

Purpose

Recovery of outstanding debts is an important aspect of Council's financial management. Council is therefore committed to the collection of overdue Rates and Charges in a fair, equitable and timely manner, but with due consideration to Hardship faced by ratepayers and customers.

Council has resolved to grant a concession/s to ratepayers where it is satisfied that payment of Rates and Charges would cause Hardship to the ratepayer. The purpose of this Policy is to provide guidance on:

1. when a ratepayer will be considered to fit within the 'class' of ratepayers who may be entitled to the concession;
2. how, and by who, that determination will be made; and
3. what concession/s may be given to the ratepayer.

Scope

This Policy applies to all ratepayers within Council's local government area who are experiencing Hardship, and as a result, are unable to pay their Rates and Charges when due and payable.

Guiding Principles

1. General

1.1 Council shall only consider granting a rate relief concession under this Policy to assist ratepayers who are experiencing Hardship.

1.2 All applications for rate relief must satisfy the following criteria:

- 1.2.1 the ratepayer is willing and has the intention to pay, but is unable to meet their repayments;
- 1.2.2 the application demonstrates unusual and severe difficulty rather than the usual frustrations and trials to which other ratepayers or similar organisations are subjected to from time to time;
- 1.2.3 with formal hardship assistance, it is expected that a ratepayer's financial situation can be restored.

1.3 In consideration of an application for rate relief, Council Officers are to apply the following principles:

- 1.3.1 Council has a responsibility to recover monies owing to it in a timely and efficient manner to finance its operations and ensure effective cash flow management;
- 1.3.2 Early intervention and prevention benefits both the ratepayer and the Council to prevent large levels of debt accumulating;
- 1.3.3 Council must operate effective debt collection processes;
- 1.3.4 Council aims to minimise the overall value of outstanding monies that it is owed;
- 1.3.5 Ratepayers are expected to take responsibility for their debt obligations and to organise their affairs in such a way as to be able to discharge these obligations when required;

- 1.3.6 Concessions resolved by Council must be consistent with Chapter 4, Part 10 of the Local Government Regulation;
- 1.3.7 Building relationships with local community services, such as financial counsellors or community legal centres, will assist to support ratepayers experiencing financial difficulty or who may experience barriers engaging with Council;
- 1.3.8 Ratepayers suffering long term financial hardship, as defined by the inability to provide evidence that a ratepayer could meet future Rates and Charges in the medium to long term future, should not be provided rate relief, other than a short deferral of six months to make other financial arrangements to clear the debt; and
- 1.3.9 A concession granted to a ratepayer must achieve the clearance of all outstanding Rates and Charges within a reasonable timeframe that must not exceed a maximum of three (3) years.

2. Application for Concession

- 2.1 An application for rate relief under this Policy must be completed by the ratepayer and submitted on the approved Form referred to as an "Application for Rate Relief". Council Officers will provide assistance to complete the Form and provide all necessary information to the ratepayer to assist the ratepayer in making decisions regarding the management of their debt to Council.
- 2.2 The ratepayer must complete the Form and supply sufficient information for Council Officers to decide the application in accordance with this Policy. The Form must include a signed statutory declaration that the information provided is accurate and true.
- 2.3 The Form must be accompanied by sufficient evidence to demonstrate hardship (including, but not limited to, the items specified in the Form).
- 2.4 Applications that do not have sufficient information must be returned to the ratepayer for further information before being considered. Should sufficient information not be provided, or information needs to be substantiated, Council Officers may seek further information from the applicant or other available sources (without breaching the ratepayer's right to privacy) to support information provided in the Form. If the further information is not provided by the Applicant within the time specified (which must be reasonable), then Council may refuse to deal with the application or refuse the application.
- 2.5 Council Officers shall provide contact details for financial counselling to any ratepayer that presents evidence of Hardship.
- 2.6 If a Pensioner experiencing Hardship wishes to apply for an agreement to defer payment of a portion of their General Rate under Council's Rate Concession for Pensioners - Deferral Arrangement Policy, they will be required to submit a separate application in accordance with that relevant Policy. For clarity, submission of an application under Council's Rate Concession for Pensioners – Deferral Arrangement Policy will not preclude the ability to submit an application for consideration under this Policy, but concessions will only be granted under one of Council's policies for any given assessment.

