



Rates and Charges Financial Hardship Policy

Department/Unit	Rates and Revenue	First Implemented	March 2003	Review Date	March 2026
Origin	General Manager Business & Economic Development	Reviewed	Dec 2023	Version	6
Authorising Officer	Endorsement by Council	Effective From	19 March 2024	TRIM Reference	E698

Purpose/Objective

The purpose of this Policy is to provide a standard process of receiving and considering applications for the deferment and/or waiver of rates and charges (including interest and other related charges) in accordance with Sections 170 and 171 of the Local Government Act 1989 and the *Local Government Amendment (Rating and Other Matters) Act 2022*.

As a general rule the preferred outcome, subject to consideration of the application, will be to defer rather than waive payment.

Policy Statement

Council is committed to providing a range of assistance options with respect to rates and charges, as allowable under Sections 170 and 171 of the *Local Government Act 1989* and the *Local Government Amendment Act 2022*.

There are several options available to persons seeking to apply for rate relief due to financial hardship or other defined circumstances, including:

- ▶ Payment arrangements;
- ▶ Deferment; and
- ▶ Waiver.

In general terms, waiving of rates or special charge scheme contributions is not considered to be appropriate in providing relief. However, each case shall be judged on its merits and in accordance with the mode of application, and the exceptional necessitous circumstances which may apply – e.g. complete loss of a property due to a fire.

Nothing contained in this policy precludes an offer to an applicant for consideration to defer if an application for a request to waiver rates or charges is denied.

Whilst each case must be judged on its merits and on the responses set out in the formal application, the following criteria and considerations should also be the basis of a standard approach:

- a) The payment of the rates and charges would cause hardship to the person (Section 170 of the Act).
- b) Financial hardship should relate to what may be considered reasonable and consistent financial management relating to an average individual or family household operation.
- c) Specific circumstances of:
 - employment difficulties
 - family violence
 - additional costs and hardship relating to ill health
 - financial hardship resulting from causes beyond the ratepayer's control.
- d) The objective of this policy is to assist those persons who genuinely require or would benefit from relief rather than to encourage unnecessary applications.
- e) The applicant/s will be provided the opportunity to attend an interview with Council's nominated Financial Counsellor and that officer's comments may form a part of the report to the Management Team.

Exclusion

This policy does not cover Council's ability to provide rate and concessional benefits pursuant to Section 169 of the *Local Government Act 1989*. Accordingly, rating agreements and special consideration on economic development are specifically excluded.

This policy does not cover, include or relate to the waiver of that part of the rates and charges subject to or pursuant to the States Concessions Act 1986 (i.e. pensioner concessions).

Time frame for lodging applications

No time frame for lodging of applications for rate relief has been included as it is considered that financial and necessitous circumstances or undue hardship can occur at any time.

Rates and Special Charge Scheme contribution to remain a charge on properties in certain circumstances

In certain circumstances it is sometimes necessary for a confidential report to be placed before Council to outline the reason why rates or charges (including special charges) on a particular property should remain as a charge with interest accruing, until such time as the property will be sold in the future.

These circumstances can apply to absentee owners who may be overseas, complex legal situations involving estates or the winding up of businesses or companies, or the inability of a property owner to act due to adverse health circumstances.

Eventually the Council will recover all accrued rates and interest charges once the property is offered for sale.

Delegation

Applications for Deferment

Decision relating to an application for deferred rates and charges to a maximum of \$2,000 on any one application for periods up to two (2) years duration is hereby delegated to the Manager Corporate Services and the General Manager Business & Economic Development. Any application received seeking deferment for an amount greater than \$2,000 but less than \$5,000 is hereby delegated to the Chief Executive Officer and applications for greater than \$5,000 are to be referred to Council.

Applications for Waiver of Interest

Decisions relating to any one application for waiver of interest on rates and charges up to \$100 are hereby delegated to the Revenue Coordinator and amounts between \$100 and a \$1,000 are hereby delegated to the Manager Corporate Services and the General Manager Business & Economic Development. Any application received seeking waiver of interest in excess of \$1,000 but less than \$2,000 is hereby delegated to the Chief Executive Officer and amounts greater than \$2,000 are to be dealt with by Council.

