

## 6.7. RATES AND CHARGES FINANCIAL HARDSHIP POLICY

**REPORT AUTHOR** Tara Killeen, Chief Financial Officer

**MANAGER** Rachel Brophy, Chief Executive Officer

**DEPARTMENT** Finance and Corporate Services

### RECOMMENDATION

**That Council adopts the revised Rates and Charges Financial Hardship Policy.**

---

### EXECUTIVE SUMMARY

Council's Rates and Charges Financial Hardship Policy has been reviewed and there have been minor administrative changes to the wording to ensure clarity. The amendments to the Rates and Charges Financial Hardship Policy were workshopped with Councillors on 16 April 2024. Council wishes to adopt the revised Rates and Charges Financial Hardship Policy.

### BACKGROUND

Ratepayers sometimes find themselves in severe financial hardship, for example due to loss of employment, illness or relationship breakdown. For Council to insist on those amounts outstanding to be paid in full by the due date may exacerbate this financial hardship as well as create additional psychological stress. Council's Rates and Charges Financial Hardship Policy is provided as a gesture to provide some relief to customers in this situation, provided they satisfy the conditions outlined in the policy.

### PROPOSAL

That Council adopts the revised Rates and Charges Financial Hardship Policy.

### FINANCIAL/RESOURCE IMPLICATIONS

The Rates and Charges Financial Hardship Policy may result in a reduction in the interest income earned from overdue rates. This reduction in interest has been taken into account in devising Council's annual budget.

### RISK MANAGEMENT IMPLICATIONS

There are no risk management implications arising from the re-adoption of the Rates and Charges Financial Hardship Policy.

### SUSTAINABILITY IMPLICATIONS

**Economic:** A reduction in interest revenue will impact on the operating result of Council. This has been taken into account when devising Council's annual budget. There are no further likely impacts on Council's economic sustainability.

**Environmental:** Nil

**Social:** Nil

## CORPORATE/OPERATIONAL PLAN, POLICY REFERENCE

This report has been prepared in accordance with the following:

### Corporate Plan 2019-2024 Initiatives:

#### Theme 5 - Robust Governance and Efficient Service Delivery

Strong governance and financial management are the foundations of the way in which Council will conduct its business and implement the initiatives of the Corporate Plan.

**Goal 1** - We will conduct Council business in an open and transparent manner with strong oversight and open reporting.

**Goal 2** - We will put the customer at the centre of our service delivery and process improvement as we deliver efficient and appropriate services based on community expectations.

**Goal 3** - We will make sound financial decisions by ensuring robust strategic planning, financial management and reporting.

### Operational Plan 2023-2024 Actions:

Legislative requirement.

## COUNCIL'S ROLE

Council can play a number of different roles in certain circumstances and it is important to be clear about which role is appropriate for a specific purpose or circumstance. The implementation of actions will be a collective effort and Council's involvement will vary from information only through to full responsibility for delivery.

The following areas outline where Council has a clear responsibility to act:

<b>Regulator</b>	Council has a number of statutory obligations detailed in numerous regulations and legislative Acts. Council also makes local laws to ensure that the Shire is well governed. In fulfilling its role as regulator, Council will utilise an outcomes based approach that balances the needs of the community with social and natural justice.
------------------	--

## CONSULTATION

**Internal:** Rates Team, Management Team, Chief Executive Officer

**External:** Nil

## COMMUNITY ENGAGEMENT

Nil

## ATTACHMENTS

1. Rates and Charges Financial Hardship Policy [6.7.1 - 3 pages]

## 73. RATES AND CHARGES FINANCIAL HARDSHIP POLICY

---

### Intent

To establish a policy for the provision of financial assistance regarding rates and charges, to landowners where financial hardship is proven to exist.

### Scope

This policy will allow Council to consider applications for financial assistance from landowners who are experiencing financial hardship and as a result are unable to pay their rates and charges by the due date. Relief provided under this policy does not forgo Council's normal debt recovery action, including Council's ability to sell land for arrears of rates. In applying this policy, Council will ensure that wherever possible, all outstanding debts will eventually be recovered.

