Discretionary Debt Relief Strategic Policy (Policy)

Document Control

Responsible Officer: **Chief Executive Officer**

CEO Signature:

Date: **16 April 2026**

Category (tick):

- ☒ **Policy** *Council resolution required*
- ☐ **Procedure** *CEO approval required*
- ☐ **Guideline** *CEO approval required*

Approval date	Head Policy #	Reference Number	Reason/Comment	Next review
16/04/2026	Debt Recovery Strat Policy	POL STRAT 33	New Policy	April-27

1. Purpose

1.1 This is a Strategic Policy of Croydon Shire Council, approved by Council resolution. This policy establishes Croydon Shire Council's commitment to providing fair, transparent, and compassionate assistance to debtors experiencing financial hardship or other circumstances that affect their ability to pay rates, charges and sundry debts.

1.2 Council recognises that circumstances beyond a debtor's control can result in genuine difficulty in meeting payment obligations, and that sometimes debt relief can be in the overall public interest in the local government area, where a structured and consistent approach to granting relief supports both the wellbeing of the community and the financial sustainability of Council.

2. Commencement

2.1 This policy commences on the Approval Date. It replaces any previous policy of the same intent.

3. Scope

3.1 This policy is not intended to provide indefinite support to debtors, but rather case by case relief on application based on the categories of relief prescribed in this Policy.

4. Legislation

- *Local Government Act 2009* (Qld)
- *Local Government Regulation 2012* (Qld)
- *Human Rights Act 2019* (Qld)

5. Council's Commitment

5.1 Council is committed to:

a) treating all debtors with dignity, respect, and consistency in the assessment of hardship applications;

b) providing debtors with reasonable opportunities to access assistance before escalating debt recovery action;

c) assessing all applications confidentially and on their individual merits;

d) ensuring that the cost of providing relief is borne equitably across Council's revenue base; and

e) exercising its concession powers in a manner that is consistent with the *Local Government Regulation 2012* (Qld) and Council's Revenue Policy and Revenue Statement.

6. Terms and Definitions

Term	Definition
Council	Croydon Shire Council
Debt	An amount owed to Council including rates and charges levied under Chapter 4 (Part 10) of the *Local Government Regulation 2012* (Qld) and sundry debts arising from the supply of goods or services by, or fees and charges of, Council.

Term	Definition
Debtor	An individual, organisation, or other party who owes a Debt to Council, including a ratepayer liable for rates and charges and a sundry debtor.
Financial Hardship	A circumstance where a debtor is unable to meet their financial obligations to Council due to unexpected or unforeseen events.
Hardship	A significant and appreciable detriment to a debtor that transcends mere inconvenience or annoyance and represents a real and atypical burden.
Payment Arrangement	A written agreement between Council and debtor for the regular repayment of an overdue amount in accordance with agreed terms.
Rates and Charges	Amounts issued by Council to owners of rateable land under Chapter 4 of the *Local Government Regulation 2012* (Qld), including general rates, special charges, and utility charges such as water and sewerage, together with any interest that accrues on unpaid amounts.
Ratepayer	The owner or occupier of land within Council's area who is liable for the payment of rates and charges.
Relief	Assistance granted by Council to a Debtor experiencing financial hardship under this policy, which may take the form of a deferral of payment, a structured payment arrangement, a partial or full waiver of the Debt, or a combination of these measures.
Responsible Manager	The officer delegated by the Chief Executive Officer to administer this policy, or that officer's authorised delegate, including any officer acting in that position.
Sundry Debt	An amount owed to Council for the supply of goods or services, or a fee or charge, other than for rates.

7. Roles and Responsibilities

Role	Responsibilities
All Personnel	Read and understand this policy. Comply with the requirements of this policy and all applicable legislation. Maintain confidentiality in relation to all hardship applications and assessments. Comply with recordkeeping obligations.
Responsible Manager	Receive, assess, and process hardship applications in accordance with this policy. Approve hardship relief within the parameters established by this policy, the Delegations Register and Procurement Policy, acting under the class resolution conferred by Council's adoption of the Financial Hardship Strategic Policy. Refer applications that fall outside the standard parameters to Council for resolution. Maintain the Hardship Register and associated records.

