



# Financial Hardship Policy Rates and Charges

01/09/2021



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# 1. Purpose

The purpose of this Policy is to ensure a fair, clear and consistent approach to assessing and providing support in the payment of rates and associated charges to pensioners and ratepayers experiencing financial hardship.

The Council recognises the financial impact that COVID-19 is having on many ratepayers and businesses and has made some adjustments to this Policy in 2021/22 in recognition of this including:

- increasing our pensioner rebate
- extending interest free arrangements for payment plans and rates deferrals
- increasing the maximum rates waiver.

# 2. Policy

Financial hardship is the inability of person or business to pay their rates when they fall due. Importantly, financial hardship is the inability of the person or business to meet their financial obligations, rather than an unwillingness to do so.

Council provides several options to support pensioners and those ratepayers who experience financial hardship to help them meet their financial obligations. These options include:

- A rates rebate for Pensioners
- Agreeing to a Payment Plan
- Deferrals of Rates and Charges
- Waiver of Interest and Legal Charges
- A capped Waiver of Rates and Charges in limited extreme circumstances
- Referral to a Financial Counselling Service.

## 2.1 Application & Assessment

A person or business can confidentially apply to access the pensioner rebate and financial hardship provisions of this Policy through the:

- online form on Council's website [Rates Hardship Assistance Application request](#)
- contacting the Council's Assist Team on 03 9209 6777



The application for financial hardship will be assessed confidentially and objectively based on the information provided in the application and Council will advise of its decision in writing within 14 days of receiving the application and all supporting information.

## 2.2 Types of Support Available

### 2.2.1 Pensioner Rebate

An additional rebate (as determined annually by Council during the budget process) – will be automatically granted to pensioners who are residential ratepayers who qualify for the State Concession Rebate. For 2021/22, the maximum rebate available in 2021/22 offered by Council is \$200 and cannot exceed 50 per cent of rates payable when combined with the Victorian Government rebate.

### 2.2.2 Payment Plans

If a ratepayer (residential or non-residential) is experiencing financial difficulties and unable to pay outstanding rates and associated charges in accordance with Council’s due dates, a payment arrangement can be entered into subject to the following conditions:

- The payment arrangement will have a limited life of not greater than twelve (12) months following the end of the financial year the arrangement was entered.
- The payment arrangement will continue to accrue interest on overdue amounts at the statutory rate set by the Attorney General (in accordance with Penalty Interest Rates Act 1983). **Please note as additional support during COVID19 no penalty interest will be accrued until 1 July 2022**
- Any default in the payment arrangement may end the arrangement and may result in the commencement of collection activities which may incur costs associated with the collection of the debt.

### 2.2.3 Deferral of Rates & Charges

An eligible rate payer who owns a property in the City of Port Phillip will be able to request a deferral of rates and charges as follows:

Category	Deferral period	Interest
<b>Eligible Pensioners / Self-funded retirees - Owner Occupiers</b>		
Aged Pension recipients / Seniors Card holders	Deferred Indefinitely - until property is sold / estate settled	Interest will accrue annually on the deferred rates, charges and interest at 50% of the rate set by the <i>Penalty Interest Rates Act 1983 - Section 2</i> , until the account is paid in full.*
<b>Eligible Concession Card Holders - Owner Occupiers</b>		
Pensioner Concession Card - issued by Centrelink	Deferral until 30 June of each financial year	Interest will accrue annually on the deferred rates, charges and interest at 50% of the rate set by the <i>Penalty</i>



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Department of Veterans' Affairs Gold Card - War Widow (WW)		<i>Interest Rates Act 1983 - Section 2, until the account is paid in full.*</i>
Department of Veterans' Affairs Gold Card -Totally and Permanently Incapacitated (TPI)		
<b>Other Ratepayers</b>		
Ratepayer / Commercial Tennant (Covid-19 Financial Hardship)	Rate instalments falling due between 26 March 2020 and 30 June 2022, can be deferred up to 30 June 2022 and paid in full by instalments over a period which does not exceed 30 June 2023	No interest applicable

**\* Due to the Covid-19 pandemic and to ensure consistency amongst rate payers, no interest will be charged for approved deferrals of rates and charges active during the period 26 March 2020 to 30 June 2022.**

### *Eligibility conditions*

Applicants will need to satisfy the following conditions to be eligible for deferment of rates and charges:

- a) The application must be:
  - (1) for the applicant's sole or principal place of residence (owner / occupier) **or**
  - (2) from a residential landlord for a property where the landlord has granted rent relief to the tenant or alternatively **or**
  - (3) from a non-residential landlord for a property where the landlord has granted rent relief to the tenant in accordance with a commercial tenancies scheme approved by State Government.
- b) Where appropriate, the landlord, must provide a declaration that they will pass on the deferral of rates and charges to their tenant.
- c) The owner accepts responsibility for the payment of any outstanding rates, levy or charges, should the tenant not pay the outstanding and/ or vacate without notice, in accordance with the Local Government Act 1989.

