

Investigation into how local councils respond to ratepayers  
in financial hardship

May 2021

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**The Victorian Ombudsman pays respect to First Nations custodians of Country throughout Victoria. This respect is extended to their Elders past, present and emerging. We acknowledge their sovereignty was never ceded.**

# Letter to the Legislative Council and the Legislative Assembly

To

**The Honourable the President of the Legislative Council**

and

**The Honourable the Speaker of the Legislative Assembly**

Pursuant to sections 25 and 25AA of the *Ombudsman Act 1973* (Vic), I present to Parliament my *Investigation into how local councils respond to ratepayers in financial hardship*.

A handwritten signature in black ink, appearing to read 'Deborah Glass', with a stylized flourish extending to the right.

Deborah Glass OBE

**Ombudsman**

17 May 2021



# Contents

<b>Foreword</b>	<b>4</b>	<b>Council systems</b>	<b>79</b>
<b>By the numbers</b>	<b>6</b>	Attitudes to hardship and fairness	79
<b>Report summary</b>	<b>8</b>	Expertise and training	80
Why we investigated	8	Budget pressures and conflicts of interest	81
What we found	8	Laws and standards	82
What we recommended	8	Transparency and reporting	82
<b>The investigation</b>	<b>9</b>	Collaboration	83
Why we investigated	9	<b>Conclusions</b>	<b>84</b>
Authority to investigate	10	<b>Opinion</b>	<b>87</b>
How we investigated	10	<b>Recommendations</b>	<b>88</b>
Privacy and procedural fairness	12	<b>What does a good approach to financial hardship look like?</b>	<b>90</b>
<b>Financial hardship in Victoria</b>	<b>13</b>	<b>Appendix 1: Council summaries</b>	<b>93</b>
The extent of financial hardship	13		
Who is affected	13		
Causes and impacts of hardship	14		
Financial hardship around the State	15		
The impact of the pandemic	15		
<b>Rates and hardship</b>	<b>18</b>		
The rates system	18		
Hardship relief in the Local Government Act	23		
Debt recovery under the Local Government Act	24		
Past problems and future directions	24		
<b>Ratepayer experiences</b>	<b>26</b>		
Finding information	26		
Applying for help	33		
Getting fair and reasonable help	38		
Facing debt recovery	54		
Resolving complaints	72		
Special topic: Family violence	74		

# Foreword

Teresa found out after separating from her husband that he had not been paying council rates for years. She is working two jobs to pay off the debt, on which the Council charges interest. She said the debt ‘keeps escalating ... I will never be able to pay this off’. Before the pandemic, the Council was charging Teresa more in interest each year than it was charging her for rates.

The problem of how people in financial hardship pay what may be an ever-increasing rates bill is not new. While not all councils do so, they have the power to charge penalty interest, take people to court, or even sell the property to recover a rates debt. Concerns about heavy-handed debt collection for unpaid rates have been around for years, but the likely increase in financial hardship brought on for many by the pandemic has thrown it into sharp relief.

**“ We would be rightly concerned if our bank was doing more to meet its social obligations than our council. ”**

I wanted to examine how struggling homeowners would be treated if they fell into debt, and whether council practices were fair and reasonable. I also wanted to identify the good practice across the sector, that all councils should aim for.

We found, as is so often in local government, widely varying practices. Almost all 79 councils had a hardship policy but not all made them public; the policies themselves varied widely; and in some cases, published policies did not reflect actual practices.

Some councils offered more generous hardship relief during the pandemic and are doing more to engage with ratepayers who fall into debt. Good practice includes publishing information in community languages, offering easier ways to pay rates, and working with local financial counsellors. We heard some councils were ‘exemplary’ at dealing with ratepayers in hardship.

But others were described as ‘paternalistic’ and ‘punitive’; ‘too quick to sue’ without adequately exploring alternatives. We heard concerns from community advocates that some councils were judgmental, taking the view that if ratepayers cannot pay their rates, it must be their fault, without trying to understand that people in hardship may have other problems, or how vulnerability affects people and their behaviour.

We also heard from councils about their concerns, including that the burden of unpaid rates falls heavily on other ratepayers. Smaller rural councils also depend heavily on rates revenue, which limits their ability to offer relief.

We were not investigating the whole rates system – which has been subject to a recent State Government review – but the context is important. Rates are not set according to ratepayers’ income or capacity to pay but largely by the value of the property and the council’s budget. This can create problems for particular groups, including pensioners and farmers. We were told of an elderly widow not looking after herself properly, as so much of her pension went on trying to pay her rates.

“ ... So instead of recognising that I've got financial hardship now, all they've done is just taken that level of debt and moved it [to] next year ... I'm going to have more problems next year even if I do find work ... ”

Statement from ratepayer during investigation

While some councils manage these issues very well – including recognising family violence as a sign of hardship – we also saw practices that were simply unfair and wrong, and some common practices that could not be justified.

Too many people are told their only option is a payment plan, when the legal framework includes waivers and deferrals – which some councils have a blanket policy of refusing. This is fundamentally inconsistent with good administrative practice. While councils should only be expected to waive rates rarely, discretion, not sledgehammer refusals, should be the order of the day.

Charging penalty interest to people in hardship is also wrong – as well as punitive and counterproductive. How can it possibly be fair to have your rates deferred for hardship reasons, only to be forced to accumulate far greater debt? And while councils are expected to be model litigants, we saw troubling cases of litigation against people in crisis including histories of mental health problems and family violence. Some councils rely heavily on debt collectors, an experience that can be stressful and frightening for anyone, let alone someone in hardship.

The public sector is expected to act in the public interest more than the private sector – but in dealing with hardship, local councils lag behind utility and other companies, including banks. We would be rightly concerned if our bank was doing more to meet its social obligations than our council.

Nobody wins from heavy-handed approaches, least of all the public interest. While we often heard about the need to be fair to other ratepayers, councils have obligations to their whole community, not just those who can afford to pay. Good hardship relief schemes get the balance right. And driving people in hardship further into debt or out of their homes is short-sighted. It creates costs for other parts of government, costs that are also borne by taxpayers.

The good practice we have seen, both in councils and elsewhere, shows it is possible to do it better. This report includes recommendations to strengthen laws and standards, and to promote a consistent approach. I commend it to all councils to see whether they are ahead or behind and act accordingly. We may all have been in it together, but when it comes to hardship, too often we're on our own.

