Financial Hardship Policy
1 Purpose

The Financial Hardship Policy (the “Policy”) is to identify customers who are experiencing payment difficulties due to financial hardship, and assist those customers to better manage their bills on an ongoing basis.

This policy sets out:
- processes to identify customers experiencing payment difficulties due to hardship, including identification by Council, self-identification by a customer, identification by an accredited financial counsellor, or welfare agency, and
- an outline of a range of processes or programs that Council will use, or apply, to assist our customers who have been identified as experiencing payment difficulties.

2 Definitions

2.1 In this policy words defined in this section have a specific meaning:

2.1.1 accredited financial counsellor means in South Australia, 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

2.1.2 debt means any money that is owed to Council

2.1.3 customer means a person or business who owes rates, fees, charges or other amounts due to the Council

2.1.4 financial counsellor means accredited financial counsellor
2.1.5 **financial difficulty** means a customer who may be identified as experiencing temporary difficulty making payments of rates as a result of a short-term change in circumstances but are not considered to be experiencing financial hardship.

2.1.6 **financial hardship** means a circumstance of experiencing a lack of financial means on and ongoing basis but does not include circumstances where a person chooses not to meet a liability for an unpaid debt.

2.1.7 **hardship** means **financial hardship** determined in accordance with this policy as an ongoing difficulty in making payments.

2.1.8 **hardship customer** means a **customer** who has been identified under, accepted into, or is eligible for assistance under Council’s **hardship program**.

2.1.9 **hardship program** means an agreement between Council and a **hardship customer** for payment of **debt**.

2.1.10 **Council, our, us, we** means City of Prospect.

2.1.11 **policy** means this Financial Hardship Policy.

### 3 Scope

This Policy will apply to Council Rates and Sundry Debtor Invoices.

This Policy does not apply to infringement debts with the Fines Enforcement Recovery Unit (FERU) managing the collection process and holding their own policies and procedures for these debts.

This Policy does not limit or prevent Council Officers from using their delegated powers to waive any fee, charge or amount of arrears relating to the provision of services for these customers who are experiencing financial hardship.

### 4 Policy

#### 4.1 Identifying customers experiencing financial hardship

A customer experiencing financial hardship is someone who is identified by themselves, by Council, by an accredited financial counsellor, or by a welfare agency as having the intention, but not the ongoing financial capacity, to make required payments in accordance with Council’s 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.

Customers who are identified as experiencing ongoing hardship are generally those on low or fixed incomes. These customers may require ongoing assistance.
Customers who may be identified as experiencing temporary hardship are those who have experienced a short-term change in circumstances, such as (but not limited to) serious illness, disability or death in the family, loss or change in income, separation, divorce or other family crisis, a loss arising from an accident, or some other temporary financial difficulty. These customers generally require flexibility and temporary assistance, such as an extension of time to pay or an alternative payment arrangement.

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 customer’s eligibility for hardship assistance, Council will consider indicators including (but not limited to) whether:

1. the customer is on a Centrelink income and holds a Pensioner Concession Card or holds a Centrelink Low Income Health Care Card;

2. the customer is eligible for a South Australian Government concession;

3. the customer has been referred by an accredited financial counsellor or welfare agency;

4. the customer advises they have previously applied for emergency relief (irrespective of whether or not their application was successful);

5. the customer’s payment history indicates that they have had difficulty meeting their obligations in the past;

6. the customer, through self-assessment, has identified their position regarding their ability to pay.

4.2 Assisting residential customers who are experiencing financial hardship

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

4.2.2 Where a customer 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 usage, capacity to pay and current financial situation.

4.2.3 These options will include the following:

1. A payment plan

2. other arrangement, under which the customer is given more time to pay a bill or to pay in arrears

recognising that some customers 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.
4.2.1 Council will engage in discussion with the hardship customer to determine a realistic payment option in line with the customer’s capacity to pay.

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

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

4.2.1 Council will also offer the hardship customer:

(1) where appropriate, information about the right to have a bill redirected to a third person, as long as that third person consents in writing to that redirection

(2) information about, and referral to, accredited financial and other relevant counselling and support services, particularly where a customer is experiencing ongoing financial hardship.

4.2.1 Where a hardship customer requests information or a redirection of their bills, Council will provide that information or redirection free of charge.

4.2.2 Council will explain to the hardship customer how and when the customer will be returned to regular billing cycles (and collection), after they have successfully completed the hardship program.

