# Rates and Charges Payment Assistance Policy

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| **Policy Number:** | 2007/05 | **Directorate:** | CEO |
| **Approval by:** | Council | **Responsible Officer:** | Chief Financial Officer |
| **Approval Date:** | 23 November 2026 | **Version Number:** | 9 |
| **Review Date:** | 4 years from approval date | | |

## 1. Purpose

The Rates and Charges Payment Assistance Policy (the Policy) sets out the principles guiding how Knox City Council (Council) responds to hardship in the administration of municipal rates and charges.

The Policy supports a fair, transparent and consistent approach to the consideration of hardship, enabling Council to comply with its obligations under the *Local Government Act 1989* and the Ministerial Guidelines issued under section 181AA.

Council is committed to assisting members of the community who may need support to meet their financial obligations by providing appropriate payment options and arrangements for property and service-based debts.

## 2. Context

Rates and charges represent the primary source of revenue for Council and are levied in accordance with the Local Government Act 1989. The *Local Government Act 1989* continues to provide the legislative framework for Council rates and their application, alongside the broader governance framework established by the *Local Government Act 2020*.

Timely collection of rates ensures that Council can continue delivering essential services, maintaining community infrastructure and undertaking planned capital works.

Council recognises that residents and businesses may experience periods of financial difficulty due to changing economic conditions, personal circumstances, or unexpected life events. Council also acknowledges that hardship can disproportionately affect priority populations, including women experiencing family violence. Council is committed to supporting ratepayers experiencing hardship through assistance that is accessible, fair, consistent and compassionate, and responsive to individual circumstances. Any ratepayer experiencing hardship, or seeking to apply, can request an interpreter or translator to aid in communication with Council.

Council currently offers a range of flexible payment options to support ratepayers in managing their rates and charges. These existing options include:

- **Online payments**, such as BPAY, Post Billpay, and credit/debit card payments via Council's website.

- **In-person payments**, including cash, cheque or EFTPOS, available at the Civic Centre and Australia Post.
- **Direct debit**, through Payble enables automatic payments on a weekly, fortnightly, monthly, quarterly or annual basis, providing greater flexibility and supporting ratepayers with budgeting.

These payment pathways support diverse needs and preferences and reflect Council's ongoing commitment to providing accessible and flexible service delivery across the municipality.

However, Council acknowledges that residents and businesses will occasionally require additional, tailored support beyond standard payment methods, particularly during periods of financial or personal hardship.

This Policy provides those further supports by setting out clear assistance options designed to help ratepayers who are experiencing genuine hardship.

This Policy reflects Council's broader commitment to social inclusion, responsible financial management, and transparent service delivery by providing clear pathways for ratepayers to seek support when they need it most.

# 3. Scope

The Policy applies to ratepayers within Knox City Council who are liable for the payment of municipal rates and charges and who are experiencing hardship. It establishes the context in which Council may provide support to eligible ratepayers who are unable to meet their rate obligations due to hardship.

# 4. Policy

This section outlines the assistance options available to ratepayers experiencing hardship. All information provided in applications will be handled with care and in accordance with the *Privacy and Data Protection Act 2014* to ensure confidentiality and compliance with privacy obligations**.** Council aims to provide fair and consistent support while encouraging applicants to submit detailed information and supporting documents.

## 4.1 Assistance Options

### 4.1.1 Hardship Payment Plan (Beyond a standard 12 month payment period and up to 24 months)

An agreed arrangement between council and the ratepayer to pay outstanding rates and charges over an extended period of up to 24 months. Penalty interest will be suspended for the duration of the payment plan, provided payments are made in accordance with agreed terms. This option helps residents manage payments without compromising basic living necessities.

### 4.1.2 Deferral of Rates and Charges – only available to Residential and Retirement Village rate payers

Postponement of payment of rates and charges for an agreed period, during which penalty interest will not accrue, and debt recovery or legal action will be suspended. Deferred amounts will eventually need to be paid when the ratepayer's financial circumstances improve or when the property changes ownership. Deferral arrangements are only available for a ratepayer's principal place of residence and do not apply to investment properties.

Each deferral may be granted for a maximum period of three years. At the end of the deferral period, a new application may be submitted and will be assessed against the applicable eligibility criteria at that time.

