

Financial Hardship Policy

Policy Details

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Policy Owner	Director of Corporate Services
Contact Officer	Manager Finance and Administration

Supporting documentation

Legislation	<ul style="list-style-type: none"> Local Government Act 2009 Local government Regulation 2012
Policies	<ul style="list-style-type: none"> Revenue Statement Revenue Policy Debt Recovery Policy
Delegations	<ul style="list-style-type: none"> Nil
Forms	<ul style="list-style-type: none"> Application to Pay by Arrangement Form
Supporting Documents	<ul style="list-style-type: none"> Corporate Plan 2021 - 2025

Version History:

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2.0.0	30/6/2022	Council Resolution No. SM0622/015	

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Intent

To detail the manner in which Council will provide relief to ratepayers who are unable to pay their rates and charges due to genuine financial difficulties or hardship.

Scope

The policy applies to all ratepayers with overdue rates and charges levied by Council who are experiencing genuine financial hardship.

Policy Statement

Background

Under section 120(1)(c) of the Regulation, Council may grant a concession if it is satisfied that “the payment of rates or charges will cause hardship to the landowner”. Council has determined it will grant such a concession for rates relief as set out in this policy.

Where a ratepayer can show that the payment of the full amount of rates and charges owed in the time required would entail “serious hardship” because of a loss the ratepayer has suffered, Council seeks to provide a framework for assistance deemed appropriate to the circumstances experienced.

Financial hardship exists when ratepayers are unable to meet basic requirements, including food, clothing, medicine, accommodation, and children’s education. This hardship may occur because of illness, long-term unemployment, or death of a partner.

Rates 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.

Payment Arrangements

On application, and pursuant to section 121(b) and 122 of the Regulation, Council may provide alternative short term, or long-term payment arrangements for outstanding rates and charges.

Ratepayers will be advised of an approved, amended or cancelled payment arrangement in writing, and are responsible for ensuring that Council are advised of any changes to their contact details and postal address.

Where a ratepayer defaults on a payment arrangement and fails to contact Council to advise of their circumstances, the arrangement may be cancelled, and debt recovery may commence pursuant to section 134 of the Regulation.

Short Term Payment Arrangements

Short term payment arrangements may be entered into where Council agrees to allow the ratepayer to pay the rates and charges in arrears before the next rates notice is issued. No recovery action will be undertaken whilst this arrangement is in place and payments are up to date.

At the end of the agreed term, any amount that remains outstanding will be carried over to the subsequent rating period as overdue rates and charges are outlined on the rate notice.

Approved short term payment arrangements are for a finite period and ratepayers are required to reapply for separate payment arrangements for each rating period as required.

Interest would continue to accrue on overdue rates and charges at the rate specified in the Revenue Statement for the relevant financial year.

Long Term Payment Arrangements

Financial circumstances may differ between ratepayers, so an alternative long-term payment arrangement is available where ratepayers cannot meet the financial requirements of a short term payment arrangement.

A long term payment arrangement will include all projected rates and charges payable within the agreed period up to two years.

Interest would continue to accrue on overdue rates and charges at the rate specified in the Revenue Statement for the relevant financial year.

Principle Place of Residence

Where the property is the ratepayer's principle place of residence, additional concessions may be provided where:

- no commercial benefit is derived from the property.
- the property owner:
 - has suffered a recent adverse incident leaving them unable to meet these basic needs; or
 - is experiencing serious hardship where the payment of the rates and charges would leave the ratepayer unable to meet reasonable needs for food, clothing, medicine, accommodation, education for children and other basic requirements.

Additional assistance that can be recommended:

- The ratepayer may be eligible for a reduction of interest on rates and charges
- Payment terms outside the scope of the short term and long term payment arrangements

Pensioners and Self-funded Retirees

Pensioners and self-funded retirees may be eligible for additional concessions where they are:

- endeavouring to meet their rate account by regular instalments; or
- part owner of the property they reside in and because of extreme hardship are unable to pay rates and/or do not qualify for full pensioner remission; or
- in serious financial hardship.

Additional assistance that can be recommended:

- The ratepayer may be eligible for a reduction of interest on rates and charges
- Payment terms outside the scope of the short term and long term payment arrangements

- Deferral of payment of the rates and charges for the lifetime of a pensioner and self-funded retiree experiencing hardship under Section 125 of the Regulation with the rates and charges to remain a charge on the land.

Natural Disaster or Drought Relief

Pursuant to section 119 and 120 (1) (c) of the Regulation Council may grant a concession if it is satisfied that the rateable land is owned or occupied by a ratepayer whose financial position has been adversely impacted by natural disaster or drought and where payment of the rates and charges would cause hardship to the ratepayer.