3. Considerations Relevant to Assessing an Application

- 3.1 The Council Officer decision regarding an application for rate relief must be made consistently with the criteria, principles, and objectives within this Policy. The nature of concessions granted are generally determined on a case-by-case basis in accordance with this Policy.
- 3.2 Where there is the intention – but not the capacity – to make a payment within the time frame required, consideration will be given to a concession due to Hardship.
- 3.3 A failure to have a capacity to pay can be identified by any of the following:
 - 3.3.1 the ratepayer themselves;
 - 3.3.2 a Council Officer of Council's Corporate Services Department;
 - 3.3.3 an independent accredited financial counsellor; or
- 3.4 Hardship should be determined by Council Officers in relation to both income (gross household income, commercial income/profit) and assets (income producing assets). Gross household income should include income from employment, pensions, other social security benefits, income from rental properties, other investment income, as well as deemed income (e.g. potential rental income from non-owner residents such as children that live at home and earn income but do not pay rent).
- 3.5 In assessing an application for rate relief, Council Officers must consider whether the ratepayer could meet the rate liability by rescheduling commitments or by selling non-essential assets such as (but not limited to) non-residential caravans, holiday or investment properties, luxury cars, boats, substantial life assurances or annuity entitlements, shares, or other investments. In complex cases, face value as provided by the ratepayer should not be relied upon, but rather a professional valuation will be required (paid for by the ratepayer).
- 3.6 In assessing an application for rate relief, Council Officers must consider whether the ratepayer has deliberately placed themselves in the financial hardship, in which case relief may be denied.
- 3.7 Where financial hardship has been determined, all reasonable steps will be taken to establish a payment arrangement or to negotiate settlement of the outstanding debt with the ratepayer concerned prior to considering a rebate unless exceptional circumstances are approved in accordance with delegated authority as determined by Council.
- 3.8 Any payment arrangement negotiated, or rebate applied, must take into account the ratepayer's capacity to pay and allow for the arrangement to be re-negotiated if there is a demonstrable change in circumstances.
- 3.9 Any payment arrangement negotiated must be enacted by the ratepayer within fourteen (14) days. Failure to act by the ratepayer within this timeframe will make the negotiated payment arrangement null and void.
- 3.10 A concession for hardship may include a rebate of interest where it is determined that a debt is irrecoverable or uneconomical to recover if the interest remained payable or when a rebate of interest will result in a favourable settlement of all outstanding debt.
- 3.11 Only in very exceptional cases would a concession include a rebate of Rates and Charges. Any

debts written off are to be approved in accordance with delegated authority as determined by Council.

- 3.12 Where the relevant property is not the Principal Place of Residence of the ratepayer, the ratepayer is only eligible for Category 1 – Temporary Hardship concessions unless there are exceptional circumstances attributed to a class of ratepayers.
- 3.13 All Council Officer recommendations regarding applications for rate relief must be reviewed and approved by the Director Corporate Services or authorised officer prior to being enacted.
- 3.14 To guide Council Officers in assessing an application for rate relief, including the concessions that may be granted and the conditions imposed, the applications may be categorised according to the following (without limitation and as a guide only):

Category 1 - Temporary Hardship:

- 3.15 The ratepayer is seeking assistance from Council to overcome a short-term payment difficulty where they are unable to pay the Rates and Charges within the Prescribed Period. It is likely that the ratepayer will make their repayment in full at a later date. To be eligible for a payment arrangement, there must be evidence of intention to pay but not the capacity to pay due to the short-term impacts of their circumstances.
- 3.16 Relief may take the form of a deferral and/or payment arrangement of up to twelve (12) months. If a greater period than twelve (12) months is required to make payment in full, the ratepayer should seek assistance under Category 2 – Complex Hardship.

Category 2 - Complex Hardship (where a concession is likely to restore a ratepayer's financial situation):

- 3.17 To be considered under this category for a concession, the ratepayer must show evidence that their financial situation can be restored, and that future rates can be paid as they fall due if the concession is approved.
- 3.18 Relief may take the form of one or more of:
 - 3.18.1 A deferral and/or payment arrangement between twelve (12) months and two (2) years; and/or
 - 3.18.2 A rebate on all or part of the debt that relates to the interest charged;
 - 3.18.3 A rebate on all or part of the Rates and Charges (only in exceptional cases).

