

POLICY LOCATION	Corporate Services	POLICY TITLE	Rates and Charges Financial Hardship
POLICY NUMBER	CA20	DATE ADOPTED	20 May 2026
REVISION NUMBER	3	REVISION DATE	February 2028

Introduction

This policy relates to the deferring of payment of any rates or charges, or the granting of a waiver of rates or charges, whether whole or in part to individual persons in accordance with the provisions of *sections 170 and 171A of the Local Government Act 1989* (the Act).

The aim of the policy is to:

- provide a deferment of rates or charges OR grant a waiver of rates or charges to ratepayers experiencing hardships including financial hardships;
- provide guidelines, templates and establish principles to apply when an application for the deferment or waiver of rates or charges is received;
- identify the type and amount of assistance that may be granted prior to an application for the deferment or waiver of outstanding rates or charges being approved;
- ensure Council's debt collection practices are sensitive and responsive to ratepayer's hardship issues;
- Alleviate the potential for rates to become a factor in domestic economic violence.

The policy aims to support ratepayers experiencing financial difficulty in meeting their outstanding rates and charges. A deferment or waiver of debt under the Act will generally be considered only after other Council assistance options have been explored. Council will work with ratepayers to establish achievable repayment plans within a reasonable timeframe, with an expectation of genuine effort to meet repayment commitments.

While all hardship circumstances do not always equate to financial hardship, legislation does not require proof of financial hardship for payment plans or deferrals, but such evidence is required when seeking a waiver of rates and charges.

Objectives

The objective of this policy is to formulate a process of assistance to ratepayers facing hardships including - offering tailored payment arrangements that mutually benefit both of them, and Council.

Scope

This Policy applies to deferring or waiving of outstanding rates and charges whether in whole or in part due to demonstrated hardship circumstances.

Rates and Charges

Current Rate Payment Process

Council sends out annual rate notices in late August or early September which are due for payment in full by 15 February each year.

Ratepayers who elect to pay by quarterly instalments will receive a separate notice for the second, third and fourth instalments. The four instalments are due on 30 September, 30 November, 28 February and 31 May respectively.

Council also offers instalment plans via direct debit, whereby ratepayers agree to have a regular deduction (e.g. weekly, fortnightly, monthly) made direct from their bank account to clear the annual rates and charges.

Council uses the following options to receive payment for rates and charges:

- Over the Counter (Wycheproof Office)
- BPay
- In person at Australia Post of Australia Post Billpay
- By mail
- Centrepay
- eNotices

A Final Notice is sent in early March to all ratepayers with an outstanding rates balance (excluding instalment payers and payment arrangements).

Ratepayers with accounts with a balance greater than \$500 remaining unpaid or for which no payment plan has been arranged are then referred to Council's debt collection agency for initiation of legal action.

Rebates

Eligible Centrelink or Veterans Affairs cardholders may claim a rebate on their primary residence, with retrospective claims up to one year upon verification.

Charging of Interest

A Council may choose to charge interest on any amount of unpaid rates and charges up to the maximum rate fixed by the Minister for Local Government in accordance with *section 172* of the Act.

No interest is charged on rates and charges that have been waived however, in case of deferment, no interest is chargeable while an approved deferment is in place.

If being on a payment arrangement, the ratepayer defaults on 2 occasions (not necessarily being consecutive), the respective interest charges will be re-instated.

Charging of Penalty Interest.

Section 171A of the Act ensures appropriate safeguards are in place by ways of Council charging penalty interest, if any false and misleading information is found to have been provided by the ratepayer including

failure to provide notice of any change in circumstances.

The penalty interest rate is the rate fixed from time to time by the Attorney-General under *section 2 of the Penalty Interest Rates Act 1983 (Vic)*, as published in the Government Gazette.

Sale of Property for Debt Recovery

Under the provisions of *section 181* of the Act, Council may sell a property for the recovery of unpaid rates and charges.

