SOUTH GIPPSLAND SHIRE COUNCIL

COUNCIL POLICY

HARDSHIP POLICY

Policy No.	C53	Adoption Date:	Council Meeting 17 June 2026
Directorate:	Strategy and Integrity	Department:	Financial Strategy
Revision Date:	30 June 2030		

GOOD GOVERNANCE FRAMEWORK – OVERARCHING PRINCIPLES

Supporting Pillar:	Pillar 3. Decision Making Pillar 4. Structure, Systems & Policies Pillar 7. Risk & Compliance Pillar 8. Monitoring & Performance Review
Link to Pillar:	This Policy strengthens Council's framework by establishing support available to our customers who are experiencing long term financial hardship

1. PURPOSE

1.1. This policy outlines how Council supports ratepayers experiencing long-term hardship and long-term financial hardship. By providing a fair, consistent, and transparent framework, this policy allows those struggling with debt, or those who would face significant strain if required to pay, to seek formal assistance.

1.2. This Policy has been developed in accordance with Local Government Act 1989 and Local Government Act 2020 (the Act).

2. SCOPE

2.1. The scope of this Policy applies to:

2.1.1. All ratepayers who are unable to pay;

2.1.2. All Council staff involved in rates and revenue collection, customer service and debt management; and

2.1.3. All rates and charges (including special charge schemes) under the Act.

3. POLICY PRINCIPLES

3.1. Flexible, place-based approach - Council offers flexible payment options and methods for payment of rates and charges.

3.2. Fair, equitable and compassionate treatment - Council will treat all ratepayers equitably, compassionately and proportionately in relation to payment of rates and charges.

3.3. Early intervention - Council encourages early engagement with customers to prevent debt recovery actions.

3.4. Confidentiality - Personal information will be handled in accordance with privacy legislation.

3.5. Accessibility - Assistance will be easy to request, with minimal administrative burden.

3.6. Dignity and respect - Council ratepayers will be treated with sensitivity, fairness and without judgement.

3.7. Debt recovery on hold during assessment - All debt recovery activity will be placed on hold while an application is being assessed.

Application Process

3.8. Ratepayers may request assistance by:

3.8.1. Completing a hardship application form

3.8.2. Contacting Council by phone, email or in person

3.8.3. Being referred by a financial councillor or support worker.

3.9. Ratepayers must notify Council of any change in circumstance relevant to the application and ensure information is true and correct.

Hardship relief

3.10. Relief for a ratepayer experiencing long term hardship may include debt recovery action being placed on hold, approval of long-term payment plan, Interest on hold, Interest waiver or rates deferral.

3.11. Criteria to be considered for hardship relief are (but not limited to):

3.11.1. In receipt of a Centrelink or other benefits

3.11.2. Can demonstrate a loss of income

3.11.3. Is on a low or fixed income such as pension or superannuation payment

3.11.4. Has been referred by an accredited financial counsellor

3.12. Hardship applications will be assessed by the Coordinator Rates and Revenue within ten business days of receipt of application.

3.13. A hardship application must be completed by the ratepayer for any of the below hardship relief options to be considered with required supporting documentation submitted. Ratepayers must show that payment of rates and charges would cause hardship to them.

3.14. Ratepayers will be notified in writing the outcome of the hardship application.

Long Term Payment Plan

3.15. In instances where the outstanding balance cannot be paid within twelve months, a long-term payment plan may be negotiated. Such plans shall be structured at an amount affordable to the ratepayer, including any terms set by Council and subject to approval by Coordinator Rates and Revenue.

3.16. If a payment plan is not maintained as per the agreed terms, the payment plan may be cancelled and appropriate collection will commence. A cancellation notice will be issued to the ratepayer. Council may choose not to enter any future payment plans.

Deferral of Rates, Charges and special charges

3.17. Deferral is where Council agrees for a ratepayer to not make payments towards their rates, charges and/or special charges for an agreed period of time. Rates and charges will continue to be levied.

3.18. In all applications for rate deferrals, the applicant has the ability to make payments towards rates and charges.

3.19. Interest will not be charged on approved deferral applications

3.20. Council may periodically review a ratepayer’s situation to determine if a deferral should continue.

3.21. Where a property ownership changes with a deferral in place, all rates and charges must be paid in full at the time of the change. Deferral agreements are not transferable.

Waiving Rates and Charges

3.22. Council does not waive rates and charges. This is to ensure that financial hardship assistance offered to a group of ratepayers does not adversely impact other ratepayers.

