Council Approved Policy

HUME CITY COUNCIL

Rates Financial Hardship Policy

Policy reference No:	POL/305
File No:	HCC22/614
Strategic objective:	3.2 Deliver responsible and transparent governance, services and sustainable assets that respond to community needs.
Adopted by Council:	28 November 2022
Re-Adopted:	25 May 2026
Date for review:	June 2027
Responsible officer:	Manager Finance
Department:	Finance

1. Policy Statement

1.1. Hume City Council is committed to supporting any ratepayer who experiences genuine hardship in paying their rates or charges. Council recognises that unexpected financial difficulties—such as loss of income, illness, family violence, or other personal crises—can affect a person's ability to meet their rate payment obligations. In such situations, Council will treat all ratepayers with fairness, compassion, respect, and confidentiality, and will provide flexible options to help relieve financial stress.

1.2. This Policy aligns with the Local Government Act 1989 and the Ministerial Guidelines (the Guidelines) relating to the payment of rates and charges (December 2025). It balances Council's responsibility to collect revenue for essential services with our commitment to social justice and equitable treatment of community members. All ratepayers seeking assistance under this Policy will be treated without judgement and supported through measures designed to prevent undue hardship.

1.3. Council Position on Rate Waivers

Council does not regard the waiver of general rates as a routine, standard or expected form of hardship assistance. Consistent with the Guidelines, Council may consider the waiver of rates only in rare and exceptional cases of demonstrated financial hardship. Rates waivers are considered only as a last resort, under extreme circumstances with the provision of adequate evidence to the satisfaction of Council. The inclusion of rates waivers in this Policy does not create an expectation that a waiver will be granted.

2. Purpose

2.1. This Policy focuses on early engagement and practical support to help ratepayers meet their rate obligations where possible.

2.2. Council's primary forms of assistance are payment plans, deferrals and the waiver of penalty interest. The waiver of rates is included as a discretionary option available under legislation, but is intended to be used only as a last resort in exceptional circumstances.

2.3. The Policy provides a clear and fair framework for how Hume City Council assists ratepayers in hardship or financial hardship with paying rates and charges, and how it manages the collection of unpaid rates. In summary, the Policy aims to:

2.3.1. Comply with legislation and guidelines: Ensure Council's practices meet the requirements of the Local Government Act 1989 and the Guidelines.

2.3.2. Provide support and relief: Outline the range of support options (payment plans, deferrals, and waivers) available to ratepayers who cannot meet their rate obligations due to hardship.

2.3.3. Promote consistency and transparency: Ensure decisions regarding hardship are made consistently, transparently, in line with principles of fairness and equity.

2.3.4. Encourage early engagement: Emphasise proactive communication and assistance to help ratepayers manage their debts before they escalate, reducing the need for formal debt recovery or legal action.

2.4. In summary, this Policy exists to ensure that no ratepayer in genuine need is left without support, and that Council's approach to managing unpaid rates is socially and financially responsible and compliant with all legal requirements.

3. Scope

3.1. Nothing in this Policy creates an entitlement to the waiver of rates. Each case is assessed on its individual merits, and Council retains full discretion under the Local Government Act 1989.

3.2. **Policy Coverage:** This Policy applies to all rateable properties in the Hume municipality and all ratepayers responsible for the payment of rates and charges on those properties

3.3. **Charges Covered:** The Policy covers all charges on a rates notice, including general rates and waste management charges. It also applies to any accrued penalty interest or legal costs related to overdue rates and charges.

3.4. **When Hardship Provisions Apply:** This Policy is applicable whenever a ratepayer's personal or financial circumstances are such that paying rates by the due date would cause them hardship or financial hardship (as defined in Section 7). It is intended to assist with both short-term hardship (temporary financial difficulties) and longer-term financial hardship (severe ongoing financial incapacity).

3.5. **Council's Commitment and Incentives:** Council is committed to helping ratepayers who are having difficulty paying their rates. Each request for assistance is considered on a case-by-case basis to make sure support is provided where it is genuinely needed (see Section 6). Where a ratepayer is experiencing financial hardship, Council offers practical and flexible support options, including interest-free payment arrangements, rate deferrals and, where appropriate, the waiver of interest. These measures are designed to help ratepayers manage their payments and prevent debts from escalating.

