



GLEN EIRA
CITY COUNCIL

Rates Financial Hardship Policy

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Approved by:	Council

Ratepayers in financial difficulty or hardship are encouraged to access counselling and/or other support services.

Financial counselling is a free and confidential service offered by community organisations, community legal centers and some government agencies.

The National Debt Helpline is a not-for-profit Government Service that provides confidential financial counselling for anyone experiencing hardship. You can contact the National Debt Helpline to request a referral to see a financial counsellor at your local financial counselling service.

1800 007 007 – National Debt Helpline

<https://ndh.org.au>

1800 413 828 – Small Business Support Line

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1. TITLE

Rates Financial Hardship Policy

2. OVERVIEW

Council Rates and Charges constitutes the majority of Council's annual revenue. Council rates are raised in accordance with the *Local Government Act 1989* (the Act).

Council understands that there are cases of financial hardship that require empathy, compassion, and special consideration. In providing special consideration for those experiencing financial hardship Council must also ensure that it is compliant with the Act and decisions made are based on the principles of fairness, integrity, and confidentiality.

3. DEFINITIONS AND ABBREVIATIONS

Term	Meaning
Deferral	suspends payment of the rate and or charges for a specified period.
Exceptional Compassionate Circumstances	circumstances which are so exceptional and/or extreme that they will affect the ability of a ratepayer to successfully enter into an agreement with Council for a payment plan or deferral of the charge under discussion.
Financial Hardship	a change in circumstances which will affect the long-term ability of a ratepayer to pay rates and charges.
Severe Impact	a significant and substantial negative effect on a ratepayer that leads to considerable financial hardship.
Waiver	exempts payment of the rate and or charges for a specified period.

4. PURPOSE

This Policy ensures that Council ratepayers, regardless of their circumstances will be treated with understanding, dignity and respect while working out a payment plan that is manageable for them. It provides a framework for ensuring that Council will assess each application on its merits, demonstrating consistency and impartiality in its consideration of each application. The Policy will also ensure that Council's debt collection practices are sensitive and responsive to financial hardship issues.

5. FINANCIAL HARDSHIP

Council may become aware that a ratepayer is in financial hardship through conversations, receiving a hardship application form or a referral from an independent financial counsellor. Council recognises that financial vulnerability is complex and varied, with different circumstances needing a range of options for assistance available. A ratepayer's circumstances may make it more difficult for them to ask for assistance.

Council understands that not all situations are alike, and that financial hardship can arise from a range of individual circumstances including, but not limited to:

- Bereavement
- Unemployment
- Illness
- Impacts of natural disasters
- Separation/divorce
- Family violence

Council is committed to ensuring that eligible ratepayers in genuine financial hardship will be provided with assistance and an explanation of their entitlements to rates and charges payment options.

Council will encourage ratepayers to access financial counselling, legal aid, and other not-for-profit supportive services.

6. PAYMENT OPTIONS FOR FINANCIAL HARDSHIP

Council may in accordance with the Act defer, or waive all, or part, of a ratepayer's levied rates or charges.

Ratepayers experiencing financial hardship and unable to pay outstanding rates will be encouraged to apply to Council for a payment plan, subject to the following conditions:

- The ratepayer must be able to demonstrate they are experiencing Financial Hardship.
- A payment plan request must be confirmed in writing, by email or through the appropriate form on Council's website, specifying the proposed payment dates and amounts.
- The payment plan will have a limited life of not greater than twelve months following the end of the financial year the arrangement was entered.
- Any default in the payment plan may result in Council cancelling or ending the current arrangements.

Council will ensure that a payment plan application form is available on Council's website and can also be provided by Council's Service Centre team.

Council's Rates Department will provide all the necessary information to the ratepayer regarding how to respond to a written application for a payment plan.

As a general rule, Council will only consider a waiver for part or all of a ratepayer's levied rates and charges in exceptional compassionate circumstances.