Deborah Glass  
**Ombudsman**



Victoria has

**79 councils**



Average council rates in **2019-20** ranged between **\$1,227 & \$2,000+**

Rates account for **34% to 79%** of council revenue

**96%**

of councils have a hardship policy in some form

Before the **pandemic**  **1 in 10 Victorians** were in some form of financial difficulty



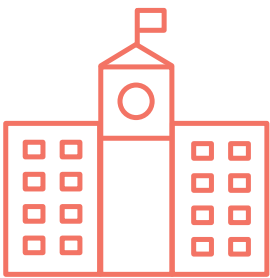
**77% of councils** published their standard hardship policy on their website

**6 August 2020**  
Ombudsman launches an **investigation**



**48% of councils do not** include rate waivers as part of standard hardship policies

**26 councils limit** use of deferrals as part of standard hardship policies



In 2018-19 councils sold or transferred land for unpaid rates **28 times**

Many councils charge **10%** penalty interest even in hardship circumstances

**97% of councils** use debt collectors



Councils sued ratepayers for unpaid rates more than **7,000** times in 2018-19



**7 councils** mention family violence in their hardship policies

# Report summary

## Why we investigated

1. In recent years, the Ombudsman has heard concerns from ratepayers, financial counsellors and community lawyers about the way local councils treat people who cannot afford their council rates. With the COVID-19 pandemic threatening to increase financial hardship in the community, the Ombudsman decided it was timely to investigate the issue. The investigation focused on council hardship relief for homeowners (ratepayers who cannot pay rates on their primary residence).

## What we found

2. Victoria's 79 councils all have their own approaches to ratepayers in financial hardship. For ratepayers, this can lead to a 'postcode lottery' – different ratepayers get different help, depending on the council area they live in.
3. Councils all offered extra relief to ratepayers during the COVID-19 pandemic. Some council pandemic schemes have already ended and others are currently due to end in 2021.
4. Outside of the pandemic schemes, some councils manage these issues well. But there are common problems:
  - Public information about councils' hardship relief can be hard to find. It is not always clear or up to date.
  - Most councils encourage ratepayers in financial hardship to go on payment plans, where they pay off rates over time in instalments. This is a solution for many people, but not everyone. The current laws (in the *Local Government Act 1989 (Vic)*) also give councils the power to defer or waive rates. Some councils do not tell people about these options. Some refuse to offer them or limit their availability.

- Outside of pandemic schemes, many councils charge high penalty interest (currently 10 per cent) on unpaid rates. The Local Government Act allows this, but it can add hundreds or thousands of dollars to debts for ratepayers who are already struggling.
- Councils can also take ratepayers to court over unpaid rates and add the legal costs to the debt. Councils generally try to contact ratepayers before taking this step, but they rely heavily on debt collectors to communicate with ratepayers. More discretion is needed where ratepayers are struggling with other issues, such as mental illness or the effects of family violence.

5. As a whole, council hardship practices compare poorly with sectors such as energy and water. Councils have fallen behind best practice.

## What we recommended

6. In 2020, the State Government committed to regulation to ensure more consistency in this area and a 'collaborative change management program'.
7. This investigation looked at how this could be achieved. It recommended changes including:
  - minimum standards for rates hardship relief across all councils
  - legal requirements for councils to publish hardship information, so ratepayers can find out about their rights and options
  - caps on councils' ability to charge high penalty interest
  - better links between councils and other sectors, including financial counsellors and the private sector, to keep councils up to date with good practice.

# The investigation

## Why we investigated

8. This investigation looked at how Victorian local councils can better respond to homeowners in financial hardship with their council rates.
9. The investigation began in August 2020 at a time of rising anxiety for many about their finances. In March 2020, the start of the COVID-19 pandemic saw businesses closed, jobs lost and people queuing for unemployment benefits. In April 2020, the Victorian Government forecast that unemployment could rise to 11 per cent and property prices could fall by up to nine per cent. At the start of August 2020, Melbourne went into a stricter lockdown. Non-essential businesses closed and state borders shut.
10. Local councils, like the Commonwealth and State Governments, were quick to announce economic support packages for their communities. Most councils offered rates relief to local residents and businesses, often in the form of interest-free deferrals or instalment plans. Some offered ratepayers rebates or discounts on their rates bill.
11. However, these relief measures had expiry dates. Some council schemes ended after a few months. Other council schemes were due to end later in 2020 or in 2021. It seemed the pandemic's economic impact would last longer, and councils would be seeing more ratepayers in financial hardship for some time to come.

Figure 1: People outside Centrelink during COVID-19 lockdowns



Source: ABC News website, 23 March 2020, <[www.abc.net.au/news](http://www.abc.net.au/news)>

12. Victoria's 79 councils all have their own systems for hardship relief. The Ombudsman was aware of concerns about the way they had dealt with ratepayers in financial hardship in the past. A 2012 community legal centre report argued they did not respond to hardship consistently and were 'far too quick to sue residents without adequately exploring alternatives to litigation'.<sup>1</sup> Since then, the Ombudsman has received regular complaints from ratepayers, often after they have been contacted by council debt collectors or taken to court.
13. On 6 August 2020, the Ombudsman advised the Minister for Local Government and the mayors and chief executive officers of all 79 councils that she intended to conduct an investigation into council responses to ratepayers in financial hardship. She said she intended to focus on help for homeowners struggling with rates for their primary residence. This included farmers, whose place of business is often also their home. She said she would consider issues including:
  - whether information about councils' financial hardship assistance is easily accessible for ratepayers
  - whether assistance is fair and reasonable, and whether councils provide that assistance appropriately
  - how council assistance schemes compare with best practice, including in the energy and water and telecommunications sectors
  - what councils can learn from COVID-19 relief schemes to improve responses to financial hardship in future.
14. The aim of the investigation was to learn from the lessons of the past, and the pandemic, to identify good practice for the future.

## Authority to investigate

15. The *Ombudsman Act 1973* (Vic) gives the Victorian Ombudsman the power to investigate 'administrative actions' taken by or in an 'authority'. The definition of 'authority' includes local councils and members of council staff (see definitions in section 2 and Schedule 1, item 15).
16. The Ombudsman conducted this investigation under section 16A of the Act. Section 16A allows the Ombudsman to conduct an 'own motion' investigation into any administrative action by or in an authority. The Ombudsman often uses this power to investigate systemic issues in the public sector.

## How we investigated

17. The investigation involved the following steps:
  - **Research into financial hardship in Victoria**  
The investigation reviewed research on the extent of financial hardship in Victoria and the impact of the COVID-19 pandemic.
  - **Information about council policies and practices**  
The investigation:
    - o asked councils for their hardship policies and other data
    - o reviewed public material such as council websites
    - o obtained data from the Magistrates' Court about councils' use of court action to recover rates debts
    - o obtained data from the State's land registry, Land Use Victoria, about use of land sales to recover debts.

<sup>1</sup> Footscray Community Legal Centre and Federation of Community Legal Centres, *Council debt collection: Alternatives to suing ratepayers in hardship* (2012) 1.

- **Speaking with local government**

The investigation met with three peak council bodies:

- o the Municipal Association of Victoria
- o FinPro, the association for council finance professionals
- o the Revenue Management Association, the association for council rates officers.

- **Speaking with community advocates**

The investigation met with the following people to discuss their experiences with councils:

- o Financial Counselling Victoria, the peak body for financial counsellors in the State. Financial Counselling Victoria ran two focus groups with financial counsellors from around the State.
- o Westjustice, a community legal centre in Melbourne's west
- o the former head of Westjustice, who has been active in this area for many years
- o an officer from the Women's Legal Service
- o Victoria Legal Aid, which also made a written submission
- o Ratepayers Victoria, the peak body representing ratepayers in Victoria. Ratepayers Victoria and the Maribyrnong Residents and Ratepayers Group also made written submissions.

