



### 1.0 AUTHORITY

The *Local Government Act 1989* (the Act); sections 170 and 171A.

### 2.0 INTENT

The purpose of Rates and Charges Financial Hardship Policy is to provide Council with a policy framework and to provide financial relief to individuals who need assistance upon application.

This Policy also provides ratepayers with a clear, transparent understanding of the options and assistance available if currently experiencing, or at the risk of experiencing hardship.

### 3.0 SCOPE

This policy applies to all Council Officers responsible for the maintenance and management of the rating system. It refers to property owners and ratepayers of the Mornington Peninsula experiencing financial hardship for payment of rates on their principal place of residence.

This policy applies to revenue included on the rate notice (rates, waste charges, fire services property levy, legal costs, interest, and other relevant charges).

This policy does not apply to property owners who have entered a payment arrangement with Council to clear their debt within a certain time.

### 4.0 GOVERNANCE PRINCIPLES

Under the *Local Government Act 2020*, Council must give effect to the following overarching governance principles:

- priority is to be given to achieving the best outcomes for the municipal community, including future generations.
- the ongoing financial viability of the Council is to be ensured.
- the transparency of Council decisions, actions and information is to be ensured.

### 5.0 POLICY STATEMENT

To assist ratepayers experiencing financial hardship and ensure that all applications for rate relief due to financial hardship pursuant to sections 170 and 171A of the Act, be considered by Council based on individual merit for properties that are the applicant's primary residence.

When assessing any application about financial hardship, due consideration must be given to Council's overall revenue requirements and services provided. While all property owners receive the direct benefit provided through the payment of rates and charges, it is important that Council has a mechanism to consider the needs of property owners who are suffering genuine financial hardship.



### 5.1 Financial Hardship

Council recognises that not all circumstances are alike, and that financial hardship may arise from a range of individual circumstances, including but not limited to, the following situations:

- unemployment
- incapacity through sickness, or injury
- family break down or domestic violence
- diminished, low or loss of income

#### Financial Hardship Assessment guidelines

Criteria used to determine an individual's eligibility is assessed on a case-by-case basis and is based on documented evidence and a meaningful two-way conversation. All evidence is considered when assessing the level of financial hardship and offering an appropriate level of financial assistance.

#### Not Financial Hardship:

Council frequently enters short term payment arrangements with ratepayers, they are generally not considered as 'financial hardship assistance' but could indicate a precursor to financial hardship. In these circumstances, Council would monitor progress towards clearing the debt within the specified time. If the debt is not cleared, further assistance may be considered. Interest continues to accrue on arrears after due dates.

### 5.2 Payment Arrangement

Except for the most exceptional circumstances, Council will not waive any rates but rather will encourage the person to enter a payment arrangement.

Any ratepayer who is suffering financial difficulty but does not qualify for either a waiver or deferral may still be granted a mutually agreed payment arrangement to pay outstanding rates and charges, subject to the following conditions:

- The ratepayer must be able to demonstrate they are experiencing financial hardship
- The acceptance by the ratepayer that interest will be levied at the rate set by the Penalty *Interest Rates Act 1983*, until the account is paid in full
- The arrangement will have a limited life of not greater than twelve (12) months following the end of the financial year the arrangement was entered.

Any default in the arrangement may end the arrangement and result in the commencement of legal proceedings which may incur costs associated with the collection of the debt.

### 5.3 Deferral of Rates and Charges

Council offers deferral of residential rates and special charges under section 170 of the Act, where it can be shown that the ratepayer is experiencing undue and unavoidable hardship, subject to the following conditions:

- Must be the applicant's sole or primary place of residence (i.e. owner/occupier)
- A confidential Hardship Application form must be submitted by the property owner as evidence of financial hardship and supported by sufficient documentation. This may include details of assets owned, income received and living expenses, as well as any other information considered relevant by the applicant. Council or Council officers may request additional



information from applicants to support requests.