Category 3 - Severe Hardship (where despite a concession, restoration of the customer's financial situation is unlikely):

- 3.19 Where, in the assessment by Council, the restoration of a ratepayer's financial situation over the medium to long term is unlikely, the application for a concession should not be approved.
- 3.20 Instead, relief may take the form of a short period of deferral of up to six (6) months in which Council will not pursue further recovery action, to allow the ratepayer to make other financial arrangements. After the relief period, other debt recovery actions may be implemented by Council (as per Council's "Rates & Charges Recovery Policy").

3.21 Relief may also take the form of an agreement to accept transfer of unencumbered land in full or part payment of the Rates and Charges in accordance with section 121(c) of the Local Government Regulation. However, it is at Council's sole discretion as to whether it grants this type of relief and is subject to a commercial valuation of the land being undertaken.

3.22 The concession available and conditions for such concessions for each category will be as per the following table (without limitation and as a guide only):

Category	Concession Available	Condition
1 Temporary Hardship	Deferral and/or a payment arrangement up to twelve (12) months.	- In accordance with Council's ability to require the ratepayer to pay an additional charge in return for Council agreeing to defer payment of the Rates and Charges under section 125(3) of the Regulation, interest will accrue during the period of the deferral and/or payment arrangement. - May be granted in respect of land where it can be substantiated in writing to the satisfaction of Council that the ratepayer will be unable to pay all Rates and Charges within the Prescribed Period. - Council reserves the right to review accepted deferral/payment arrangements with a view to increasing the required rate of payments at any time where it deems this to be appropriate; - The debt must be cleared in full by the end of the arrangement, including new rates and charges accrued during the arrangement; - Future payment arrangements, under Category 1, will be accepted by Council provided the arrangement is cleared in full at the end of each arrangement period; - No early payment discount will be available; and - If the ratepayer fails to make the agreed part payments, or full payments by the end of the period, approval for the deferral/payment arrangement will be automatically withdrawn without further notice. The outstanding Rates and Charges will fall due for payment <u>immediately</u> and legal action may be pursued for full recovery of the debt in accordance with Council's Rates and Charges Recovery Policy.
Category	Concession Available	Condition

2 Complex Hardship	a) Deferral and/or payment arrangement between twelve (12) months and two (2) years.	• In accordance with Council's ability to require the ratepayer to pay an additional charge in return for Council agreeing to defer payment of the Rates and Charges under section 125(3) of the Regulation, • Interest will accrue during the period of the deferral and/or payment arrangement; • May be granted in respect of a property where the ratepayer resides as their Principal Place of Residence. • Council reserves the right to review accepted deferral/payment arrangements with a view to increasing the required rate of payments at any time where it deems this to be appropriate; • The debt must be cleared in full by the end of the arrangement, including new charges accrued during the arrangement; • No further payment arrangements under Category 2 will be accepted for a period of one (1) year from approval under section 1.2.3. It is expected that a customer's financial situation can be restored. The granting of Hardship Assistance is intended as a temporary measure, to assist with full payment of the Assessment at the end of the period; No early payment discount will be available; • If the ratepayer fails to make the agreed part payments, or full payments by the end of the period, the deferral/payment arrangement will be automatically withdrawn without further notice. The full amount of Rates and Charges (and accrued interest) will fall due for payment <u>immediately</u> and legal action may be pursued for full recovery of the debt in accordance with Council's Rates and Charges Recovery Policy.
	b) A rebate on all or part of the debt that relates to interest charged (amount only up to where it makes the agreement financially feasible).	• To be applied only on full settlement of all outstanding amounts; and • Failure to comply with any deferral and/or payment arrangement will result in ratepayer foregoing the agreed rebate. Conditions will be determined on a case-by-case basis.

