

## Rates and Charges Financial Hardship Policy 2026

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Date endorsed:	21 April 2026	Policy Author:	Finance Manager
Policy owner:	Finance	Review date:	April 2029
Policy Status:	Every Three Years	Policy type:	Discretionary

### Revision Record

Date	Version	Revision Description
01/05/2019	1	Draft Policy
28/08/2019	2	Draft Policy EMT Meeting
03/09/2019	3	Draft Policy Councillor Briefing Session
10/09/2019	3	Draft Policy Audit & Risk Committee Meeting
10/09/2019	3	Adopted Policy Ordinary Council Meeting
02/04/2025	4	Update Policy in line with pending ministerial guidelines
23/05/2025	4	Senior Leadership Team Review
25/06/2025	4	Executive Leadership Team Review
22/07/2025	4	Council
16/02/2026	5	Senior Leadership Team Review
20/03/2026	5	Executive Leadership Team Review
21/04/2026	5	Adopted Policy Ordinary Council Meeting

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## Introduction

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Ratepayers experiencing financial difficulty or hardship are encouraged to seek counselling and other support services. Financial counselling is a free and confidential service available through community organizations, community legal centres, and some government agencies.

The National Debt Helpline is a not-for-profit government service that offers confidential financial counselling for individuals facing hardship. You can contact the Helpline to receive a referral to a financial counsellor at a local financial counselling service.

National Debt Helpline

Contact number - 1800 007 007

<https://ndh.org.au>

1800 413 828 – Small Business Support Line

Council can arrange a telephone interpreter service for customers who require language assistance. To access this service, please contact Council on 03 9688 0200 or call the Translating and Interpreting Service (TIS National) directly on 131 450 and request to be connected to Council. Interpreter services are provided to ensure equitable access to Council services and information.

## Definition

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Term	Definition
The Act	The <i>Local Government Act 1989</i> and the <i>Local Government Act 2020</i>
Hardship	Refers to a situation where a person has a limited/low income (i.e. pension/unemployment) and payment of rates and charges may be detrimental to their quality of life.
Property Owner	Means the registered proprietor of rated property within the municipality, who is legally responsible for paying rates under section 156 of the <i>Local Government Act 1989</i> (Vic).
Ratepayer	For this policy the ratepayer can be the person or persons, business or company within whose name the rates, charges, special rates and charges debt applies. The director of a company who is responsible for payment of rates, the occupier who is responsible for payment of rates or a nominated third party who is responsible for payment of rates.

Term	Definition
Due Date	Means the due date(s) for payment under section 167 of the <i>Local Government Act 1989 (Vic)</i> as displayed on the Rates notice
Interest	Means penalty Interest charged on unpaid rates under section 172 of the <i>Local Government Act 1989 (Vic)</i> and as prescribed and gazetted in accordance with section 2 of the <i>Penalty Interest Rates Act 1983 (Vic)</i>
Rates	Means Council's rates and levies with respect to rated property, special charges, including the Fire Services Property Levy
Rated Property	Means the rateable land on which rates are due and payable annually.
Short Term Hardship	Refers to hardship that will be resolved within 12 months
Long Term Hardship	Refers to hardship that will not be resolved within 12 months
Waiver	A waiver of a debt permanently exempts payment of the rate, charge, special rate or charge or legal cost under discussion. It may include the whole or part of any rate, charge, interest or legal costs accumulated.

Financial hardship/difficulty is a situation where an individual due to factors outside of their control is unable, because of unemployment, illness, or other reasonable cause, to discharge their financial obligations. Financial hardship involves an inability of the individual to meet their financial commitments and obligations, rather than an unwillingness to do so. Financial hardship can arise from a variety of situations. Common causes may include, but not limited to:

- Loss of employment
- Family Violence
- Family breakdown
- Illness, including physical incapacity, hospitalization, or mental illness
- Recent death of the ratepayer or an immediate family member
- Financial misfortune such as fraud or electronic scamming
- The impact of natural disaster
- Other factors resulting in unforeseen changes in the debtor's capacity to meet their payment obligations, whether through a reduction in income or through an increase in non-discretionary expenditure.