Sale of a property for debt recovery purposes will only be undertaken as a last resort where all other means of recovering outstanding rates have failed or where all attempts to locate the owner of the property have been unsuccessful.

Staff Training

Council will provide training to rates and customer service staff that deal with ratepayers on a day-to-day basis. Training will increase awareness of hardship issues, available counselling resources, focus on ratepayer needs and ensure communication strategies are compassionate and confidential.

Policy

In accordance with the Act, deferring or waiving of rates or charges or interest is only available to a ratepayer's principal place of residence on properties rated as Residential or Retirement Village Properties. No option is available to defer or waive rates and charges on properties rated as vacant, commercial, industrial, or farm land (unless *section 171(4)(b)* of the Act applies).

For the purposes of this policy, financial hardship, in accordance with the Ministerial Guidelines December 2025 means ratepayer's inability to afford basic necessities of life for themselves or their dependants. Necessities of life include (but not limited to) essential medical care, utilities (such as water, energy and internet), and basic living needs including food, accommodation, clothing, childcare and education, transport, and insurance.

Hardship, on the other hand includes a variety of causes such as (but not limited to) - employment difficulties or unemployment of the ratepayer or family member; reduced, insufficient or lack of income; medical issues, injury, illness or mental illness of the ratepayer or family member; alcohol, drug or substance use; death of a family member or loved one; family circumstances such as family violence or economic abuse, elder abuse; gambling, scams or fraud, incarceration; natural disaster; barriers to accessing essential services including event-based circumstances and systemic and market-based factors, which result in economic and/or social exclusion or harm

Ratepayers must have outstanding rates or charges and should have demonstrated hardship as defined under *section 170* of the Act to apply for deferment or financial hardship (as defined under *section 171 to 171A* of the Act) to apply for waiver of rates or charges, whole or part thereof.

In all applications for deferral of rates or charges, the applicant will be encouraged to continue to pay the portion of rates or charges including interest that is affordable given their individual circumstances. Council encourages the applications for deferral or waiver to be assessed by a Financial Counsellor.

References

This policy was developed in accordance with the:

- *Local Government Act 1989*
- *Local Government Act 2020*
- Ministerial guidelines relating to payment of rates and charges – December 2025.

APPENDIX

PART A - Guidelines for Applying for Hardship

1. It is recommended that anyone intending to apply for hardship (including financial hardship), read a copy of Council's latest Rates and Charges Financial Hardship Policy.

- Copies are available on Council's website, Council's customer service points.
- Copies will be posted as a physical copy, if requested by a ratepayer.
- Copies will be emailed as an electronic copy, if requested by a ratepayer.

2. Applications for hardship can be made at any stage during the year.

3. All hardship applications must be made to Council's Rate and Revenue Officer by means of an online application form available on Council's website. If a ratepayer is unable to access the online form, they can choose to come into Council's office and fill in a manual application form or could choose to provide details over the telephone for Council staff to enter into the form.

4. All applications must be supported from the below list of Council's ID requirements where minimum 2 forms of identification with at least 1 primary photo ID is mandatory.

Primary Photo ID includes -

- Driver's License
- Passport (Australian or overseas)
- Proof of age/Photo card

Secondary Identification includes -

- Medicare card
- Pensioner Concession Card / Health Care Card
- Birth certificate
- Citizenship certificate
- Bank card or bank statement
- Student ID

5. Council could also request information around

- government agency documents such as Centrelink, ATO, VicPol etc
- Certified documents such as medical records and /or any statutory documents
- Personal information i.e. payslips, evidence of employment, bank statements (only where necessary not mandatory) and/or other documents that are considered for

6. Based on the timing of application, resources available to assess them, Council would aim to respond to the application with an outcome within a reasonable timeframe, ranging between 15 working days and a month from the date all necessary information requested by Council is made available.

7. Whilst an application is being assessed, Council will not resort to recovery or enforcement for unpaid rates, charges or interest.

