

1. PURPOSE

The purpose of this policy is to provide guidance for the collection of rates and charges where the ratepayer is experiencing genuine financial hardship and provide ratepayers with clarity and transparency in relation to the options and assistance available in such circumstances.

2. INTRODUCTION

The management and recovery of outstanding debt is an important aspect of Council's financial management function. Council derives a large share of its revenue from rates and charges, and therefore has a responsibility to ensure that monies owing are collected in a timely, effective and efficient manner.

Horsham Rural City Council may provide alternative payment arrangements for property based debts to assist ratepayers deemed to be under financial hardship. Additional financial hardship assistance options outlined within this policy are available to individuals experiencing genuine financial hardship due to factors including (but not limited to) loss of income, unemployment, serious illness or injury, and economic abuse associated with family violence.

3. SCOPE

This policy applies to Horsham Rural City Council ratepayers in accordance with the following sections of the *Local Government Act 1989*: Deferred payment (s170), Waiver (s171), Waiver by application - financial hardship (s171A), and Payment plans for unpaid rates or charges (s171B).

This Policy also applies to all Council staff who have responsibility to ensure collection of Council's rates and charges.

4. PRINCIPLES

4.1 General Principles

Council will enforce the legislative powers available under the *Local Government Act 1989* and the *Local Government Act 2020* where applicable, in the pursuit of outstanding rates and other charges.

Council is committed to:

- Assisting ratepayers who are experiencing financial hardship
- Ensuring that the collection process is transparent
- Treating all people fairly, consistently, respectfully and with sensitivity
- Ensuring Council staff have the training and resources necessary to effectively and consistently manage financial hardship
- All collection matters under this policy are strictly confidential.

Where Council staff have identified that a ratepayer is experiencing financial hardship, outstanding rates and charges owed to the municipality shall be pursued in accordance with this policy.

If the outstanding rates and charges have been referred to Council's debt collection agency for recovery prior to genuine financial hardship being identified, the referral will be withdrawn. Similarly, any ratepayer who reports genuine financial hardship to Council will not be referred to Council's collection agency.

4.2 Applications for Hardship

Ratepayers may apply to the Co-ordinator Rates to have rates, charges and interest deferred or waived, either partially or in full. When assessing financial hardship applications, employees must be extremely aware of the financial, emotional, physical or psychological difficulties that the ratepayer may be experiencing. All applications for hardship assistance are to be assessed within 14 days of the application form being received and a written response on the outcome of the assessment returned to the applicant. Applications for hardship assistance are to be reviewed on a quarterly basis. Whilst reviewing applications on a quarterly basis, the ratepayers will not be required to reapply or provide any further information. The ratepayer will be provided with an updated balance (if necessary) and may be contacted to discuss whether or not their circumstances have changed.

4.3 Types of assistance available:

The following types of assistance may be offered following the assessment by the Co-ordinator Rates:

4.3.1 Payment Plans: A payment plan is a schedule of payments agreed to by both the Council and the ratepayer, which provides for flexible payment of debts once they have become overdue. Ratepayers do not need to be experiencing financial hardship to enter into a payment plan. Arrangements already entered into may be renegotiated on amount payable, frequency and/or duration. Interest, if applicable, will cease to accrue for the term of the payment plan unless the ratepayer were to default on their arrangement and neglect to discuss the matter with a member of the rates department.

4.3.2 Interest Waiver: Interest waivers by way of an agreed interest free period may be negotiated if the ratepayer is experiencing genuine financial hardship and is unable to enter into a payment plan at the time. Assistance in the form of an interest waiver would be granted to a ratepayer who has demonstrated efforts to meet past and current payment obligations wherever possible.

4.3.3 Deferral of Payment: An account may be placed on hold for a set or indefinite period. This option would generally apply to cases of proven financial hardship, and must be accompanied by a completed 'Financial Hardship Application Form'. Rates continue to accrue throughout the period, although interest will be waived. Rates and charges are deferred until such time as the ratepayer's circumstances improve or the property is sold or transferred to another entity.

4.3.4 Waivers: Section 171 of the *Local Government Act 1989* allows Council to waive, partially or in full, any rate or charge, or any penalty interest imposed for late payment. This provision is generally only used in circumstances of proven severe financial hardship, and must be accompanied by a completed 'Financial Hardship Application Form'. Council would expect the ratepayer in these situations, to seek professional assistance from a recognised financial counsellor or similarly qualified person. The Co-ordinator Rates will make a recommendation to approve any waiving of rates that will be presented to a confidential meeting of Council for decision.