#### 4.1.3 Waiver of Penalty Interest and/or Legal Costs

Council may exercise its discretion to waive accrued penalty interest and/or legal costs associated with overdue rates and charges. This option is considered in cases of hardship.

Non-receipt of a rate notice, travelling overseas, forgetfulness, failure to contact Council prior to the due date to advise of financial difficulty, a failure to advise of a change of residential or mailing address, or previous Payment Arrangements not being maintained are not deemed to be extenuating circumstances.

#### 4.1.4 Waiver of Rates and Charges

The *Local Government Act 1989* provides Council with discretionary powers to waive rates and charges in cases of hardship. Council will not waive any portion of rates and charges under this Policy.

Council operations, services, and infrastructure are funded primarily through rates and charges paid by property owners within the municipality. Waiving rates for a select group of ratepayers would effectively shift the financial burden onto the broader community, which is considered inequitable and inconsistent with principles of fairness.

Instead, Council provides alternative hardship assistance options—such as flexible payment plans, deferrals, and suspension of penalty interest to support ratepayers in genuine need without compromising the sustainability of essential services for the entire community.

## 4.2 Eligibility Criteria

Each application will be assessed on a case-by-case basis, having regard to the individual circumstances of the ratepayer.

Applicants must complete the hardship application form with supporting documentation (where applicable) to demonstrate circumstances of hardship or financial hardship (refer to Definitions table) that are currently preventing payment.

When assessing an application for hardship, Council may consider a range of factors relevant to the ratepayer's current financial circumstances. These may include, but are not limited to the ratepayer's:

- income and financial resources (e.g. payslips, unpaid bills, bank statements)
- essential living expenses
- assets and liabilities
- capacity to meet financial commitments
- expected duration, nature and severity of the hardship circumstances
- supporting documentation and/or independent financial advice, including advice from financial counsellors
- actions taken to date to manage or address their current financial situation.
- supporting medical certificates
- supporting government agency documentation (e.g. from Centrelink, NDIA, ATO, Victoria Police, Victorian Courts)

Council may request reasonable supporting documentation where necessary to assess an application.

Council seeks to balance compassionate support for ratepayers experiencing hardship with its responsibility to ensure the fair and sustainable collection of rates and charges for the benefit of the broader community.

Please note that mere inconvenience or difficulty in making a payment is not considered as hardship.

#### 4.2.1 Assessment and Decision

Hardship applications will be assessed on a case-by-case basis, having regard to the information provided by the ratepayer in their Hardship Assistance Application and any relevant evidence of their circumstances. Assessment may consider factors such as hardship, income and benefits, access to essential living expenses, referrals from financial or support services, and payment history.

Council will only collect information that is necessary to assess the application and will handle all information in accordance with privacy legislation and Council's privacy policies.

Applicants will be advised of Council's decision in writing, including the reasons for the decision.

A decision about a hardship applications will be made within 20 business days of receipt of the Hardship Assistance Application.

#### 4.2.2 Appeal - Internal Review

Where an applicant is dissatisfied with the outcome of their hardship application, they may request a review of the decision by lodging an Appeal Against Decision – Hardship Assistance application.

The review will be undertaken by an appropriate Council officer who was not involved in the original decision and will consider whether the decision was fair, reasonable and consistent with relevant evidence, policy and legislative requirements.

An internal review will be finalised within 20 business days on receipt of an Appeal Against Decision – Hardship Assistance.

Applicants will be advised of Council's decision in writing, including the reasons for the decision.

## 4.3 Interest

Unless otherwise specified in this Policy, penalty interest will be charged on overdue rates and charges in accordance with Section 172 of the Local Government Act 1989. Penalty interest is calculated at the maximum rate allowable.

## 4.4 Debt Recovery

Council will take reasonable steps to recover unpaid rates and charges in accordance with the Local Government Act 1989.

Where payment plans are not maintained and no hardship assistance is in place, council may commence debt recovery action, which may include the use of external collection agencies or legal proceedings.

Where a payment plan has not been successfully completed within the agreed term, any request for a subsequent payment plan will be considered having regard to the ratepayer's circumstances, previous payment history and compliance with prior arrangements. Council may require an alternative arrangement or other appropriate action where a further payment plan is not considered suitable.