Role	Responsibilities
	Maintain and update this policy.
Chief Executive Officer	Nominate the Responsible Manager Approve hardship relief that exceed the Responsible Manager's delegated authority but remain within the parameters of this policy. Ensure this policy is implemented consistently and confidentially. Report to Council on the operation of the hardship framework as required.
Council (by resolution)	Adopt and amend Discretionary Debt Relief Strategic Policy. Approve cost of living concessions by resolution under section 122 of the *Local Government Regulation 2012* (Qld). Determine Hardship Relief applications that fall outside the standard parameters of the Discretionary Debt Relief Strategic Policy . Receive and consider reporting from the CEO on the application of this policy.

8. Principles

8.1 Council's approach to financial hardship will be guided by the following principles:

a) **Compassion.** Council will treat debtors experiencing hardship with empathy and respect, recognising that hardship is often temporary and arises from circumstances outside a person's control.

b) **Consistency.** All applications will be assessed using the same criteria and processes, ensuring equitable treatment across the community.

c) **Transparency**. Council's relief criteria and processes will be publicly available and communicated clearly to debtors.

d) **Proportionality.** The level of assistance provided will be commensurate with the level of hardship experienced and Council's capacity to provide support.

e) **Financial sustainability.** Relief will be managed in a manner that protects Council's long-term financial position and does not impose an unreasonable burden on the broader community.

9. Application Process

9.1 An application for discretionary debt relief shall be made in writing by a debtor, or on a debtor's behalf by the debtor's representative.

9.2 Applications from debtors will be acknowledged within 5 business days of receipt.

9.3 Applicants who have provided insufficient information will be contacted requesting further information. If requested information is not provided within a reasonable time, the application will be closed and will not be considered by Council.

9.4 Applications will be assessed confidentially. No information provided in support of an application will be disclosed, except as required by law.

9.5 Applications supported by information from authorised financial counselling services will be accepted.

10. Types of Assistance

10.1 Council may, by resolution at its sole discretion, offer any combination of the following discretionary debt relief to eligible debtors, namely:

a) deferral of interest charges (in whole or in part);

b) deferral of the debt for a period (in whole or in part);

c) a rebate of all or part of the debt;

d) a payment arrangement (see Debt Recovery Policy and Procedure).

11. Eligibility

To be eligible for discretionary debt relief under this policy, the following must be demonstrated by the applicant to Council's satisfaction.

11.1 Category 1 – Financial Hardship

To be eligible for relief under this Category, the debtor must demonstrate to Council's satisfaction that:

a) the debtor is responsible for the payment of the debt;

b) payment of the debt would cause genuine hardship to the debtor;

c) hardship is confirmed by Council's assessment of the debtor's circumstances; and

d) the debtor generally had an on-time payment history prior to the circumstances causing hardship.

11.2 Category 2 – Overall Public Interest

Council may grant a discretionary debt relief where Council is satisfied, having regard to all relevant circumstances, that debtor relief is in the overall public interest within the local government area, with reference to considerations such as:

- the economic development in the local government area;
- preservation, restoration or maintenance of cultural, environmental, historic, heritage or scientific significance in the local government are; and/or
- furthering one or more objectives identified in the Corporate Plan.

12. Accompanying Information

All applications must be in writing and accompanied and supported by the following prescribed information.

12.1 Category 1 – Financial Hardship

To enable Council to assess the application, the applicant must provide either:

a) a letter from the debtor's accountant confirming the circumstances of financial hardship and the debtor's proposal for discretionary debt relief (see clause 5); **or**

b) a letter signed by the debtor (or a Director of the debtor if a corporation or other entity), detailing:

i. a description of the circumstances that have led to the hardship, including the nature of the event, when it occurred, and why it has affected the debtor's ability to pay the debt;

ii. estimated income and expenditure from all sources for the current financial year;
iii. current balances of all bank accounts;
iv. details of all debts including personal loans, mortgages, and credit cards, including balances and whether the debtor is currently in arrears;
v. details of any insurance payouts, government grants, or other government assistance received in the past twelve (12) months;
vi. details of any property owned and estimated values, including any property listed for sale;
vii. details of other assets and their estimated values;
viii. details of any superannuation fund balances and whether early release has been sought; and
ix. any other information the Responsible Manager considers relevant to the debtor's current financial situation;
x. details of any cost-of-living pressures common to the local government area; and
xi. the debtor's proposal for discretionary debt relief (see clause 5).