3.6. **Standard Arrangements vs. Hardship Assistance:** Many ratepayers choose to pay their rates using standard options (for example, quarterly instalments or direct debit plans over nine or ten months) for convenience and cash-flow management. These routine payment arrangements are available to all ratepayers and are not classified as "hardship assistance." However, if a ratepayer cannot meet their rate obligations even with standard arrangements in place, then additional support measures in this Policy may be offered.

4. Eligibility

4.1. **Who Can Apply:** In line with the Ministerial Guidelines, any ratepayer responsible for paying rates and charges to Hume City Council may apply for hardship assistance, regardless of property type, classification, or ownership status. Council will not exclude any ratepayer from consideration based on the category of property they own or occupy.

4.2. **Evidentiary Requirements:** While all ratepayers are eligible to seek hardship assistance, Council may require different levels of documentation or evidence depending on the applicant's circumstances and the nature of the relief sought. For instance, an owner-occupier might be asked for a simple explanation of their situation, whereas a business or non-residential ratepayer seeking significant relief may need to provide more detailed financial information. This approach ensures that support is delivered fairly and that assistance is targeted to those who genuinely require support.

5. Objective

5.1. The primary objective of this Policy is to ensure Council's approach to rates recovery is equitable and compassionate, while maintaining the long-term financial sustainability of Council services. The Policy's key objectives are to:

- **Support vulnerable ratepayers.** Encourage ratepayers in hardship to seek help early and provide practical assistance so they can manage their rate payments.
- **Provide flexible relief options.** Offer a range of support measures (payment plans, deferrals and waivers of interest) tailored to individual circumstances, so that paying rates becomes manageable and does not compound financial stress.
- **Treat ratepayers fairly and without discrimination:** Apply the Policy equally to all ratepayers, making decisions based on individual circumstances. All applicants will be treated with dignity, respect, and confidentiality. Council will be mindful of the many causes of hardship (illness, loss of income, family violence, etc.) and will respond in a non-judgmental manner.
- **Minimise penalty interest and enforcement actions:** Use penalty interest, debt collection, and legal action only as measures of last resort. Council will first make reasonable efforts to contact ratepayers, understand their situation, and offer support options before pursuing enforcement.
- **Ensure transparency and accountability.** Establish clear processes and criteria for hardship assistance so that ratepayers understand how to seek help, what support is available, and how decisions are made. Council's handling of hardship cases will be open to scrutiny and subject to review to maintain community trust.
- **Maintain financial responsibility:** While providing support, continue to manage Council's finances prudently. The Policy seeks to prevent unmanageable accumulations of rate debt by working with ratepayers on sustainable solutions that benefit both the individual and the broader community.

5.2. By meeting these objectives, Council will promote trust and cooperation with the community, ensuring that those in need receive timely support and that the overall rates system remains fair and effective.

6. Policy Implementation

This section explains how the Policy will operate in practice, including types of assistance available, how ratepayers can access support and how Council will process hardship applications and make decisions.

6.1 Hierarchy of hardship assistance

Council considers hardship assistance options in a staged and proportionate way, based on the ratepayer's individual circumstances. As a general principle, in most cases, assistance will be considered in the following order:

6.1.1. Payment plans or flexible instalment arrangements

6.1.2. Deferral of rates and charges where hardship is temporary

6.1.3. Waiver of penalty interest or recovery costs

6.1.4. Waiver of rates, considered only as a last resort, under extreme circumstances with the provision of adequate evidence to the satisfaction of Council.

This approach reflects Council's strong preference to support payment of the principal amount of rates wherever possible, while still providing relief in cases of genuine and severe financial hardship.

6.2 Flexible Payment Options and Early Engagement

Council provides a variety of payment methods and scheduling options to help all ratepayers manage their bills in a way that suits their needs. Rates and charges are normally levied in four quarterly instalments, due at the end of September, November, February, and May each year (in accordance with the Act). Ratepayers can choose to pay the full year's rates by the first instalment date, or opt into an instalment plan such as monthly direct debits (e.g. spreading payments evenly from September to May), BPAY periodic payments, Centrepay, or other methods detailed on the rate notice. These standard payment options are available to everyone and provide flexibility in meeting rate obligations.