Mere inconvenience or difficulty in making payment is not financial hardship. Financial hardship denotes more serious circumstances and requires that a person:

- Cannot afford the necessities of themselves and/or dependents; or
- To be in such a circumstance that paying rates and charges mean that they would be unable to afford necessities of life for themselves and/or dependents. Necessities of life that would be impacted if making a payment of all or part of any rates, charges and any interest would:
  - Prevent the ratepayer (or a dependent) from seeking essential medical treatments or supplies
  - Prevent the ratepayer from payment of essential utility services (including water and energy)
  - Prevent the ratepayer (or a dependent) from access to basic living needs, such as:
    - Food
    - Accommodation
    - Clothing
    - Education for dependent children
    - Place the ratepayer (or dependent) in any form of harm or danger, including (but not limited to)
    - Family violence
    - Economic abuse

In some cases where Council is unable to determine whether financial hardship exists, ratepayers may be requested to seek assistance from an independent financial counsellor. These professionals provide personalise tailored financial advice. Once engaged, the financial counsellor, with consent can then contact Council to help establish a resolution that best suits the ratepayer's circumstances.

## Purpose

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Council Rates and Charges constitute the majority of Council's annual revenue. Council rates are raised in accordance with the *Local Government Act 1989* (the Act).

The City of Maribyrnong acknowledges that individuals and organizations may occasionally face financial hardship, which can vary in severity and duration based on personal circumstances. Council understands that there are cases of financial hardship that require empathy, compassion, and special consideration. In providing special consideration for those experiencing financial hardship Council must also ensure that it is compliant with the Act and decisions made are based on the principles of fairness, integrity, and confidentiality This policy ensures that those who are vulnerable to financial difficulty, regardless of their specific situation, have access to support to help them navigate through their financial challenges. This policy outlines the guidelines for evaluating financial hardship applications.

The policy seeks to strike a balance between offering assistance and maintaining effective financial governance to ensure the long-term sustainability of the Council's finances.

The policy may be updated at the Council's discretion to reflect changes in government policies and legal obligations. It sets out the process for assessing and managing financial hardship applications.

The key objectives of this policy are to:

- Assist individuals and organizations experiencing financial hardship.
- Provide a simple and accessible process for people to approach the Council with their hardship situations.
- To provide ratepayers and Council officers with clearly defined options when applying deferment or the waiver of interest charge for late payment.
- Establish clear, consistent, and confidential criteria for evaluating applications.
- Offer defined options for individuals and organizations applying for financial relief.
- Ensure a fair and transparent approach to decision-making when assessing hardship claims.
- To demonstrate Maribyrnong City Council's vision and core values.
- To provide a policy for decisions to be made in accordance with Sections 171A and 172 of the *Local Government Act (LGA) 1989* specifically the waiver on interest charged for late payment.

## Scope

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As per Council's instrument of delegation

## Background

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

### Section 170 of the *Local Government Act 1989*

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 and 171A of the *Local Government Act 1989*

Council may waive the whole or part of any rate or charge or interest on the grounds of financial hardship.

### Section 172 of the *Local Government Act 1989*

A Council may exempt any person from paying the whole or part of any interest either generally or specifically.

### Section 181 of the *Local Government Act 1989*

Council may sell any rateable land that is more than 3 years overdue for overdue rates or charges, in accordance with the legislation.

## 171B of the *Local Government Act 1989*

On the application of a person, a Council may enter a payment plan with the person for the payment of a rate or charge (including interest charged under section 172

- a. which the person is liable to pay; and
- b. which has not been paid by the date specified for payment

Sensitive information will be managed securely and in accordance with the requirements of the *Privacy and Data Protection Act 2014*.