Deferment will only be recommended where the financial hardship is expected to exceed one year.

Successful applicants are not obliged to but may make payments at any time to reduce the deferred debt.

### *Withdrawal of rate deferment*

An approved deferral will be withdrawn in any of the following circumstances:



## Financial Hardship Policy – Rates and Charges

- The ratepayer's circumstances have changed and payment of the debt would no longer cause hardship.
- The ratepayer no longer owns or occupies the property.
- The ratepayer has defaulted in any agreement associated with the deferral.

### 2.2.4 Waiver of Interest and Legal Charges

Council may waive interest and or costs (whole or part) where the ratepayer has demonstrated compassionate grounds for a payment being late. Acceptable compassionate grounds would generally relate to financial hardship, family breakdown, domestic violence, serious illness or family tragedy.

If approval has been provided for penalty interest and or costs to be waived (whole or part thereof), the applicant must attend to the immediate settlement of the outstanding rates and charges and or by the date specified by the Coordinator Revenue and Valuations.

The waiver of penalty interest and costs will generally apply on a once only basis unless resulting from an administrative error.

### 2.2.5 Waiver of Rates and Charges

To support equity between all ratepayers, people or businesses who are in arrears with their rates and charges are encouraged to enter into payment or deferral arrangements (refer sections 2.1.2 and 2.1.3 above).

However, in the event that a ratepayer is unable to pay their rates due to extreme financial hardship they may apply for a one-off waiver.

The waiver is up to 50% of the general rate for 2021/22 capped at a maximum of \$1,500 for the principal place of residence or business.

Council will have discretion to determine the amount of the waiver depending on your total rates, the reasons outlined in the application for support, and the budget available for the scheme.

The cap of 50% of the general rate up to \$1,500 is inclusive of any pensioner rebate or other COVID related financial support provided by Council (eg under a commercial tenancies relief scheme).

#### *Eligibility conditions*

Residential ratepayers that are current recipients of the Victorian Government Utilities Relief Hardship Scheme (subject to proof of support)

Very low-income earners that do not meet automatic eligibility requirements may still be eligible for support. You must show that you have no way of paying the account without assistance, **and** you must provide proof of meeting one of the following criteria:



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- a) You or someone in your house has experienced family violence.
- b) You have had a recent decrease in income, for example, loss of employment.
- c) You have had high unexpected costs for essential items.
- d) The cost of shelter is more than 30% of your household income.

The General Manager and the CFO have discretion to consider eligibility outside of the above for instance due to technicalities. This will be used sparingly to ensure equity and consistency in treatment.

### *Supporting Information Required for Applications*

An applicant will be required to submit evidence in support of their application as required by Council preferably using the electronic application form on Council's website.

Unless an applicant is automatically eligible given they are current recipients of Victorian Government Utilities Relief Hardship Scheme, Council may request that they provide the following information on a confidential basis:

- a) Confirmation that the ratepayer is currently unemployed, stood down, working significantly reduced hours or receiving government assistance related to a scheme to support employees in an industry impacted by Covid 19 restrictions.
- b) Evidence of personal circumstances unrelated to employment (family tragedy, serious illness, domestic violence, or other serious and difficult unplanned circumstances) that has impacted the applicant's ability to pay their rates and charges.
- c) A current statement of your assets and liabilities, including cash resources (or similar) available to meet your ongoing living or operating expenses.
- d) Details of any dependents.
- e) Details of unforeseen reductions in income or non-discretionary expenditure increases and any Government support provided (council, state and Commonwealth)

### **2.2.6 Financial Counselling Services**

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

**National Debt Helpline** is a not for profit Government Service providing confidential financial counselling for Victorian experiencing hardship. You can contact the National Debt helpline to request a referral to see a financial councillor at your local financial counselling service.

Ph: 1800 007 007

National Debt Helpline <https://ndh.org.au>

Ph: 1800 413 828 - Small Business Support Line

**The Port Phillip Community Group** is part of the Bayside-Peninsula Financial Counselling Service and their financial counsellors work with people who are having trouble managing their debts.