- The acceptance by the ratepayer that interest will accrue on the deferred rates and charges at the prescribed penalty interest rate (section 2, *Penalty Interest Rates Act 1983*)

Deferments of rates or Special Rates and Charges may only be granted in each rating year. Applicants requiring longer deferrals will be required to reapply annually.

### Removal of Deferral

Rate deferment will generally be withdrawn for one of the following reasons:

- The person's circumstances have changed, and payment would no longer cause hardship
- The person no longer owns or occupies the property
- The person has defaulted in any agreement associated

## 5.4 Waiving of Penalty Interest

Unless otherwise specified in this policy, interest will be charged on overdue rates and charges in accordance with section 172 of the *Local Government Act 1989*, including that the interest is calculated at the rate fixed under section 2 of the *Penalty Interest Rates Act 1983*. In certain circumstances Council has discretion to waive penalty interest or other charges under section 171A of the *Local Government Act 1989*.

Interest waivers fall under one of the following categories: -

### Waiver for Administrative Reason/Error

Ratepayers may have interest only waived in the event of an administrative issue, error or omission which caused or significantly contributed to the failure to pay rates in a timely manner.

### Waiver on Compassionate Grounds

Ratepayers may have interest only waived where they have demonstrated compassionate grounds for a payment being late. Compassionate grounds include:

- Serious illness
- Recent accident or injury
- Death of immediate family member
- Recent loss of employment
- Family break-down or domestic violence

### Waiver of interest due to Financial Hardship

Ratepayers experiencing financial hardship may apply to have interest or part thereof waived subject to compliance with the following conditions:

- A ratepayer is experiencing undue or unavoidable financial hardship (refer 5.1).
- A ratepayer is on a payment arrangement with no default over a period of 12 months.
- The maximum waiver is 12 months accumulated penalty interest, if approved.

## 5.5 Waiving Rates

Consideration of a waiver under this section will only be considered after an initial deferment of rates has been granted. Section 171 of the *Local Government Act 1989* allows Council to waive the whole or part of any Rates or Interest in relation to an eligible recipient or any other class of persons as determined by Council.



A person who is an eligible recipient who is suffering Genuine Financial Hardship or would suffer Genuine Financial Hardship if that person paid the full amount of the rates for which he/she is liable, may apply to Council for a waiver of the whole or part of any rates.

Where it is thought that exceptional circumstances exist such that waiver of rates is appropriate, that waiver must be authorised by the CFO in accordance with his/her delegation.

The maximum amount of any waiver in one financial year will be limited to \$500. Any waiver is a one-off waiver in response to circumstances at the time, those that have been assessed for a successful waiver are ineligible to reapply in the future for further waivers.

### 5.6 Exceptional circumstances

Council's preference is to not waive rates or charges on the basis it is considered inequitable for most ratepayers to subsidise the property assets of hardship applicants. A more equitable solution for the entire community is to defer rates and charges.

However, Council will consider the waiving or reduction of rates for certain ratepayers for their principle place of residence, where exceptional circumstances are experienced, and where severe financial impact can be demonstrated.

### 5.7 Confidentiality

Council treats applications for consideration of financial hardship as strictly confidential in accordance with Council's Privacy Policy, including the use of property numbers in reports to Council or Council Committees. The name of the ratepayer shall only be disclosed in reports with the consent of that ratepayer.

## 6.0 PROCESS

In the case of hardship, a request for assistance from Council must be made in writing (via an financial hardship application form – Appendix A), including the details of the circumstances preventing the ratepayer from meeting their financial obligation to Council.

Council will consider the request for financial hardship and advise its decision in writing within 14 days of receiving an application for financial hardship consideration, subject to all relevant information being provided.

A ratepayer may request a review of the Council decision by outlining the grounds for the review. This must be in writing and addressed to the Chief Executive Officer.