- **Speaking with State Government**

The investigation met several times with the State Government agency responsible for local government issues, Local Government Victoria.

- **Review of selected cases**

The investigation reviewed complaints to the Ombudsman from ratepayers in financial hardship. We made further enquiries into some of these cases, as well as cases raised by community advocates.

- **Review of practice in other sectors**

The investigation also looked at how other private and public bodies respond to people in hardship. This included energy and water companies, banks, telecommunications companies, the Australian Taxation Office and the State Government's tax collection agency, the State Revenue Office.

The investigation met with the State Revenue Office and the Essential Services Commission, which regulates hardship schemes in the energy and water sectors in Victoria.

18. Some steps in the investigation were changed because of the pressures facing councils in 2020. When the Ombudsman first wrote to councils about the investigation, many asked her to defer it. They noted they were dealing with the pandemic as well as council elections and a new Local Government Act. The Ombudsman decided to go ahead because of the public interest in the issues. However, she reduced the information she was seeking from councils and gave them longer to respond.

## Privacy and procedural fairness

19. This report includes case studies describing how some councils responded to ratepayers in financial hardship. The investigation has changed the names of the ratepayers and other details to protect their privacy.
20. Some of the case studies, and other parts of this report, contain adverse comments about some councils. In accordance with section 25A(2) of the Ombudsman Act, the investigation provided those councils with a reasonable opportunity to respond to the material in the report. This report fairly sets out the responses that were received.
21. In accordance with section 25A(3) of the Ombudsman Act, any other persons who are or may be identifiable from the information in this report are not the subject of any adverse comment or opinion. They are named or identified in the report as the Ombudsman is satisfied that:
  - it is necessary or desirable to do so in the public interest, and
  - identifying those persons will not cause unreasonable damage to those persons' reputation, safety or well-being.



# Financial hardship in Victoria

## The extent of financial hardship

22. Before the pandemic, studies suggested that around one in 10 Victorians experienced some form of financial difficulty.
23. Studies define and measure financial difficulty in different ways, so their exact findings vary. For example:
  - A 2017 report from the National Centre for Social and Economic Modelling calculated that 13.2 per cent of Victorians were living in poverty. It defined poverty as having less than \$353.45 a week after paying for housing.
  - A 2018 Centre for Social Impact report said 11.3 per cent of adult Victorians were experiencing severe or high financial stress. It said 4.2 per cent of respondents to a national survey indicated they had more debts than they could pay back, while 15.8 per cent were 'just managing to keep up'.
  - A December 2019 survey by Roy Morgan and the ANZ Bank classed 9.5 per cent of Victorians as 'struggling'. It said most people in this group described their financial situation as 'bad', reported little or no savings, and found it a 'constant struggle' to meet bills and credit payments.<sup>2</sup>

## Who is affected

24. According to research, some parts of the community are more vulnerable to financial problems. Financial difficulty is more common amongst people who are unemployed or under-employed (working but looking for more hours). Research also shows higher levels of financial difficulty amongst single parent families, people with a disability, Aboriginal and Torres Strait Islander people and people in public housing or the private rental market.<sup>3</sup>
25. However, having a job or owning a home does not protect people from financial worries. NATSEM's 2017 report on poverty in Victoria reported that nine per cent of Victorians who owned their home were living in poverty, along with 10 per cent of Victorians who were paying off a mortgage.<sup>4</sup> In 2015, Melbourne Law School's Financial Hardship Project ('Project') surveyed 1,100 people who had been unable to pay a debt when it fell due. It said a 'sizeable minority' were people who would traditionally be considered 'middle-class' – people with university degrees, people who owned or were paying off homes, and people with higher incomes.<sup>5</sup>

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2 Robert Tanton, Dominic Peel and Yogi Vidyattama, NATSEM and VCOSS, *Poverty in Victoria* (2018) 8, 10; Centre for Social Impact and National Australia Bank, *Financial resilience in Australia 2018* (2018) 21, 60; Roy Morgan and ANZ Bank, *The ANZ Roy Morgan Financial Wellbeing Indicator: Quarterly Update March 2020* (2020) 3, 5.

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3 NATSEM and VCOSS, above 2, 11; Centre for Social Impact and National Australia Bank, above n 2, 17.

4 NATSEM and VCOSS, above n 2, 11.

5 Evgenia Bourova, Ian Ramsay and Paul Ali, 'The Experience of Financial Hardship in Australia: Causes, Impacts and Coping Strategies' (2019) 42(2) *Journal of Consumer Policy* 189, 215.

26. The Project pointed to three economic changes in recent decades – increased job insecurity, rising living costs and rising household debt. According to the Australian Bureau of Statistics, household debt grew by 79 per cent between 2003-04 and 2015-16, largely because of home mortgages. The Bureau reported that by 2015-16, around one in three households were ‘over-indebted’.<sup>6</sup>

27. The Project’s team wrote:

The overall increase in economic insecurity since the 1980s – together with increases in housing and utility costs and rapid growth in household debt – have created a situation in which financial hardship can happen to almost anyone.<sup>7</sup>

## Causes and impacts of hardship

28. The Melbourne Law School Project’s research showed financial hardship can be triggered by unexpected costs or life events.

29. When the Project asked people what caused their debt problems, around three in 10 named ‘spending too much’. Smaller numbers mentioned ‘borrowing too much’ or ‘not knowing how to budget or manage my money’. However, almost half said none of these factors contributed to their problems.

30. The Project asked people about their experiences in the year leading up to their debt problems. People commonly mentioned:

- unforeseen expenses, such as car or medical costs
- relying on Centrelink for income
- unexpectedly high electricity, gas or water bills
- physical health problems
- mental health problems
- employment problems such as losing a job, not having enough work or working variable hours.

31. Others mentioned taking on caring responsibilities for children or other people, divorce or separation, business failure or addiction.

32. When the Project asked people about the impact on their lives, around half said it became more difficult to pay for basics like food and utilities. Just over a third reported mental health problems and just over a quarter reported physical health problems. More than a fifth reported trouble maintaining relationships with their family or friends.<sup>8</sup>

33. Some financial counsellors made similar observations when they spoke with the investigation. They said they had clients who were choosing between paying debts and buying food.

34. The Project reported that for some people, financial hardship was a temporary setback. For others, it was a long term problem that lasted for years.<sup>9</sup>

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<sup>6</sup> Australian Bureau of Statistics, ‘Household debt and over-indebtedness in Australia’ 6523.0 - *Household Income and Wealth, Australia*, 2015-16 (2017).

<sup>7</sup> Bourova, Ramsay and Ali, above n 5, 223.

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<sup>8</sup> Bourova, Ramsay and Ali, above n 5, 205-10.

<sup>9</sup> Bourova, Ramsay and Ali, above n 5, 202-3.