When a ratepayer is having difficulty making payments on time, they are strongly encouraged to contact Council's Revenue Services team as early as possible. Early communication allows Council and the ratepayer to explore support options or alternative payment arrangements before the debt becomes unmanageable. Council makes multiple attempts (such as reminder notices, phone calls, emails, or SMS reminders) to engage with ratepayers who miss payments, rather than moving straight to enforcement. This proactive approach helps identify hardship cases early and provides timely assistance.

6.3 **Payment Plans (Instalment Arrangements)**

If a ratepayer is struggling to pay their rates by the scheduled due dates, Council will offer the opportunity to enter into a payment plan (instalment arrangement). This is an agreement that allows the ratepayer to pay off their rates and charges in regular, smaller instalments over time, according to a schedule tailored to their capacity to pay. Key features of Council's payment plans include:

6.3.1 **Flexible scheduling:** Payments can be arranged on a weekly, fortnightly, monthly, or other agreed basis. The plan will typically be designed to clear the outstanding rates within the current financial year or over an agreed period (for example, within 12 months), but the timeframe can be extended in cases of ongoing hardship.

6.3.2 **Suspension of interest and legal action:** No penalty interest will be charged on overdue rates while an approved payment plan is in place and the ratepayer is meeting the agreed repayments. Additionally, Council will not commence or continue legal recovery action as long as the ratepayer complies with an active payment plan.

6.3.3 **Adjustments for changing circumstances:** If a ratepayer's situation improves or worsens during the period of an arrangement, Council will work with them to adjust the instalment amounts or schedule as needed. If a ratepayer falls behind on the agreed payments without contacting Council, staff will attempt to reach out and, if possible, negotiate a revised plan. Only if the ratepayer fails to respond or if no payments are received for an extended period (e.g. 24 months) will normal debt recovery processes commence.

6.3.4 **Encouraging compliance:** Council may use incentives to encourage ratepayers to successfully complete their payment plans. For example, if a ratepayer is experiencing financial hardship, Council may waive the penalty interest that had accrued on those overdue amounts. This incentive is designed to reward compliance and reduce the overall burden on the ratepayer, while helping Council recover the principal debt.

6.4. **Hardship Relief – Deferral of Rates and Charges** Under Section 170 of the Act, Council may defer (postpone) the payment of rates or charges if paying by the due date would cause the ratepayer hardship. During an approved hardship deferral, the ratepayer's obligation to pay is temporarily delayed for an agreed period, and no penalty interest is charged on the deferred amount while the deferral is in effect.

6.4.1. Hardship deferrals are intended for ratepayers experiencing **temporary or short-term financial difficulties** (for example, a brief loss of income or unexpected expense). In these cases, the ratepayer expects to recover financially if given more time to pay. Key aspects include:

- **Short-term deferrals:** A ratepayer may request a short deferral (typically up to 60 days after the original due date for an instalment). Such requests can be made by phone or in writing and will generally be approved if the ratepayer indicates the overdue amount will be paid within the extended period. No penalty interest will accrue on the deferred amount during this time. Normally, no more than two successive short-term deferrals will be granted for the same instalment. All further requests may be treated as a long-term deferral.
- **Longer deferrals:** If a ratepayer's hardship is more serious or likely to persist beyond a couple of months (for example, due to a major illness or loss of employment), they may apply in writing for a longer deferral (e.g. 6 to 12 months). A long-term deferral will postpone payment of the rates for up to 12 months, with a possible extension of an additional 12 months in exceptional cases. No interest will generally be charged on deferred amounts

during the deferral period. Deferred rates remain a charge on the property and will fall due once the deferral period ends, so the ratepayer should resume payments or arrange a payment plan at that time. Ratepayers are encouraged to pay what they can afford during the deferral period to reduce the balance owing, although no specific payment is required unless stated as a condition of the deferral.

6.4.2. Deferrals are a temporary form of relief. Council typically uses deferrals (or short-term payment plans) to address hardship situations that are expected to be resolved or improve in the foreseeable future. If it becomes clear that the ratepayer's situation is unlikely to recover sufficiently to pay the deferred amount when it falls due, Council will discuss additional measures under the financial hardship provisions, such as extended payment arrangements or an ongoing deferral for ratepayers experiencing hardship who are also on a fixed income (for example, pensioners).

