

# RATES RELIEF (HARDSHIP) POLICY

## COMMUNITY POLICY



### 1 Scope

This policy applies to ratepayers experiencing serious financial hardship and as a result are unable to pay their rates and charges, including unable to meet a payment arrangement under the Debt Recovery Policy. The policy only applies to the following properties:

- (a) Within General Rate Category 6.1 – Agriculture, farming and other rural land; and
- (b) Residential properties where the property is the ratepayer's principal place of residence and no commercial benefit is derived from the property.

### 2 Purpose

The purpose of this policy is to outline the principles, eligibility criteria and to facilitate a consistent approach to assist ratepayers who may have trouble paying their rates due to hardship, and to encourage people experiencing hardship to access earlier support services. Rates relief is not a long-term solution, the support under this policy is to provide the property owner with time to seek advice and address the reasons for their financial hardship.

The intention of this policy is to ensure that those experiencing serious financial hardship remain in their home and to alleviate the immediate financial burden and escalation of potential debt recovery by Council.

### 3 Related Documents

#### 3.1 Primary

Nil

#### 3.2 Secondary

*Human Rights Act 2019*

*Local Government Act 2009*

*Local Government Regulation 2012*

Administrative Action Complaint Procedure

Complaints Management Policy

Debt Recovery Policy

Rates Concession Policy

Rates Payment Policy

Rates Relief (Hardship) Application Form

Revenue Policy

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## 4 Definitions

To assist in interpretation, the following definitions apply:

Application Form	Council's Rates Relief (Hardship) Application Form for the purpose of applying for consideration for assistance under this policy.
Council	Rockhampton Regional Council
Delegated Officer	An employee appointed to a position with a sub-delegation of relevant powers under the <i>Local Government Regulation 2012</i> .
Drought Declared Area	The areas within the Region that are drought declared following the recommendation of the Local Drought Committee to the relevant State Minister and as mapped on <a href="https://www.longpaddock.qld.gov.au/">https://www.longpaddock.qld.gov.au/</a> .
Hardship	Unable to meet basic needs, including food, clothing, medicine, accommodation and children's education.
Individually Droughted Property	A property that has obtained an individually droughted property declaration from the Department of Agriculture and Fisheries.
Principal Place of Residence	As defined in Council's Revenue Statement, a single dwelling house or dwelling unit ( part of a Community Title Scheme or residential group title (not a flat)) at which one owner of the land must reside permanently for a minimum of six months of the year.
Region	Rockhampton Regional Area defined by the Local Government Areas of Queensland.

## 5 Policy Statement

In accordance with the provisions of the *Local Government Regulation 2012*, Chapter 4, Part 10, section 120(1)(c) this policy is used to provide a framework to support the Rates and Revenue Unit to accept and consider applications for hardship. Approval is given by a delegated officer.

### 5.1 Principles

The following principles apply:

- Council must ensure responsible management and collection of revenue to ensure effective cash flow management and provision of services to the greater community.
- Council aims to ensure the balance of outstanding accounts are minimised.
- Transparent, timely and efficient debt collection processes must be maintained with consistency.
- Early intervention and assistance is aimed at assisting both the ratepayer and Council to prevent large levels of aged arrears to accumulate.
- Assistance is targeted to applicants who demonstrate genuine attempts to help themselves and have a genuine wish to pay.
- Ratepayers in arrears are expected to act responsibly in regard to their obligations and organise their affairs in order to discharge these obligations when required.
- Hardship provisions are considered where payment provisions outlined in the Debt Recovery Policy are not possible.
- Hardship provisions made must ensure the arrears are cleared within a reasonable timeframe that must not exceed three years.
- Should a concession be offered by Council it must be consistent with the provisions of Section 120 of the *Local Government Regulation 2012*.

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- (j) Assisting ratepayers build resilience by recommending local community services, financial counsellors contact information, community legal support, and ensure a reduction in barriers to encourage engagement.
- (k) To ensure accountability; successful applications are reviewed periodically in line with the conclusion of the half-yearly billing cycle.

## 5.2 Eligibility – Residential Properties

Hardship is considered upon receipt of a completed application form and is provided for residential ratepayers where the ratepayer is genuine in their wish to pay the arrears. Applications are considered if the ratepayer can demonstrate, that due to a life event, death in the immediate family, serious injury, trauma or other circumstances beyond their control, that the payment of outstanding balances will cause or further exacerbate financial hardship.

Properties where legal action has commenced or where a Notice of Intention to Sell has been issued are not eligible to apply for assistance under this policy.

