

Rates Financial Hardship Policy

Purpose	<p>Council levies Rates and Charges on rateable land to provide services to the community. Darebin City Council recognises there are cases of financial hardship requiring respect and compassion.</p> <p>This policy provides a framework and guidance to:</p> <ul style="list-style-type: none"> • ratepayers experiencing financial hardship in fulfilling their financial obligations on their principal place of residence related to the payment of municipal rates, fees and other service charges and interest • assist council staff in processing applications by ratepayers in accordance with the <i>Local Government Act 1989 (the Act)</i>.
Objective	<p>The objectives are:</p> <ul style="list-style-type: none"> • To provide assistance to ratepayers experiencing financial hardship. • To provide a simple application process that enables people to feel comfortable approaching Council about outstanding debts or current financial hardship circumstances. • To provide ratepayers with assurance they will be treated in a consistent, equitable, culturally safe and confidential manner. • To ensure the policy is fair to all ratepayers • To ensure council's debt collection practices are sensitive to financial hardship issues • To demonstrate the Council's commitment toward equity.
Scope	<p>This policy applies to the property owners (or agent) of the City of Darebin. Assistance can only be granted to individuals experiencing financial hardship for payment of rates on their principal place of residence.</p> <p>In particular, the policy applies to those property owners who have been identified, either by themselves, Council Officers or by an independent accredited financial counsellor or community counselling service, as having the intention to pay their rates, but who temporarily does not have the financial capacity to make the required payments.</p> <p>This policy applies to revenue included on the rate notice (rates, waste charges, applicable legal costs, interest and other relevant charges).</p>

Definitions and Abbreviations	<p>Deferment</p> <p>Deferment is a postponement of payment in whole or in part and can be for a specified period and subject to any conditions determined by Council. Rates and charges are deferred until such time as the ratepayer's circumstances improve or the property is sold or transferred to another entity.</p> <p>Rates, charges and interest normally accrue during this period. However, a partial interest waiver may be granted.</p> <p>Where deferment has been granted, a Valuation and Rate Notice must be issued as required under the provisions of the Act – Section 158(4)(d). The notice should be marked so as to confirm the 'Deferred Status'.</p> <p>Council</p> <p>Darebin City Council</p> <p>Applicant</p> <p>The property owner/ratepayer or their legally authorised representative (which may be a financial advisor or family member)</p> <p>Financial Hardship</p> <p>Is a circumstance of experiencing a lack of financial means, which may be either ongoing or temporary, rather than an unwillingness to meet their financial commitments.</p> <p>Common causes of hardship may include, but are not limited to:</p> <ul style="list-style-type: none"> • Loss of employment of the property owner or family member; • Family breakdown; • Illness, including physical incapacity, hospitalisation, or mental illness of the property owner or family member; • A death in the family • Victims / survivors of family violence • A pensioner living in a family home who can no longer afford to pay rates from a pension as property value has escalated over the period of ownership significantly increasing the rates burden • Other factors resulting in unforeseen change in the property owner's capacity to meet their payment obligations, whether through a reduction in income or through an increase in non-discretionary expenditure. <p>Property Owner</p> <p>Is the registered proprietor of Rated property within the municipality, who is legally responsible to pay Rates</p> <p>Eligible Pensioner</p> <p>A ratepayer who holds one of the following eligible cards:</p> <ul style="list-style-type: none"> • Pensioner Concession Card • Veterans' Affairs Gold Card (given for TPI, WarWidow, EDA or POW).
	<p>Waiver</p> <p>In terms of this policy it will be limited to include the whole or part of any interest.</p>

Policy Statement(s)

Eligible ratepayers in financial hardship will be provided with assistance on their principal place of residence and an explanation of their entitlements to rates and charges payment options.

The following policy principles form the basis of this hardship policy:

- Information about this hardship program will be made accessible to the community and Council will be proactive in communicating its program.
- The policy is fair to all eligible ratepayers, whilst addressing equity priorities aligned to the Toward Equality Framework through concessions and rebates.
- A range of forms of assistance will be made available.
- The process must be simple for the ratepayer to use.
- Ratepayers are encouraged to utilise financial counselling, legal and other supports.
- Legal action to recover debt will be the last resort. All Council decisions are made in accordance with the *Local Government Act 1989* and *Local Government Act 2020* as applicable.

Council may reject a deferral application or cease a deferral arrangement if the total outstanding balance of rates and charges exceeds 50% of the Capital Improved Value of the property.

