

Rates Collection and Financial Hardship Policy

Date adopted 18 May 2025

Responsible Service Area: Finance and Commercial

Purpose

This policy is designed to assist those having trouble paying rates or those facing financial hardship.

The purpose of this policy is to:

- Provide a system that enables individuals and organisations to approach Council with ease about current hardship circumstances.
- Offer clearly defined options for alternative payment plans, financial hardship applications, deferrals, and waiver of rates and interest.
- Provide fair and transparent decision-making for Council officers when assessing applications and requests.
- Outline Council’s legal action process, focusing on bankruptcy and property sale proceedings under S181 of the *Local Government Act*.

Scope

This policy applies to all persons liable to pay rates and charges within the Maroondah City Council municipality.

It also applies to Council employees, contracted service providers and Council’s appointed debt collection agencies involved in the administration and enforcement of Council’s rate collection and financial hardship processes.

For the purpose of this policy, a ratepayer seeking assistance is defined as a person who has the intention, but not the capacity, to meet their rates and charges obligations through standard payment options due to payment difficulty or financial hardship. Payment difficulty may arise from short-term financial pressures, while financial hardship generally relates to more significant or ongoing circumstances affecting a ratepayer’s ability to meet their financial commitments.

Policy Principles

Council recognises that while rates and charges are essential to funding community services and infrastructure, some ratepayers may experience difficulty in meeting their obligations. In administering this policy, Council will be guided by the following principles:

- **Fairness and consistency** – All ratepayers will be treated equitably and assessed consistently in accordance with legislative requirements and Council policy.

Policy Control Schedule

Policy Title: Rate Collection and Financial Hardship Policy		Policy type: Operational	
Policy creation date: 2023	Current version approved: 18 May 2026	Current version number: 2	Policy review date: May 2030
Child policy/policies: Maroondah City Council Revenue and Rating Plan 2025/26 to 2028/29		Policy responsibility: Manager Finance and Commercial	

- **Empathy and respect** – Council will respond to financial hardship situations with compassion, recognising the diverse and complex circumstances that may affect ratepayers.
- **Confidentiality and dignity** – Personal information provided in support of hardship applications will be treated sensitively and in accordance with privacy obligations.
- **Early engagement and support** – Council encourages ratepayers experiencing financial difficulty to contact Council early so that appropriate assistance options can be explored.
- **Flexibility in payment plans** – Where appropriate, Council will provide flexible payment options, including payment plans, deferrals and other assistance measures.
- **Responsible financial stewardship** – While supporting ratepayers experiencing hardship, Council must also ensure the responsible collection of rates to maintain financial sustainability and fairness to the broader community.

Background / Context

Rates and charges represent the primary source of revenue for Council and are levied in accordance with the Local Government Act.

Timely collection of rates ensures that Council can continue delivering essential services, maintaining community infrastructure and undertaking planned capital works.

Council has developed this policy with reference to:

- *Local Government Act 1989* (as applicable)
- *Local Government Act 2020*
- *Local Government Legislative Amendment (Rating and Other Matters) Act 2022*
- *Ministerial Guidelines relating to payment of rates and charges (2025)*
- Findings of the 2020 Rating Review

While Council must take a consistent approach to the collection of outstanding rates, it also recognises that some ratepayers may experience financial hardship due to unforeseen circumstances or life events. This policy therefore seeks to balance responsible revenue management with compassionate support for members of the community experiencing genuine financial difficulty.

Objectives

Council recognises that individuals and organisations may experience varying levels of financial difficulty at different times. This policy ensures that ratepayers who are at risk of financial hardship have access to support options that assist them in managing their financial obligations.

The objectives of this policy are to:

- Promote the timely payment of Council rates and charges.
- Provide clear and accessible hardship relief options for eligible ratepayers.
- Ensure the application and assessment process is transparent, fair and consistent.
- Support ratepayers experiencing financial hardship while maintaining Council's financial sustainability.
- Ensure Council staff and ratepayers understand legislative requirements and Council procedures relating to rates collection and hardship assistance.
- Ensure application requirements are reasonable and only request information necessary to assess eligibility.
- Encourage early identification and assistance for ratepayers experiencing financial difficulty, including referral to financial counselling services where appropriate.
- Provide clear and consistent guidance for Council staff and contractors responsible for administering the policy.

Payment Plan Options

Council may offer flexible payment plans to assist ratepayers to meet their rates and charges obligations where they are unable to pay by the standard due dates.