## 7.0 ASSOCIATED DOCUMENTS

- *Local Government Act 1989*
- *Penalty Interest Act 1983*
- *State Concessions Act 2004*
- *Information Privacy Act 2004*



- Charter of Human Rights Act 2006
- Rate payment and Debt recovery policy
- Privacy policy

### 8.0 DEFINITIONS

<b>Rates and Charges</b>	<p>Generally, means most items that appear on the applicable Rate Notice, such as Differential Rate amounts, Waste charges, Fire Services Levy amounts, Pensioner Concessions, Rebates, Penalty Interest charge, and Arrears. Optional Charge items, such as extra capacity or green bin charges are generally excluded.</p>
<b>Genuine Financial Hardship</b>	<p>For the purposes of this policy “financial hardship” means a situation where a ratepayer is unable, because of illness, unemployment or other reasonable cause, to discharge their financial obligations.</p> <p>Financial hardship involves an inability of the property owner to meet their commitments rather than an unwillingness to do so. Customer hardship can arise from a variety of situations.</p> <p>Common causes of hardship may include, but are not limited to:</p> <ul style="list-style-type: none"><li>• Loss of employment of the property owner or family member</li><li>• Family breakdown</li><li>• incapacity caused by both physical and mental illness of the property owner or family member</li><li>• Domestic violence</li><li>• A death in the family; or</li><li>• Other factors resulting in unforeseen change in the property owner’s capacity to meet their payment obligations.</li></ul>
<b>Exceptional circumstances</b>	<p>For the purposes of this policy “exceptional circumstances” means a situation beyond Genuine Financial Hardship as defined above, where severe financial impact has been experienced and can be demonstrated.</p> <p>Each case will be assessed on its individual circumstance and period of hardship experienced, factors contributing to exceptional financial hardship include the inability to access funds or property due to events such as family violence and house fire.</p>
<b>Primary residence</b>	<p>The property which is the applicants main living location.</p>
<b>Deferment</b>	<p>A “deferment” of payment is a postponement of payment, in whole or in part, and can be for a specified period and subject to any conditions determined by Council. Where deferment has been granted, Rate Notices must be sent as required under the provisions of the <i>Local Government Act 1989</i>.</p> <p>Deferred rates are a charge on the property and will continue to accrue interest under the <i>Penalty Interest Rates Act 1983</i> until the account is paid in full.</p>



### Waiver

A “waiver” is a one-off abandonment, which removes the liability to pay, and may be offered to include the whole or part of any interest, costs and where applicable part of rates and charges.

## 9.0 POLICY SPONSOR

The Chief Financial Officer is responsible for overseeing the application and review of the Financial Hardship Policy - Rates.

## 10.0 DOCUMENT CONTROLS

Council will review this policy within each Council term to ensure consistency with the Council Plan, no later than 31 December 2025.



### APPENDIX A – MORNINGTON PENINSULA SHIRE – FINANCIAL HARDSHIP APPLICATION FORM

Financial Hardship Applications for rate relief pursuant to sections 170 and 171A of the *Local Government Act 1989*, will be considered by Council on the basis of individual financial circumstance and only in relation to the applicant's primary place of residence.

\* See Note on page 3 – all documentation that supports your application must be provided.

Note: This Application is **not** valid for properties rated as commercial, industrial, vacant land or investment.

Property Details	
Property Number	
Property Address	

Owner(s) Details			
Owner 1 Name		Date of Birth	
Contact phone number	(H)	(B)	(M)
Email Address			
Occupation			
Residential Address (where you live)			
Mailing Address (If different to residential)			
Owner 2 Name		Date of Birth	
Contact phone number	(H)	(B)	(M)
Email Address			
Occupation			
Dependants (living with you)	<input type="checkbox"/> Yes (if yes, provide number and age of dependants?) <input type="checkbox"/> No No. _____ Ages: _____ (if over 18 years, provide details of circumstance) _____ _____ _____		



