



Gladstone Regional Council

Council Policy

Title	FINANCIAL HARDSHIP
Policy Number	P-2018-17
Business Unit/s	FINANCE GOVERNANCE AND RISK
Date of Adoption	19 JUNE 2018
Resolution Number	G/18/3436
Review Date	19 JUNE 2019
Date Repealed	

1.0 PURPOSE:

To set out Council guidelines for the assessment of requests for rates and charges relief due to financial hardship.

2.0 SCOPE:

This policy applies to property owners who are experiencing financial hardship and are unable to meet a realistic payment arrangement for the rates and charges levied against a property defined under section 6.2 of this policy.

3.0 RELATED LEGISLATION:

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

4.0 RELATED DOCUMENTS:

Nil.

5.0 DEFINITIONS:

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

- **Chief Executive Officer** 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.
- **Council** means Gladstone Regional Council.

- **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 fifty-two (52) weeks.
- **Property Owner** means the 'owner of the land' as defined under the *Local Government Act 2009*.
- **Residential Property** means property that has as its primary use, use for residential purposes¹.

6.0 POLICY STATEMENT:

6.1 Background

Council will provide support 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 show that maintaining a realistic payment arrangement would entail genuine Financial Hardship due to a loss the Property Owner has suffered, Council seeks to provide a framework for assistance deemed appropriate to the circumstances experienced.

Financial Hardship 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.

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 for rates relief as set out in section 6.3 of this policy.

6.2 When Applications will be considered

Council will only consider an application for rates and charges relief on a property 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:
 - a person who has less than two (2) 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 fifty-two (52) weeks; or

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

- suffers from a chronic illness that is permanent or lasts longer than three (3) 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 to Council for the relief of rates and charges by the Property Owner.

6.3 Relief Available

The Chief Executive Officer, or delegate, may grant relief to a Property Owner under this policy offering assistance 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 Chief Executive Officer or delegate's, consideration and the completion of an agreed payment plan; and
 - reimbursement of charges for Council's costs to recover outstanding rates and charges (for which the court has ordered that the Property Owner pay Council's 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 Chief Executive Officer, or delegate.

6.5 Assessment of Request for Relief

The Chief Executive Officer, 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 Chief Executive Officer, 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 Council's offer of relief; or
- fails to wholly comply with Council's offer of relief; or
- once an agreed payment plan is entered, fails to comply with the requirements of that agreed payment plan;

Council will continue with normal debt recovery action.

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

However, prior to implementing debt recovery action, if the property owner is on a payment plan, Council 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 Chief Executive Officer.

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

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ROSLYN BAKER
CHIEF EXECUTIVE OFFICER