



Gladstone Regional Council

Council Policy

Title	RATING FINANCIAL HARDSHIP CONCESSION
Policy Number	P-2020-05
Business Unit/s	FINANCE GOVERNANCE AND RISK
Date of Adoption	07 JULY 2020
Resolution Number	S/20/4237
Review Date	07 JULY 2021
Date Repealed	

1.0 PURPOSE:

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

2.0 SCOPE:

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

3.0 RELATED LEGISLATION:

- *Local Government Act 2009;*
- *Local Government Regulation 2012.*

4.0 RELATED DOCUMENTS:

- 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.

“Financial Hardship” means the inability to meet basic requirements (including food, clothing, medicine, accommodation, and children's education).

“Property Owner” means the definition 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 whose primary use is for residential purposes¹.

6.0 POLICY STATEMENT:

This policy aims to:

- provide support to property owners who are experiencing financial hardship;
- 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 date or that the required payment by instalments cannot be met and would entail genuine financial hardship due to a loss the property owner has suffered, Council will provide assistance to the property owner appropriate to the circumstances.

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

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.

6.2 When Requests will be Considered

Requests for rates and charges 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

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

- 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
- 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 owner is unable to maintain the required payment 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).

6.3 Concession Available

The Chief Executive Officer may grant a concession to a property owner under this policy of one or more of the following:

- suspension of court action or sale of land; and/or
- an agreed payment arrangement outside the current debt recovery action; and/or
- subject to satisfactory completion of an agreed payment arrangement:
 - reimbursement of interest already applied and charged; and/or
 - reimbursement of interest charges accruing between the application, consideration, and completion of an agreed payment 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 costs²).

6.4 Assessment of Request for Concession

6.4.1 Principal Place of Residence

The Chief Executive Officer will assess requests for financial hardship concession 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 Chief Executive Officer will operate within the budgetary limits allocated by Council each financial year.

² 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.

6.5 Dispute or Failure to Comply

Normal debt recovery action will resume if:

- the request for concession is refused by Council; or
- the property owner:
 - does not respond to the offer of concession; or
 - fails to wholly comply with the offer of concession; or
 - once an agreed payment arrangement is entered, fails to comply with the requirements of that agreed payment arrangement.

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.

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.

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.

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
Amendment 3	07 July 2020	S/20/4237	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.

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CHIEF EXECUTIVE OFFICER

ATTACHMENT A – REQUEST FOR CONCESSION SUMMARY FLOW CHART