## Financial hardship around the State

35. It will be no surprise to people living in Victoria that some parts of the State have higher levels of financial problems than others.
36. Figure 2 on page 16, shows council areas according to their level of socio-economic disadvantage. It is based on data from the State Government's Know Your Council website, which ranks each council from 1 to 10 (where 1 represents the most disadvantaged areas and 10 represents the least disadvantaged areas). The ranking is based on the Australian Bureau of Statistics' Index of Relative Socio-Economic Disadvantage, which considers factors such as income levels, unemployment, education levels, job types and access to a car or the internet.
37. The data shows higher levels of disadvantage in regional parts of the State. This is consistent with other studies of financial difficulty.<sup>10</sup>
38. However, some studies stress that hardship exists in all council areas. NATSEM's 2017 report on poverty in Victoria said poverty rates tend to be highest in the outer suburbs of Melbourne. But it found poverty existed even in the wealthiest council areas.<sup>11</sup>

<sup>10</sup> See, for example, NATSEM and VCOSS, above n 2, 11; Bourova, Ramsay and Ali, above n 5, 197-199

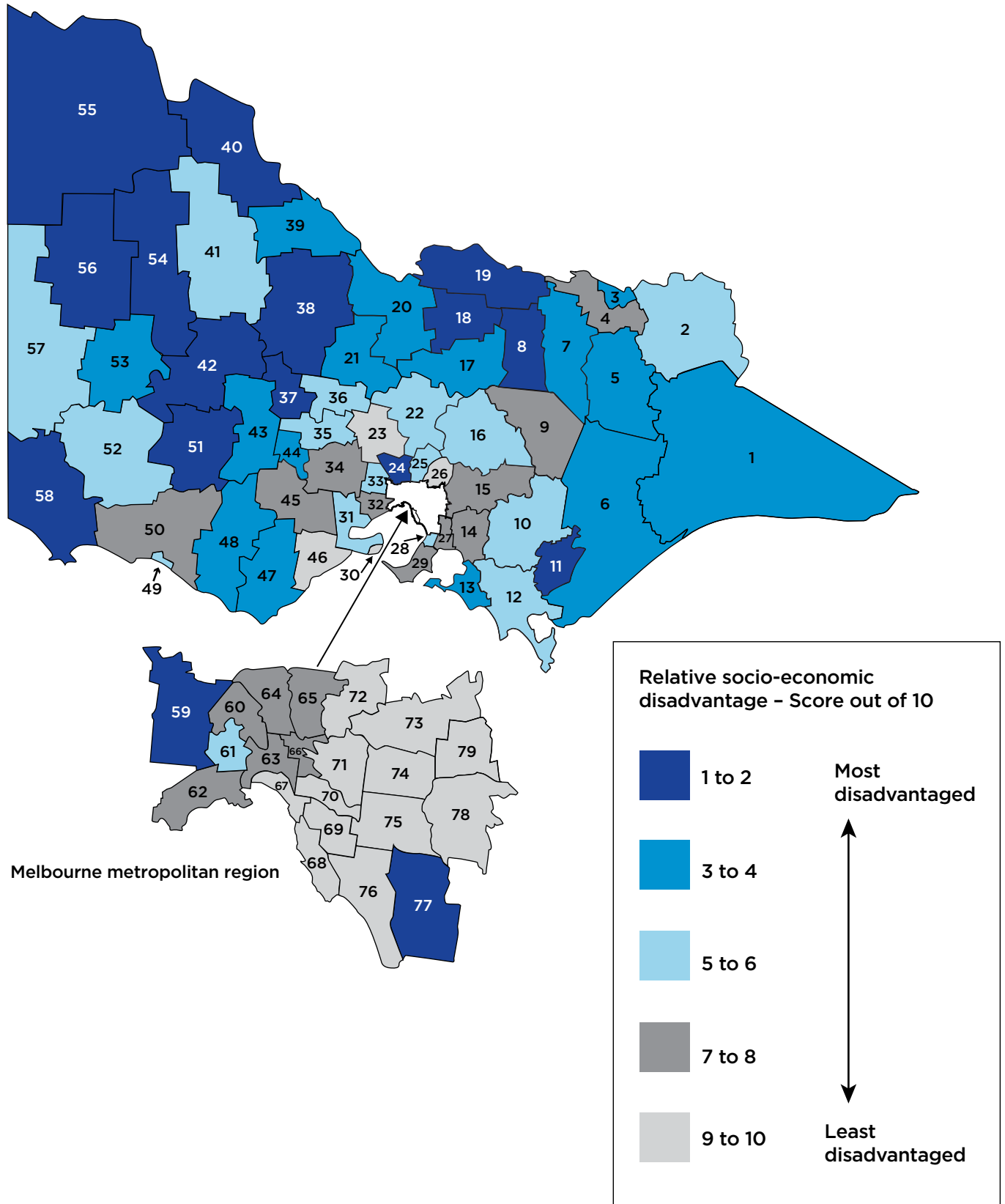
<sup>11</sup> NATSEM and VCOSS, above n 2, 13, 44-46.

## The impact of the pandemic

39. The COVID-19 pandemic raised fears about growing financial hardship in the community.
40. By July 2020, the Commonwealth Government had processed JobKeeper wage subsidy applications from almost 267,000 businesses in Victoria. By August 2020, 249,300 Victorians were unemployed - 61,700 more than at the start of the pandemic in March. A national survey the same month found that almost a quarter of Australians were 'financially stressed'.<sup>12</sup>
41. By late 2020 and early 2021, economic forecasts and data were more optimistic. In November 2020, the State Budget forecast that unemployment would peak at 8.25 per cent, down from the 11 per cent forecast in April. Property prices started to rise. In February 2021, the Governor of the Reserve Bank of Australia said that nationally, 'the economic recovery is well under way and has been stronger than was earlier expected'.
42. However, the Reserve Bank statement noted that globally, the path ahead was likely to 'remain bumpy and uneven'. It said recovery remained 'dependent on the health situation and on significant fiscal and monetary support'. When this report was finalised, the Commonwealth Government had revised Australia's COVID-19 vaccine schedule and the program was expected to take some months. Governments had started rolling back some of their economic support, including the Commonwealth's JobKeeper program and extra JobSeeker unemployment payments.
43. These events and the long term impact of the pandemic are still unfolding.

<sup>12</sup> The Treasury, Australian Government, 'JobKeeper postcode data', [www.treasury.gov.au/coronavirus/jobkeeper/data](http://www.treasury.gov.au/coronavirus/jobkeeper/data) (accessed February 2021); Australian Bureau of Statistics, *Labour Force, Australia* (February 2021) Table 5; Melbourne Institute, University of Melbourne, *Taking the Pulse of the Nation: Survey of the Impact of COVID-19 in Australia, 17-21 August 2020* (August 2020).

