



# Gladstone Regional Council

## Council Policy

Title	<b>RATING FINANCIAL HARDSHIP <u>CONCESSION</u></b>
Policy Number	<b><del>P-2019</del><u>2020-0705</u></b>
Business Unit/s	<b>FINANCE, GOVERNANCE AND RISK</b>
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Resolution Number	<b><del>G/19/3819</del></b>
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Date Repealed	

### 1.0 PURPOSE:

To set out Gladstone Regional Council (Council) guidelines for the assessment of requests for rating ~~relief-concession~~ due to financial hardship.

### 2.0 SCOPE:

This policy applies to property owners who ~~are experiencing as a result of~~ financial hardship ~~and~~ are unable to pay rates and charges levied ~~against-upon~~ a property by Council.

### 3.0 RELATED LEGISLATION:

- ~~Local Government Act 2009.~~
- ~~Local Government Regulation 2012.~~

### 4.0 RELATED DOCUMENTS:

- ~~Financial Hardship Rate Relief Application Form~~ Revenue Statement.

### 5.0 DEFINITIONS:

To assist in interpretation of this policy the following definitions apply:

~~“Accredited Financial Counsellor” means a person who holds a Diploma of Community Services (Financial Counselling), including not-for-profit financial counsellors.~~

~~—— Chief Executive Officer (CEO) means the chief executive officer of Council as appointed under the Local Government Act 2009.~~

~~—— Chronic Illness means an illness that is permanent or lasts longer than three (3) months.~~

~~————~~ **Death of a Partner** means unexpected expenses (funeral costs) and reduction or loss of family income as a result of the death of a member of a couple (married, registered relationship or defacto relationship).

~~“————~~ **Financial Hardship**” means ~~unable the inability~~ to meet basic requirements (including food, clothing, medicine, accommodation, and children's education). ~~This hardship may occur as a result of chronic illness, long term unemployment or death of a partner.~~

~~————~~ **Long-Term Unemployment** means unemployed for over 52 weeks.

~~“————~~ **Property Owner**” ~~is means the definition as defined~~ in Schedule 4 of the *Local Government Act 2009* as ‘owner of land’ and ‘ratepayer’ as defined in Schedule 8 of the *Local Government Regulation 2012*. These two terms are interchangeable for the purpose of this policy.

~~“————~~ **Rates and Charges**” is as defined by Section 91 and 92 of the *Local Government Act 2019*.

~~“————~~ **Residential Property**” means a property ~~that whose its~~ primary use is for residential purposes<sup>1</sup>.

## 6.0 POLICY STATEMENT:

### 6.1 Background

This policy aims to:

- provide support will be provided to property owners that who are may be experiencing financial hardship and are unable to meet a realistic payment arrangement for the rates and charges levied against a property.;
- support open and transparent processes for the assessment of requests for concession through the application of consistent decision-making; and
- demonstrate compliance with Council’s legislative obligations to levy general rates on all rateable land within the local government area.

Under section 120(1)(c) of the *Local Government Regulation 2012*, Council may grant a concession if it is satisfied that "the payment of rates or charges will cause hardship to the land owner". Council has determined it will grant such a concession as set out in section 6.3 of this policy.

Where a property owner can demonstrate that making a payment by a due dates or that the are required payment plan by instalments cannot be met and would entail genuine financial hardship due to a loss the property owner has suffered, a framework for Council will provide assistance will be provided where deemed to the property owner appropriate to the circumstances ~~experienced~~.

Any financial hardship relief concession provided under this policy does not ~~forgo the~~ waive Council’s right to implement proceed with normal debt recovery action, including the ability to sell land for arrears of rates.

<sup>1</sup> This is shown by the land use codes applied by the Valuer General when valuing the property for rating purposes.

## 6.1 Payment Arrangements

In accordance with section 129 of the *Local Government Regulation 2012*, ratepayers may choose to pay their complete annual rate account by equal monthly instalments. Council's Revenue Statement outlines the conditions applicable to payment by instalments.

In circumstances where the property owner is unable to regularly meet the required payment arrangement (equal monthly instalments), a request for financial hardship concession can be made.

~~Under section 120(1)(c) of the *Local Government Regulation 2012*, Council may grant a concession if it is satisfied that "the payment of rates or charges will cause hardship to the land owner". Council has determined it will grant such a concession as set out in section 6.3 of this policy.~~

## 6.2.2 When Applications Requests will be considered Considered

Applications Requests for rates and charges relief concession on a property will be considered where:

- it is the property owner's principal place of residence and the property owner is experiencing genuine financial hardship due to their current circumstances (including the Coronavirus (COVID-19) pandemic) and:
  - the property owner is unable to maintain the required payment by instalments;  
and
  - the property owner has contacted an accredited financial counsellor (can be a not-for-profit accredited financial counsellor); and
  - the property owner has authorised an accredited financial counsellor to liaise with Council on their behalf in relation to the outstanding rates and charges;  
and
  - the accredited financial counsellor has assessed and provided Council with:
    - an independent assessment that the property owner is experiencing genuine financial hardship; and
    - a realistic payment arrangement the property owner is able to meet; or
- no commercial benefit is derived from the property;
- the property is used for business, commercial or other purposes (including residential rental properties) and the property owner is experiencing genuine financial hardship as a result of the Coronavirus (COVID-19) pandemic and:
  - the Property property oOwner is unable to maintain realistic the required payment arrangements by instalments; and
  - the property owner is able to demonstrate that the property's income has been detrimentally impacted by the Coronavirus (COVID-19) pandemic. Documentation supporting the property owner's change in financial position is required to be provided (i.e. historic income, rental statements for prior two months, etc).
  - the Property Owner is experiencing genuine financial hardship due to a loss the Property Owner has suffered:
  - a person who has less than two weeks of available funds equivalent to the maximum rate of income support payment provided by the Department of Human Services for Crisis Payments; and
  - has been unemployed for over 52 weeks; or

