

Hardship Concessions Policy

Local Government Act 2009

1. Policy Statement

Townsville City Council (Council) has an ability to provide concessions when payment of the rates or charges will cause hardship to the landowner under Chapter 4, Part 10 of the *Local Government Regulation 2012*. Those concessions will be made in accordance with this policy.

2. Principles

The payment of rates and charges may cause hardship to:

- the whole or a sizeable portion of the community because of a disaster - for example, a cyclone or flood; or
- a particular landowner because of that landowner's circumstances.

The granting of concessions has the potential to adversely impact upon Council's services and burden other ratepayers.

Council will deal with applications for concessions under this policy on the grounds of hardship in a way that is:

- compassionate;
- equitable;
- transparent;
- responsive to the landowner's capacity to pay;
- financially responsible, having regard to the demand for Council's services and the obligation upon Council to maintain its financial sustainability; and,
- otherwise in accordance with the requirements of applicable legislation.

3. Scope

This policy applies to the granting of concessions on the grounds that payment of the rates or charges will cause hardship to certain landowners.

4. Responsibility

The Chief Executive Officer (CEO) and the General Manager Financial and Commercial Services are responsible for ensuring that this policy is understood and adhered to by all workers involved in the recovery of rates and charges.

5. Definitions

Any term used in this policy that is defined in the *Local Government Act 2009* or *Local Government Regulation 2012* has that definition.

Disaster - means a serious disruption in a community, caused by the impact of an event, that requires a significant coordinated response by the State and other entities to help the community recover from the disruption. See section 13 of the *Disaster Management Act 2003*.

Hardship - hardship may arise in a variety of situations, including in a situation where payment of rates and charges by a landowner will cause the landowner an appreciable detriment of some form, whether that be financial, personal or otherwise.

Each situation affecting a landowner needs to be assessed on a case-by-case basis, and consider a range of matters affecting the landowner including but not limited to:

- loss of employment of the landowner or family member;
- family breakdown, including domestic violence;
- physical and mental health issues, including illness, physical incapacity, hospitalisation, or mental illness of the landowner or landowner's family member;
- a disaster within the Townsville local government area affecting the landowner or their dependants;
- a death in the family of the landowner; and
- other factors resulting in unforeseen change in the landowner's capacity to meet their payment obligations, whether through a reduction in income or through an increase in non-discretionary expenditure.

Serious Disruption - means loss of human life, or illness or injury to humans, or widespread or severe property loss or damage or widespread or severe damage to the environment. See section 13 of the *Disaster Management Act 2003*.

Workers - includes employees, contractors, volunteers and all others who perform work on behalf of Council.

6. Policy

6.1. Classes of Hardship Concession

Council resolves to provide the CEO delegated authority to assess applications for concessions under this policy to landowners in the following classes:

Class 1 - Hardship arising because property directly affected by a disaster	
Eligibility	All landowners within Townsville Local Government Area.
Concessions Criteria	(a) Landowner's property located within the Townsville local government area has been substantially and directly impacted by a disaster; and (b) Landowner provides sufficient information to demonstrate that it will suffer hardship if required to pay rates and charges when due.

Class 1 - Hardship arising because property directly affected by a disaster

Assessment Material	The CEO is to assess the provision of Concessions to Class 1 Landowners using any information that they believe to be relevant.
Types of Concessions Provided	<ul style="list-style-type: none"> a three-month (interest-free) deferral of the due date (and discount date) for the rates and charges; and/or an interest-free payment plan for the overdue rates or charges under which the overdue rates and charges and any accruing rates and charges will be paid within 12 months of the date of the agreement. <p>The Council intends that the provision of Class 1 Landowner concessions will be a comprehensive response to a disaster and applications for additional concessions will be considered only when the applicant establishes that the disaster impacted upon them in a unique and exceptionally severe way.</p>