These plans support ratepayers experiencing payment difficulty or financial hardship while enabling Council to continue the responsible collection of revenue required to fund essential community services and infrastructure.

Council may offer a range of payment plans, including:

- Standard payment plans
- Financial hardship payment plans
- Deferral plans where permitted under legislation

Payment plans will be assessed on a case-by-case basis, having regard to the ratepayer's individual circumstances and the requirements of the Local Government Act and relevant Ministerial Guidelines.

Financial Hardship

Council recognises that financial hardship may affect a ratepayer's ability to meet their rates and charges obligations. Financial hardship occurs where a ratepayer is genuinely unable, rather than unwilling, to meet their financial commitments due to circumstances beyond their control.

Financial hardship may arise from a range of circumstances including, but not limited to:

- Loss of employment or significant reduction in income
- Illness, injury or medical conditions
- Family violence or family breakdown
- Death of an immediate family member
- Financial misfortune such as fraud or scam activity
- The impact of natural disasters or other significant life events

When assessing an application for financial hardship, Council may consider a range of factors relevant to the ratepayer's financial circumstances.

These may include, but are not limited to:

- The ratepayer's income and financial resources
- The ratepayer's essential living expenses
- The ratepayer's assets and liabilities
- The ratepayer's capacity to meet financial commitments
- The nature, severity and expected duration of the hardship circumstances
- Any supporting documentation or independent financial advice, including advice from financial counsellors
- The actions taken by the ratepayer to manage or address their financial situation.

Council may request reasonable supporting documentation where necessary to assess an application.

Each application will be assessed on a case-by-case basis, having regard to the individual circumstances of the ratepayer.

In assessing hardship applications, Council may also have regard to the Ministerial Guidelines relating to payment of rates and charges and other relevant legislative requirements.

Council seeks to balance compassionate support for ratepayers experiencing financial hardship with its responsibility to ensure the fair and sustainable collection of rates and charges for the benefit of the broader community.

Financial Hardship Assistance

Where a ratepayer is experiencing financial hardship, Council may provide assistance measures including:

- Financial hardship payment plans
- Deferral of rates in accordance with Section 170 of the Local Government Act
- Suspension or waiver of interest and rates where appropriate
- Referral to independent financial counselling services

Each application will be assessed individually in accordance with assessment section of this policy.

Annual Review

Financial hardship plans may be reviewed periodically to ensure they remain appropriate to the ratepayer's circumstances.

Council may request updated information where necessary to reassess eligibility.

Waivers of Rates or Interest

Council may consider the waiver or reduction of rates, charges or interest where exceptional circumstances exist and where permitted under relevant legislation.

Waivers will be considered on a case-by-case basis and approved in accordance with Council's delegated authority.

Council recognises that waivers are granted only in limited circumstances, as unpaid rates ultimately impact the broader ratepayer community.

Council Obligations

Council will:

- Assess hardship applications fairly and confidentially
- Communicate clearly with ratepayers regarding available support options
- Provide flexible payment plans where appropriate
- Comply with legislative requirements and relevant Ministerial Guidelines.

Ratepayer Obligations

Ratepayers seeking assistance are expected to:

- Provide accurate and complete information
- Comply with agreed payment plans
- Notify Council if their financial circumstances change.

Debt Recovery

Council will take reasonable steps to recover unpaid rates and charges in accordance with the Local Government Act.

Where payment plans are not maintained and no hardship assistance is in place, Council may commence debt recovery action, which may include the use of external collection agencies or legal proceedings.

Council will seek to engage with ratepayers prior to commencing enforcement action wherever possible.

Debt Recovery Principles

Council is committed to the responsible collection of rates and charges in order to support the delivery of community services and infrastructure.

Where rates and charges remain unpaid and no payment plan or hardship assistance is in place, Council may commence debt recovery action in accordance with the Local Government Act.

In undertaking debt recovery, Council will:

- Seek to engage with ratepayers and provide opportunities to enter into payment plan before recovery action is taken.
- Provide clear communication regarding outstanding debts and available support options.
- Ensure that ratepayers retain the ability to apply for financial hardship assistance at any stage of the recovery process.
- Use external collection agencies or legal proceedings where appropriate to recover outstanding debts.
- Ensure that all debt recovery actions are undertaken in accordance with legislative requirements and Council delegations.

Operational processes relating to debt recovery and the use of external collection agencies are managed through Council's internal procedures.