Ph: 1300 015 500

<https://www.ppcg.org.au/programs-and-services/financial-counselling/>

### 2.3 Feedback, Compliments and Complaints

#### *The behaviour you can expect from us*

In accordance with our Customer Service promises, in implementing this Policy, we will strive to:

- Make it as easy as we can
- Listen and understand
- Respond and follow through
- Be open and honest
- Always look to improve.

You can provide us with feedback, a compliment or complaint:

- Via our website (preferred)
- By calling Assist on (03) 9209 6777
- In person at St Kilda Town Hall, 99A Carlisle Street, St Kilda (check our website for opening times)
- Mailing City of Port Phillip, Private Bag 3, ST KILDA 3182

All complaints will be managed in accordance with our Customer Complaints Policy.

<https://www.portphillip.vic.gov.au/media/kenjzr0i/customer-complaints-policy-final.pdf>

#### *The behaviour Council expects from you*

While we strive to deliver a great service to our customers, we aren't perfect and understand that at times we get things wrong and this can be frustrating. Like you, our staff also want to be listened to, and treated with respect. Some types of behaviour are never acceptable. They include verbal abuse, threats and violence.

### 2.4 Communication

Council will ensure that its Financial Hardship Policy will be publicly available, easily understood and accessible to members of our community. We will achieve this by:

- Ensuring this policy is easily accessible on our website
- Hard copies available at our Corporate Centres and Council's Libraries
- Providing easy to understand information on the annual rates notices regarding payment options, payment assistance, and the deferment and waiver of rates and charges
- Provide the contact details of Financial Counselling Services on our website.





### 2.5 Monitoring & Reporting

The Chief Financial Officer will report on an annual basis the number of ratepayers supported under this Policy for the prior financial year categorised into

- Pensioner rebates provided during the year and the total value of rebates provided
- Financial arrangements approved during the year and the balance outstanding at year-end
- Deferrals approved during the year and the balance outstanding at year-end
- Waivers approved during the year and the total value of waivers provided.

This information will be further categorised into residential and non-residential support where applicable.



### 3. Legislation

Council is empowered to defer or waive rates, charges and interest based on the following legislative provisions of the *Local Government Act 1989*.

#### **Section 170 (Deferred Payment)**

*"A Council may defer in whole or in part the payment by a person of any rate or charge which is due and payable for a specified period and subject to any conditions determined by the Council if it considers that an application by that person shows that the payment would cause hardship to the person."*

#### **Section 171/171A (Waiver)**

*"Council may waive the whole or part of any rate or charge or interest in relation to any other class of persons determined by Council for the purpose of waiving rates or charges on the grounds of financial hardship."*

#### **Section 171(4)(b)**

*"A person may only apply (within the meaning of the State Concessions Act 2004) for a waiver in respect of rateable land or a part of rateable land which is used exclusively for residential purposes by that person and is that person's sole or principal place of residence."*

#### **Other Relevant Regulation/Legislation/Documents**

*Council Plan & Budget 2021-31*

*Council Rating Strategy*

*Local Government Act 1989*

*Valuation of Land Act 1960*

*Fire Services Property Levy Act 2012*

*Penalty Interest Rates Act 1983*

*State Concessions Act 2004*

*Privacy and Data Protection Act 2014*

*Victorian Charter of Human Rights and Responsibilities Act 2006 (the Charter Act)*

*<https://services.dffh.vic.gov.au/utility-relief-grant-scheme>*

## 4. Annexure 1 – Definitions

Table 1: Definitions of terms

<b>Compassionate Grounds</b>	Means circumstances of a compassionate nature including Financial Hardship, illness or death.
<b>Deferment</b>	A ‘deferment’ of payment can be provided in whole or in part and be for a specific period and subject to any conditions determined by Council. Where deferment has been granted, Rate Notices must be sent as required under the provisions of the <i>Local Government Act 1989</i> . A deferral only suspends the payment for a specified period of time, but the full amount will eventually be recovered.
<b>Financial Hardship</b>	<p>Financial hardship is the inability of person or business to pay their rates when they fall due. Financial hardship is the inability of the person or business to meet their financial obligations, rather than an unwillingness to do so.</p> <p>Financial hardship can arise from:</p> <ul style="list-style-type: none"> <li>• Loss of employment</li> <li>• Family breakdown or tragedy</li> <li>• A death in the family or serious illness</li> <li>• Economic abuse through family violence</li> <li>• Other unforeseen factors such as a major reduction in income or major increase in non-discretionary expenditure that results in a person or business not being able to meet their financial obligations.</li> </ul> <p>A ratepayer is considered to be in extreme financial hardship when they would be left unable to provide for themselves, their family or other dependents the following:</p> <ul style="list-style-type: none"> <li>• food or clothing</li> <li>• accommodation</li> <li>• medical treatment</li> <li>• education</li> <li>• other basic necessities</li> </ul>
<b>Pensioner</b>	Refers to a ratepayer who is currently eligible to receive the municipal rates concession under the provisions of the <i>State Concessions Act 2004</i>
<b>Waiver</b>	A “waiver” is a one-off abandonment, which removes the liability to pay, and may be offered to include the whole or part of any interest and costs. In extreme circumstances rates may be waived at the capped amount of \$1500 as per Council decision of 23 June 2021.