## Policy

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The purpose of this policy is to:

- To provide assistance to ratepayers suffering financial hardship.
- To provide a policy for decisions to be made in accordance with Sections 171A and 172 of the *Local Government Act (LGA) 1989* specifically the waiver on interest charged for late payment.
- To provide ratepayers and Council officers with clearly defined options when applying deferment or the waiver of interest charge for late payment.
- To demonstrate Maribyrnong City Council's vision and core values to support its residents.

The Council's Annual Rate and Valuation notice and all subsequent instalment notices will advise that any ratepayer experiencing difficulties in paying their rates and charges should contact the Revenue department to discuss an alternative payment option.

A ratepayer may request a suspension or waiver of interest accruals for financial hardship in writing only to the Coordinator Revenue Services. This should be accompanied by sufficient written evidence to identify the hardship claim.

Interest waiver and/or suspension are applicable to owner/occupied residential properties. Different considerations may apply when assessing eligibility for non-owner-occupied properties.

Council may refer the applicant to an accredited financial counsellor for further financial assistance.

A waiver of interest charges will only be granted for a period of 12 months from the date the hardship application is reviewed and approved by Council. If a deferral is required for subsequent years, a new application must be submitted annually.

Interest waiver /deferment fall under three categories which are:

- Administrative Waiver
- Ratepayers may have interest only 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.
- Partial rates waiver on compassionate grounds

Compassionate grounds include:

- Serious illness
- Recent accident or injury
- Death of immediate family member
- Recent loss of employment
- Financial Hardship

### **Waiving of Interest /Deferment**

Ratepayers may have interest or part of interest waived subject to meeting the following conditions:

- The ratepayer must be able to demonstrate they are experiencing financial hardship under the definition of financial Hardship.
- The ratepayer must enter into an agreement with Council on a payment plan and keep to such agreement.
- The ratepayer must be the owner occupier of the residential property on which financial hardship provisions are to be applied. Different considerations may apply when assessing eligibility for non-owner-occupied properties.
- A ratepayer's financial circumstances must be considered together with those of other property co-owners during an application for assistance under financial hardship. For example, where there are joint owners of a property and one of the owners is not experiencing financial hardship, the owner not experiencing financial hardship is still liable to pay the full amount of rates and charges on the land.
- The waiver or deferment of interest will be in accordance with the authority specified in Councils instrument of Sub Delegation to Council staff.
- Waiver of rates and charges will only be considered where, upon review of supporting documentation, Council determines that payment of rates would be detrimental to the ratepayer's quality of life.
- Interest will be charged on overdue rates and charges in accordance with Section 172 of the LGA, including that the interest is calculated at the fixed rate under Section 2 of the *Penalty Interest Rate Act 1983* that applied on the last business day of each month. Interest is accrued on arrears after instalment due dates and then on a monthly basis.
- A "waiver" of interest can be provided in whole or part and be specified for a certain amount of period and subject to any conditions set by Council. When payment plan is agreed by Council then interest is suspended, accruals do not occur.
- Council will issue a notice to the ratepayer advising that interest charges will resume and the payment plan has been cancelled.

## **Hardship information for Ratepayers**

Council has established this policy for the transparency of ratepayers in the municipality. This policy may be requested in hardcopy, softcopy or accessed via our website <https://www.maribyrnong.vic.gov.au/Residents/Rates>

Hard copies of the Maribyrnong City Council Rates and Charges Financial Hardship Policy are available at the Council Offices (61 Napier Street, Footscray) and all Council libraries, including Footscray, Maribyrnong, and West Footscray. If you are deaf, speech or hearing impaired. Contact Council through National Relay Service using on if the method below. Once you are connected ask for 03 9688 0200

133 677 for TTY users

1300 555 727 for speak and listen (speech-to-speech) users

[www.iprelay.com.au](http://www.iprelay.com.au) for interest Relay users

Council will ensure that ratepayers who are unable to access digital services are provided with equitable access to support, including assistance to complete forms where required. This supports Council's commitment to accessibility, fairness and early engagement in managing overdue rates and charges.

The Manager Finance, Coordinator Revenue Services and the Senior Rates Officers are trained in the Rates Hardship Policy. These roles are responsible for assessing Hardship applications for rates. Rates officers administer and process hardship applications.

