



Mildura Rural City Council

Rates Financial Hardship Policy

Policy – CP080

Prepared	Reviewed	Approved	Date	Council Minute No.
Manager Financial Services		Council	May 2024	2024/0064
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1. The purpose of this policy is

To enable customers who are experiencing difficulty in meeting their financial obligations to Council to be assessed for financial relief.

2. Policy Statement

Council recognises customers may, at times, experience difficulty in paying their accounts. Council is committed to providing mechanisms to support and guide those customers in satisfying their obligations.

3. Principles

In developing this policy, Council is committed to the following principles:

- **Transparency and accountability** – Council will provide targeted and consistent information regarding recognition of those ratepayers who want to pay but cannot. This includes for processes around the follow up of non-payment and decisions made in accordance with the relevant legislation. This policy provides the community with the overarching principles associated with applying for hardship, ensuring transparency of the process.
- **Consistency** – Council will consistently apply and interpret the policy across all rates-related debts.
- **Equity** – Council will ensure the fair and consistent application of lawful recovery principles without bias, taking account of all relevant considerations.
- **Fairness and sensitivity** – Requests for assistance will be treated consistently, objectively and in a sensitive and confidential manner.
- **Financial Viability** – The provision of financial relief must not affect the ongoing financial viability of Council.

4. Provisions of Relief

Approved applications will automatically receive the following:

- waiver of penalty interest already applied up to one year retrospectively
- exemption of future penalty interest for life of agreement
- acceptance of payment plan below the required minimum set by Council.

Approved applications will be considered for the deferment of rates and charges (in whole or in part).

Where exceptional circumstances are determined, approved applications will be considered for the waiver of rates and charges (in whole or in part)

Although Council does not generally waive rates or charges, such provisions must be considered if a ratepayer is experiencing exceptional circumstances. Deferments must also be considered as a means of assisting a ratepayer. Applications for waivers or deferrals must be accompanied by full financial disclosure.

5. Rates Payment Plans

Rates payment plans are available to all ratepayers who are unable to pay their rates (in full) by the statutory due date/s. Such ratepayers are considered to be experiencing hardship. While evidence of hardship is not required, an Application for Rates Payment Plan must be completed and the conditions of that agreement adhered to. As a minimum, rates owing must be paid in full within 12 months of application via weekly, fortnightly or monthly payments only. Exemption of future penalty interest is automatically applied for the life of the payment plan.

6. Definitions

Hardship

Hardship is where a person is experiencing short-term financial difficulty. This may include when a person has limited or low income and is temporarily unable to make a repayment on outstanding debts.

Financial Hardship

Financial hardship is when a person is having difficulty providing necessities for themselves, their family or other dependents. The financial hardship is likely to continue for the foreseeable future - longer than one year.

Necessities may include:

- food
- accommodation
- medical treatment
- appropriate clothing and footwear.

The causes of financial hardship can include:

- unemployment or underemployment

- prolonged illness or injury
- family violence
- decreased income or loss of income
- natural disaster.

Financial relief will be considered on an individual basis and always with a view to the ratepayer reestablishing financial capacity and meeting their financial obligations.

Exceptional Circumstances

Exceptional circumstances are where a person is experiencing or has recently experienced an unforeseeable event or events for which they have no influence or control that are out of the ordinary. The situation caused by such an event/s must be considered dire and the person has no options available to remedy the situation.

Exceptional circumstances may include:

- natural or human-made disasters
- life threatening illness or accident.

Waiver

A waiver is where statutory levies or interest penalties on late payment are withdrawn and are no longer payable to Council. A waiver will only be considered in situations where financial hardship can be demonstrated as defined in this policy.

Deferment

A deferment is where statutory levies or interest penalties on late payment are payable to Council at an agreed future date while remaining subject to interest penalty accrual. A deferment will only be considered in situations where financial hardship can be demonstrated as defined in this policy.

7. Eligibility

Eligibility is limited to the property owner/s and the property must be their primary place of residence, business or farming enterprise. If a ratepayer who is not the property owner would like to seek financial hardship assistance, they will be referred to the property owner. Secondary properties will not be considered.

8. Implementation

The Revenue Coordinator (RC) will assess applications for completeness and is authorised to decline applications that are incomplete, lacking in detail or unsupported by relevant documentation. The RC will assess applications and complete an Internal Financial Hardship Assessment Form summarising the application and making a recommendation to the Manager Financial Services.

The Manager Financial Services (MFS) will assess Internal Financial Hardship Assessment Forms and consider the recommendation. The MFS is authorised to approve waivers, deferments and retrospective interest waivers up to a combined value not exceeding their maximum limit under S7

Instrument of Sub-Delegation CEO to Staff and payment plans less than the required minimum.

The General Manager Corporate Performance (GMCP) will consider recommendations for waivers, deferments and retrospective interest waivers with a combined value not exceeding their maximum limit under *S7 Instrument of Sub-Delegation CEO to Staff* and determine approval or not.

Recommendations to waive amounts over the maximum limit of GMCP under *S7 Instrument of Sub-Delegation CEO to Staff* must be approved by the Chief Executive Officer.

Recommendations to defer amounts over the maximum limit of GMCP under *S7 Instrument of Sub-Delegation CEO to Staff* must be approved by Council.

9. Application for Financial Hardship Assistance

Any eligible ratepayer may apply for financial hardship assistance. Applications can be made directly with Council or with a financial counsellor. Council recommends financial hardship applicants seek financial counselling via a counselling service such as Mallee Family Care (residential properties) or Rural Financial Counselling Service (farming and small business properties). These counselling services are free, confidential and have access to a greater range of support options.

10. Decision Reviews

Should a person disagree with any decision made regarding an application, they are entitled to request a review by completing an Application for Rates Financial Hardship Consideration Decision Review form. The review will be considered by a Council staff member above the position who determined the outcome of the Application for Financial Hardship Consideration. Only one review will be performed and will only occur on the following grounds:

- submission of further documentation as evidence of circumstances
- omission of information on application form
- change of circumstances.

11. Legislation and Other References

11.1 Legislation

For further information related to this policy see:

- *Local Government Act 1989*, Section 170
- *Local Government Act 1989*, Section 171

11.2 Documents

This policy is implemented in conjunction with the following documents:

- Application for Financial Hardship Consideration
- Application for Rates Payment Plan

- Internal Financial Hardship Assessment Form
- Application for Rates Financial Hardship Consideration Decision Review
- S7 Instrument of Sub-Delegation CEO to Staff

11.3 Risk Assessment Reference

Please tick the corporate governance risk(s) that this policy is addressing.

Risk Category	✓	Risk Category	✓
Asset Management		Financial Sustainability	✓
Committees		Human Resource Management	
Compliance – Legal & Regulatory		Leadership & Organisational Culture	
Contract Management		Occupational Health & Safety	
Contract Tendering & Procurement		Organisational Risk Management	
Corporate Governance	✓	Project Management	
Environmental Sustainability		Public Image and Reputation	✓