Council will not undertake recovery or enforcement action for unpaid rates, charges or interest while a hardship application is being assessed, or where an Appeal Against Decision – Hardship Assistance application has been received. This protection will apply once in relation to an application and will not prevent Council from taking recovery or enforcement action in relation to any subsequent outstanding amount or further period of non-payment.

#### 4.4.1 Sale of Land for Unpaid Rates (Section 181)

Under Section 181 of the Local Government Act, Council has the power to sell land to recover unpaid rates and charges.

Council will only consider exercising this power as a final step, and only where:

- Rates and charges have remained unpaid for at least 3 years ;
- Reasonable attempts to recover the debt have been unsuccessful; and
- No payment plan or hardship assistance is in place.

Any proposal to sell land for unpaid rates will require approval by Council resolution.

# 5. References

## 5.1 Knox Council and Health and Wellbeing Plan 2025-2029

## 5.2 Relevant Legislation

*Local Government Act 2020*
*Local Government Act 1989*
*Ministerial Guidelines Relating to Payment of Rates and Charges 2025*
*Penalty Interest Rates Act 1983*
*Privacy and Data Protection Act 2014*

## 5.3 Charter of Human Rights

This policy has been assessed against and complies with the charter of Human Rights.

## 5.4 Relevant Council Policies

Instruments of Delegation from Chief Executive Officer to Council Staff
Privacy and Data Protection Policy
Health Records Policy

# 6. Definitions

| Term | Definition |
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| Annual rates and charges | Charges levied on properties annually by Council to fund municipal services. These include property rates, waste service charges, and State Government levy to fund emergency services. |
| Basic Necessities | Essential daily items and services such as food, housing, and utilities. |
| Council | Knox City Council, the local government authority responsible for municipal governance and services. |

| Term | Definition |
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| Deferral of rates and charges | Postponement of payment of rates and charges for an agreed period without penalty interest accruing during the deferral. |
| Financial Counsellor | A qualified professional providing advice and support to residents experiencing financial hardship. This is a free, independent and confidential service. |
| Financial Hardship (Person) | Financial difficulty that prevents a resident from paying annual rates and charges without compromising basic necessities for themselves and/or their dependants. Examples of basic necessities are:<br>• Essential medical treatment or supplies<br>• Essential utility services (including water, energy, internet)<br>• Assess to basic living needs including:<br>  ○ Food<br>  ○ Accommodation<br>  ○ Clothing<br>  ○ Childcare and education<br>  ○ Transport<br>  ○ Insurance |
| Hardship | A broad term that refers to any situation in which a person is struggling. The circumstance may be financial, but can also be social, health, emotional, or situational. The following are some examples of such circumstances:<br>• Medical issues, injury, illness or mental illness of a ratepayer or family member;<br>• Family violence or economic abuse;<br>• Alcohol, drug or substance use;<br>• Family circumstances;<br>• Bereavement;<br>• Natural disasters;<br>• Elder abuse;<br>• Gambling;<br>• Scrams or fraud;<br>• Incarceration.<br>Not all hardship situations result in an inability to pay bills, but it may impact a person's capacity to engage with managing daily life. |
| Legal Costs | Expenses incurred by Council in recovering unpaid rates and charges through legal proceedings. |
| Payment Plan | An agreed schedule of regular payments between Council and a ratepayer to clear outstanding rates and charges over an extended period. |
| Penalty Interest | Interest charged on overdue rates and charges as prescribed under the *Local Government Act 1989*. |
| Ratepayer | A person or entity liable for the payment of municipal rates and charges under the *Local Government Act 1989 (Vic).* |
| Residential Properties | Land that is used, or intended to be used, primarily for domestic living purposes. Examples are houses, apartments, townhouses, units, and other dwellings that serve as a person's principal or secondary place of residence. |

## 7. Administrative Updates

From time to time, circumstances may change leading to the need for minor administrative changes to this Policy. Where an update does not materially alter this Policy, such a change may be made administratively on approval of the Chief Financial Officer. Examples of minor administrative changes include change to names of Council departments or positions, change to names of Federal or State Government departments or a minor amendment to legislation that does not have material impact. Where any change or update may materially change the intent of this Policy, it must be considered by Council.