The Department of Primary Industries shall be the determining body for the process of declaration of a drought.

Additional assistance that can be recommended:

- Payment terms outside the scope of the short term and long term payment arrangements

However, under this arrangement Interest charges would continue to accrue on outstanding rates.

Lodging a Request for Relief

Requests for Rates Relief must be on the prescribed form, available from the Council website, www.carpentaria.qld.gov.au, and will involve a full financial assessment undertaken by Council. For ratepayers who have difficulty accessing the website, the relevant documents can be posted or provided by e-mail. E-mail Council's Rates Officer at rates@carpentaria.qld.gov.au

Process for Application

The process for assessing applications will remain simple and accessible as possible in recognition that at the very least, the ratepayers are experiencing financial difficulties. All applications are assessed confidentially and on merit.

- 1) Eligible ratepayers are requested to complete and lodge application on the prescribed form.
- 2) Register of Application – Application form including attachments as to financial position under a Statutory Declaration and certified copies in Council's Records System.
- 3) Cross check of application data.
- 4) Preparation of a briefing report to Council.
- 5) Council pass a resolution to decide the outcome of the application.
- 6) Advice of the decision provided to the applicant.

Assessment of Request for Relief

Assessment by the Council is to consider applications for rates and charges relief to deter the most appropriate form of assistance to be provided to a Property Owner.

It may take up to 2 months for applications to be assessed, depending on when they are submitted to Council.

Financial Counselling Services

Commonwealth Financial Counselling services are delivered to help people in personal financial difficulty to address their financial problems, managing the debt and make informed choices about their money in the future. The following link may provide more information <https://www.dss.gov.au/our-responsibilities/communities-and-vulnerable-people/programs-services/commonwealth-financial-counselling-cfc>

These services are voluntary, free and confidential, and can be accessed through:

- face-to-face meetings; or
- the National Debt Helpline on **1800 007 007** (calls from public phones/mobile phones may be timed and charged at a higher rate).
- or visit www.ndh.org.au

Responsibilities

RESPONSIBLE OFFICER	RESPONSIBILITY
Council	Consider applications under this policy in accordance with the policy position determined by Council.
Manager Finance and Administration	Review of the policy on an annual basis and making recommendations to Council on the contents of the policy.
Rates	Assessment of application and provision of assistance to rate payers, primary point of contact. Development of Council report for consideration to determine applications and make recommendations to Council.

Definitions

TERM	DEFINITION
Council	shall mean the Mayor and Councillors of Carpentaria Shire Council.
Chronic Illness	shall mean an illness that is permanent or lasts longer than three (3) months.
The Act	Shall mean the <i>Local Government Act 2009</i>
The Regulation	Shall mean the <i>Local Government Regulation 2012</i>
Death of a Partner	shall mean the unexpected expenses (funeral costs) and reduction or loss of family income because of the death of a member of a couple (married, registered relationship or de facto relationship).
DHS	shall mean the Department of Human Services
Financial Hardship	Factors contributing to financial hardship generally include:

TERM	DEFINITION
	Family tragedy; financial misfortune; serious illness; medical conditions or disability affecting earning capacity; impacts of natural disaster or pandemic; and other serious or difficult circumstances beyond the ratepayer's control. It means an inability to fulfill a financial obligation, not an unwillingness to do so.
Long Term Unemployment	shall mean a ratepayer who has received income support payment continuously for 26 weeks.
Pensioner	shall mean an elderly, invalid, disabled, or disadvantaged citizen, who is: <ul style="list-style-type: none"> (a) An eligible holder of a Queensland 'Pensioner Concession Card' issued by Centrelink, on behalf of the Department of Human Services, or the Department of Veterans' Affairs, or a Queensland 'Repatriation Health Card – For All Conditions (Gold Card)' issued by the Department of Veterans' Affairs; and (b) The owner (either solely or jointly) or life tenant/s of a property which is his/her principal place of residence; and (c) Has, either solely or jointly with a co-owner, the legal responsibility for the payment of rates and charges as defined which are levied in respect of the said property by the Local Authority in whose area the property is situated.
Property Owner	shall mean the 'owner of the land' as defined under the <i>Local Government Act 2009</i> .
Regulation	shall mean the <i>Local Government Regulation 2012</i>
Residential Property	shall mean property that has as its primary use 'use for residential purposes'.

Adopted by Council 16 June 2022 by Resolution Number SM0622/015



Mark Crawley
Chief Executive Officer