Figure 2: Relative socio-economic disadvantage of council areas, score out of 10, 2019-20



Source: Local Government Victoria, 'Performance Reporting Framework - Full Data Set', *Know Your Council*, <<https://knowyourcouncil.vic.gov.au/publications>>

### Victorian council locations on map

Council	Map No.	Council	Map No.
Alpine Shire Council	41	Manningham City Council	73
Ararat Rural City Council	51	Mansfield Shire Council	9
Ballarat City Council	44	Maribyrnong City Council	61
Banyule City Council	72	Maroondah City Council	79
Bass Coast Shire Council	13	Melbourne City Council	63
Baw Baw Shire Council	10	Melton City Council	33
Bayside City Council	68	Mildura Rural City Council	55
Benalla Rural City Council	8	Mitchell Shire Council	22
Boroondara City Council	71	Moira Shire Council	19
Borough of Queenscliffe	30	Monash City Council	75
Brimbank City Council	59	Moonee Valley City Council	60
Buloke Shire Council	5	Moorabool Shire Council	34
Campaspe Shire Council	20	Moreland City Council	64
Cardinia Shire Council	14	Mornington Peninsula Shire Council	29
Casey City Council	27	Mount Alexander Shire Council	36
Central Goldfields Shire Council	37	Moyne Shire Council	50
Colac-Otway Shire Council	47	Murrindindi Shire Council	16
Corangamite Shire Council	48	Nillumbik Shire Council	26
Darebin City Council	65	Northern Grampians Shire Council	42
East Gippsland Shire Council	1	Port Phillip City Council	67
Frankston City Council	28	Pyrenees Shire Council	43
Gannawarra Shire Council	39	South Gippsland Shire Council	12
Glen Eira City Council	69	Southern Grampians Shire Council	52
Glenelg Shire Council	58	Stonnington City Council	70
Golden Plains Shire Council	45	Strathbogie Shire Council	17
Greater Bendigo City Council	21	Surf Coast Shire Council	46
Greater Dandenong City Council	77	Swan Hill Rural Council	40
Greater Geelong City Council	31	Towong Shire Council	2
Greater Shepparton City Council	18	Wangaratta Rural City Council	7
Hepburn Shire Council	35	Warrnambool City Council	49
Hindmarsh Shire Council	56	Wellington Shire Council	6
Hobsons Bay City Council	62	West Wimmera Shire Council	57
Horsham Rural City Council	53	Whitehorse City Council	74
Hume City Council	24	Whittlesea City Council	25
Indigo Shire Council	4	Wodonga City Council	3
Kingston City Council	76	Wyndham City Council	32
Knox City Council	78	Yarra City Council	66
Latrobe City Council	11	Yarra Ranges Shire Council	15
Loddon Shire Council	38	Yarriambiack Shire Council	54
Macedon Ranges Shire Council	23		

# Rates and hardship

44. Council rates are a significant household bill for many homeowners, and Victoria's local government laws recognise they can be a source of financial hardship. This chapter looks at how the rates system works, the evidence about the number of ratepayers struggling to pay their rates, and councils' legal options for responding to the problem.

## The rates system

45. Council rates are a type of property tax charged by councils.
46. Councils rely heavily on revenue from rates to help fund services such as local roads and care for the elderly and people with a disability. They have other sources of revenue, such as fees, charges, fines and grants. But much of their income comes from rates. In 2019-20, councils around the State relied on rates for between 34 and 79 per cent of their revenue (see Figure 4 on page 20).
47. Councils' powers to charge and collect rates were set out in Part 8 of the *Local Government Act 1989* (Vic) when this report was drafted. The State Parliament had passed a new *Local Government Act 2020* (Vic) which operates alongside the 1989 Act. The new Act set out broad principles for local government and important governance matters. The rates provisions remained in the 1989 Act.
48. The process for deciding each ratepayer's bill is complex (see Figure 3). In short, rates bills are determined by two factors:
- a 'rate in the dollar' figure set by the council when it prepares its yearly budget
  - the value of the ratepayer's property. Professional valuers revalue properties each year.
49. Councils can also add other charges under the Act, such as a specific charge for waste management services.
50. Council rates vary across the State, since each council sets its own budget and rates. Since 2016, State 'rate-capping' laws have limited councils' ability to increase their rates. The laws allow the Minister for Local Government to set a 'cap' on rates increases each year. According to the State Government's Know Your Council website, in 2019-20, Loddon Shire Council had the lowest average rates in the State at \$1,227. Average rates at some other councils were well over \$2,000.
51. There is no reliable data on how many ratepayers experience financial hardship regarding their council rates. The Rating System Review (an independent panel established by the Minister for Local Government in 2019 to review the rating system) noted electricity and gas companies provide hardship assistance to 5.5 per cent of their customers, while water companies assist 6 per cent of customers. It said '[s]imilar figures are likely in local government'.
52. The investigation heard that the rates system, as a type of tax system, has some features that can lead to hardship problems.
53. First, rates are not set according to ratepayers' income or capacity to pay. They are determined by the council's budget needs for the year, State 'rate-capping' laws and the value of the ratepayer's property.