### Provisions

Under s119 of the *Local Government Regulation 2012*, Council may resolve to grant a ratepayer the waiver of interest charges or a deferment of rates and charges, whereby the payment of the rates or charges will cause financial hardship to the landowner. This action is reserved for cases of financial hardship only, where there is no other form of relief available to the applicant.

The applicant must be the owner of the land with the rate notice being issued in the applicant's name.

Eligibility for financial assistance (under Options 2 or 3 outlined below) is as follows:

- Application for assistance needs to be made, using the Financial Hardship Application form and providing documentary evidence as required.
- Only one application may be granted per ratepayer per property within a three-year period (i.e. four years from the date of approval of the first application for financial assistance)

All applications for Rates and Charges Financial Hardship will be reviewed and final approval given by the Chief Executive Officer or an authorised delegate. In assessing the request for assistance, Council will take into consideration past payment history, previous applications for assistance and the evidence and circumstances provided in the application. If the assessment of Council is that the restoration of a ratepayer's financial situation over the medium to long term is unlikely, the application will not be approved. Council may reject any application.

Options for assistance that Council may provide:

1. **Standard arrangement to pay option** with regular payments either weekly, fortnightly or monthly, which clears the total debt by the last date of the current billing period i.e 30<sup>th</sup> June or 31<sup>st</sup> December. Interest will be charged on this option as per Council's adopted Revenue Statement. NO formal Financial Hardship application is required for this option, this can be done by contacting Council;

2. **Freezing all interest on a standard arrangement to pay option**, from the approval date to the last date of the current billing period i.e 30<sup>th</sup> June or 31<sup>st</sup> December;
3. **Deferment of the due date option** for payment of the full rates, charges and interest, to the last date of the current billing period i.e 30<sup>th</sup> June or 31<sup>st</sup> December.

NOTE: Options 2 and 3 above require completion of the Financial Hardship application form. These options will only be considered after discussions have been held with Council staff and Council’s standard arrangement to pay (Option 1) has been deemed not suitable for the ratepayer.

At the time financial assistance expires, if the debt has not been fully extinguished and Council is of the opinion that the ratepayer is in continued financial hardship, upon written request, Council may consider extending a further period of financial assistance. Special consideration for additional financial assistance may be granted to those ratepayers deemed by Council to be ‘vulnerable’, including but not limited to: a pensioner (1), a person with a disability (as defined by the Disability Discrimination Act) and a victim of domestic violence.

At the expiration of the assistance period, failure to make appropriate payment of the full amount to extinguish the debt, may result in an escalation of debt recovery actions. Council may terminate assistance at any time and pursue the debt through normal debt collection procedures.

If Council becomes aware of any ratepayer providing false or misleading information in order to gain assistance for which he/she would otherwise not be eligible, the agreement with Council will become null and void. Any charges waived or deferred, including interest, will be restored to the full amount.

This policy is not retrospective and will apply from the date of first adoption.

**Related Legislation and Documents**

*Local Government Act 2009*

*Local Government Regulation 2012*

Rates Rebate – Not for Profit Policy (formerly Rates Based Financial Assistance General Policy)

Rates Financial Hardship Application

Debt Recovery General Policy

**Policy Review**

This policy is to be reviewed every four years, or whenever legislation changes, or at the direction of the Chief Executive Officer.

**Policy Details**

<b>Policy Name</b>	<b>Rates and Charges Financial Hardship Policy</b>
<b>Policy Number</b>	73
<b>Policy Version</b>	3

<b>Document Number</b>	952157
<b>Endorsed by</b>	Chief Executive Officer
<b>Policy Type</b>	Council
<b>Approval Authority</b>	Council
<b>Date Adopted</b>	30/04/2024
<b>Time Period</b>	Four years
<b>Review Date</b>	01/03/2028
<b>Policy Department</b>	Finance and Corporate Services
<b>Link to Corporate Plan</b>	Robust Governance and Efficient Service Delivery
<b>Revoked/Superseded</b>	

**This policy is to remain in force until otherwise determined by Council.**

(1) *The applicant(s) MUST be the holder(s) of one of the following Queensland cards:*

- *Centrelink, Pension Concession Card.*
- *Department of Veterans' Affairs, Pension Concession Card.*
- *Department of Veterans' Affairs, Repatriation Health Card. (Full Conditions only)*