### **Application process for Hardship**

A Property Owner may apply for hardship if individuals and/or organisations are experiencing financial hardship. Applications can be either electronic, verbally or in hard copy.

Electronic applications are available through our website:  
<https://www.maribyrnong.vic.gov.au/Residents/Rates/Rates-forms>

Hardship applications allow property owners to request:

- A short-term rates deferral
- A long-term rates deferral
- An interest-free payment plan
- An interest waiver
- A waiver of rates in extreme circumstances where payment of rates and charges may be detrimental to their quality of life.

Approved hardship applications will only be valid from the approval date onwards.

When deciding whether to waive rates and charges, the Council will consider the following factors:

- Can the unpaid rates be settled by rearranging finances, selling assets, or drawing on existing assets?
- Does the ratepayer have access to savings, investments, or other sources of income?
- Has the financial hardship been caused by the ratepayer's own spending, such as on non-essential items or loans/gifts to family or friends?
- What actions has the ratepayer taken to address their financial hardship?
- Will the ratepayer sell assets, including the property with outstanding rates that could pay off the debt within 12 months?
- Is the ratepayer able to make payments on other debts (e.g., mortgage or credit cards) beyond the minimum required?
- Is the ratepayer a company or trust?

The Council aims to assess applications within 10 business days of receipt, provided all necessary application information has been submitted. Payment plan applications must be fully completed and signed and include all necessary supporting documents to Council to assess the hardship application.

Council may accept requests for a reasonable payment plan verbally, including applications made over the phone, where a ratepayer advises they are experiencing financial hardship. In such cases, staff will discuss the ratepayer's circumstances in a respectful and confidential manner and may agree to an affordable and sustainable repayment plan based on the information provided. Council reserves the right to request supporting documentation where appropriate, including evidence of income, expenses, medical circumstances, unemployment, or other relevant financial impacts, particularly where hardship is ongoing,

Accepted hardship applications are valid for a 12-month period only. As the hardship period expires, it is the ratepayer's responsibility to notify the Council if they are still facing hardship and to reapply. If the ratepayer continues to experience hardship after the period ends, they must submit a new application for reassessment. In exceptional cases and based on the Council's assessment of ratepayers' situation, some payment plans may extend beyond the 12-month period.

The Council may cancel hardship applications or payment plans if the applicant has failed to adhere to agreed payment schedules. Future applications may be denied based on this history, with a decision provided that clearly explains the reason for the denial. If two consecutive payments are missed, the payment plan may be cancelled and may not be reinstated unless the missed payment amount is paid up front.

It is the applicant's responsibility to ensure that all information and documentation submitted is complete, truthful, up-to-date, and relevant. The Council will not accept any applications if false or misleading information is provided. It is the applicant's obligation noting that penalties can apply under section 171A(4) of the *Local Government Act 1989* for providing false or misleading information.

The Council may recommend that applicants seek additional support from the State Government's free financial counselling service through the National Debt Helpline to assist with their current hardship. Applicants can visit their website at: <https://ndh.org.au/>. This may be a requirement if other necessary documentation cannot be provided.

A payment plan may be considered a more suitable option for investment properties, with applications and approvals assessed on a case-by-case basis.

Ratepayers who reside at their place of business are eligible to apply for hardship relief.

### **Payment options for Payment plans and Deferrals**

Payment Plans for those experiencing financial hardship can be negotiated, based on the individual's ability to pay, in consultation with either a Debtors Control Officer or Coordinator Revenue Services at Council and/or with an independent financial Counsellor. Once a payment amount and schedule are agreed upon, the Council will send confirmation of the Payment Plan, either in hardcopy or softcopy.

Payments can be made on a weekly, fortnightly, or monthly basis. This can be arranged using the reference numbers and payment options provided on the annual rates notice. This schedule is available for payment plan that concludes within three months from the start date.

Payments can be made monthly or twice monthly basis through a scheduled payment plan with the ratepayer's financial institution. Payment plans exceeding more than three months must be set up as a direct debit using the ratepayer's bank account details.