6.5. **Financial Hardship Assistance – Waiver of Interest or rates** In cases of financial hardship, Council may use its powers under sections 171 and 171A of the Local Government Act 1989 to waive interest and may, only in exceptional circumstances, consider the waiver of rates.

6.5.1. Council's strong preference is to retain the principal amount of rates and assist ratepayers through payment plans, deferrals, and waivers of interest. A waiver of rates will only be considered as a last resort, under extreme circumstances with the provision of adequate evidence to the satisfaction of Council.

6.5.2. Key points regarding waivers include:

- **Eligibility for waivers:** Any ratepayer who meets the criteria for financial hardship may apply for a waiver of interest, or rates under extreme circumstances with the provision of adequate evidence to the satisfaction of Council. This assistance is not limited to any particular category of ratepayer. However, as noted above, waiving rates is considered an extraordinary measure and will be evaluated stringently to ensure it is only provided in the most severe cases and where other measures, such as the waiver of interest or deferrals, are not available.

- **Scope of waivers:** Council may consider waiving interest, legal costs, or charges already incurred on an account. Council's policy is to maintain the principal amount of rates, as reducing these amounts would place a greater financial responsibility on other ratepayers. Accordingly, any consideration of waiving rates will occur only in extreme and exceptional cases of financial hardship, having regard to the impact on the broader community and Council's financial sustainability.

6.5.3. **Approval process:** Decisions to waive rates, charges or interest will be made at a senior level within Council in accordance with financial delegations. Conditions or qualifications may be applied to waivers (e.g., a requirement to adhere to a payment plan for a period before the waiver is confirmed).

Authority	**Maximum amount**
Revenue Team Leader	$100
Revenue Coordinator	$500
Manager Finance	$2,500
Director Organisational Performance	> $2,500

6.6. Application and Assessment Process

How to apply: A ratepayer (or an authorised representative, such as a family member, guardian, or financial counsellor) can apply for hardship assistance at any time by contacting Council. Applications can be made through multiple channels to ensure accessibility, including:

- **Online** – via Council's website (online hardship application form or email).
- **By phone** – by calling Council's Revenue Services team and providing information verbally.
- **In writing** – by mailing or emailing a completed Hardship Application Form or letter requesting assistance.
- **In person** – by visiting a Customer Service Centre for support (Council staff can help complete an application form if needed).

- Translated information and interpreter services will be made available on request, to ensure language is not a barrier to seeking assistance.

6.6.1. **Information requirements:** Council aims to keep the application process as simple and non-intimidating as possible. In many cases, formal evidence of hardship is not required for an initial payment plan or short-term deferral – Council will generally accept a ratepayer's request at face value, especially for an application concerning the ratepayer's principal place of residence. For more complex or longer-term assistance (for example, extended deferrals or any request for a waiver of interest), Council may ask the applicant to provide supporting documentation to help assess their situation. Council will not require unnecessary or excessive information. In all cases, Council will only request information that is genuinely needed to make a fair decision. Relevant documents could include proof of income (such as payslips or Centrelink statements), bank statements or overdue bills, medical certificates, termination or redundancy letters, and/or a letter from a financial counsellor or welfare agency.

6.6.2. **Assessment of applications:**

Each hardship application will be assessed on a case-by-case basis by Council officers, with reference to this Policy and the Ministerial Guidelines, taking into account the applicant's individual circumstances. Decisions will be made based on the ratepayer's overall financial situation and ability to pay. The following is a guide to the things that Council may consider when deciding whether to apply requests for a waiver of interest, charges or rates:

- Financial situation: Whether the ratepayer has experienced a loss of income or other financial shock (short-term or ongoing) that affects their ability to pay.
- Basic needs: Whether paying the rates in full would leave the ratepayer (or their dependants) unable to afford basic living necessities (like food, housing, utilities or medical care).
- Income level: Whether the ratepayer is on a low or fixed income (for example, receiving Centrelink benefits, a pension, or similar government assistance).

- Supporting advice: Whether the ratepayer is receiving help from an accredited financial counsellor, welfare agency, or legal aid service (and if so, any recommendations from these advisers).
- Payment history: Whether the ratepayer's payment history with Council indicates they have struggled to meet rate obligations in the past.
- Documentation: Whether the ratepayer has provided sufficient information or documents to support their application (noting that Council will assist the person to obtain and understand any required information).
- Financial counselling report: Where appropriate, whether an independent financial counsellor's report has been provided, offering an expert opinion on the ratepayer's financial circumstances and capacity to pay.