- ~~○ suffers from a chronic illness that is permanent or lasts longer than three months; or~~
- ~~○ has incurred unexpected expenses (funeral costs) and reduction or loss of family income as a result of the death of a partner.~~
- ~~● upon application being made for the relief of rates and charges by the Property Owner.~~

### **6.3.3 Relief Concession Available**

~~†~~The Chief Executive Officer, ~~or delegate,~~ may grant relief a concession to a property owner under this policy by of one or more of the following:

- suspension of court action or sale of land; and/or
- an agreed payment plan arrangement outside the current debt recovery action; and/or
- subject to satisfactory completion of an agreed payment plan arrangement:
  - reimbursement of interest already applied and charged; and/or
  - reimbursement of interest charges accruing between the ~~CEO or delegate's application,~~ consideration<sup>1</sup> and ~~the~~ completion of an agreed payment plan arrangement; and/or
  - reimbursement of charges for costs to recover outstanding rates and charges (for which the court has ordered that the property owner pay costs<sup>2</sup>).

### **6.4 Lodging a Request for Relief**

~~Requests for relief must be received in writing and will involve a full financial assessment undertaken by the CEO, or delegate.~~

### **6.5.4 Assessment of Request for Relief Concession**

#### **6.4.1 Principal Place of Residence**

The ~~CEO, or delegate~~ Chief Executive Officer, will ~~consider assess applications requests~~ for rates and charges relief financial hardship concession to determine the most appropriate form of assistance to be provided to a Property Owner under this policy. Assessment will include consideration of:

- information received from an accredited financial counsellor;
- ratepayer history; and
- information on the property's rate assessment including the value of the outstanding rates and charges, the period the rates and charges have been overdue, and related matters.

The ~~CEO, or delegate~~ Chief Executive Officer, will operate within the budgetary limits allocated by Council each financial year.

<sup>2</sup> See section 132(1)(b) of the *Local Government Regulation 2012*.

#### **6.4.2 Properties Used for Business, Commercial or Other Purposes**

The Chief Executive Officer will assess requests for financial hardship concession under this policy. Assessment will include consideration of:

- information and supporting documentation received from the property owner;
- ratepayer history; and
- information on the property's rate assessment including the value of the outstanding rates and changes, the period the rates and charges have been overdue, and related matters.

The Chief Executive Officer will operate within the budgetary limits allocated by Council each financial year.

#### **6.6-5 Dispute or Failure to Comply**

Normal debt recovery action will resume if: a Property Owner:

- the request for concession is refused by Council; or
- the property owner:
  - does not respond to the offer of ~~relief~~concession; or
  - fails to wholly comply with the offer of ~~relief~~concession; or
  - once an agreed payment ~~plan~~arrangement is entered, fails to comply with the requirements of that agreed payment ~~plan~~arrangement;
  - normal debt recovery action will continue.

In circumstances where the property owner is on an agreed payment arrangement, Council will liaise with the property owner to determine if an amended payment arrangement can be agreed and met.

However, prior to implementing debt recovery action, if the property owner is on a payment plan, officers will first liaise with the property owner to determine if an amended payment plan can be agreed on.

If property owners are unsatisfied with the outcome of their application under this policy, they may seek a review of the decision in accordance with the Complaint Management Policy via a more senior officer than the original decision maker as delegated by the CEO.

#### **6.6 Request Summary Flow Chart**

Attachment A provides a basic summary of the request for concession process.

#### **7.0 ATTACHMENTS:**

Attachment A – Request for Concession Summary Flow Chart.~~Nil.~~

#### **8.0 REVIEW MECHANISM:**

This policy will be reviewed when any of the following occur:

1. The related legislation or governing documents are amended or replaced; or
2. Other circumstances as determined by resolution of Council or the CEO; or

3. Annually in conjunction with budget adoption.

DRAFT

TABLE OF AMENDMENTS			
Document History	Date	Council Resolution No.	Notes (including the prior Policy No, precise of change/s, etc)
Originally Approved	04 October 2016	G/16/2895	
Amendment 1	19 June 2018	G/18/3436	Formerly Policy P-2016-28
Amendment 2	18 June 2019	G/19/3819	Previously known as P-2018-17 Financial Hardship Policy
<u>Amendment 3</u>			<u>Formerly P-2019-07. Amendment of financial assessments by Council to independent financial counsellor. Inclusion of business, commercial or other purposes properties affected by COVID-19.</u>

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**LEISA DOWLING**  
**CHIEF EXECUTIVE OFFICER**

**ATTACHMENT A – REQUEST FOR CONCESSION SUMMARY FLOW CHART**