Council will not waive in whole or part any rate, levy, special rate or special charge.

Rates and charges will not be waived to ensure that financial hardship assistance offered to one ratepayer or group of ratepayers does not adversely impact other ratepayers through a higher rating burden being applied to other properties to raise the same level of rates revenue.

Financial Hardship Application

The Financial Hardship Application form should be completed and will be used by Council to review all requests for the waiving or payment deferral of any individual rates and charges and interest owed to Council due to financial hardship unless the applicant has provided all the information necessary to make the decision in another written format or via interview.

Council may request further financial details and may also request an interview in order to arrive at its decision. Council recommends that all financial hardship applicants seek financial counselling as counselling services have access to a greater range of support options.

Council will consider an application for financial hardship relief confidentially and objectively, with cultural considerations, based on the information provided by the person in the application and will advise of its decision in writing:

- within 21 days of an interview (if required)
- within 21 days of receiving the application and all supporting information if no interview is required.

Forms of Assistance (by application)

1. Payment Deferral Rates and Charges

Under Section 170 of the *Local Government Act 1989*, Council may defer the payment of any rate or charge for an eligible ratepayer whose property is their principal place of residence, allowing ratepayers an extended period of time to make payments or alternatively to defer payments on an indefinite basis until the ratepayer ceases to own or occupy the property in respect of which rates and charges are to be levied.

Deferral of rates and charges are available to ratepayers who satisfy the eligibility criteria and have proven financial hardship. Where Council approves an application for deferral of rates or charges, interest will continue to be levied on the outstanding balance of rates and charges but at an interest rate fixed annually by Council. The interest rate applied is fixed under Section 2 of the *Penalty Interest Rates Act 1983*, or as determined by the Minister of Local Government.

Payment deferral occurs where Council agrees to a ratepayer not making rates payments. This option would generally only apply to serious cases of financial hardship.

- a) Rates, charges and interest continue to be charged against the property, but collection is not enforced.
- b) Payment of rates and charges will be deferred until such time as the ratepayer's circumstances improve or the property is sold or transferred to another owner, at which time Council would collect the outstanding amount of rates, charges and interest.
- c) Rate notices will continue to be sent to rate payers to ensure they are aware of the growing debt as legally required by Council.
- d) Ratepayers experiencing or at risk of experiencing financial hardship may have payment of rates and charges deferred in full or in part subject to the following conditions:
 - Application for deferral of rates and charges may only be made for a residential property that is the principal place of resident of the applicant.
 - Ratepayer or their representative must submit a Rates Financial Hardship Application Form to the Revenue Services Team demonstrating financial hardship. This form is available via Council's website for completion or download, at the Council offices or can be posted on request.
 - Where practicable the ratepayer must enter into an agreement with Council on a payment schedule and continue to make those payments.
 - The deferment decision is made by the Chief Financial Officer upon recommendation from the Coordinator Revenue Services
- e) **On deferment being approved, the following shall occur:**
 - The ratepayer will be advised in writing of the outcome.
 - The property will be flagged as a deferment property and no debt recovery action shall be taken even though rates, charges and interest will still accrue.
 - Deferment will be reviewed annually on receipt of the Rates Financial Hardship Application Form confirming that the financial hardship still exists.
- f) **A deferment will be deemed withdrawn on the basis of any of the following conditions:**
 - The ratepayer advises that the financial hardship conditions no longer exist.
 - Annual confirmation of ongoing hardship is not received within 30 days of application being sent except where the applicant is an aged pensioner.
 - The ratepayer no longer owns or occupies the property.
 - The ratepayer has defaulted in meeting any agreements with Council in regard to the deferment.
 - The total outstanding balance for the property of unpaid rates and charges exceeds 50% of the Capital Improved Value of the property.
 - The Chief Financial Officer will determine if any deferment agreement is to be withdrawn subject to the above clauses upon

receiving a recommendation from the Revenue Services Coordinator.

3 Waiving of Interest on Overdue Rates and Charges

3.1 The waiver of interest, in whole or part, may apply to interest already incurred on overdue rates and charges and/or withholding of any future interest that would be incurred.

