



Rates Hardship Policy (excluding Water Policy requirements)

Reference Number:	Section 1 No. 8
Responsible Department:	Business and Governance
Related Policy/Procedure:	1.6 Rate Rebate Policy, 1.7 Debtor Management Policy 1.10 Hardship Policy for Residential Customers of Minor & Intermediate Water Retailers
Date of Adoption:	25 August 2015
Current Review Date:	
Minute Reference:	25 August 2015 page2015/265
Version Number:	Original
Applicable Legislation:	Sections 143, 181, 182 and 182A, Local Government Act 1999
Next Review Date:	July 2017
Review Frequency:	Biennially

1. Background

Under the Local Government Act, 1999 Council may waive a whole or part of any rate or charge or interest if a person is suffering financial hardship. The Act goes on to say Council may defer, in whole or part, any payment due to the grounds of hardship.

The difference between a waiver and a deferral is that a deferral suspends payment for a period of time whereas a waiver permanently exempts payment of the fee or charge.

Applications for waiver and deferral will be individually assessed against the criteria stated in this policy. This policy defines the process for considering application for deferment or waiver of rates and charges.

The Council's Business and Governance Department has the responsibility to maintain and manage the rating system. The policy is also relevant to elected Council Members and the Senior Management Team.

2. General Principles

Council seeks to undertake its affairs in a way that contributes to open, transparent and informed decision-making. Council seeks to ensure advice and decisions made are done so in a consistent manner, taking into account that applications made under this policy will vary on a case by case basis.

3. Definitions for the purposes of this Policy

A "deferment" of payment can be provided in whole or in part and be for a specified period and subject to any conditions determined by Council. When rates are deferred, payment is not required until the Council sends the person a notice requiring payment.

A "waiver" removes the liability to pay and may be offered to include the whole or part of any interest or where applicable part of rates and charges as set down in clause 4.2 of this policy.

The "interest" referred to in clause 4.1 shall be calculated in accordance with clause 4.5 of this Policy and with reference to the applicable sections of the Local Government Act 1999

The "Prescribed Percentage" is the percentage rate advised by Local Government Finance Authority each financial year.

4. Policy Statement

Council will ensure ratepayers are given the option to apply for Financial Hardship and provide various options to pay their rates in a timely and satisfactory matter.

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4.1 Remission and Postponement of Rates, Charges and Interest (Section 182 of the Local Government Act 1999)

Ratepayers may have rates and charges, or part thereof, postponed although rates and charges will continue to be levied subject to compliance with the following conditions:

- (a) The ratepayer must be experiencing undue and unavoidable hardship.
- (b) An application in writing must be submitted to Council's General Manager, Business and Governance (GMBG) by the ratepayer or the ratepayer's representative providing evidence from an approved financial counsellor or other accredited source (such as a practicing accountant or bank manager) of such circumstances referred to in (a) above. The GMBG, under delegated authority from the Council and Council's Chief Executive Officer (CEO), will provide a recommendation to the Rates Officer based on these details supplied.

Where the value of the proposed remission or postponement exceeds the limits of delegated authority provided under the Act or as stated within this policy to council officers, a report to be considered under the confidential provisions of the Act shall be prepared for the Council's consideration.

- (c) The postponement can be for a fixed period or ongoing basis until the property is disposed of or sold.
- (d) In accordance with provisions of Section 182A of the Local Government Act 1999, persons who hold a current Seniors Card may apply to postpone any amount in excess of \$500 (\$125 per quarter) less any concession entitlement for their principal place of residence. Interest will accrue at the prescribed rate on postponed balances, with the accrued debt being payable on the disposal or sale of the property.

4.2 Waiving Rates and Charges

With reference to clause 4.1(b) above, any application for the waiver of rates or charges will be addressed to the GMBG and considered under delegated authority. Where the value of the waiver exceeds the limits of delegated authority imposed by the Council to council officers, a report shall be presented to Council for consideration in confidence. Such reports will be prepared by the Rates Officer on a needs basis following receipt of a recommendation from the GMBG.

In any event the GMBG, setting aside delegated authority provisions, may report applications made under this clause directly to the Council to be considered in a confidential session of the Council.

Any waiver is a one-off waiver in response to circumstances presented at the time.

4.3 Waiving Interest/Fine

Interest/fine waivers fall under three categories which are:

- Administrative waivers;
- Waiver on compassionate grounds; and
- Financial hardship waiver.

