



FINANCIAL HARDSHIP POLICY

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POLICY OWNER POSITION: Manager Financial Services

INTERNAL COMMITTEE ENDORSEMENT: Not applicable

APPROVED BY: Council

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RELATED STRATEGIC DOCUMENTS, POLICIES OR PROCEDURES: Rateable Properties with Environment Covenants Policy
Revenue and Rating Strategy

RELATED LEGISLATION: Local Government Act 1989
Local Government Act 2020

EVIDENCE OF APPROVAL:

Signed by Chief Executive Officer

FILE LOCATION: K:\EXECUTIVE\Strategies policies and procedures\Policies - adopted PDF and Word\POL Financial Hardship Policy v3.docx

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This document is available in alternative formats (e.g. larger font) if requested.

1 PURPOSE

This policy sets the principles for Loddon Shire Council to assist ratepayers who are experiencing general and financial hardship to make payments of rates and waste charges raised by Council.

2 SCOPE

This policy applies to ratepayers who have an outstanding rate or charge with Council and are experiencing genuine financial hardship.

3 POLICY

Council will give consideration to assisting a ratepayer experiencing genuine financial hardship within the following options:

- deferred payment
- waiver of all or part of a rate or charge.

Any requests for rate deferral waiver that meet the criteria outlined in this policy must be made to Council in writing addressed to the Chief Executive Officer (CEO). A decision on any such request may be made by the CEO as per the authorised delegations. In some circumstances the CEO may decide to refer the application to a Council Meeting for determination.

3.1 Deferred payment

The intent under Section 170 of the Local Government Act 1989 (“the Act”) of providing a deferral for payment of rates is to assist a ratepayer who owns and occupies a single rateable property who can demonstrate, via a certified statement of financial position, that payment of rates will cause hardship.

Council will consider an application for a deferred payment for such period as it deems fit. If a deferral is granted, it will be based on the following conditions:

- the ratepayer continues to accrue interest on the amount affected by the deferral at the interest rate fixed under section 2 of the Penalty Interest Rates Act 1983
- the deferral ceases and the deferred rates and accrued interest are immediately payable if the ratepayer ceases to own or occupy the property on which the rates are imposed
- the deferral ceases if Council in its discretion revokes the deferral. In such cases Council will notify the ratepayer in writing and request full payment of the deferred rates and accrued interest within 30 days
- the deferral will be reviewed each year within one month of the issue of the annual rates notice.

An increase in the valuation of a property and a subsequent increase in rates cannot be considered grounds for a deferred payment of rates.

Council may also authorise the deferral of rate payments for up to three months where the ratepayer is awaiting on finance from the sale of an asset, which will enable them to make full payment for rates. As stated above, Council will charge interest during this time; however no further legal or debt recovery action will be taken during the time of deferral.

3.2 Waiver of all or part of a rate or charge

Under Section 171A of the Act, a person suffering financial hardship may make an application to Council for a waiver of the whole or part of any rate, charge or interest.

Where a ratepayer is unable to make rate payments and the charging of interest would cause undue financial hardship, an application under Section 171A will be considered subject to the following conditions.

Assistance will only be considered:

- for a property that is used for residential purposes and is the sole principal place of residence of the applicant
- for land that is classified as farm land and is the sole or principal place of residence of the applicant
- for land that is classified as commercial/industrial and is owned and operated by the applicant.

The applicant must provide:

- a certified Statement of Financial Position signed by a qualified accountant or financial counsellor
- a Financial Plan to ensure future rates and charges can be paid.

Each application will only apply for the current rating financial year, after which a new application for the next financial year will be required.

The Chief Executive Officer may decide to extend an application for waiver where the hardship status still exists and the ratepayer has complied with all conditions of the agreement including debt repayment schedules.

4 HUMAN RIGHTS STATEMENT

It is considered that this policy does not impact negatively on any rights identified in the Charter of Human Rights Act. Loddon Shire Council is committed to consultation and cooperation between management and employees. The Council will formally involve elected employee Health and Safety Representatives in any workplace change that may affect the health and safety of any of its employees.

5 REVIEW

The Manager Financial Services will review this policy for any necessary amendments no later than 4 years after adoption of this current version.