3.2 Interest waivers fall under three categories which are:

- a) Administrative waiver – ratepayers may have interest waived in the event of an administrative issue, error or omissions which caused or significantly contributed to the failure to pay rates in a timely manner. An example of an administrative error may include:
 - i. Failure to process a change of address notified to Council in writing and the rate notice was sent to a wrong address. Council makes every effort to contact ratepayers at their correct address, however it is the ratepayers' responsibility to advise Council of their contact details. The *Local Government Act 1989* Section 230 and 231 requires both the vendor and buyer of property, or their agents (e.g., solicitors and or conveyancers), to notify Council by way of notice of acquisition of an interest in land.
 - ii. Processing of a payment to an incorrect assessment causing interest to be charged incorrectly.
- b) Waiver on compassionate grounds – ratepayers may have interest waived where they have demonstrated compassionate grounds for a payment being late. Acceptable compassionate grounds would generally relate to family illness or death. Requests for waiver must be submitted on the Financial Hardship Application Form to the Revenue Services Team.
- c) Financial Hardship waiver – ratepayers may have interest or part interest waived where they have demonstrated that the payment of such interest would cause severe financial hardship. Requests for waiver must be submitted on the Rates Financial Hardship Application Form to the Revenue Service Team and will be assessed on an individual basis.

4 If an application to waive interest is approved the following shall occur.

4.1 Waivers on compassionate grounds and administration waivers shall be one off and ratepayers will need to re-apply on each occasion a waiver is sought to a maximum of three instances. The ratepayer must:

- a) Attend to the immediate settlement of the outstanding rates and charges; or
- b) Enter into a payment arrangement where a set amount is paid on a weekly, fortnightly or monthly basis.

If the arrangement is not maintained, the amount of interest waived may be withdrawn and reinstated on the assessment.

4.2 Waivers sought under financial hardship may be reviewed annually and arrangements extended where appropriate. The property shall be flagged and while rates will still accrue, interest will be withheld.

4.3 A waiver of interest granted under financial hardship will continue unless any of the following until:

- a) Ratepayer advises that the financial hardship conditions no longer exist.
- b) Annual confirmation of ongoing financial hardship is not received within 30 days of request.
- c) The ratepayer no longer owns or occupies the property.
- d) The ratepayer has defaulted in meeting any agreements with Council in regard

to the waiver.

5 Delegations to Waive Interest

- 5.1 The Coordinator Revenue Services is authorised to waive interest charges up to \$250 for any one property.
- 5.2 For requests to waive interest over \$250, the Coordinator Revenue Services will review applications in accordance with this policy and prepare a report for the Chief Finance Officer for consideration. The waiver of interest will be confirmed in writing once it has been approved.
- 5.3 The Chief Finance Officer and Coordinator Revenue Services have delegated authority from Council to waive in whole or in part, interest charges due where the application of the interest would cause financial or undue hardship.

6 Calculations on Interest on arrears and overdue rates

Interest is charged on all overdue rates in accordance with the *Local Government Act 1989*. The interest rate applied is fixed under Section 2 of the *Penalty Interest Rates Act 1983*, or as determined by the Minister of Local Government.

7. Payment Plans

Council offers payment plan options to assist ratepayers experiencing financial hardship.

Standard Options where no arrears exist

- 7.1 All ratepayers have the option of paying rates and charges by way of four or ten instalments, as a standard option provided on their rates notice. Payments are due on the prescribed dates below:

4 instalments:

- 1st Instalment: 30 September
- 2nd Instalment: 30 November
- 3rd Instalment: 28 February
- 4th Instalment: 31 May

OR

- 10 instalments paid from 15th September to 15th June

- 7.2 All ratepayers have the option of paying rates and charges by a direct debit arrangement, to assist with budgeting and ease of payment, as a standard option provided on their rates notice. Standard direct debit options include:

7.2.1 Four quarterly instalments per year (as identified in 9.1)

7.2.2 Ten monthly instalments from September to June (as identified in 9.1)

Note: instalment amounts are calculated based on the total rates and charges and the number of instalments selected to cover the total amount owing.

Tailored Options available where there are arrears

- 7.3 Council offers payment plan options to assist ratepayers experiencing financial hardship with the payment of any unpaid rate or charge (including interest). Ratepayers may elect to either negotiate a rate payment plan or apply for a rate deferral. Ratepayers seeking to apply for a Payment Plan will be required to submit a Rates Financial Hardship Application Form.

- 7.4 Options are tailored to individual needs and consider the ratepayers financial circumstances, any related hardship and the amount owing.

- 7.5 It is recommended that ratepayers seek the support of a financial counsellor, available through a local community organisation at no cost.

7.6 All arrangements are temporary to assist in time of need. Payment Plans will be cancelled if the plan has not been followed and Payment Plans will need to be applied for each year.

