District Council of Elliston
Policy

Finance
E033: Financial Hardship

Signature	
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1. Introduction

The District Council of Elliston (**Council**) is committed to supporting members of our community who are suffering financial hardship, in alignment with legislation under the *Local Government Act 1999* (**Act**) and the *Water Industry Regulations & Act 2012*.

The Council considers it can contribute to supporting customers in financial hardship by offering flexible payment arrangements, where appropriate and ensuring respectful treatment of our community.

Under the principle of Financial Hardship, this policy aims to:

- aid debtors experiencing financial hardship
- provide a mechanism that enables individual and businesses to contact Council regarding possibilities for repayment of outstanding debts given individual circumstances
- ensure consistent, equitable and confidential opportunities for debtors to reconcile outstanding debts with Council
- ensure Council's debt collection practices are sensitive and responsive to financial hardship issues

2. Scope

This policy applies to customers who are experiencing temporary or ongoing financial hardship for the purposes of assisting in the management of payments of rates, charges and/or sundry debtor charges.

This policy does not limit or infringe on Council's abilities to use their delegated and legislative powers to waive fees, charges and fines relating to the provision of services for these debtors who are experiencing financial difficulties.

This policy does not limit or prevent Council officers acting under delegated authority to waive any fee, charge or amount of arrears relating to rates, service charges or debtors for those customers who are experiencing financial hardship.

3. Definitions

Arrangement	an agreement between Council and the customer to repay an amount of money within an agreed timeframe
Customer	a person or legal entity that is liable to pay rates and service charges on an owner-occupied property and/or a sundry debtor for goods or services they have received from Council
Financial Hardship	a circumstance of experiencing a lack of financial means that may be either ongoing or temporary and may result from unexpected events or unforeseen charges that impact cash flow, including but not limited to: - changes in income or expenditure - changes in employment status (such as losing a job or having hours reduced) - significant life events such as a relationship breakdown or death in the family - injury or illness - emergency events or natural disasters

Financial hardship does not include circumstances where a person chooses, without good reason, to not meet an unpaid financial obligation to the Council for which they are liable.

4. Identifying financial hardship

4.1 A customer experiencing financial hardship is someone who has identified the position themselves, or for whom the position has been identified by the Council or a financial counsellor or welfare agency, as having the intention, but not the financial capacity, to make required payments in accordance with Council's payment terms.

4.2 Customers who may be identified as experiencing financial difficulty, as opposed to financial hardship, require flexibility and temporary assistance, such as an extension of time to pay or alternative payment arrangements.

4.3 All claims for, and the extent of hardship, will be determined by the Council, which determination may be assisted by a report from an external body, such as a financial counsellor or welfare agency.

4.4 In assessing a customer's eligibility for financial assistance, the Council will consider, but not limited to, whether the customer:

- is on a Centrelink income or payment
- holds a Centrelink low-income health care card or pensioner concession card
- is eligible for a South Australian Government concession
- has been referred by a financial counsellor or welfare agency
- advises they have previously applied for financial relief (irrespective of whether or not their application was successful)
- payment history indicates they have had difficulty meeting their rate and debtor obligations in the past
- through self-assessment, has identified their position regarding their inability to pay
- has identified other personal circumstances they may choose to disclose in support of their application

4.5 The Council will inform a customer of this policy where it appears that non-payment of rates is due to the customer experiencing payment difficulties due to hardship.

4.6 All claims for financial hardship should be sent to the attention of the Chief Executive Office via mail (PO Box 46, Elliston SA 5670) or email (dce@elliston.sa.gov.au) and marked private and confidential.

5. Assisting customers who are experiencing financial hardship

5.1 Where a customer has been identified as experiencing financial hardship, the Council may offer the customer, as soon as is reasonably practicable, flexible and frequent payment options, having regard to the hardship customers' usage, capacity to pay and current financial situation. These options may include, but are not limited to:

- an interest and fee-free payment plan; or
- other arrangement, under which the customer is given additional time to pay.

5.2 The Council will engage in discussion with the customer to determine a realistic payment option, taking into account the customer's capacity to pay.

5.3 The Council will, with the consent of the customer, work with their financial counsellor or the identified welfare agency (where relevant) to determine the payment arrangement and instalment amount that best suits the customer and their individual circumstances.

5.4 Where a customer's circumstances change, the Council will work with the customer, and their financial counsellor or welfare agency (where applicable) to renegotiate the payment arrangement.

5.5 The Council will also offer the customer:

- Where appropriate, information about the right to have rate notices redirected to a third person, if that third person consents in writing to the redirection
- Information about, and referral to, State and Federal concessions, rebates, grants and assistance programs
- Information about and referral to, accredited financial and other relevant counselling and support services, particularly where a customer is experiencing ongoing financial hardship

5.6 The Council will not take any action to remove a customer from a hardship program until the Council has sent the customer a written notice, providing at least 10 working days from the date of the notice, to contact the Council to renegotiate re-entry into the program.

6. Debt Recovery

6.1 The Council will place on hold, and/or suspend any debt recovery process while negotiating a suitable payment arrangement with a customer who has been assessed as eligible for assistance under this policy.

6.2 The Council will not commence legal action for the recovery of any debt relating to rates, services charges and/or sundry debtor invoices, if the customer has agreed to a payment arrangement and continues to adhere to the terms of that arrangement. For avoidance of doubt, if a debtor fails to comply with the requirements of their agreement, Council has the right to (re)send the amount outstanding to debt collection.

6.3 For rating purposes, section 184 of the Act provides that the Council may sell a property where the rates have been in arrears for three years or more, subject to the required statutory process. However, the Council will not commence such action, or continue with such action, where a customer has agreed to, and is maintaining, a payment arrangement for a rating debt under this policy.

7. Rights of customers experiencing financial hardship

7.1 Council may opt to waive all or part of an outstanding debt. This will be a once off waiver and may take the following forms:

- waiver of fines and/or interest
- waiver of rates and/or charges

7.2 A waiver will only be considered in exceptional circumstances and will be a once-off situation for the benefit of the customer.

7.3 A remission or waiving of rates in whole or part only be approved in exceptional circumstances, due to the inequitable situation for the whole of the community. Under section 182 of the Act, Customers may instead be considered for postponement of debt.

7.4 Postponement of debt is an arrangement with Council, where a large component of the Rates debt on the principal place of residency or business and can be postponed until the property is sold or the ownership is transferred to another party. Council has the right to impose fines and interest on the outstanding debt until it is paid in accordance with the Act. The debt must be paid in fully at the time of sale of the property.

8. Rights of customers experiencing financial hardship

8.1 Every customer experiencing financial hardship has the right to:

- be treated respectfully, have their application assessed on a case-by-case basis, and have their circumstances kept confidential
- receive information about alternative payment arrangements, this policy, and government concessions, rebates, grants and assistance programs
- negotiate a reasonable 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 ten (10) business days
- renegotiate a payment arrangement if there is a material change in circumstances
- not be the subject of legal action or additional debt recovery costs instituted by the Council, whilst they continue to make payments according to the agreed payment arrangement.

9. Obligations of customers receiving financial hardship arrangements

9.1 Under the provisions of Council's financial assistance, customers have the obligation to:

- make the agreed schedule payment on time and for the full amount
- update the Council on any changes to contact information, including postal address, phone numbers and email addresses at their earliest convenience
- advise Council of any changes to their financial circumstances at their earliest convenience
- maintain contact with the Council and treat all Council employees respectfully
- not make false or misleading statements in the application of assistance

DOCUMENT HISTORY				
Version	**Changes since last version**	**Approved by**	**Record No**	**Issue Date**
1.0	New			