Payment options will be restricted to those listed at the bottom of the annual rate and valuation notice, with the exception of direct debit arrangements.

Short-term payment extensions and promises to pay may be accepted via phone or email, subject to Council approval and the number of outstanding rates.

### **Hardship Options**

The Council understands that each hardship situation is unique, which is why we offer both Short-term and Long-term Hardship applications. Deferrals are available for short-term hardship situations, while payment plans can be arranged for both short and long-term cases, depending on the circumstances.

No interest will be charged on outstanding balances for approved Payment Plans and Hardship applications, for the duration of the approved agreement period. To assess and process payment plans and hardship applications, the Council requires additional information to support your situation. This may include financial statements, medical certificates, income documentation (such as tax returns), or recommendations from a financial counsellor. Council may request additional information depending on the circumstances of the application and the rates amount outstanding.

Payment plans and Hardship applications may include options such as a rates deferral, a payment plan (specifying a payment amount and schedule based on your ability to repay), or an interest waiver. In exceptional hardship cases related to the property owner/s, the Council may, at its discretion, assess an application for a partial or full rates waiver under section 171A of the *Local Government Act (1989)*.

Payment plans and deferrals under hardship will be cancelled if payments are not made according to the agreed schedule. The Council will notify the debtor in writing of any terminated payment plan.

### **Interest on Payment Plans and Hardship agreements**

Should payments not be made in accordance with the agreed payment plan payment plan/hardship arrangement may be cancelled and penalty interest will be applied to in accordance with the *Local Government Act 1989*.

Interest will not accrue on approved short-term or long-term payment plans/hardship applications. No interest will be charged from the approval date, but any previously charged interest must be paid as part of the agreed payment plan.

Interest may be waived under a hardship application if individuals or organizations can provide evidence explaining why payment could not be made by the due date. These requests are subject to Council review.

At the expiry of the agreed hardship period interest charges may be applied should a balance remain outstanding. A new hardship application may be required to be made by the debtor or payment plan negotiated.

The Council will review and grant only one interest waiver per financial year for delayed payments. Any additional waivers will be subject to the Council's review.

### **Communication with the Council**

Each hardship application will be assessed on an individual basis. Once the assessment is complete, the applicant will be notified via phone, email or mail. Council will not take any recovery action for unpaid rates and charges while a financial hardship or payment plan application is being assessed.

All approved hardship payment plans or deferrals will include a payment plan confirmation containing the due dates for payment and amount to be paid. It is expected that the individual or organization will make payments as outlined in the schedule for the hardship payment plan to remain active.

If a hardship payment plan or payment deferral schedule is not met, the hardship plan will be terminated. The Council will notify you in writing about the cancellation of the payment plan and attempt to contact the ratepayer within reasonable hours to speak to them personally regarding the unpaid rates, charges and interest. Upon written notification of the cancelled payment plan penalty interest charges may be applied.

## **Debt Recovery of Overdue Rates**

The Council will not initiate debt recovery or collections while a ratepayer or organization is under approved financial hardship or payment plan. Council will also not initiate any recovery or enforcement action for unpaid rates and charges while applications are being assessed. This ensures that no enforcement action or legal proceedings is initiated until the application has been fully considered and a decision communicated to the ratepayer.

Council will not take legal or punitive action while a ratepayer is actively engaging with Council, has lodged a hardship application, or is meeting an approved payment plan. Action will only occur if the ratepayer fails to engage with Council or defaults after all reasonable assistance and recovery options have been offered.

All notices issued by Council provide the ratepayer with an opportunity to engage with Council before any recovery action is taken.

Council's standard debt collection procedures will resume if a payment plan is terminated or cancelled.

Council may take further action to recover overdue rates and charges from a property owner, including sending reminder and final notices, applying interest or penalties, referring the debt to a collection agency, or initiating legal action such as a court summons or enforcement of a charge on the property. These actions will be suspended if a ratepayer has applied for financial hardship assistance and their application is being assessed.