7.7 A formal arrangement stops debt collection from occurring, but rates, charges and interest will still accrue.

8. Application for Review

8.1 Where a person is dissatisfied with the outcome of their application, the customer may ask the Chief Financial Officer to review Council's decision by completing and lodging the Request for Internal Review form. The Chief Financial Officer and GM Governance and Engagement will determine the appeal within 2144 days from receipt of the form.

8.2 Where the customer is still dissatisfied with the outcome of their application, the customer can refer the matter to the Victorian Ombudsman.

Other forms of assistance provided by Council (without application)

1.1 Pensioner Kerbside Waste Charge Concession

A Pensioner Concession of \$150 for pensioners who are holders of an eligible Centrelink or Veteran Affairs Pension Concession Card or a Veteran Affairs Gold Card which stipulates TPI or War Widow for the Kerbside Waste Collection Service Charge, for the principal place of residence. This concession will be provided by direct provision (without application where information is known) for the Kerbside Collection Service Charge.

Ongoing eligibility is maintained, unless rejected by Centrelink or the Department of Veteran Affairs during the annual verification procedure. Upon confirmation of an eligible pensioner concession status, the pensioner concession is deducted from the Kerbside Waste Charge on the rates notice.

With regards to new pensioners, after being granted a Pensioner Concession Card (PCC), eligible pensioners can then apply for the concession at any time throughout the rating year. Retrospective claims apply to the current financial year only and can be approved by Council on verification of eligibility criteria.

1.2 Pensioner Safety Net Concession for General Rates

A Pensioner Safety Net Concession of \$150 for pensioners who are holders of a Centrelink or Veteran Affairs Pension Concession Card or a Veteran Affairs Gold Card which stipulates TPI or War Widow for General Rates and who are not eligible for the Pensioner Concession for the Kerbside Waste Collection Service Fee, for the principal place of residence. This concession will be provided by direct provision (without application where information is known) for the Kerbside Collection Service Charge.

Ongoing eligibility is maintained, unless rejected by Centrelink or the Department of Veteran Affairs during the annual verification procedure. Upon confirmation of an eligible pensioner concession status, the pensioner concession is deducted from the General Rates on the rates notice.

With regards to new pensioners, after being granted a Pensioner Concession Card (PCC), eligible pensioners can then apply for the concession at any time throughout the rating year. Retrospective claims apply to the current financial year only and can be

	<p>approved by Council on verification of eligibility criteria.</p> <p>1.3 Public Waste Service Rate Concession</p> <p>A concession for residential properties with a CIV value at \$500,000 or less by the Valuer General of Victoria that equates to 100% of the public waste rate. This concession will automatically be applied to the principal place of residence for ratepayers and will not require an application.</p> <p>1.4 Kerbside Waste Collection Service Charge Concession</p> <p>A concession for residential properties with a CIV value at \$500,000 or less by the Valuer General of Victoria that caps the kerbside waste collection service fee to a maximum of \$50 increase for residential properties. This concession will automatically be applied to the principal place of residence for ratepayers and will not require an application.</p>
Responsibilities	<p>How are Revenue Services responsible for the success of the policy?</p> <p>Revenue Services will ensure that access to financial hardship options is facilitated through publicly available information on Council's website and rates notices and in responding to enquiries from ratepayers experiencing hardship.</p> <p>Revenue Services will administer the processing of applications relating to hardship, including Pensioner Rebates and Concessions where eligible.</p> <p>How are Customer Service responsible for the success of the policy?</p> <p>Customer Service staff will provide customers with simple information regarding eligibility for concessions relating to Rates and Charges and direct customers to the Financial Hardship Application form.</p> <p>Customer Service will refer complex queries to the Revenue Services team for handling.</p>
Breach of Policy	<p>Breaches of policies are treated seriously. Any concerns about non-compliance should be reported immediately to the owner of this policy.</p>

GOVERNANCE

Parent Strategy/ Plan	Revenue and Rating Plan
Related Documents	<p>This policy should be read in conjunction with Council's:</p> <ul style="list-style-type: none"> Financial Plan Toward Equality Framework Charter of Human Rights Privacy Policy
Supporting Procedures and Guidelines	Rates Financial Hardship Application Form.
Legislation/ Regulation	<p><i>Local Government Act 2020</i></p> <p><i>Local Government Act 1989</i></p> <p><i>Local Government Legislation Amendment (Rating and Other Matters) Bill 2022</i></p> <p>Charter of Human Rights</p>

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