Figure 3: The process for setting council rates

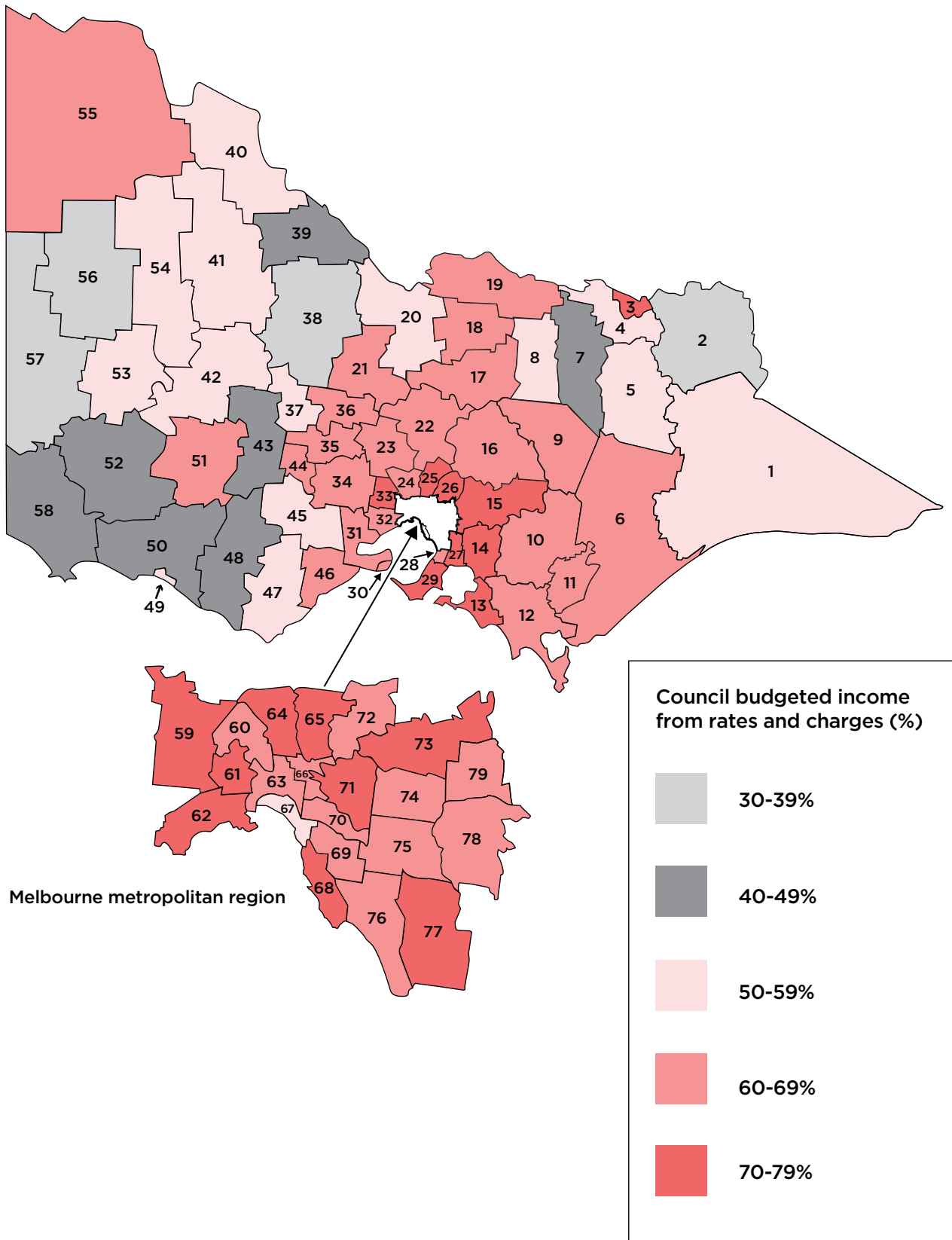


Source: Local Government Victoria, 'Calculating Rates' (16 July 2019) <<https://www.localgovernment.vic.gov.au/council-innovation-and-performance/council-rates-and-charges/calculating-rates>>

54. The Ombudsman sometimes receives complaints from 'asset-rich income-poor' ratepayers who struggle to pay their rates. One woman said her parents bought their home in 1970 for \$27,000 but the property's value had risen and so had the rates. The daughter said her now-widowed mother was:
 

not looking after herself properly because ... from every pension she is putting aside a massive chunk just to try and pay the rates, which are \$4,000 a year ... I just don't really think it is fair to force [pensioners] to sell because they can't afford to pay the rates.
55. In another case, a farmer said he owed his council around \$300,000 in unpaid rates after it rezoned his land. The land value and rates went up, but his income and capacity to pay did not.
56. Second, organisations like the Victorian Farmers Federation have raised concerns about inequities across the State. Regional councils sometimes charge higher rates because they have to fund the same services as metropolitan councils, but they have fewer residents to bear the cost.
57. This sometimes means ratepayers in disadvantaged areas pay as much or more as ratepayers in wealthier areas. Mildura Rural City Council, for example, is the State's fifth most disadvantaged council area. Its average rates in 2019-20 were \$2,092.95. This was higher than average rates in Bayside (\$1,796.28) and Stonnington (\$1,443.55), home to wealthy suburbs such as Brighton and Toorak.

Figure 4: Proportion of council revenue from rates, 2019-20



Source: Local Government Victoria, Know Your Council, <<https://knowyourcouncil.vic.gov.au>>

### Victorian council locations on map

Council	Map No.	Council	Map No.
Alpine Shire Council	41	Manningham City Council	73
Ararat Rural City Council	51	Mansfield Shire Council	9
Ballarat City Council	44	Maribyrnong City Council	61
Banyule City Council	72	Maroondah City Council	79
Bass Coast Shire Council	13	Melbourne City Council	63
Baw Baw Shire Council	10	Melton City Council	33
Bayside City Council	68	Mildura Rural City Council	55
Benalla Rural City Council	8	Mitchell Shire Council	22
Boroondara City Council	71	Moira Shire Council	19
Borough of Queenscliffe	30	Monash City Council	75
Brimbank City Council	59	Moonee Valley City Council	60
Buloke Shire Council	5	Moorabool Shire Council	34
Campaspe Shire Council	20	Moreland City Council	64
Cardinia Shire Council	14	Mornington Peninsula Shire Council	29
Casey City Council	27	Mount Alexander Shire Council	36
Central Goldfields Shire Council	37	Moyne Shire Council	50
Colac-Otway Shire Council	47	Murrindindi Shire Council	16
Corangamite Shire Council	48	Nillumbik Shire Council	26
Darebin City Council	65	Northern Grampians Shire Council	42
East Gippsland Shire Council	1	Port Phillip City Council	67
Frankston City Council	28	Pyrenees Shire Council	43
Gannawarra Shire Council	39	South Gippsland Shire Council	12
Glen Eira City Council	69	Southern Grampians Shire Council	52
Glenelg Shire Council	58	Stonnington City Council	70
Golden Plains Shire Council	45	Strathbogie Shire Council	17
Greater Bendigo City Council	21	Surf Coast Shire Council	46
Greater Dandenong City Council	77	Swan Hill Rural Council	40
Greater Geelong City Council	31	Towong Shire Council	2
Greater Shepparton City Council	18	Wangaratta Rural City Council	7
Hepburn Shire Council	35	Warrnambool City Council	49
Hindmarsh Shire Council	56	Wellington Shire Council	6
Hobsons Bay City Council	62	West Wimmera Shire Council	57
Horsham Rural City Council	53	Whitehorse City Council	74
Hume City Council	24	Whittlesea City Council	25
Indigo Shire Council	4	Wodonga City Council	3
Kingston City Council	76	Wyndham City Council	32
Knox City Council	78	Yarra City Council	66
Latrobe City Council	11	Yarra Ranges Shire Council	15
Loddon Shire Council	38	Yarriambiack Shire Council	54
Macedon Ranges Shire Council	23		

**Table 1: Average rates in Victoria's most and least disadvantaged council areas, 2019-20**

Most disadvantaged		Least disadvantaged	
Central Goldfields	\$1,419.04	Nillumbik	\$2,381.17
Greater Dandenong	\$1,838.75	Bayside	\$1,796.28
Brimbank	\$1,679.09	Boroondara	\$2,006.25
Latrobe	\$1,541.57	Stonnington	\$1,443.55
Mildura	\$2,092.95	Surf Coast	\$2,032.57
Northern Grampians	\$1,607.79	Queenscliffe	\$2,100.51
Yarriambiack	\$1,634.34	Glen Eira	\$1,403.85
Ararat	\$2,076.66	Port Phillip	\$1,754.55
Loddon	\$1,226.81	Manningham	\$1,787.81
Hindmarsh	\$1,508.25	Macedon Ranges	\$1,843.16

Source: Australian Bureau of Statistics, 'Local Government Area, Indexes, SEIFA 2016' data set, 2033.0.55.001 - *Census of Population and Housing: Socio-Economic Indexes for Areas (SEIFA)*, Australia, 2016 (2016); Local Government Victoria, Know Your Council, <<https://knowyourcouncil.vic.gov.au>>

58. Table 1 above shows average rates in 2019-20 in Victoria's 10 most and least disadvantaged council areas. The difference was sometimes slight.