PART B - Guidelines for Consideration of an Application

Once all necessary documents are made available to Council, assessment for deferment or waiver of rates and charges will commence. All applications from ratepayers for financial assistance by means of flexible payment options will be considered by Council officers under delegation.

The following guidelines would be considered when assessing an application for waiving of rates or charges.

1. the rate and charges (including interest) must relate to the applicant's principal place of residence;
2. applications for waiving of rates or charges for residential investment, commercial or industrial properties and vacant will NOT be granted;
3. applications for waiving of rates or charges for farms or commercial properties that are also used for residential purposes will NOT be granted, unless the residential part of the property is separately assessed for rates. In such cases, the relationship of the applicant to the adjoining business activity and gross income generated by that activity will be taken into consideration;
4. the amount to be waived or deferred must not be more than 5% of the Capital Improved Value of the residential property in the application;
5. the ratepayer must be experiencing demonstrated hardship or financial hardship;
6. the ratepayer, to be considered for a full/partial waiver must be able to demonstrate the requirement to pay the full amount outstanding would exacerbate existing financial hardship;
7. the ratepayer, to be considered for deferment must show they are prepared to contribute towards the longer-term payment of any outstanding amount. To this end, a "Debt Finalisation Date" must be nominated by the debtor;
8. the ratepayer must demonstrate they are able to honour payment arrangements they have entered into;
9. Council expects that the ratepayer is making legitimate attempts to ensure money is available to make rates and charges payments;
10. Council accepts that the ratepayer's commitment to a mortgage on their principal place of residence, utility services, property and health insurance and car loan and registration payments are essential and take precedence over rates and charges payments. That being so, it does not exclude the rates and charges debt from being paid and does not mean penalty interest will not be charged;
11. Council requires the ratepayer to advise Council if they decide to sell the property before the Debt Finalisation Date. Interest on the outstanding balance may then be applied if it is deemed appropriate;
12. Council requires the ratepayer to provide a Statutory Declaration of all income and expenses, assets and liabilities and potential sources of income. This includes details of shares portfolios, business partnerships, joint ventures etc. Copies of documentary evidence (e.g.: Tax returns etc.) may be required to be presented at Council's discretion;
13. Council may arrange for the information provided above to be assessed by independent professionals if considered necessary;

14. Council may require the ratepayer to meet with financial counselling professionals involved in the assessment of the application;
15. Any legal costs incurred against the property will remain, as this is a cost Council has incurred.

Other factors that are considered while assessing an application include the following –

- Whether paying rates would prevent the ratepayer from meeting basic living expenses or necessities of life.
- Whether the ratepayer receives payments from Centrelink or other government benefits.
- Whether the ratepayer is a low-income earner or rely on a fixed income, such as a pension or superannuation.
- Whether the ratepayer has been referred by a financial counsellor or a welfare support agency.
- Whether the ratepayer's payment history indicates difficulty in maintaining regular payments.

All information received by Council or professionals engaged in the assessment process will be treated as strictly confidential.

Implementation and Review

The application will be assessed against the above criteria by the Manager Financial Strategy (using a weighted scoring method) . All applications will be assessed on their merits as it is acknowledged that applicants may not meet all of the above principles/criteria. Therefore, a flexible approach, where necessary, will be taken in regard to provision of the above information.

A report and final recommendation will be presented to the Director Corporate and Organisational Performance. The report must include details of the appraisal of the application by either the Manager Financial Strategy or the independent assessor.

Monitoring and post-action review

The ratepayer is required to notify Council of any change in circumstances. Where false or misleading information is identified, Council reserves the right to undertake an investigation and, where necessary, initiate appropriate legal action.

In instances of deferment, where a ratepayer's application to defer rates has been approved, Council's Rates and Revenue Officer will undertake periodic contact with the ratepayer as the debt finalisation date approaches. This does not restrict the officer from contacting the ratepayer at any time, as deemed necessary