4.3.1 Waiver for Administrative Reason/Error – Ratepayers may have interest/fine waived in the event of an administrative issue, error or omissions which caused or significantly contributed to the failure to pay rates in a timely manner.

4.3.2 Waiver on Compassionate Grounds – Ratepayers may have interest/fine waived where they have demonstrated compassionate grounds for a payment of rates being past due.

4.3.3 Financial Hardship – Ratepayers may have interest/fine or part thereof, waived subject to compliance with the following conditions:

- (a) The ratepayer must be experiencing undue financial hardship i.e. be in necessitous circumstances. Eligible ratepayers can apply for Senior Postponement as per 4.1 (d).

- (b) The ratepayer must enter into an agreement with Council on a payment schedule and maintain such agreement.

4.4 Authority to Waive Interest and/or Fines under 4.3.3

The authority to waive Interest and/or Fines is provided through sections 181 and 182 of the Local Government Act 1999, officer delegations made by Council to the CEO (who may sub-delegate) and through the implementation of Council's Debtor Management Policy.

4.5 Calculation of Fines and Interest

Fines and Interest will be charged on overdue rates and charges in accordance with Section 181, 182 and 182A of the Local Government Act 1999.

Section 181 of the Act states that where an instalment of rates is not paid on or before its due date, it will be regarded as being in arrears. A fine of 2% will be applied to the amount in arrears. At the expiration of each month thereafter, should the arrears remain unpaid interest will be added on the amount outstanding (including any previous outstanding amounts accrued) at the prescribed percentage. This will not apply where a postponement of the payment of rates is occurring.

For the purposes of Section 181 the prescribed rate is calculated by dividing The Cash Advance Debenture Rate (for the financial year) plus 3%, by 12.

Section 182 of the Act states that where a Council grants a postponement of rates, it may be done on condition that the ratepayer pay interest on the amount postponed. Interest will be added at a rate fixed by the Council, but not exceeding the Cash Advance Debenture Rate.

Section 182A of the Act states the where a postponement of rates (for Seniors) is granted, interest will accrue on the amount affected by the postponement at the prescribed rate per month (compounded on a monthly basis) until the amount is paid.

For the purposes of Section 182A the prescribed rate is calculated by dividing the Cash Advance Debenture Rate (for the financial year) plus 1%, by 12.

The prescribed rates for this clause may be amended from time to time by legislative amendment.

4.6 Confidentiality

Any information provided will be treated as strictly confidential. Information provided to the General Manager, Business and Governance will be securely retained within Council's Records. The ratepayer providing such information may access the information provided and review Council's records in relation to the application process.

4.7 Alignment to Water Resources Act Hardship Provisions

Division 5 of the Water Industry Act 2012 (WIA) sets out the Act's provisions in regard to 'Customer Hardship Policies'. Section 37 of the Act states that a Water industry entity must adopt a customer hardship policy and that it must comply with that policy.

The WIA will only apply where Council is deemed to be a water services provider as determined under that Act. Where water services are not provided the WIA will not apply.

As the Council holds a licence under the WIA as a Minor and Intermediate Water Retailer in relation to its Community Waste Water Management Scheme. This policy is restricted to discussing hardship as it applies to general and other rates and charges only.

Should an application for hardship be received from a ratepayer whose property falls within the Scheme catchment, the treatment of that application will be done so in accordance with Council's adopted Hardship Policy for Residential Customers of Minor and Intermediate Water Retailers as formulated by the Essential Services Commission of South Australia (ESCOSA) and as amended from time to time.⁰

4.8 Alternative Payment Arrangements

In lieu of making an application to Council under the Rates Hardship provisions of the Local Government Act 1999, ratepayers are encouraged to enter into a separate payment arrangement with Council, which is to agree to make rates payments outside of the normal four quarterly instalments if such a proposal will better suit their individual financial circumstances.

Council is willing to negotiate with individual ratepayers to construct mutually benefit payment arrangements (within reason) where rates debt is reduced over time in accordance with the ratepayer's ability to pay. An example might be where the ratepayer makes monthly or fortnightly rates payments over time to reduce the outstanding council rates debt.

Note that under normal circumstances fines and interest will be raised against the rates if remaining outstanding at the due date for payment thereof in accordance with section 181 of the Local Government Act 1999.

