



Gladstone Regional Council

Council Policy

Title	RATING FINANCIAL HARDSHIP
Policy Number	P-2019-07
Business Unit/s	FINANCE, GOVERNANCE AND RISK
Date of Adoption	18 JUNE 2019
Resolution Number	G/19/3819
Review Date	18 JUNE 2020
Date Repealed	

1.0 PURPOSE:

To set out Gladstone Regional Council guidelines for the assessment of requests for rating relief due to financial hardship.

2.0 SCOPE:

This policy applies to property owners who are experiencing financial hardship and are unable to pay rates and charges levied against 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

5.0 DEFINITIONS:

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

- **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 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 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 its primary use is for residential purposes¹.

6.0 POLICY STATEMENT:

6.1 Background

Support will be provided to Property Owners that may be experiencing financial hardship and are unable to meet a realistic payment arrangement for the rates and charges levied against a property.

Where a Property Owner can demonstrate that making a payment by a due dates or a payment plan cannot be met and would entail genuine Financial Hardship due to a loss the Property Owner has suffered, a framework for assistance will be provided where deemed appropriate to the circumstances experienced.

Financial Hardship relief provided under this policy does not forgo the right to implement normal debt recovery action, including the ability to sell land for arrears of rates.

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 When Applications will be considered

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

- it is the Property Owner's principal place of residence;
- no commercial benefit is derived from the property;
- the Property Owner is unable to maintain realistic payment arrangements;
- the Property Owner is experiencing genuine financial hardship due to a loss the Property Owner has suffered:

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

- 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 Relief Available

The CEO, or delegate, may grant relief to a Property Owner under this policy by one or more of the following:

- an agreed payment plan outside the current debt recovery action;
- subject to satisfactory completion of an agreed payment plan:
 - reimbursement of interest already applied and charged;
 - reimbursement of interest charges accruing between the CEO or delegate's, consideration and the completion of an agreed payment plan; and
 - reimbursement of charges for costs to recover outstanding rates and charges (for which the court has ordered that the Property Owner pay costs²).

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 Assessment of Request for Relief

The CEO, or delegate, will consider applications for rates and charges relief to determine the most appropriate form of assistance to be provided to a Property Owner.

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

6.6 Dispute or Failure to Comply

If a Property Owner:

- does not respond to the offer of relief; or
- fails to wholly comply with the offer of relief; or
- once an agreed payment plan is entered, fails to comply with the requirements of that agreed payment plan;

² See section 132(1)(b) of the *Local Government Regulation 2012*

normal debt recovery action will continue.

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 via a more senior officer than the original decision maker as delegated by the CEO.

7.0 ATTACHMENTS:

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.

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

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LEISA DOWLING
CHIEF EXECUTIVE OFFICER