

Financial Hardship Policy

Policy type	Council
Function	Corporate Services
Policy Owner	Rates and Revenue Department.
Effective date	1 July 2024

1. Purpose

The purpose of this policy is to provide a framework that offers financial relief on rates and charges levied on eligible properties owned by ratepayers who are experiencing financial hardship.

The objectives of this policy is to:

- a) Provide a consistent and proactive approach to assist ratepayers who are experiencing difficulty paying their rates and charges due to financial hardship;
- b) Minimise risk of inconsistent decisions and non-compliance with legislation; and
- c) Ensure transparency of decisions and good governance

2. Scope

This policy applies to:

- a) Property owners and ratepayers of the Cassowary Coast Regional Council region in accordance with Section 120 of the Local Government Regulation 2012;
- b) Eligible ratepayers who meet the relevant criteria regarding overdue rates and charges levied by Council who are experiencing financial hardship;
- c) The establishment of guidelines for Council staff, contractors and/or consultants working on behalf of the Cassowary Coast Regional Council, and the community regarding the provision of a concession to ratepayers.

3. Definitions

Council – means the Cassowary Coast Regional Council.

Contractors and/or Consultants – Refers to Collection Agencies working on behalf of Council


Financial hardship – means a lack of financial means to pay debts when due.

Natural Disaster - A serious disruption in our community, caused by the impact of an event that requires a significant co-ordinated response by the state and other entities to help the community recover from the disruption, caused by nature or the natural processes of the earth.

4. Principles

This policy is guided by the following principles:

- a) Communication – making clear the obligations of ratepayers and the processes used by Council to assist them to meet their financial obligations;
- b) Capacity to pay – the policy will provide relief to individuals who are not able to meet reasonable and immediate expenses;

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- c) Equity – provide ease of access to relief provisions for property owners and same level of access to the provision of this policy;
 - d) Transparency - treated consistently and fairly in conjunction with the criteria set out in 5.1 of this policy;
 - e) Efficiency– ensuring the processes in the assessment of applications and the provision of assistance are simple to administer and cost effective;
 - f) Privacy – all information provided will be kept confidential and will only be used for the purpose for which it has been supplied.

5. Policy

5.1 Concession for Ratepayers for Overdue Rates and Charges

5.1.1 Eligibility Criteria

Applicants will only be considered to be eligible on the grounds of financial hardship upon complying with the following criteria:

- a) The property is the owner’s principal place of residence, and the applicant must not own other investment property or properties either within or outside the Cassowary Coast region;
- b) The property is the owner’s principal place of business, and the applicant owns one other property within the region that is their principal place of residence;
- c) Payment of rates and charges by the due date, by the ratepayer would cause financial hardship within the next twelve (12) months;
- d) The ratepayer does not have reasonable assets external to the property

5.1.2 Assessment Criteria

The assessment criteria for hardship consideration will be, but not limited to, the following:

- a) Completed and signed “Application for Financial Hardship” form;
- b) Copy of most recent pay advice, or government benefit advice;
- c) Copy of most recent mortgage statement;
- d) Copy of most recent credit statements (other than the mortgage statement) e.g. credit card(s), personal loan(s);
- e) Copy of most recent bank statements for all accounts;
- f) Medical practitioner or health professional letter (if applicable); and
- g) Any other supporting documentation relevant in supporting the application.

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 be discontinued.


5.2 Natural Disaster

In the event of a Declared Natural Disaster or Declared Pandemic effecting the local community, Council will extend the provisions of the Financial Hardship Policy. This could include drought, flood, cyclone or pandemic.

5.2.1 Natural Disaster Eligibility Criteria

Applicants will only be considered to be eligible on the grounds of Natural Disaster financial hardship related to a Natural Disaster upon complying with the following criteria:

- a) The property is within the natural disaster eligible area as activated by the Australian Government Disaster Recovery Payment (AGDRP);

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- b) The ratepayer meets the eligibility rules as outlined by the Australian Government Disaster Recovery Payment (AGDRP) and can provide formal confirmation;
 - c) The property is the owner's principal place of residence, and the applicant must not own other investment property or properties either within or outside the Cassowary Coast region;
 - d) The property is the owner's principal place of business, and the applicant owns one other property within the region that is their principal place of residence;
 - e) Payment of rates and charges by the due date, by the ratepayer would cause financial hardship within the next twelve (12) months;
 - f) An application is made to Council within 6 months of the natural disaster being declared.

5.2.2 Natural Disaster Assessment Criteria

The Chief Executive Officer is delegated and may, at their discretion, assess the provision of 'Natural Disaster Hardship' to ratepayers in response to a declared event affecting the Cassowary Coast region, using any information they deem relevant. Applicants must return:

- a) Completed and signed "Application for Natural Disaster - Financial Hardship" form; **and**
- b) The ratepayer meets the eligibility rules as outlined by the Australian Government Disaster Recovery Payment (AGDRP);

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 process will be discontinued.

5.3 Assistance Offered

The Principal of Rates & Revenue, or delegate, may grant a rates and charges interest rebate to ratepayers who meet the Eligibility Criteria and the Assessment Criteria as set out in 5.1.1 and 5.1.2 and 5.2.1 and 5.2.2 of this policy.

Upon approval:

- a) A rebate of interest charges may be granted for the current half-year rating period (from the date of application), and the following half-year rating period (to either 30 June or 31 December);
- b) Council will place debt recovery for the related property on hold. This is however subject to an agreed payment arrangement being maintained during the hardship assistance period;
- c) For natural disaster applications, there may be further assistance as deemed necessary at the time of, during, or after the disaster.
- d) The property owner will be advised in writing. The correspondence includes:
 - i. The period of assistance;
 - ii. The terms of the agreement; and
 - iii. consequences of not meeting the agreed payment arrangement terms.

If the application is not approved, the property owner is advised in writing. If the property owner requests the application be reassessed, the application will be referred to the Manager Finance in the first instance and there after the Director Corporate and Community Services for final determination.

5.3.1 Payment Arrangements

- a) For assistance to be granted, the land owner must enter and maintain an acceptable and mutually agreed payment arrangement;
- b) An acceptable payment arrangement must be regular (monthly), which generally clears all outstanding rates and charges within a period of less than 12 months. First payment to commence the month that the application is approved;
- c) Failure to comply with the agreed payment arrangement may end in the cancellation of the hardship assistance, and interest on outstanding rates and charges will recommence. Legal action may commence also.

5.4 Considerations

Consideration will be given to whether the ratepayer is able to provide Council with a reasonable and viable financial plan that will meet their rates liability. If Council's assessment concludes that the ratepayer's financial situation over the medium to long term is unlikely to improve due to other factors, the application for assistance may not be approved.

5.5 Cancelling Assistance

Assistance under this policy will be cancelled if the land owner:

- a) Fails to comply with their payment arrangement;
- b) Property is sold;
- c) Advises Council that financial hardship is no longer needed; or
- d) The property owner provides false or misleading information within their hardship application.

5.6 Further Application for Financial Hardship

After applying for a concession previously under this policy, a landowner is not eligible to make another application for two years unless the applicant:

- a) Has been granted a concession and complied with the terms of the concession previously; or
- b) Demonstrates that the property owner(s) have exhausted all other avenues to alleviate the situation – for example by seeking additional finance, and/or obtained financial advice, and made efforts to sell other assets.

Related forms, policies and procedures	Financial Hardship Application Form Revenue Statement Revenue Policy Debt Recovery Policy – Rates and Charges, Sundry Debts
Relevant legislation	<i>Local Government Act 2009</i> <i>Local Government Regulation 2012</i>
Reference and resources	

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