If additional documentation is required, Council will clearly explain what is needed and allow reasonable time for the ratepayer to provide it. Council aims to assess all complete applications and inform the ratepayer of the decision in writing within 10 business days of receiving the required information.

6.6.3. **Timeframes and communication:** Council will strive to process hardship applications and communicate an outcome in a timely manner. In general, once all required information is received, a decision will be made and provided in writing to the applicant within 10 business days. If further information is needed, Council will contact the applicant promptly and put any further debt recovery on hold in the meantime. All outcome letters or emails will explain the decision, the reasons, and detail any agreed repayment plan or relief granted. If an application is approved, Council will clearly outline the terms of the assistance (for example, the details of the payment plan or deferral period, what amount of any rates/interest is waived, and any conditions on future payments). If an application is not approved or only partially approved, the decision letter will state the reasons and provide information about alternative options or the ability to seek a review of the decision.

6.7. Review of Decisions and Complaints

Council aims to get hardship decisions right the first time. However, if a ratepayer is not satisfied with the outcome of their hardship application, they have the right to request an internal review. A review request should be made in writing (by letter or email) within 28 days of receiving Council's decision. A senior officer who was not involved in the original decision will then re-assess the application, consider any new information, and advise the ratepayer of the review outcome in writing (with reasons) as soon as practicable (generally within 10 business days of the request).

6.7.1. If the ratepayer remains dissatisfied after the internal review, they may pursue further options, including lodging a complaint under Council's Complaint Resolution Policy or contacting external bodies such as the Victorian Ombudsman for independent advice. Council's Complaints Policy is referenced in this document and provides a process for customers to have decisions reviewed fairly and transparently.

6.8. Privacy and Confidentiality

Council will respect and protect the privacy of people seeking hardship assistance. Any personal or financial information provided as part of a hardship application will be used solely for the purpose of assessing the application and arranging rate relief. All information will be stored and managed in accordance with the Privacy and Data Protection Act 2014 (Vic) and Council's privacy policies. Information about a hardship application will not be disclosed to any third party without the ratepayer's consent, except if required by law or for the administration of this Policy (for example, sharing limited details with a contracted debt collection agent if the ratepayer defaults on an arrangement).

6.8.1. Council is also mindful of privacy and safety considerations in special circumstances such as family violence or economic abuse. If a ratepayer discloses that they are affected by family violence, Council will take additional precautions to ensure their contact information and circumstances are kept confidential and that any communication or requirements do not inadvertently put them at risk. For instance, Council may provide alternative contact arrangements to protect victims of family violence (such as removing a perpetrator's access to the victim's rate account information, or sending correspondence to a safe address).

6.8.2. By maintaining privacy and treating applicants with dignity, Council hopes to create an environment where ratepayers in need feel safe and confident to seek assistance without fear of stigma or repercussions.

6.9 Engaging a third party to assist in assessing hardship and financial hardship

Ratepayers may benefit from a referral by Council to a financial counsellor, a community lawyer, a government-funded assistance program or specialist family violence support service.

Financial counsellors can offer a range of support, depending on someone's eligibility for the service. Ratepayers may be eligible for free or low cost, in-depth financial counselling, if they:

- are on a Centrelink benefit
- are unemployed and have no income
- are vulnerable due to personal circumstances
- are exposed to family violence.

If a ratepayer is in financial difficulty, they may receive free, confidential and independent advice from a financial counsellor by:

- calling the National Debt Helpline (Victoria) on 1800 007 007, Monday to Friday, 9:30 am–4:30 pm or by visiting National Debt Helpline's website.
- calling a community agency that provides financial counselling in the area where the ratepayer lives or works. Financial counsellors can assist in providing ratepayers with a professional opinion regarding an application for hardship or financial hardship.