Sale of Land for Unpaid Rates (Section 181)

Under Section 181 of the Local Government Act, Council has the power to sell land to recover unpaid rates and charges.

Council will only consider exercising this power as a final step, and only where:

- Rates and charges have remained unpaid for an extended period;
- Reasonable attempts to recover the debt have been unsuccessful; and
- No payment plan or hardship assistance is in place.

Any proposal to sell land for unpaid rates will require approval by Council resolution.

Bankruptcy

In cases where the property is the owner's principal place of residence, bankruptcy may be contemplated in lieu of Section 181.

A detailed report outlining the steps taken to recover the outstanding debt of the property will be provided to Council and subject to approval prior to proceeding with bankruptcy.

Policy implementation

Confidentiality

Council recognises that information provided by ratepayers in relation to financial hardship may be sensitive in nature. All personal information collected as part of a financial hardship application will be managed in accordance with Council's Privacy Policy and applicable privacy legislation.

Where a ratepayer discloses circumstances involving family violence, economic abuse or other sensitive matters, Council will take reasonable steps to protect the confidentiality of the information provided and to ensure that personal information is not disclosed inappropriately

Review and Complaints

Ratepayers may request a review of a decision made under this policy in accordance with Council's delegated authority.

Any complaints regarding the application of this policy will be managed in accordance with Council's Complaints Handling Policy.

If a ratepayer is dissatisfied with Council's decision-making process, they may also raise the matter with the Victorian Ombudsman.

Operational procedures relating to the administration of this policy are maintained separately by Council.

Delegation of Authority

The administration of this policy is undertaken in accordance with Council's Instrument of Delegation and relevant legislative requirements.

Delegations for key decisions under this policy include:

Type/Function	Delegation
Waiver of rates and charges	Manager Finance and Commercial / Director Corporate within delegated limits
Approval of financial hardship Assistance	Authorised Council Officers, in accordance with Council delegations.
Debt recovery escalation	Authorised Council Officers.
Sale of property for unpaid rates and charges (S181)	Council resolution

Any waiver or adjustment exceeding delegated authority limits must be referred to the appropriate senior officer or Council for approval.

Roles and Responsibilities

Responsible Executive

Director Corporate

Policy owner

Manager of Finance and Commercial

Review

Policy to be reviewed every 4 years or earlier subject to Council's discretion.

Related legislation and guidelines

Local Government Act 1989 (Vic) and Local Government Act 2020 (Vic)

Section 170: Deferred payment of rates and charges

Section 171: Waiver of rate or charge or interest

Section 172: Council may charge interest on unpaid rates and charges

Section 177: Council may require occupier to pay

Section 18-: Council may take legal action to recover unpaid rates and charges

Section 181: Council may sell land to recover unpaid rates and charges

Ministerial Guidelines Relating to Payment of Rates and Charges 2025

Local Government Legislative Amendment (Rating and Other Matters) Act 2022. (Vic)

Penalty Interest Rates Act 1983 (Vic)

Family Violence Protection Act 2008

Privacy and Data Protection Act 2014

Related policies, strategies, procedures and guidelines

Maroondah City Council Revenue and Rating Plan 2025-26 to 2028-29.

Definitions

Deferral/ Deferment	An approved arrangement allowing payment of rates and charges to be postponed for a specified period in accordance with the Local Government Act.
Dependent	A dependent is a child under the age of 18 who is reliant on the ratepayer for primary financial support.
Due date	The official payment deadline for rates as stated in the <i>Local Government Act 1989</i> and shown on a rates notice.
Financial counsellor	A qualified professional who provides tailored, confidential financial advice.
Financial hardship	A situation where a ratepayer is unable to meet their rates and charges obligations due to financial circumstances beyond their control.
Interest	A penalty charged on overdue rates as prescribed by law.
Payment plan	An agreed arrangement between Council and a ratepayer allowing outstanding rates and charges to be paid overtime in instalments.
Principal place of residence	The property where a person primarily resides.
Property owner	The person recorded as the owner of a property on the property title and responsible for the payment of rates and charges.
Rates and charges	Amounts levied by Council on rateable properties, including municipal rates, service charges and applicable State Government levies.
Waiver	A decision by Council to reduce or cancel part or all of the rates, charges or interest payable, in accordance with legislative provisions.

Relationship to the Maroondah 2050 Community Vision

Community Outcome:	A well governed and empowered community.
Key Directions:	Ensure transparent and accountable governance, including balanced and sustainable decision making that is evidence informed and is in the best interests of the community.