59. The impact of the COVID-19 pandemic on rates hardship is still unclear. The investigation heard that the impact so far varies from council to council. Some councils reported an increased demand for help. Others said the impact had been limited, although some were waiting to see what happened when lump sum rates payments fell due in February 2021.



## Hardship relief in the Local Government Act

60. The Local Government Act 1989 recognises that some ratepayers experience financial hardship in paying for their rates. The Act creates two systems for relief:

- a statewide, State Government-funded concession scheme
- powers for individual councils to provide hardship relief.

### Statewide concession scheme

61. The statewide rates concession scheme is funded and regulated by the State Government under the *State Concessions Act 2004* (Vic), and administered by local councils under the Local Government Act 1989 (section 171).
62. The scheme gives eligible ratepayers a 50 per cent discount on their rates, subject to an annual cap. In 2020-21, the cap was set at \$241. A handful of councils top up the discount at their own expense.
63. Eligibility for the rates concession is narrower than for State energy, water and transport concessions. It is only available to people who have a Pensioner Concession Card or a DVA Gold Card, such as people with an age or a disability support pension. People who are unemployed and receiving JobSeeker do not qualify in many cases.

## Council hardship powers

64. The Local Government Act 1989 also gives councils the power to provide relief to people in financial hardship in two ways:

- **Waiver**

Councils can waive all or part of a ratepayer's rates and interest bill. Councils can waive rates for a class of ratepayers (section 171). They can also waive rates for individual ratepayers who apply for relief if they are 'satisfied that the applicant is a person who is suffering financial hardship if that person paid the full amount of the rate or charge for which he or she is liable' (section 171A).

- **Deferral**

Councils can also defer a ratepayer's rates if they consider 'an application by that person shows that the payment would cause hardship to the person' (section 170). In effect, the deferral extends the date for payment. The ratepayer does not have to pay until the council gives them a notice with a new due date.

65. Councils decide if and when to offer this relief. The Act does not define 'hardship'. This means councils can set their own rules about who qualifies.
66. The powers are also discretionary. The Act says councils 'may' provide this relief to ratepayers in financial hardship. It does not say they have to.

## Debt recovery under the Local Government Act

67. If a ratepayer fails to pay their rates on time or obtain hardship relief, the *Local Government Act 1989* gives councils powers to collect the unpaid rates debt. These include:
- **Penalty interest**  
Councils can charge penalty interest on the debt (section 172). The State Attorney-General sets the penalty interest rate under the *Penalty Interest Rates Act 1983* (Vic). When this report was drafted, the rate was 10 per cent.
  - **Rent diversion**  
If a property is rented, the council can require the tenant to pay rent to the council instead of the owner (section 177).
  - **Court action**  
Councils can sue ratepayers to recover the debt (section 180). If ratepayers fail to comply with court orders, councils can enforce orders in various ways. They include seeking a warrant to seize the ratepayer's personal property, seeking an order to require the ratepayer's employer to pay their wages to the council (known as 'attachment of earnings') or bankrupting the ratepayer.
  - **Forced land sale**  
If rates remain unpaid for more than three years, councils can sell land or transfer land to themselves (section 181).
68. Rates are also a 'first charge' on land (section 156). This means that if the land is sold, the council can collect the unpaid rates debt from the proceeds of the sale. If the rates are not paid at this point, responsibility for the debt (plus any interest and court-ordered legal costs) passes to the new owner of the land and they become liable to pay (section 175).

## Past problems and future directions

69. Community lawyers and financial counsellors have been raising concerns about the way councils use the Act's hardship and debt recovery powers for many years. At the time this report was drafted, the State Government had announced broad plans to reform the area.

### The 2012 community legal centre report

70. In 2012, the Footscray Community Legal Centre and the Federation of Community Legal Centres released a 63-page report criticising councils' approach to these issues. It said:
- Councils were not responding to people in hardship consistently.
  - There was 'significant lack of transparency' about their practices.
  - Councils were suing residents at 'alarming and increasing rates' and were 'far too quick to sue' without exploring alternatives to litigation.
  - Councils were 'falling far behind best practice financial hardship regulation, processes and practices' in other sectors.
71. The report included a nine-page draft code of practice for councils. It required councils to have and publish a hardship policy; negotiate hardship plans that reflect ratepayers' capacity to pay; and make 'reasonable attempts' to contact ratepayers before taking legal action.

## The 2013 Municipal Association of Victoria guidelines

72. In response, the Municipal Association of Victoria ('MAV', the peak body for local councils) published Hardship Policy Guidelines for councils in 2013.
73. The objectives of the Guidelines included helping councils manage financial hardship 'effectively and consistently', and ensuring that debt collection practices were 'sensitive and responsive'.
74. The Guidelines were more limited than the community legal centres' proposed code of practice. The Guidelines advised councils to limit the use of the waiver and deferral options in the Act. They said 'Councils will not generally waive rates or interest'. They said deferral would 'generally apply to long term cases of extreme financial hardship, or where council extends hardship assistance to self-funded pensioner and retiree rate payers'.

## The 2020 Rating System Review report

75. In 2019, the Minister for Local Government appointed an independent panel to review the council rating system in Victoria - the Rating System Review. The panel considered the hardship powers in the Local Government Act 1989. It consulted widely and reported to the Minister in 2020.
76. The report described councils' adoption of the 2013 MAV Guidelines as 'voluntary and variable'. It said there were ongoing concerns about:

an inconsistent approach to ratepayer payment difficulty, financial hardship and complaints when the process for discounts and rebates is not clear, transparent or easily accessed and navigated by vulnerable people who fear losing their homes.

77. The report made three high-level recommendations that the State Government:
  - publish guidelines and a community communication strategy on deferral schemes (recommendation 30)
  - ensure regulations require that ratepayers have access to consistent billing, debt recovery and payment difficulty assistance and that the councils' coercive powers are only ever used as measures of last resort (recommendation 31)
  - establish a 'collaborative change management program' to support the implementation of the regulations (recommendation 32).
78. The State Government accepted these recommendations in late 2020. However, the practical details - what regulations should say and how change should be achieved - remained undecided.
79. This investigation focused on what these changes could look like from a fairness perspective.

# Ratepayer experiences

80. The investigation looked at what a homeowner in financial hardship would be likely to experience with their council, both in ordinary times and during the pandemic, namely:

- how easy it would be to find information and ask for help
- whether the help offered by their council would be fair and reasonable
- how a ratepayer could expect to be treated if they fell into debt
- how problems and disputes would be resolved.

81. It looked for examples of good practice, both amongst councils and other private and public sector organisations.

## Finding information

82. Previous reports suggest ratepayers have trouble finding information about hardship relief at councils. The 2012 community legal centre report found some councils did not have a hardship policy and did not mention hardship on websites or rates notices. In 2020, the Rating System Review noted reports of a 'general lack of awareness' of council hardship policies.