## 5. Annexure 2 – Responsibilities / Delegated Authorities

Table 2: Responsibilities of roles

<b>Officer</b>	<b>Responsibility</b>
<b>Chief Executive Officer</b>	For ensuring the Policy and procedures are in place For approving all applications for Rates Deferrals above \$500,000
<b>General Manager Customer, Operations and Infrastructure</b>	For ensuring the Policy and procedures are implemented and for reviewing any complaints received with respect to the application of the Policy by the CFO For approving all applications for Rates Deferrals between \$200,000 and \$500,000
<b>Chief Financial Officer</b>	For monitoring and reporting on implementation of this Policy For approving all applications for Rates Waivers and for Rates Deferrals between \$30,000 and \$200,000 For reviewing any complaints received with respect to the application of the Policy by the Coordinator Revenue and Valuations or Team Leader Rates
<b>Coordinator Revenue &amp; Valuations</b>	For ensuring appropriate administration of this Policy For approving Payment Plans, and Rates Deferrals up to \$30,000
<b>Team Leader Rates</b>	For administration of this Policy and for approval of Payment Plans

### DELEGATION OF DUTIES

Rate and Charges waivers can be authorised in accordance with the delegations table below:

<b>Authoriser</b>	<b>Amount</b>
Chief Financial Officer	Up to \$1,500
General Manager Customer, Operations & Infrastructure	Up to \$1,500



## Financial Hardship Policy – Rates and Charges

Rate and Charges deferrals can be authorised in accordance with the delegations table below:

<b>Authoriser</b>	<b>Amount</b>
Coordinator Revenue & Valuations	Up to \$30,000
Chief Financial Officer	Between \$30,000 and \$200,000
General Manager Customer, Operations & Infrastructure	Between \$200,000 and \$500,000
Chief Executive Officer (as recommended by the Chief Financial Officer)	Above \$500,000



## 6. Annexure 3 – Policy Governance

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**Responsible Service/Department:**

Chief Financial Officer

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**Adoption Authorised:**

Initial Policy adopted at Council Meeting

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**Date of Adoption:**

June 2011 and updated 2<sup>nd</sup> August 2020

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**Date Effective From:**

30 September 2021

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**Content Manager folder:**

TBC

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**Content Manager file #:**

TBC

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**Endorsed CEO or ELT member or department manager to make or approve document editorial amendments:**

CFO

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**Annual Desktop Review date:**

N/A

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**Review date:**

This Policy will be reviewed as part of developing the Budget for 2022/23 and/or as the conditions of the COVID19 pandemic change (including Government regulations).

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**Completion date:**

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**Version number:**

V3

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**Stakeholder review and engagement:**

ELT and Council are the stakeholders engaged.

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**Relevant Legislation:**

*Local Government Act 1989*

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**Associated Strategic Direction:**

Council Plan 2021-31 "Well Governed Port Phillip"



## Financial Hardship Policy – Rates and Charges

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### Associated Instruments:

Finance related policies and procedures: Rating Strategy, COVID19 Additional Hardship options

- <https://www.portphillip.vic.gov.au/council-services/rates-and-valuations/rates-concessions-and-hardship-relief>
  - Victorian Ombudsman Investigation – Rates and Financial Hardship <https://www.ombudsman.vic.gov.au/> or <https://www.ombudsman.vic.gov.au/learn-from-us/key-learnings/how-to-provide-a-fair-hardship-relief-scheme/>
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### Supersedes:

Financial Hardship Policy – Rates and Charges V2

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### Review History:

<b>Financial Hardship Policy – Rates and Charges V1</b>	E42605/18	/06/2011	<b>Including Emergency relief – implementation policy and procedures</b>
<b>Financial Hardship Policy Rates and Charges V2</b>	TBC	02/08/2020	<b>Updated to reflect Council decision 25 March 2020</b>

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