4.3.5 Centrepay: Automatic deductions may be made from ratepayer's Centrelink payments. Anyone receiving Centrelink payments can apply to have a designated amount of their payment

directed to their Council rates. Although this facility is free to Centrelink customers, there is a small charge to Council for each transaction.

4.3.6 Sunset Clause: This policy caters for two different scenarios: (1) short-term financial hardship (up to one year), and (2) long term cases of financial hardship (most likely fixed income retirees).

In the first instance, arrangements should aim to clear the debt within 12 months where possible in order to avoid the ratepayer getting too far behind before the next years rates are levied.

In the second instance, hardship assistance will continue for an indefinite period, until such time as the ratepayer's circumstances improve or the property is sold or transferred to another entity. In these cases, the total amount of deferred rates and charges which can accrue against the property is capped at 50 percent of the current Capital Improved Value at the time.

4.4 External Resources

Council officers are able to direct ratepayers to financial information services.

The Consumer Action Law Centre (<http://consumeraction.org.au>) is a not for profit provider of phone based and online financial counselling services. The financial counselling hotline can be reached on 1800 007 007. The free hotline is open from 9.30am to 4.30pm, Monday to Friday. The centre can also direct callers to their closest in-person service.

Financial Counselling Australia has developed online resources at www.debtselphelp.org.au. The website provides letter templates, fact sheets, information on financial counselling services and a debt management self-help tool.

Rural Financial Counselling Service Victoria West provides support for farmers and rural small business owners. Phone 1300 735 578, email admin@wswrccs.com.au or visit their website at www.wswrccs.com.au.

5. COMMUNICATION

Horsham Rural City Council's website, Horsham Rural City Council's intranet

6. RESPONSIBILITY

Policy Owner: Co-ordinator Rates

This Policy will be reviewed every 2 years or earlier as required by changed circumstances including changes to legislation and plans, strategies or policies of HRCC.

7. DEFINITIONS

Term	Meaning
Deferred payment	A postponement of payment, in whole or in part, and can be for a specified period and subject to any conditions determined by Council. Deferred rates are a charge on the property and will continue to accrue interest until the account is paid in full.
Financial Hardship	A situation where a ratepayer is unable, because of prolonged illness or unemployment, or other reasonable cause, to discharge their financial obligations to Council and the ratepayer reasonably expects to be able to discharge those obligations if payment arrangements were changed. Financial Hardship means an inability to fulfil a financial obligation, not an unwillingness to do so. The hardship may be short or long term, and will be considered on an individual basis.
Ratepayer	The individual, organisation or other party that is liable to pay Rates and Charges. This maybe the property owner or a tenant who under the lease agreement is liable to pay rates.
Rates and charges	Any charge made under Part 8 of the <i>Local Government Act 1989</i> , including but not limited to General Rates, Waste Charges, Fire Services Property Levy,

8. SUPPORTING DOCUMENTS

Document	Location
Rates and Charges Debt Collection Policy	Website, Intranet
<i>Local Government Act 1989</i>	Internet
<i>Local Government Act 2020</i>	Internet

9. DOCUMENT CONTROL

Version Number	Approval Date	Approval By	Amendment	Review Date
01	7 December 2015	Council	New policy	
02	25 March 2019	Council	Reviewed and updated	25 March 2022
03	22 July 2019	Council	Reviewed and updated	22 July 2022
04	26 August 2019	Council	Reviewed and updated	26 August 2022
05	28 June 2021	Council	Reviewed and updated	28 June 2024
5.1	March 2023	n/a	New logo	28 June 2024
06	28 August 2023	Council	Reviewed and updated	28 August 2025

It is recognised that from time-to-time circumstances may change leading to the need for minor administrative changes to Council and Administrative Policies. Where an update does not materially alter a Policy, such a change may be made administratively, without the need for formal adoption by EMT or Council. Examples include a change to the name of a Council Department/Position Title, a change to the name of a Federal or State Government Department, and a minor update to legislation which does not have a material impact. However, all changes will be noted in the document control section and version number updated.