Class 2 - Hardship arising because of circumstances outside landowner's control

Eligibility	<ul style="list-style-type: none"> (a) a natural person resident in Townsville local government area; and (b) concession relates to the person's principal place of residence in Townsville; and (c) the landowner's capacity to pay rates and charges on that property when due has been substantially compromised by circumstances outside the landowner's control that have arisen from an emergency situation (i.e., not over time).
Concession Criteria	<ul style="list-style-type: none"> (a) Landowner provides sufficient information to demonstrate that they will suffer hardship if required to pay rates and charges when due.
Assessment Material	<p>The CEO is to assess the provision of Concessions to Class 2 Landowners using any information that they believe to be relevant. To assist in that assessment, the CEO may require the provision of a statutory declaration detailing:</p> <ul style="list-style-type: none"> (a) the event that impacted upon the landowner's ability to pay the rates and charges; (b) the landowner's estimated income and expenditure from all sources for the year in which the application is made and the previous financial year; (c) the current balances of any bank accounts and investment accounts held by or for the landowner; (d) the landowner's assets - whether the asset is owned by the landowner or a by a company in which the landowner has a controlling interest - including the estimated value of each asset. For clarity, "assets" includes: <ul style="list-style-type: none"> i. all real property; ii. all other assets such as shareholdings, vehicles, boats, livestock etc.; and

Class 2 - Hardship arising because of circumstances outside landowner's control

	<ul style="list-style-type: none">iii. and estimated value; including information on the listing of any property for sale.(e) the landowner's financial circumstances, including details about the amount of funds held in accounts and a description of all loans including balances owing and an explanation about the extent to which any loan payment is overdue (note that account numbers must not be provided or requested);(f) details of any refusal of loan or credit applications that have been sought to assist in paying the landowner's debts;(g) details of superannuation fund balances and if an early release has been sought to assist in paying the debts; and/or(h) any other information that the landowner believes to be relevant to the application.
Types of Concessions Provided	<ul style="list-style-type: none">• a three-month (interest-free) deferral of the due date (and discount date) for the rates and charges; and/or• an interest-free payment plan for the overdue rates or charges under which the overdue rates and charges and any accruing rates and charges will be paid within 12 months of the date of the agreement.

6.2. Individual Hardship Applications

Nothing in this policy prevents any landowner making an application for an individual hardship concession under section 120(1)(c) of the *Local Government Regulation 2012*.

Landowners applying for a concession on the grounds of individual hardship must do so on the prescribed form including sufficient details to support the application. The form can be found on Council's website. Council may request additional information to support the application.

Any hardship concession application that falls outside of this policy must be decided by Council at an Ordinary Council meeting.

Types of concessions provided:

- a three-month (interest-free) deferral of the due date (and discount date) for the rates and charges;
- an interest-free payment plan for the overdue rates or charges under which the overdue rates and charges and any accruing rates and charges will be paid within 12 months of the date of the agreement;
- a rebate of all or part of the rates or charges; and,
- an agreement to accept a transfer of unencumbered land in full or part payment of rates or charges.

6.3. Payment Plans and Interest

Payment plans under this policy will be interest-free for a maximum period of 12 months from the date the plan is approved by Council. Interest accrued prior to this date will not be reversed. Interest will accrue again from the date of any default in making a payment under the plan.

Approved pensioners, under the Pensioner Rates Concession Policy, will not be impacted by the withdrawal of the pensioner rates concession if their property has rates outstanding at 31 May of a financial year and maintain a payment plan under this policy.

Council's usual debt recovery action will be suspended while a payment plan is in place and being followed.

6.4. Further Applications for Concessions

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

- (a) has been granted a concession and complied with the terms of concession; or
- (b) demonstrates in the fresh application that they have made significant progress in reducing the value of arrears (generally a one-third reduction in the debt will be regarded as a significant reduction); or,
- (c) demonstrates that they have exhausted all other avenues to alleviate the situation - for example by seeking additional finance and financial advice and making real efforts to sell the property and other assets.

7. Legal Parameters

Disaster Management Act 2003

Local Government Act 2009

Local Government Regulation 2012

8. Associated Documents

Hardship Concession Application Form

Payment Plan Application Form

Pensioner Rates Concession Policy

Pre-2016 Pensioner Arrears Concession Policy

Revenue Policy

Revenue Statement