

## Rates and Charges - Financial Hardship

### Head of Power

*Local Government Act 2009*

### Related Legislation

Local Government Regulation 2012

### Objective

The objective of this policy is to provide a framework to identify and provide assistance to ratepayers who are experiencing financial hardship due to an unexpected event or unforeseen changes and are having difficulty paying rates and utility charges as they are due as a result.

### Definitions

**Financial Hardship** - A short-term situation generally brought about by a sudden and unexpected change in financial position through illness, loss of employment, or other personal circumstances. A determination of what is considered short-term will be made by Council officers on a case by case basis considering the individual circumstances of the ratepayers experiencing financial hardship and a reasonable expectation of the time that would be required for the ratepayer to return to a financial position that would allow them to pay their rates and charges.

### Application

This policy applies to eligible ratepayers of Moreton Bay Regional Council who are experiencing financial hardship and as a result have difficulty paying rates and utility charges.

### Policy Statement

Moreton Bay Regional Council recognises that ratepayers will, from time to time, experience financial hardship that will prevent them from paying their Council rates and charges on time.

This policy outlines the principles that Council will apply to identify ratepayers experiencing financial hardship and summarises the commitments and expectations of Council and the ratepayer under this policy.

This policy is based on shared responsibility between Council and the ratepayer seeking support. The objective of this approach is for Council to support the ratepayer through the period of financial hardship through relaxation of penalties and ongoing collection activities, and for the ratepayer to commit to a realistic and affordable plan that allows them to pay off the outstanding rates and charges over an agreed period of time.

Council is committed to effective processes for the early identification of a ratepayer who is in financial hardship which includes, but not limited to:

- A ratepayer contacting Council themselves.
- A referral by the Queensland Ombudsman.
- A referral by an accredited financial counsellor or community agency providing assistance to people experiencing financial hardship.

### **Eligibility Principles**

Ratepayers experiencing financial hardship are identified as those who intend to pay their rates and charges but do not have the financial capacity due to hardship to make payment in full by the due date.

The following criteria will be applied in determining if a ratepayer is eligible for support under this policy:

- The application is for a single property;
- Generally, the property is a residential property that is the principal place of residence of the ratepayer;
- Payments of rates by the ratepayer would cause or contribute to financial hardship;
- Financial hardship status is confirmed by an assessment conducted by Council of the applicant's circumstances.

Support for other types of properties where the ratepayer is experiencing financial hardship may be considered in extenuating circumstances and will be assessed on a case by case basis upon application.

This policy is **not** intended to:

- Provide support to ratepayers with an extended history of non-payment of rates and charges;
- Provide indefinite support to ratepayers whose financial circumstances mean they cannot pay their rates and charges, and there is no prospect of their financial circumstances improving over time.

### **Application Process**

#### Assessment criteria

- The assessment criteria for financial hardship consideration will include, but not be limited to, the following:
  - Completed and signed 'Application for Financial Hardship' form; and
  - Any other documentation relevant in supporting the application.
- All applications will be assessed using the information supplied by the ratepayer during the application process, along with any other relevant information contained in Council records.
- Applicants who have provided insufficient information will be contacted requesting further information. If requested information is not provided, or information cannot be substantiated, the application will not be considered.
- Applications will be assessed by Council's Rates Collection team and final approval given by the Chief Executive Officer or an authorised delegate.

#### Assistance offered

- Successful applicants will be required to enter into a mutually acceptable repayment plan for the rates and charges applicable to the nominated property.
- The terms of the repayment plan will be negotiated based on the circumstances of the ratepayer at the time of assessment; however, the following principles will generally apply:
  - Repayment plans will not be for a period of longer than 12 months; and
  - Payments under the repayment plan must be sufficient to ensure that all rates and charges are up to date at the conclusion of the repayment plan period.
- By agreeing to a repayment plan, the Council will:
  - Exempt the property from any legal action for the recovery of unpaid rates for the period that the repayment plan remains current (however any fees and charges relating to legal action that may have already commenced are still payable by the ratepayer); and
  - Suspend the charging of interest on overdue rates for the property from the date of the successful application for the period that the repayment plan remains current.

**Policy: 2150-113 - Rates and Charges - Financial Hardship**

- Where repayment plans are not adhered to, or are otherwise unsuccessful, the repayment plan will be cancelled. Should this occur, interest on overdue amounts will be reinstated and Council may commence legal action, or if appropriate, sale of land proceedings to recover the outstanding rates.

Applicant obligations

- It is expected that ratepayers adhere to the agreed repayment plan and ensure planned payments are made in a timely fashion.
- In the event that the ratepayer's financial circumstances change, and they are unable to make payments in accordance with the agreed payment plan, it is expected that the ratepayer make contact with Council to renegotiate the repayment plan.

Extensions of support

- In extenuating circumstances ratepayers that are still experiencing financial hardship at the end of the initial repayment plan (up to 12 months), may apply again under this policy for a second period of support for up to 12 months.
- Provision of further assistance (up to a maximum of 12 months) will be assessed on a case by case basis.
- Total support under this policy is capped at 24 months per instance of financial hardship.

**Related Documents**

This Policy complements and is to be implemented in conjunction with other Council policies, directives and relevant documents published by other agencies including, but not limited to:

- Revenue Policy (2150-082)
- Revenue Statement
- Rates and Charges - Financial Hardship Operational Directive

**Review and evaluation**

This policy will be reviewed for applicability, effectiveness, and consistency with relevant legislation, Council resolutions, and other Council documents. Reviews of this policy will occur as required, or at least once every four years.

The impact of this policy will be measured by analysing the applications under the policy and the effectiveness of the policy measures in assisting eligible ratepayers repay their outstanding debt.

**Responsibility**

This Policy is to be:

- (1) implemented by Financial Operations Manager; and
- (2) reviewed and amended in accordance with the "Review Triggers" by Director Finance and Corporate Services.

Policy: 2150-113		Official Version: 61873351	
Document Control			
Version / Reviewed	Version Adoption (Council meeting / Minute Page) Reviewed (revision comment)	Date	Word version reference
Version 1	General Meeting (MP. 21/368)	31.3.2021	61697194