4.2.3 Council will also explain to the hardship customer that they will be removed from our hardship program, and be returned to Council’s 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.

4.2.4 Council will not take any action to remove a customer from our hardship program until Council 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.

4.2.1 If the hardship customer is deemed to be suffering ongoing or extreme hardship with their Council rates, confirmed via a letter from an Accredited Financial Councillor, the elected body of Council may consider it appropriate for a hardship customer to apply for a postponement or remission of rates in accordance with s182 (1) of The Act.

4.2.2 If the hardship customer is deemed to be suffering ongoing or extreme hardship to pay a Sundry Debtor invoice, Council may consider it appropriate for a hardship customer to apply for a postponement or write-off of the invoice, with the approval of the relevant person as per Council’s Delegations Register.
4.3 Payment Plans

4.3.1 Council’s payment plan for a hardship customer will be established having regard to:

(1) the customer’s capacity to pay and current financial situation

(2) any arrears owing by the customer, and

(3) the customer’s expected debt needs over the following 12 month period.

4.3.2 The payment plan will also include an offer for the hardship customer to pay for their debt at a frequency agreed with the customer (e.g. weekly, fortnightly, monthly or as otherwise agreed with the customer).

4.3.3 Where a payment plan is offered to a hardship customer, Council will inform the customer in writing, within 10 business days of an agreement being reached, of:

(1) the duration of the plan

(2) the amount of each instalment payable under the plan, the frequency of instalments and the date by which each instalment must be paid

4.3.4 Council may, but are not required to:

(1) remit/waive any fees for late payment of a bill for a hardship customer during their participation in this hardship program, providing any hardship agreement is maintained and/or

(2) Offer postponement of the bill for an agreed period prior to commencement of a hardship agreement payment plan

4.3.5 Where a hardship customer is seeking assistance in accordance with this policy, but has failed to fulfil their obligations under an existing hardship arrangement, Council may require them to sign up for direct debit deductions.

4.4 Debt recovery

4.4.1 Council will suspend debt recovery processes while negotiating a suitable payment arrangement with a hardship customer.

4.4.2 Council will not engage in legal action or commence proceedings for the recovery of a debt for a hardship customer if:

(1) the customer has agreed to a payment arrangement and continues to adhere to the terms of that arrangement, or

(2) Council have failed to comply with the requirements of this policy.
4.5 Rights of residential customers experiencing financial hardship

4.5.1 Every customer experiencing financial hardship has the right to:

(1) Be treated respectfully on a case-by-case basis, and have their circumstances kept confidential.

(2) Receive information about alternative payment arrangements, this policy, and government concessions, rebates, grants and assistance programs.

(3) Negotiate an amount they can afford to pay on a payment plan or other payment arrangement.

(4) Consider various payment methods, and receive written confirmation of the agreed payment arrangement within 10 business days.

(5) Renegotiate their payment arrangement if there is a change in their circumstances.

(6) Be shielded from legal action and additional debt recovery costs, whilst they continue to make payments according to an agreed payment arrangement.

4.6 General Provisions

4.6.1 Council will ensure customers have equitable access to this policy, and that this policy is applied consistently.

4.6.2 Council will ensure appropriate training of staff dealing with customers in hardship to enable them to treat them with respect and without making value judgements. Training will also assist staff in the early identification of hardship customers, with establishing payment plans based on a hardship customer’s capacity to pay, and include processes for referral to an accredited financial counsellor or welfare agency for assistance.

4.6.3 Without limiting the provisions of this policy, where service charges are imposed under Section 155 of the Local Government Act 1999, this policy does not limit or prevent councils from applying other legislative provisions of Chapter Ten of the Local Government Act 1999.

4.7 Confidentiality

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

4.8.1 Details of Council’s customer complaints and dispute resolution process are available at our website: www.prospect.sa.gov.au. Council will also make a copy of this process available to a customer, upon request, and at no charge to the customer.

4.8.2 A customer 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 to the external dispute resolution body approved by the Essential Services Commission of South Australia.

5 Review

5.1 The Policy will be reviewed once per Council term or as required by legislation.

6 Access to the Policy

6.1 The Policy is available for public inspection on Council’s website www.prospect.sa.gov.au and from Customer Service at the Civic Centre, 128 Prospect Road, Prospect SA 5082.

7 Further Information

7.1 For further information about this policy please contact:

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City of Prospect
128 Prospect Road
Prospect SA 5082

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Email admin@prospect.sa.gov.au