Waiving Legal Costs

3.23. Council does not waive legal fees incurred in relation to the collection of rates or charges. This is due to Council already incurring these costs and to waive these fees would adversely impact other ratepayers.

Waiving Interest

3.24. The waiver of interest will only be granted on the following grounds:

3.24.1. An administrative issue, error or omission which caused or contributed to the failure to pay rates in a timely manner.

3.24.2. Subject to financial hardship assessment by Coordinator Rates and Revenue.

3.24.3. Council discretion if a significant event (i.e. pandemic) is impacting a large number of ratepayers.

3.24.4. In such a circumstance, interest debt may be written off in accordance with the delegations set out in the S.7 Instrument of Sub-delegation Chief Executive Officer to Council Staff.

Interest amount	Officer Title
Interest and charges for any one property up to $50	Senior Revenue Officer

Interest and charges for any one property up to $250	Coordinator Rates and Revenue
Interest and charges for any one property up to $500	Manager Financial Strategy
Interest and charges over $500	Executive Director Strategy and Integrity
Interest and charges over $1000	Chief Executive Officer

Reviews or Complaints

3.25. If a ratepayer is dissatisfied with a decision made under this policy, they may request a review or make a complaint under the Council Complaint Policy. If a debtor is not satisfied with how Council has handled the internal review, the debtor may make a complaint to an external body. A request can be made from the following bodies:

3.25.1. For a complaint regarding Council actions or decisions: Victorian Ombudsman www.ombudsman.vic.gov.au

3.25.2. For a complaint regarding breach of privacy: Office of the Victorian Information Commission www.ovic.vic.gov.au

3.25.3. For a complaint regarding discrimination: Victorian Human Rights and Equal Opportunity Commission www.humanrights.vic.gov.au

4. RISK ASSESSMENT

This Policy mitigates Council's risks as described below:

Reputational

4.1. The operation of this Policy is to ensure that Council Officers maintain the required standard of approach for customers experiencing hardship or financial hardship.

Governance

4.2. Information regarding Council's Policy on hardship should be readily available for the community to ensure openness and transparency of operations.

5. IMPLEMENTATION STATEMENT

Human Rights Charter

5.1. This Policy has considered the *Charter of Human Rights and Responsibilities Act 2006*.

Gender Equality

5.2. This Policy has considered the *Gender Equality Act 2020* in its development. The policy is purely administrative in nature and does not benefit any one gender group over another.

Roles and Responsibilities

5.3. It is the responsibility of the Manager Financial Strategy in consultation with the relevant managers and executive to maintain the Policy and establish internal guidelines for the management of debt collection practices covered by this Policy.

6. MONITORING, EVALUATION AND REVIEW

6.1. This Policy will be reviewed and adopted by Council on a four-year cycle.

6.2. Policies may be reviewed earlier than a four-year cycle if legislative provisions, Industry or organisation requirements change.

7. REFERENCE DOCUMENTS

Legislative Provisions	*Local Government Act 1989* *Local Government Act 2020* *Charter of Human Rights and Responsibilities Act 2006* *Freedom of Information Act 1982* *Gender Equality Act 2020*
Council Supporting Documents	Code of Conduct for Staff Policy (CE20) Debt Management Policy (C15)

8. DEFINITIONS

Deferment	A 'deferment' of payment can be provided in whole or in part and be for a specified period and subject to any conditions determined by Council. When rates are deferred, payment is not required until the Council sends the person a request requiring payment.
Hardship	Where a ratepayer is unable to pay rates and charges when they are due and may arise from financial or non-financial circumstances (e.g. illness, family crisis, natural disaster, trauma or other significant life events)
Financial hardship	Where the inability to pay rates and charges is specifically due to financial circumstances (e.g. loss of income, unexpected expenses or insufficient resources to meet essential living costs)
Waiver	A waiver removes the liability to pay and may be offered to include the whole or part of any interest charge incurred.

9. REVISION HISTORY

Approved By	Approval Date	Sections Modified	CM9 Ref#
Council Meeting	*22 May 2013*	*New Policy*	
Council Meeting	*26 May 2016*	*Policy Revision*	
Council Meeting	*26 February 2020*	*Policy Revision*	*D2625819*
Council Meeting	*17 June 2026*	*Major Review and Policy Name Update - Previously Rates and Charges Hardship Policy*	*D5441526*