12.2 Category 2 – Overall Public Interest

To enable Council to assess the application, the applicant must detail in its written application, all circumstances which demonstrate that it is in the overall public interest to provide the discretionary debt relief, and a proposal for discretionary debt relief (see clause 5).

13. Assessment and Approval

13.1 All approvals under this Policy require Council resolution and are distinctly separate to any delegable powers to write off debts (*Debt Recovery Policy*) within financial delegation provided to officers under other Policy and the Delegations Register or Concessions under Part 10 of the LGR.

14. Closing Meetings

14.1 For consideration of an application under this Policy at a Council meeting, the meeting shall be closed under section 254J of the *Local Government Regulation 2012* (Qld) being consideration of either a rating concession, negotiations of a commercial nature, and/or a matter the local government is required to keep confidential.

15. Review of Circumstances

15.1 Prior to the expiry of any relief or assistance provided under this policy, the debtor may request a review to take into consideration changes to their circumstances.

15.2 Council reserves the right to renegotiate or cancel a relief or payment arrangement if the debtor's circumstances change materially, or if the debtor fails to comply with the terms of an agreement.

16. Failure to Comply

16.1 An offer of a discretionary debt relief by Council will be withdrawn if the debtor does not accept Council's offer within thirty (30) days of the date of the written offer.

16.2 If an offer is withdrawn or an agreement is terminated, Council may continue with normal debt recovery action and charging of interest on overdue debts, with interest backdated to the date the amounts became overdue.

16.3 The debtor will be notified prior to the commencement of any debt recovery action in accordance with Council's *Debt Recovery Administrative Policy*.

Recordkeeping

16.4 All records relating to discretionary debt relief applications, assessments, and relief granted must be managed in accordance with the *Public Records Act 2023* (Qld) and Council's records management requirements.

17. Training and Awareness

17.1 All Personnel with responsibilities under this policy must receive training on this policy as part of induction, and at least annually thereafter.

17.2 Training must include the purpose and requirements of this policy, the obligations and responsibilities of Personnel, how to identify and escalate concerns, and the consequences of non-compliance.

18. Human Rights Consideration

18.1 Council is a public entity under the *Human Rights Act 2019* (Qld) and must act and make decisions in a way that is compatible with human rights.

18.2 This policy has been assessed for compatibility with the human rights protected under the *Human Rights Act 2019* (Qld). This policy engages the right to privacy and reputation (section 25) through the collection and use of personal financial information in the assessment of hardship applications, and the right to property (section 24) through the potential impact of debt recovery action on a debtor's assets or financial position. To the extent that this policy limits those rights, the limitation is considered reasonable and demonstrably justifiable in accordance with section 13 of the *Human Rights Act 2019* (Qld), as the requirements are necessary to enable Council to recover public money in a financially responsible manner and to support debtors experiencing genuine hardship in meeting their obligations.

19. Publication

19.1 This policy must be available for public inspection at Council's public office and on Council's website.

20. Evaluation of Policy

20.1 The success of this policy will be measured by:

- **a)** the ratio of applications received to approved, tracked over time;
- **b)** the value of relief granted under each category, tracked annually;
- **c)** the proportion of debtors who resume normal payment following relief; and
- **d)** compliance with delegation limits and approval requirements.

21. Policy Review

21.1 This policy is to be reviewed in accordance with the Governance Framework, and at any time the related legislation is amended. Council reserves the right to vary, replace, or terminate this policy from time to time.

22. Breaches

22.1 Failure to comply with this policy may result in disciplinary action and may also result in decisions being reviewed, suspended, or set aside where required to address risk, probity, or legal compliance.

22.2 Suspected misconduct, fraud, or serious probity concerns must be reported in accordance with Council's relevant reporting processes and Code of Conduct.

23. Approval

This policy was duly adopted by resolution of Croydon Shire Council on 16/04/2026 Resolution No. 13-05/2026 and shall hereby supersede any previous policies of the same intent.

Document Control

Document Owner	Chief Executive Officer
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Document History

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1.0	16/04/2026	Initial adoption	Chief Executive Officer	13-05/2026