7. Definitions and Abbreviations

For the purposes of this Policy, the following key terms are defined:

7.1. ***Hardship:*** *A situation where a ratepayer is experiencing difficulty paying their rates or charges by the due date because of a change in circumstances which has adversely affected their finances. A person in "hardship" may have the capacity to pay over a longer period or in smaller amounts, but paying on the normal schedule would cause significant strain. Hardship can result from a wide range of factors, such as illness or injury, temporary unemployment, a death in the family, family violence or other personal crises. (See also Financial Hardship, below, for more severe cases of ongoing hardship.)*

7.2. ***Financial Hardship:*** *A situation of serious financial distress in which a ratepayer is unable to pay an outstanding rates or charges debt without compromising their ability to afford basic living necessities for themselves or their dependents. Financial hardship underpins eligibility for waivers of rates or interest under the Act. Examples of circumstances that may lead to financial hardship include a prolonged loss of income or employment, major illness or disability, caring responsibilities, family violence or economic abuse, the impacts of natural disasters, or other serious unexpected events that affect the person's capacity to pay.*

7.3. ***Payment Plan (Instalment Arrangement):*** *A formal agreement between Council and a ratepayer to pay rates or charges by instalments over an extended period, usually beyond the standard statutory due dates. Payment plans typically involve making regular payments (e.g., weekly, fortnightly, or monthly) towards the rates debt, and are tailored to be affordable for the ratepayer. While a payment plan is in place and being complied with, penalty interest does not accrue and legal action is put on hold.*

7.4. ***Deferral (of Rates and Charges):*** *An approved postponement of the payment of rates and charges (or a part of them) for a specified period due to hardship. During an authorised deferral period, the deferred amount is not required to be paid, and no interest is charged on that amount. After the deferral period ends, the ratepayer must either pay the deferred amount or negotiate a further arrangement. Deferred rates remain a charge on the property until paid.*

7.5. ***Waiver (of Rates or Charges):*** *A permanent reduction or cancellation of all or part of the amount owed for rates, charges or interest due to financial hardship (as permitted under the Act). If a waiver is granted by Council, the waived amount does not need to be paid by the ratepayer. (Note that a write-off of debt under section 171A of the Act has the same effect as a waiver.) Waivers are generally granted only in exceptional cases of financial hardship.*

7.6. ***Ratepayer:*** *The person liable for the payment of rates and charges on a property. This will usually be the property owner, but can include an occupier who under a lease or agreement is responsible for paying council rates on the property. For the purpose of this Policy, "ratepayer" may also encompass an authorised agent acting on the person's behalf (for example, a financial counsellor, guardian, or someone with power of attorney, where appropriate).*

7.7. ***The Act:*** *Refers to the Local Government Act 1989 (Victoria), which (together with its amendments, such as the Local Government Legislation Amendment (Rating and Other Matters) Act 2022) governs the levying and collection of council rates and charges, and provides for hardship relief measures in sections 170, 171, 171A, 172, 180A, 181 and related provisions.*

7.8. ***Ministerial Guidelines:*** *Refers to the Ministerial Guidelines for councils relating to the payment of rates and charges, issued by the Victorian Minister for Local Government in December 2025 under section 181AA of the Act. These Guidelines are binding on councils and outline the principles and required practices for managing cases of hardship and financial hardship.*

7.9. *(Any other technical terms or abbreviations used in this Policy shall have the same meaning as in the Local Government Act 1989, unless defined otherwise above.)*

8. Related Documents

8.1. This Policy should be read and administered in conjunction with the following documents and legislation (as amended from time to time):

- **Local Government Act 1989** (Victoria) –sections 170 (deferral of rates), 171 & 171A (waiver of rates, charges or interest due to financial hardship), 172 (interest on unpaid rates), 180-181 (recovery and enforcement of rates), and related provisions.
- **Local Government Legislation Amendment (Rating and Other Matters) Act 2022** (Victoria) – which introduced new requirements for council hardship relief and debt collection (e.g. s. 180A on restrictions on legal action, and s. 181AA enabling Ministerial Guidelines).
- **Ministerial Guidelines for Councils Relating to the Payment of Rates and Charges** (Minister for Local Government, December 2025).
- **Hume City Council Complaints Policy** – for information on how to request reviews or make a complaint about a decision or process under this Policy which can be accessed via Council's website under "*Contact us*" and "*Share your feedback*" (Share your feedback - Hume City Council). Alternatively, contact Council on (03)9205-2200.

Date Adopted	28 November 2022
Date Re-Adopted	25 May 2026
Review Date	June 2027