A ratepayer who may be interested in making an arrangement under this clause of the policy should contact Council's Rates Officer in the first instance or telephone 08 8525 3200 or by email to 'light@light.sa.gov.au'.

4.9 Application Form

Applications for rate relief can be made using Council's "Application for Rate Relief Due To Hardship or Extenuating Circumstances" form and accompanied by the appropriate supporting documentation. Application forms can be downloaded from Council's website 'www.light.sa.gov.au' or can be obtained by contacting Council's Rates Officer on telephone 08 8525 3200.

4.10 Review of Decisions

Should a ratepayer (applicant) be dissatisfied with the outcome of an application lodged under this policy, the applicant is entitled to have the decision reviewed in accordance with section 270 'Procedures for review of decisions and requests for services' of the Local Government Act 1999.

The process is managed in accordance with Council's Policy Number 6.13 'Internal Review of Council Decision Procedure' which can be found on Council's website 'www.light.sa.gov.au' or by obtaining a hard copy of the policy from the Council free of charge.

5. Availability of Policy

This Policy will be available for inspection at Council's principal office during ordinary business hours and on the Council's website www.light.sa.gov.au.

Copies will also be provided to interested members of the community upon request, and upon payment of a fee in accordance with Council's Schedule of Fees and Charges.

History

1. Adopted by resolution at the ordinary meeting of Council held Tuesday, 25 August 2015, (No 4) Item AUD9.2.5/2015 Page 2015/265.

⁰ Clauses 4.5 and 4.7 should be read in the context of the policy relationship with ESCOSA's Water Retail Code for Minor & Intermediate Retailers (WRC-MIR/01), dated July 2013 and with the Ministerial Hardship Policy for Residential Customers of Minor and Intermediate Retailers Policy

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APPLICATION FOR RATE RELIEF DUE TO HARDSHIP OR EXTENUATING CIRCUMSTANCES

Complete this form only if you are applying for a rate relief under section 182 of the Local Government Act 1999.

The information that you provide on and with this application is required to assist Council to assess your application for rate relief. Please note that the penalty for providing false or misleading information on this form is an offence under the Local Government Act 1999.

Assistance with completing this form?

If you require assistance to complete the application form, or want more information about rate relief, please contact Council's Rates Officer on telephone 08 8525 3200.

Lodging your application?

Once the application form is completed, either:

<p>Post to: Light Regional Council PO Box 72 KAPUNDA SA 5373</p>	<p>Deliver in person to: Council office 93 Main Street KAPUNDA</p> <p>or, Council office 12 Hanson Street, FREELING</p>	<p>Fax to: 08 8566 3262</p>	<p>Email to: light@light.sa.gov.au</p>
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Questions and Information Section

1. *General Information*

Please list the Assessment Number, valuation number and address of the property or properties for which you are applying for rate relief.

Assessment Number (4 digits)	Valuation Number (10 digits)	Property Address

2. *Applicant's Details*

Name: _____

Residential Address: _____

Postal Address: _____

Daytime Phone Number: _____

Email: _____

3. Is the property for which you are applying for rate relief (listed in Question 1) your principal place of residence?

- Yes (If so, what is the Assessment Number)
- No

4. Tick that which applies to you:

- I am the owner of the property listed at Question 1.
- I am the spouse of the owner of the property listed at Question 1.
- None of the above.

5. What is your employment status?

- Full Time.
- Permanent Part Time.
- Casual.
- Self Employed.

What is your profession?

- Unemployed.
- Retired.

6. Do you hold or have you applied for a State Government Concession?

- Yes
- No

7. How long have you owned the property listed at Question 1?

- Over 10 years.
- Over 3 years but less than 10 years.
- Less than 3 years.

8. How many dependents do you have?

- Spouse
- Children Number of Child dependents

9. Please complete the following fortnightly **household** income and expenditure statement.

Expenses (fortnightly)		Income (fortnightly)	
Mortgage or Loan Payments	\$	Salary or Wages	\$
Food Shopping	\$	Pensions or Annuity Payments	\$
Petrol	\$	Other Government Payments	\$
Gas and Electricity	\$	Rental Income	\$
Water	\$	All Other Income	\$
Council Rates	\$		
Entertainment	\$		
All Other Expenditure	\$		
Total Fortnightly Expenses	\$	Total Fortnightly Income	\$
Net Fortnightly Income / Expenses (*Income <u>less</u> Expenses)			\$