The Council's Debt Collection Agency is aware of the Council's Hardship Policy and will not contact ratepayers who are adhering to their agreement with the Council. The debt collection agency will comply with the Council requirements.

Where a Council has informed a ratepayer of unpaid rates and charges and the payment options available, and a payment option is not agreed upon, the Council may recover the amount owing in the Magistrates' Court or by suing for debt in accordance with section 180 of the Local Government Act 1989, subject to the requirements of section 180A of the *Local Government Act 1989*.

Any costs of debt recovery may be added to unpaid rates and charges. These charges will only be added after a Court Order is obtained.

Once a Court Order has been obtained requiring payment of unpaid rates and charges, and any unpaid amount is more than three years overdue, a Council may determine to sell the land or cause the land to be transferred into Council ownership under Section 181 of *Local Government Act 1989*.

## **Decision Making and Reporting**

The Council will address any conflicts of interest in hardship applications by referring those applications outside of the revenue team if a conflict arises.

The Council will retain all records related to the application and approval of hardship applications.

The Council will provide reports to Senior Leadership on the number of applications received, active hardship agreements, and debt recovery actions for review. Council will report the following information to senior management and may include additional details as required or requested.

- the total balance of unpaid rates, charges, and interest.
- the number of occupancies with unpaid rates and charges and interest.
- the number of occupancies on payment plans; and
- all occupancies not on payment plans with unpaid rates and charges of three years or more and reasons why the land has not been sold or transferred under section 181 of the *Local Government Act 1989*.

Council will ensure that any actions taken under section 181 of the *Local Government Act 1989* are conducted in a transparent, fair, and accountable manner. This includes conducting an annual evaluation of all overdue rates and charges considered for land sale or transfer, recording all relevant decisions, and maintaining a clear audit trail that reflects ratepayer engagement, hardship assessments, and payment plans. Outcomes of the evaluation and any s181 actions will be reported publicly, in a manner that protects individual privacy, to ensure community awareness of Council processes and compliance with the Ministerial Guidelines. Sale or transfer of land will only be pursued as a last-resort measure, after all opportunities for engagement, payment arrangements, and hardship support have been offered.

### **Disputes and Complaints**

All applications are subject to review. If you are unhappy with the outcome, you can file an internal dispute directly with the Council at [Email@maribyrnong.vic.gov.au](mailto:Email@maribyrnong.vic.gov.au)

If you are not satisfied with the outcome of your internal complaint or dispute with the Council, you may escalate the matter to the Victorian Ombudsman through their website at [www.ombudsman.vic.gov.au/contact-us/](http://www.ombudsman.vic.gov.au/contact-us/)

#### **Ratepayers' responsibility during hardship**

Ensure contact details (residential address, mailing address, phone number, and email address) are up to date with the Council to receive appropriate support during hardship.

Regularly assess your financial situation to understand your ability to pay and take action to maintain payment plan or deferrals.

If your financial situation improves, contact the Council to request a reassessment of your hardship payment plan.

## Policy Statement

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In implementing this policy, the Council prioritizes consistency, fairness, and transparency. The policy is intended to be applied equitably, promoting the community's best interests while taking into account the needs of all property owners and the expectations of the community. Council will not accept, nor be responsible for, any verbal changes a Property Owner may provide. All communications between a Property Owner including written communications are confidential and subject to Council's Privacy Policy. If economic abuse or family violence has been identified the Council will:

- Prevent the other owner/s from accessing confidential information relating to hardship and financial hardship applications; and
- Prevent the other owner/s from delaying or preventing the application.

## Implementation and Monitoring

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<i>Policy Owner</i>	<i>Directorate</i>
<i>Manager Finance</i>	<i>Corporate Services</i>

## Review of Policy

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The date set for review of the policy. Policy will be reviewed four years from the date of approval, or whenever Council or Executive Leadership Team (ELT) determines that a need has arisen unless there is a requirement for more frequent/longer cycle.

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

## References

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*Local Government Act* including proposed amendments.