7. CONSIDERING AN APPLICATION RELATING TO FINANCIAL HARDSHIP

In considering a ratepayer's circumstances and claims of financial hardship, Council may request a ratepayer to provide evidence to support their claim of financial hardship. The evidence required must only be relevant to determining the ratepayer's current financial circumstances. Examples of evidence include, but are not limited to, bank statements, medical certificates, rental income, and Centrelink payments.

8. COUNCIL DETERMINATION

The decision on whether an application relating to financial hardship is successful will be made by Council's authorised officers. This function is currently delegated to the Chief Financial Officer and Coordinator Rates and Valuations.

8.1 Payment Plan

Council adopts a flexible approach to payment plans and will work with a ratepayer to establish a suitable arrangement.

Council will ensure that ratepayers suffering Financial Hardship have additional payment options available.

Council must not commence legal proceedings for an unpaid rate or charge that is subject to a payment plan. Council may cancel a payment plan at any time if the person is not complying with the plan's terms.

Council will not charge interest for 12 months from the date of the payment plan.

8.2 Waiver of Rates

Sections 171 and 171A of the Act provide for a waiver of rates.

Council's preference is to not waive rates or charges as it would be considered unfair for the majority of ratepayers to subsidise the property assets of hardship applicants. A more equitable solution for the entire community is to defer rates and charges.

However, Council will consider the waiving or reduction of rates for certain group of ratepayers where exceptional compassionate circumstances are experienced, and where severe impact can be demonstrated.

Consideration of a waiver can only occur if all financial information has been disclosed to Council with supporting documentation as requested.

8.3 Waiver of Interest Charges

Interest is charged on overdue rates and charges in accordance with Section 172 of the Act. Interest is calculated at the rate fixed under section 2 of the *Penalty Interest Rates Act 1983* that applied on the first day of July immediately before the due date for the payment.

A ratepayer may request a suspension or waiver of interest accruals for financial hardship. This should be accompanied by sufficient written evidence to support the hardship claim.

8.4 Deferral of Rates

Section 170 of the Act provides for rate deferment.

A deferment suspends payment of the rate or charge under discussion for a specified period.

Ratepayers may have rates deferred (although rates and charges will continue to be levied).

In all applications for rate deferrals, the applicant will be encouraged to continue to pay the portion of rates that is affordable given their individual circumstances. This will be mutually agreed on a case-by-case basis.

9. CONFIDENTIALITY

Any personal information provided in a Financial Hardship application made under this Policy will be treated in accordance with Council's *Privacy Policy*.

In addition, where a ratepayer has identified circumstances of economic abuse or family violence (including in relation to other joint owners of the property) Council will take measures to:

- prevent the other owner/s from accessing confidential information relating to hardship and financial hardship applications; and
- prevent the other owner/s from delaying or preventing the application.

10. COMPLAINTS, INTERNAL REVIEW AND APPEALS

Ratepayers wishing to make a complaint against any decision made in accordance with the *Rates Financial Hardship Policy* may make a verbal or written submission to Council and it will be managed as an internal review in accordance with the Council's *Complaints Handling Policy*.

Council encourages ratepayers to raise their complaint with Council in the first instance. If a ratepayer is unable to do so, the ratepayer may make an external complaint against a decision of Council as a decision-making body to the Victorian Ombudsman.

11. HUMAN RIGHTS CHARTER COMPATIBILITY

This Policy has been assessed as being compatible with the *Charter of Human Rights and Responsibilities Act 2006 (Vic)*.

12. ASSOCIATED DOCUMENTS

- *Glen Eira Council Public Transparency Policy*
- *Glen Eira Council Revenue and Rating Plan*
- *Glen Eira Payment of Rates Policy*
- *Glen Eira Complaints Policy*

13. EXTERNAL REFERENCES/RESOURCES

- *Charter of Human Rights and Responsibilities Act 2006 (Vic)*
- *Cultural and Lands Act 1963*
- *Family Violence Protection Act 2008*
- *Gender Equality Act 2020*
- *Local Government Act 1989*
- *Local Government Act 2020*
- *Penalty Interest Rates Act 1983*
- *Privacy and Data Protection Act 2014*
- *State Concessions Act 2004*
- *Valuations of Land Act 1960*