



Financial Hardship Policy - Rates

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Department	Finance
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Responsible Officer	Finance Manager
Authorising Officer	Director Corporate & Leisure
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1. Statement and Purpose

The purpose of this policy is to ensure ratepayers experiencing genuine financial hardship situations are aware of the rating assistance available under the Local Government Act 1989: to ensure Council's rate debt collection practices are consistent, respectful, sensitive and responsive to financial hardship issues.

To ensure all debts owed to Council are paid, where possible, by the due date and followed up within specified timeframes.

The policy also ensures a fair, equitable and accountable approach to Council's debt management and collection decisions and practices. It establishes the framework for the Council and ratepayers to consider applications for financial hardship and outlines the requirements for ratepayers to lodge an application for financial hardship.

2. Scope

This policy applies to all assessments within the Rural City of Wangaratta.

Long-term financial hardship assistance applies only to owner-occupied assessments within the Rural City of Wangaratta.

3. Policy

Council recognises that ratepayers may, at times, experience difficulty in paying their accounts and therefore is committed to providing mechanisms to support and guide those ratepayers to assist in meeting their obligations.

1. Short-Term Financial Hardship (no more than one year)

All ratepayers may apply to the Property & Revenue Coordinator/Officer to enter into alternative repayment arrangements, subject to compliance with the following conditions:

- The application must be made in writing;
- Proposed payments must be regular (weekly, fortnightly or monthly);
- The maximum life of the arrangement should be until the end of the current calendar or financial year (to be assessed on a case-by-case basis);
- Interest may continue to be imposed.

A response to the application will be provided no later than 10 working days after the receipt of application.

If the alternative repayment arrangement is approved the following will occur:

- (a) the property will be flagged as a short-term financial hardship property;
- (b) rates and interest will still accrue (although interest may be waived); and
- (c) no debt recovery action will be taken while the terms for payment are met.

If an application for assistance is approved, the Property & Revenue Coordinator/Officer will implement and monitor the agreed plan for alternative payment.

Approved applications will be reviewed by the Property & Revenue Coordinator/Officer biannually (twice per year).

Any default in arrangement may end the arrangement and may result in the commencement of debt recovery procedures, including legal proceedings.

If an application for relief is refused, the applicant may seek a review of the decision by the Finance Manager.

2. Long-Term Financial Hardship

Ratepayers may apply to the Finance Manager to have rates, interest and charges deferred, in whole or part, subject to the following conditions:

- (a) the application must be supported by a report from an appropriately qualified social worker or financial counsellor verifying that financial hardship conditions exist;

- (b) the ratepayer must enter into an alternative arrangement with Council to pay the debt and meet the terms of such an arrangement; and
- (c) if interest has been waived and the ratepayer defaults on the agreed terms for repayment, the interest waiver may be withdrawn and interest will then accrue under normal payment arrangements.

Council acknowledges that special circumstances may exist where an applicant does not meet the council's specified requirements for assistance. Where special circumstances exist, the application is still able to be approved at the discretion of the council officer with the relevant delegation.

A response to the application will be provided no later than 10 working days after the receipt of application.

If deferment is approved the following will occur:

- (a) the property will be flagged as a long-term financial hardship property;
- (b) rates and interest will still accrue (although interest may be waived); and
- (c) no debt recovery action will be taken while the terms for payment are met.

Approved applications will be reviewed by the Property & Revenue Coordinator annually.

Deferment will be withdrawn if:

- (a) the ratepayer advises financial hardship no longer exists; or
- (b) the ratepayer ceases to own or occupy the property; or
- (c) the ratepayer has defaulted in meeting the agreed terms for payment of the debt; or
- (d) the ratepayer has provided false or misleading information in support of the application for relief.

At the discretion of the Finance Manager, deferment may be withdrawn or renegotiated if the amount of deferred rates, charges, and interest exceeds 15% of the Capital Improved Value of the property at any stage.

If an application for relief is refused, the applicant may seek a review of the decision by the Director Corporate & Leisure.

If an application for relief is approved, the Property & Revenue Coordinator will implement and monitor the agreed plan for alternative payment.

4. Roles and Responsibilities

1. Short-term Financial Hardship (no more than one year)

- Applications received/responded to: **Property & Revenue Coordinator/Officer**
- Appeals referred to: **Finance Manager**
- Database maintenance: **Property & Revenue Coordinator/Officer**

2. Long-term Financial Hardship

- Applications received/responded to: **Finance Manager**
- Appeals referred to: **Director Corporate & Leisure**

- Database maintenance: **Property & Revenue Coordinator/Officer**

5. Breaches

All breaches of this policy will be reported directly to the Corporate Management Team. As assessment of the breach will be undertaken by the Finance Manager and if necessary, the ratepayer will be notified of any information relevant to their application, this may include but is not limited to the outcome of their application, payment amounts/frequency and the length of the arrangement.

6. Human Rights

This policy has considered and complies with the Human Rights and Responsibilities contained in the Victorian Charter of Human Rights and Responsibilities Act 2006.

7. Gender Impact Assessment

This policy has considered and applied Council's Gender Impact Assessment Template and satisfies the provisions established in the *Gender Equality Act 2020* (Vic).

8. Monitoring and evaluation

A quarterly report will be prepared for the Corporate Management Team detailing all outstanding rates income. The report will include details of any current short-term or long-term financial hardship arrangements.

9. Definitions

“**Act**” means Local Government Act 1989

For the purposes of this policy “**financial hardship**” means a situation where a ratepayer is unable, reasonably, because of prolonged illness or unemployment, or other reasonable cause, to discharge their financial obligations to the Council and the ratepayer reasonably expects to be able to discharge those obligations if payment arrangements were changed.

A “**deferral**” of payment can be provided in whole or in part and be for a specified period and subject to any conditions determined by Council. When rates are deferred, payment is not required until the Council sends the person a notice requiring payment.

A “**waiver**” removes the liability to pay and may be offered to include the whole or part of any interest or where applicable, part of rates and charges.

Council will generally not waive rates. This is to ensure that financial hardship assistance provided to one ratepayer does not have a 're-distributional' effect on the rate base.

"Owner-occupied" means the property that an application is received for is the applicant's principal place of residence. For the purpose of this policy the service address on the rate notice will be considered as the applicant's principal place of residence.

"Interest" as referred to and defined in the Act (s.172)

10. References and related policies

- *Local Government Act 1989; Sections 170 – 172*
- *Instrument of Sub-Delegation (S7)*

11. Review

This document will be reviewed by October 2027 or earlier if necessary. This review will assess the effectiveness of the current policy in addressing financial hardship pressures faced by ratepayers while also ensuring statutory obligations are met.

Version History		
Version Number	Date of change	Reasons for change
1.0	October 2023	Legislative updates