



Financial Hardship Policy

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Department:	Business Excellence	Division:	Financial Services
Function:	7 - Financial Management	Responsible Officer:	Manager, Financial Services

A - PREAMBLE

1. This policy is to assist customers of the City of Salisbury who are experiencing temporary or ongoing financial hardship in regards to payment of rates and/or sundry debtor charges which are currently outstanding or will be due and payable at a future date.

B - SCOPE

1. This policy applies to all ratepayers and sundry debtors who are experiencing temporary and/or ongoing financial hardship to assist in managing rates for owner/occupied properties and/or sundry debtor charges, noting that the COVID-19 Rates Financial Hardship Policy has been developed specifically to support ratepayers experiencing temporary financial hardship that is demonstrated to have resulted from the impacts of COVID-19.
2. This policy does not apply to debts associated with the provision of recycled water, which are considered in the Hardship Policy for Residential Salisbury Water Customers, which has been established with the Essential Services Commission of South Australia (ESCOSA).
3. This policy also does not address customers who may feel that the property valuation is incorrect, which are addressed via the objection process with the State Valuation Office.

C – POLICY PURPOSE/OBJECTIVES

1. The City of Salisbury is committed to assisting rating customer together with sundry debtor customers who are experiencing temporary and/or ongoing financial hardship, to manage their payments and assist those customers to better manage their bills on an ongoing basis.

This policy should be read in conjunction with the Financial Hardship Procedure.

D - DEFINITIONS

Term	Definition
Accredited Financial Counsellor	A person who holds a Diploma of Community Services (Financial Counselling) and who has worked at least 12 months as a financial counsellor under the supervision of the South Australian Financial Counsellors Association
Arrangement	An agreement between Council and a Customer to repay an amount of money within a time frame according to an agreed schedule. Dependent on the individual situation of our customer's arrangement could be considered under a short term and/or long term arrangement.
Council	The City of Salisbury
Customer	A person or legal entity that is liable to pay rates on an owner occupied property and/or a sundry debtor who has had a Sundry Debtor tax invoice raised as per goods or services they have received from Council.
Debt	Rates - are levied as a tax on property in accordance with the provisions of the Local Government Act. Rates are not a service or user charge.
	A Sundry Debtor - is a legal entity owing money for goods and/or services rendered by Council for all non-rating and non-expiation debts.
Financial Hardship	Circumstances of experiencing a lack of financial means that may be either ongoing or temporary, but does not include circumstances where a person chooses not to meet a liability for an unpaid debt. Hardship may result from a 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. Hardship is considered temporary if the impacts of the hardship are expected to be resolved in less than one year, whereas ongoing spans longer periods.
Local Government Act	The Local Government Act 1999 "The Act" sets out legislative requirements for Councils to follow.
Policy	Financial Hardship Policy
Procedure	Financial Hardship Procedure

E - POLICY STATEMENT

1. Council recognises and understands that cost of living pressures can place a lot of strain on household budgets and that economic conditions can have detrimental impacts on business, and have developed a range of payment options to ease this pressure.
2. Council is committed to treating all customers in financial stress with respect and compassion and is pleased to provide support and practical solutions to those who may be experiencing temporary and/or ongoing financial hardship.

What is financial hardship?

2. Financial hardship is when a customer 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) Economic downturn
3. An important consideration to acknowledge is that a customer 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 customer's circumstances change and the time when they can start paying their debt in full – either because the original financial situation is restored (e.g. a person is re-employed after a period of unemployment, economic conditions improve) or because a new repayment arrangement is agreed which the person can meet.

4. Financial hardship does not include circumstance where a person chooses not to meet an unpaid financial obligation for which they are liable for.
5. There are two types of financial hardship: ongoing and temporary. Depending on the type of hardship being experienced, there will be different needs requiring different solutions.
6. Temporary Financial Hardship - Customers who may have been identified as experiencing temporary hardship are those who have experienced a short-term change in circumstances. These customers generally require flexibility and temporary assistance, such as extension of time to pay or an alternative payment arrangement.
7. Ongoing Financial Hardship - Customers who may have been identified as experiencing ongoing hardship are those who have experienced a change in circumstances and one in which they do not expect to recover from in a reasonable timeframe. These customers may require ongoing assistance from Council and this is intended to bridge the time between when a customer's circumstance change and the when they can start paying their debit in full – either because their original financial situation is restored or because a new repayment arrangement is agreed which the customer can meet.
8. Where it is assessed a customer may be eligible for hardship assistance, consideration will be given but not limited to the following:
 - The customer is on 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 customers payment history indicates that they have had difficulty meeting their rate notices/sundry debtors invoices in the past
 - The customer, through self-assessment, has identified their position regarding their ability to pay
 - Other personal circumstances that the applicant(s) may choose to disclose in order to support their application.
9. Council will require customers to submit an application, including details of the applicant(s) and a Statement of Financial Position (Income and Expenditure) which will assist in determining an application for hardship.

Debt recovery

10. Council will place on hold and/or suspend debt recovery process while negotiating a suitable payment arrangement with a customer who has applied and been accepted under the Financial Hardship policy.

11. Council will not commence legal action for the recovery of the debt relating to rates and/or a sundry debtors invoice for a customer if the customer has agreed to a payment arrangement and continues to adhere to the terms of the payment arrangement, irrespective of whether the customer has been assessed for financial hardship.
12. For rating purposes the Act provides for council to sell a property where the rates have been in arrears for three years or more. The Council must notify the owner(s) of the land of its intention to sell the land if payment of the outstanding amount is not received within one month, and once this notice is served this policy will not apply, however, Council will not commence this recovery action where a customer has agreed and is maintaining a payment arrangement under this Financial Hardship Policy.
13. This policy will be reviewed every 2 years by the Team Leader Revenue and Manager Financial Services.

F - LEGISLATION

1. Section 184 under the Local Government Act

G - ASSOCIATED POLICIES/PROCEDURES

1. Financial Hardship Procedure
2. Hardship Policy for Residential Salisbury Water Customers
3. Customer Service Framework and Charter
4. Internal Review of Councils Decisions Procedure

Document Control

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