different type of assistance for ongoing financial issues.

Council will engage in discussion with the hardship customer to determine a realistic payment option in line with the customer's capacity to pay.

Council will work with a hardship customer's financial counsellor to determine the payment arrangement and instalment amount that best suits the customer and their individual circumstances.

Where a hardship customer's circumstances change, Council will work with the customer, and their financial counsellor, to re-negotiate their payment arrangement.

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Council may also recommend to the ratepayer that they seek assistance from accredited financial and other relevant counselling and support services, particularly where a customer is experiencing ongoing financial hardship.

Where a ratepayer requests information or a redirection of their rate notice, Council will provide that information or redirection free of charge.

Council will explain to the ratepayer how and when they will be returned to regular rating cycles after they have successfully completed the hardship program.

### 3. Assistance Guidelines

#### A. Repayment Plans

Prior to entering into a repayment agreement Council must be satisfied that the ratepayer has the capacity to eliminate any outstanding amount within a two year period while also having the capacity to pay all additional rates raised.

#### B. Rates Deferral

Rates deferral agreements must be linked to a short to medium term issue where it is reasonably anticipated that the cause of the financial hardship will be resolved. (Examples of this would be the 2020 COVID-19 virus causing job loss and business downturn.) Rate deferral agreements will be made for periods not exceeding six months at any one time. At the end of each agreement the period may be extended for a further six months should the issue be ongoing. Alternatively, at the end of a deferral period the ratepayer may enter into a repayment plan in accordance with this policy.

### 4. Default by Ratepayer

Council will also explain to the ratepayer that they will be removed from our hardship program, and be returned to our standard collection cycles, including debt recovery, should they cease to make payments according to the agreed payment arrangement or fail to contact us for a period of greater than 90 days.

Council will not take any action to remove a ratepayer from our hardship program until we have sent the customer a written notice, allowing them 10 working days from the date of the notice to contact us to re-negotiate their re-entry into the program.

### 5. Payment Plans

Council's payment plan for a ratepayer will be established having regard to:

- the ratepayer's capacity to pay and current financial situation
- any arrears owing by the ratepayer.

The payment plan will also include an offer for the ratepayer to pay for their rates in advance or in arrears by instalment payments at a frequency agreed with the ratepayer (e.g. weekly, fortnightly, monthly or as otherwise agreed with the customer).

Where a payment plan is offered to a ratepayer, we will inform the ratepayer in writing, within 10 business days of an agreement being reached, of:

- the duration of the plan

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- the amount of each instalment payable under the plan, the frequency of instalments and the date by which each instalment must be paid, and
- the number of instalments to pay the arrears

Council will waive any fines and interest for late payment of rates for a ratepayer.

Where a ratepayer is seeking assistance in accordance with this policy, but has failed to fulfil their obligations under an existing hardship arrangement, Council will require them to sign up for direct debit deductions or Centrepay (where available).

## 6. Debt Recovery

Council will suspend debt recovery processes while negotiating a suitable payment arrangement with a ratepayer.

- Council will not engage in legal action or commence proceedings for the recovery of a debt relating to a retail service for a ratepayer if:
- the ratepayer has agreed to a payment arrangement and continues to adhere to the terms of that arrangement, or
- Council have failed to comply with the requirements of this customer hardship policy.

## 7. Rights of Ratepayers Experiencing Financial Hardship

Every ratepayer experiencing financial hardship has the right to:

- Be treated respectfully on a case-by-case basis, and have their circumstances kept confidential.
- Negotiate an amount they can afford to pay on a payment plan or other payment arrangement.
- Consider various payment methods, and receive written confirmation of the agreed payment arrangement within 10 business days.
- Renegotiate their payment arrangement if there is a change in their circumstances.
- Receive information about accessing accredited financial counselling services.
- Be shielded from legal action and additional debt recovery costs, whilst they continue to make payments according to an agreed payment arrangement.

## 8. General Provisions

Council will ensure ratepayers have equitable access to this customer hardship policy, and that this policy is applied consistently.

This customer hardship policy is available on Council's website: [www.tumbybay.sa.gov.au](http://www.tumbybay.sa.gov.au)

Council will also make a copy of this policy available to a customer, upon request, and at no charge to the ratepayer, as soon as practicable following a request to do so.

This customer hardship policy does not limit or prevent Council from waiving any fee, charge or amount of arrears for the customers who are experiencing financial hardship.

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### 9. Confidentiality

Any information disclosed by a ratepayer is confidential and will not be used for any purpose other than the assessment of an application for assistance.

### 10. Complaints Handling

Details of our customer complaints and dispute resolution process are available at our website: [www.tumbybay.sa.gov.au](http://www.tumbybay.sa.gov.au) . We will also make a copy of this process available to a ratepayer, upon request, and at no charge.

A ratepayer experiencing hardship has a right to have any complaint heard and addressed by Council, and in the event that their complaint cannot be resolved, the right to escalate their complaint.

## POLICY REVIEW

This policy will be reviewed following Council Election (4 yearly).

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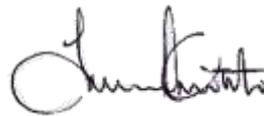
**Strategic Link:** Quality Service and Infrastructure

**Delegation:** Chief Executive Officer is delegated to enact the provision of this policy.

**Documentation:** Nil.

**Authority:** Adopted by Council: 14/04/2020 {Motion 4c/42020}

SIGNED:



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Responsible Officer

Date: 15 / 04 / 2020

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