Status	<input type="checkbox"/> Single <input type="checkbox"/> Married <input type="checkbox"/> De facto <input type="checkbox"/> Widow/Widower <input type="checkbox"/> Divorced/Separated If Married or De facto please complete the next item
Spouse /De facto (if not on title)	Name: _____ Address: _____ _____ _____ If also listed on the ownership of the above-named property, a declaration should also be submitted.
Pensioner	<input type="checkbox"/> Yes (if yes, what type of pension?) Type: _____ <input type="checkbox"/> No
Reason for Hardship Application * You must attach all documentation that supports your application? (i.e. Medical Certificate)	_____ _____ _____ _____

*Assets (provide dollar value and details)*

**Details**

Property (this property)	\$	
Investment property/land	\$	
Bank Deposits (Total Value incl. Banks, Building Societies & Credit Unions)	\$	
Motor Vehicle(s)	\$	
Shares (Total Value)	\$	
Other Investments	\$	



<b>Income</b> (total Monthly Income)	
From Salary	\$
From Pension Type: _____	\$
From Property Asset (rent or board)	\$
From Bank Interest	\$
From other investments (includes share dividends)	\$
From Superannuation	\$
From other sources (Provide Details)	\$

<b>Expenses</b> (total Monthly Expense)	
Mortgage payments – including documentation *see Note on page 3	\$
Credit cards/store cards	\$
Council rates	\$
Water rates	\$
Utilities (i.e. Gas, electricity etc.)	\$
Telephone & Internet	\$
Groceries (food, alcohol etc.)	\$
Insurance: House, Car, Health	\$
Loans: Personal/Car	\$
Medical expenses (Doctor /Specialist/Pharmacy etc.)	\$
Other (i.e. School fees, Clothing, Leisure etc)	\$

<b>Liabilities</b> (provide the dollar value of what, if any, is owing on the following)	
Mortgage (on this property)	\$
Mortgage (Investment property/land)	\$
Balance of Credit/Store cards	\$
Personal Loans	\$



Other, detail	\$
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### Declaration

I / We have owned the property since (date of purchase): \_\_\_\_\_

I / We acknowledge that by signing this document, the information provided in support of my application is true and correct.

Owner's Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Owner's Signature: \_\_\_\_\_

### Completed Hardship Applications can be:

**By Email:** [customerservice@mornpen.vic.gov.au](mailto:customerservice@mornpen.vic.gov.au) (with attached supporting documentation)

**By Post:** Revenue  
Mornington Peninsula Shire  
Private Bag 1000  
ROSEBUD VIC 3939

**By Hand:** To any Shire Office: Rosebud, Mornington, Hastings and Somerville

**NOTE:** \* **You MUST enclose/attach all supporting documentation with your Hardship Application.** If you do not, then your application will not be accepted and processed accordingly.

### Please Tick against the Documentation you have provided with your Application:

- Mortgage Statements
- Bank Statements for each account (savings, cheque, credit cards)
- Superannuation Statement
- All Utility bills (water, gas, electricity, phone, internet)
- Your most recent Tax Return
- Payslips (for the last three consecutive pays-when working)
- Any other documentation which demonstrates income and expenditure for the property.

*In some circumstances, Council may contact you to organise a mutually convenient time and day to meet to discuss your application.*

### Privacy Statement

The information on this form is being collected by the Mornington Peninsula Shire and its authorised contractors in accordance with its Privacy Policy, the Privacy and Data Protection Act 2014 and the Health Records Act 2001 for the purpose of considering hardship status.

You may access personal information you have provided to the Shire and make corrections by contacting the Shire's Privacy Officer [privacy@mornpen.vic.gov.au](mailto:privacy@mornpen.vic.gov.au). The Shire will only use this information for the purpose it was collected and may use it for a secondary, related purpose that could be reasonably expected.



**OFFICE USE ONLY:**

Date Application Received:		Date Application Processed:			
Officer Initials:		TL Initials:		CFO Initials:	