Applications for Waiver of Legal Fees

Decisions relating to any one application for waiver of legal fees up to \$100 are hereby delegated to the Revenue Coordinator and amounts between \$100 and a \$1,000 are hereby delegated to the Manager Corporate Services and the General Manager Business & Economic Development. Any application received seeking waiver of legal fees in excess of \$1,000 but less than \$2,000 is hereby delegated to the Chief Executive Officer and amounts greater than \$2,000 are to be dealt with by Council.

Commencement of a legal proceeding

Decisions in relation to the commencement of a legal proceeding for recovery of unpaid debt are delegated to the Chief Executive Officer.

Form of Application

All applications relating to this policy shall be made on the pro-forma prepared by the Council.

Application Guide

To assist applicants, a brief Application Guide has been prepared.

Definitions

Term	Definition
Hardship	Hardship is a broad concept and may include where a person has a limited/low income and payment of rates and charges may be detrimental to their quality of life.
Financial Hardship	Denotes serious circumstances and requires that a person cannot afford the necessities of life for themselves and/or dependents.

Payment Arrangements / Plans	<p>In such circumstances the Council, or its delegate, may provide relief by offering a payment arrangement of a rate and charge, and associated interest, for a specified period of time with or without interest and on terms and conditions as may be considered appropriate, subject to the determination of the facts as presented in the application.</p> <p>Payment plans may be provided for a special rate or special charge in accordance with section 171B of the Act.</p>
Deferment of Payment	<p>In such circumstances the Council, or its delegate, may provide relief by deferring part payment or the whole of a rate and charge for a specified period of time with or without interest and on terms and conditions as may be considered appropriate, subject to the determination of the facts as presented in the application.</p>
Waiver – Interest Only	<p>In such circumstances the Council, or its delegate, may provide relief by waiving the whole or part of interest due on a rate or charge for a specified period of time. In the event of a waiver of interest, the amount of relief is written off and no liability for that part of the interest due is retained as a charge against the property, occupier or owner of the premises.</p>

Scope

This policy applies to all ratepayers of the Mansfield Shire. In particular, the policy applies to those ratepayers who have been identified, either by themselves, Council Officers or by an independent accredited financial counsellor, as having the intention to pay, but who does not have the financial capacity to make the required payments.

This policy applies to revenue included on the ratepayers rate notice (rates, waste charges, fire services property levy, legal costs, interest and other relevant charges).

Responsibilities

Overall responsibility for the application of this Policy is held by the Chief Executive Officer.

Managers are responsible for ensuring their staff comply with the principles, practices and any associated procedures of this policy. Management, employees, contractors and volunteers are to be familiar with, and competent in, the application of this Policy, and are accountable for the delivery of this policy within their areas of responsibility.

The Business and Economic Development Department is the owner of this policy. Any reviews of this Policy must be made in consultation with the Revenue Coordinator and Financial Controller.

References / Related Policies

- ▶ Sections 156, 163, 170 & 171 of the *Local Government Act 1989*

Gender Impact Assessment

The Rates and Charges Financial Hardship Policy has had a Gender Impact Assessment (GIA) completed and is compliant with the obligations and objectives of the Victorian Gender Equality Act 2020.

The Rates and Charges Financial Hardship Policy provides financial support for all rate payers based on their individual circumstances and recognises that family violence may be a cause of financial hardship particularly for women.

Implementation

This Policy is effective from 19 March 2024.

Review Date

This Policy is to be reviewed by March 2026 or earlier upon the issuing of Ministerial Guidelines Relating to Payment of Rates and Charges.

Authorisation to Implement Policy

Signed: _____ Witnessed: _____
Councillor Chief Executive Officer

Approval dated: 19 March 2024

Mansfield Shire Council reserves the right to review, vary or revoke this Policy at any time.