Further eligibility requirements are:

- (a) Applicant/s is the owner or life tenant of the property and is their principal place of residence;
- (b) Applicant/s does not own more than one property located within the Region;
- (c) Balance exceeds \$1,000 or six months of arrears and the arrangement provisions made within the Debt Recovery Policy are unable to be met and payments, or lack thereof are insufficient to cease the debt recovery action;
- (d) Applicant/s either solely or jointly with a co-owner, have the legal responsibility for the payment of rates and charges, and other household utilities which are levied in respect of the property;
- (e) Applicant/s has contacted an accredited financial counsellor (can be a not-for-profit accredited financial counsellor);
- (f) Applicant/s has authorised an accredited financial counsellor to liaise with Council on their behalf in relation to the outstanding rates and charges;
- (g) The accredited financial counsellor has assessed and provided Council with:
  - (i) An independent assessment that the applicant/s is experiencing genuine financial hardship;
  - (ii) A realistic payment arrangement the applicant/s is able to meet; and
  - (iii) An exit plan on how to resolve the financial situation has been implemented
- (h) At no time whilst under the provision of hardship will the property be partially let out and/or derive an income;
- (i) Previously strong payment history; and
- (j) Mortgagor has been notified of arrears situation.

Other eligibility requirements taken into consideration:

- (a) The applicant/s has exhausted all avenues to alleviate the situation and seek assistance. For example; sought additional finances or have tried to sell the property or other assets;
- (b) Expected duration of their current financial hardship position;
- (c) Property is listed for sale;
- (d) Applicant or direct dependent/s is suffering or has suffered a recent medical emergency, trauma or injury or a terminal diagnosis; and
- (e) Applicant has sought financial assistance from either a community organisation (for example, Financial Services Information Officer (Department of Human Services); or their banking institution)

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Applications are not considered unless all requested supporting documentation listed on the application form, is supplied.

### **5.3 Drought Declared Primary Production Properties**

Properties where legal action has commenced or where a Notice of Intention to Sell has been issued are not eligible to apply for assistance under this policy.

Council may grant assistance to properties levied the differential general rate Category 6.1 – agriculture, farming and other rural land, which meet the following eligibility requirements:

- (a) The applicant/s is the owner or life tenant of the property and is their principal place of residence;
- (b) The property is in a drought declared area or is a current individually droughted property; and
- (c) An owner of the property submits a completed application form.

If approved, assistance is as follows:

- (a) Debt recovery action remains on hold for the period of drought declaration and for a further six months after the end of the current financial year in which the drought declaration is lifted or the individually droughted property has expired; and
- (b) No interest is incurred for the period of drought declaration and for a further six months after the end of the current financial year in which the drought declaration is lifted or the individually droughted property has expired.

### **5.4 Assistance Provided**

If approved, assistance is provided in the form of one or more of the following:

- (a) Debt recovery action to remain on hold for a minimum of six months from the date of approval, up to a maximum of 24 months;
- (b) No interest to be incurred for a minimum of six months from the date of approval, up to a maximum of 24 months;
- (c) A repayment plan that is outside of the current Debt Recovery Policy.

Additional assistance may be recommended for applicants who are also eligible for concessions under Council's Rates Concession Policy or who have a terminal illness or are in extreme financial hardship.

If further assistance is required, the applicant must lodge a new application.

### **5.5 Exceptional Circumstances**

Where exceptional circumstances exist beyond this policy, individual circumstances are considered on a case by case basis and presented to the Council table for individual consideration.

### **5.6 Failure to Comply or Dispute**

Following successful application, Council reserves the right to commence debt recovery action in accordance with the Debt Recovery Policy should the ratepayer fail to:

- (a) Respond to the Council's offer of assistance;
- (b) Wholly comply with Council's offer of assistance; or
- (c) Comply with the agreed requirements.

### **5.7 Applications**

Applications for hardship are considered at any time during the rating period (i.e. half yearly).

Applications must be made in writing using the application form and a new application needs to be submitted where circumstances or eligibility change.

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Successful applications take effect from the relevant rating period in which the application was submitted, approved and agreed to.

Applications are not backdated or retrospective adjustments made.

## 5.8 Requests for Review

If the applicant does not agree with the decision made by Council, the applicant may request for a review within 30 days of the decision. The General Manager Corporate Services reviews the decision and notifies the outcome to the applicant. As part of the review the applicant may be asked to provide further information relating to the application. If the applicant remains dissatisfied with the decision, the applicant may raise an administrative action complaint in accordance with the Administrative Action Complaint Procedure.

## 5.9 Funding of Recommended Decisions

Council makes a specific budget allocation annually from which assistance is funded.

## 5.10 Monitoring and Reporting

Council monitors successful applications made under this policy by reporting the following information monthly within the Monthly Financial Report:

- (a) Number of applications approved;
- (b) Number of applications defaulted; and
- (c) The financial impact to Council.

## 6 Review Timelines

This policy is reviewed when any of the following occur:

- (a) The related information is amended or replaced; or
- (b) Other circumstances as determined from time to time by the Council.

## 7 Document Management

Sponsor	Chief Executive Officer
Business Owner	Deputy Chief Executive Officer
Policy Owner	Chief Financial Officer
Policy Quality Control	Legal and Governance



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