Category	Concession Available	Condition
	c) A rebate on all or part of Rates and Charges (only in exceptional Circumstances)	Conditions will be considered on a case-by-case basis under s 121 (a) of the Regulation and who is a member of a stated class of ratepayer s122 (1)(b).
3 Severe Hardship	a) A time period up to six (6) months may be provided in which Council will not pursue further recovery action, to provide ratepayer time to make other financial arrangements.	- Interest will accrue during the period in accordance with section 133 of the Regulation and Council's Interest on Overdue Rates, Charges and General Debtors Policy; - May be granted in respect of a property where the ratepayer resides as their Principal Place of Residence. - Ratepayer provided with notification that no concession, other than a delay in Council recovering the debt; and - Ratepayer advised to seek financial counselling. - No further payment arrangements under Category 3 will be accepted for a period of one (1) year from approval under section 1.2.3. It is expected that a customer's financial situation can be restored. The granting of Hardship Assistance is intended as a temporary measure, to assist with full payment of the Assessment at the end of the period;
	b) An agreement to accept transfer of unencumbered land in full or part payment of the Rates and Charges in accordance with section 121(c) of the Regulation.	Subject to commercial valuation of land being undertaken.

Related Policies and Legislation

Local Government Act 2009 (Qld) (Act) Chapter 4 Part 1

Local Government Regulation 2012 (Qld) (Regulation) Chapter 4 Part 10 and 12

Information Privacy Act 2009 (Qld) (IPA) Chapter 2 Part 2

Application for Rate Relief Form

Rates & Charges Recovery Policy

Rates Concession for Pensioners – Deferral Arrangement Policy

Interest on Overdue Rates, Charges & General Debtors Policy

Definitions

CEO refers to the Chief Executive Officer of Council appointed in accordance with the Act, or any person acting in that role.

Council refers to the Whitsunday Regional Council.

Council Officer refers to an employee of Council, excluding contractors and volunteers.

DCS refers to the Director Corporate Services of Council appointed in accordance with the Act, or any person acting in that role.

Financial Support includes any financial support from any other means including from personal funds or other business/investment activities (including any related companies or trusts of the ratepayer where the ratepayer has an interest). Where the ratepayer is a company, this also refers to any other reasonably available financial support from any other Related Entity of the company.

Hardship refers to when, in the reasonable opinion of Council:

- (a) where the property is the ratepayer's Principal Place of Residence, if payment of Rates and Charges was made, the ratepayer would be left unable to provide Necessities for themselves, their family or other dependents, and the ratepayer has no other practical sources of Financial Support; or
- (b) where the property is used for commercial or industrial purposes by the ratepayer themselves in the operation of one or more businesses or, where the property is an investment property of the ratepayer or otherwise not used by the ratepayer itself (including residential rental properties and commercial/industrial rental properties) and:
 - (i) the ratepayer can demonstrate that their income has been detrimentally impacted due to causes outside of their reasonable control (other than exercise of valid legal rights); and
 - (ii) if payment of Rates and Charges were made:
 - a. the ratepayer would be left unable to pay the essential holding costs of the property (including, for example, mortgage repayments); and
 - b. *if the ratepayer is an individual* – be left unable to provide Necessities for themselves, their family or other dependents; or
 - c. *if the ratepayer is an entity (company, trust etc)* – the 'alter ego' of the entity (being the director/s and/or shareholders with the controlling interest) would be left unable to provide Necessities for themselves, their family or other dependents; and
 - (iii) the ratepayer has no other practical sources of Financial Support;

Related Entity refers to the definition of "related entity" in section 9 of the *Corporations Act 2001* (Cth).

Necessities includes food, accommodation, clothing, medical treatment, education or any other basic necessities.

Pensioner refers to a holder of either a Queensland Pensioner Card issued by Centrelink or Department of Veterans' Affairs ("QPCC Card") or a Department of Veterans' Affairs Health Card for all conditions ("Gold Card").

Prescribed Period refers to the period for payment from the date of issue of the rate notice.

Principal Place of Residence refers to a single use residential property where the registered owner (ratepayer) resides for more than 60% of the relevant financial year, as evidenced through the electoral roll, taxation, pension records or other document acceptable to Council.

Rates and Charges refers to levies imposed on land and for a service, facility or activity that is supplied or undertaken by Council or someone on behalf of Council, including:

- (a) General Rates (including differential rates);
- (b) Special Rates and Charges;
- (c) Utility Charges;
- (d) Separate Rates and Charges, and
- (e) as well as any accrued interest on outstanding balances (where applicable).

COUNCIL POLICY

Date Adopted by Council	18 June 2025	Council Resolution	SM2025/06/12
Effective Date	1 July 2025	Next Review Date	30 June 2026
Responsible Officer(s)	Manager Financial Services	Revokes	