Local Government Association of South Australia

Fact Sheet 06
Financial Assistance

SA councils PART of your EVERY DAY.

South Australian Councils can provide assistance to ratepayers via a number of options including mandatory and discretionary rebates, payment plans and postponement of rates.

State funded concessions

From 1 July 2015, the State Government elected to replace the concession on Council rates with the "Cost of Living Concession" provided directly to those eligible. This payment may be used for any purpose, including offsetting council rates.

The eligibility for a concession on charges for Council Community Wastewater Management Schemes (CWMS) or council provided water remains unchanged. Should you be eligible for a state government funded concession on CWMS or council provided water this will be paid directly to you and is no longer provided via your rates notice.

To check eligibility contact the Concessions SA Hotline 1800 307 758 or at www.sa.gov.au/concessions

Financial hardship

Councils have processes in place to provide support and flexibility, and depending on individual circumstances can offer short term (ie. payment plans) and longer term (ie. postponement of rates) options.

Each application is considered on its own merits and is assessed subject to the hardship criteria determined by each council.
The LGA also has developed assessment of hardship guidelines to assist councils.

Local government is responsible for **less than 4%** of the total tax collected nationally.

Mandatory/ discretionary council rates rebates

The *Local Government Act 1999* provides for mandatory and discretionary rebates for rates in certain circumstances.
The Act stipulates where rebates are a mandatory requirement while further provisions allow for councils to determine discretionary rebates.

Mandatory rebates provide partial or full rebates on council rates to various organisations, associations and institutions. Sections 159-165 of the Act lists those that must receive rebates and include:

- health services;
- community services;
- religious purposes;
- public cemeteries; and
- educational purposes.

Individual councils may provide discretionary rebates under Section 166 of the Act. These rebates often are based on ratepayers' ability to pay.

Councils currently provide around $40m in mandatory and discretionary rebates and remissions.

South Australian Councils can provide assistance to ratepayers via a number of options

Council services

Seniors postponement of council rates

The Seniors Postponement Scheme allows a ratepayer who holds or is in the process of applying for a State Seniors Card to apply to postpone a portion of their rates if the property is their principal place of residence and if no other person other than their spouse has an interest as owner of the property.

The portion of rates which is postponed is payable when title to the relevant land is transferred to another person (eg sold), or there is a failure to comply with a condition that is imposed by Regulations under the Act.

In postponing rates, at least $500 of the total annual bill must be paid. The minimum amount of $500 will be reduced by any council remissions if applicable unless agreed otherwise.

Seniors postponement example calculation:

Total rates amount	$1,500.00
Minimum amount payable	$500.00
	($125.00 per quarter)
Amount of rates postponed	$1,000.00

Interest is calculated and compounded monthly on the postponed rates debt.

In the example, if we assume that the interest to be charged on the $1000 rates postponed for the current Rating Period will be 4.0% per annum or 0.33333% monthly (that is, 4.0% divided by 12).

At the end of the financial year the amount of interest accrued on the postponed rates amount of $1,000 will be $40.74, and the total amount of the postponed rate debt as at that date will be $1,040.74.

If the Senior decides to postpone rates in the subsequent year, the interest charge would be applied to $1040.74 (the initial $1,000 rate postponed plus $40.74 interest accrued in the current rating period) plus the amount of rates postponed in the subsequent rating period.

The interest rate is prescribed by the Act and is amended annually on 1 July in line with general movements in interest rates.

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