83. The new Local Government Act 2020 requires councils to comply with 'public transparency principles' (section 58), which state:

- 'Council information must be publicly available' unless it is confidential or publication would be contrary to the public interest.
- 'Council information must be understandable and accessible to members of the municipal community'.

84. The investigation applied these principles to four sources of information about rates – council policies, websites, rates notices and council officers.

## Council policies

85. The investigation found almost all 79 councils had a hardship policy in 2020. Only three councils could not provide a written policy in some form.

86. Not all councils make their policies public. When the investigation reviewed council websites, it found council hardship policies on 61 out of 79 websites. Two other councils published their pandemic assistance policy, but not their usual hardship policy.

87. Some policies were clearly labelled 'Hardship Guidelines' or 'Financial Hardship Policy' and could be accessed from the websites' rates pages. This made them easy to find. Other councils set out hardship policy guidelines in their rating strategy or debt management policy. Finding these policies took some effort.

88. The quality of the policies varied. Some were clear and detailed. Others were brief. Glen Eira City Council's hardship policy guidelines, for example, consisted of one paragraph in its Payment of Rates Policy. Some policies were unclear, such as whether councils continue to charge penalty interest on unpaid rates when people are in hardship, or whether farms are eligible for the hardship relief.

89. In some cases, policies did not appear to accurately reflect council practices. There were a number of occasions where councils gave information to this investigation that differed from information in their policies (or other public information).

## Rates notices

90. Council policies are not always the most user-friendly source of information. The investigation also looked at other communication, including the rates bills or notices that councils send ratepayers.
91. Councils must include certain information on rates notices under the Local Government Act 1989 (section 158(4)) and the *Local Government (General) Regulations 2015* (regulation 10). Hardship is not on the list.
92. Nevertheless, most councils put some information about hardship relief on their notices. The investigation reviewed council rates notices since 2018-19. Even before the pandemic, at least 72 out of 79 councils mentioned hardship on their notice. Mansfield Shire Council also offered its ratepayers a free financial counselling service. Its notices said:

PAYMENT ASSISTANCE

People from all walks of life can find themselves with money problems. Financial counsellors are non-judgmental, qualified professionals who provide information, support and advocacy to people in financial difficulty. Mansfield Shire Council offers this service which is free, independent and confidential. Appointments required PH: (03) 5775 8569 or alternatively contact Money Help on 1800 007 007.
93. Hardship information was not always easy to find, however. In 2018-19, 66 councils put information in fine print on the back of the notice or in their flyers or brochures. One council officer explained 'there's only so much you can put on the front of a rates notice'. But the Rating System Review report noted '[m]any ratepayers stated that they do not read the rear of their rate notice, and that the information should be provided in a clearer and more understandable format'.
94. Some councils made hardship information clearer during the pandemic. In 2020-21, 16 councils put hardship information on the front page of their rates notice. Port Phillip City Council made its hardship information more prominent (see Figure 5 on page 28). It also put information about hardship relief on the envelopes for rates notices, which helps reach people who may be stressed and have stopped opening their bills.
95. Ratepayers were unlikely to find detailed information about their options on their notice, however. The investigation observed that most councils suggest ratepayers contact the council for more information.

Figure 5: Examples of two council rates notice back pages, 2020-21

### How your general rates are calculated

**Council rate income**  
(two per cent cap)

**\$131 M**

÷

**Combined value of all rateable properties**

**\$3,528 B**

=

**The rate in the dollar**

**\$0.037282**

×

**Net Annual value of your property**

See overleaf for your property's value as at 1 January 2020.

=

**Your general rates**

**What else may I need to pay for?**

**Victorian Government Fire services levy**  
[www.firelevy.vic.gov.au](http://www.firelevy.vic.gov.au)

**Waste charges**  
Your waste charge will depend on the size of your bin.

For more Information visit:  
[portphillip.vic.gov.au/rates-valuations](http://portphillip.vic.gov.au/rates-valuations)

#### DAH CITY COUNCIL

**RATES, CHARGES & FIRE SERVICES PROPERTY LEVY**  
Council uses the Capital Improved Value of your property as the basis for calculation of the rate Rates Charges and Fire Services Property Levy are a charge on the property and can be paid either in full by four instalments or Council Initiated Direct Debit Request for a duplicate copy of any rate notice will incur a \$20.00 fee

**PAYMENT OPTIONS AND DUE DATES**  
The date and amount of the first payment will determine the payment option

- QUARTERLY INSTALLMENTS** the first quarterly instalment amount details on the front of the notice must be paid by 30 September 2020. If the amount paid is less than indicated or the date paid is past this due date the payment option will revert to IN FULL with the amount paid treated as a part payment towards the balance due on 15 February 2021
- IN FULL** the current rates are due and must be paid by 15 February 2021 and no reminder will be sent

**PAYMENTS RECEIVED BY COUNCIL AFTER THE DUE DATES LISTED ON THE FRONT OF THIS NOTICE WILL NOT BE TREATED AS BEING PAID ON THE APPLICABLE DUE DATE. INTEREST WILL BE INCURRED, AND DEBT RECOVERY ACTION WILL PROCEED WITHOUT FURTHER NOTICE.**

- COUNCIL INITIATED DIRECT DEBIT** offers a nine monthly instalment option debited from your nominated bank account. Credit Cards not accepted. A Direct Debit request form must be completed and returned to Council. The form can be obtained by contacting Council on 1300 882 233 or from our website [www.maroondah.vic.gov.au](http://www.maroondah.vic.gov.au). Debit dates and amounts are listed on the front of this notice. Where this day falls on a weekend or public holiday the debit will take place on the next business day. A direct debit arrangement is ongoing until cancelled in writing. Any dishonour will be subject to a \$25.00 fee.

**PENALTY INTEREST FOR LATE PAYMENT**  
In accordance with Section 172(2)(b)(i)(c) of the Local Government Act "The interest becomes payable if the payment was payable either in instalments or in a lump sum and neither the first instalment nor the lump sum were paid by the dates the first instalment or the lump sum were due, on and from the date on which each missed instalment was due; and continues to be payable until payment or the recovery of the rates or charges." Interest is charged at the penalty interest rate appearing on the front of this notice which was the rate in effect as at 1 July and as fixed under Section 2 of the Penalty Interest Rates Act 1983

**ARREARS, DEBT RECOVERY AND LEGAL ACTION**  
Any arrears displayed on this notice are due and payable by 30 September 2020. Interest will continue to accrue on any arrears and will be subject to debt recovery action and/or legal action will proceed without further notice. If any rate or charge remains unpaid after it is due and payable Council will commence debt recovery action and an administration fee for this action will be passed on to the owner/ratepayer. If after commencing debt recovery action payment is not made or an arrangement not forthcoming Council will without further notice proceed with legal action through the Magistrates' Court to recover the debt and any costs associated with this action.

**ARRANGEMENTS**  
If you have an arrangement with Council or Council's Solicitors to pay off an existing debt this agreement continues until the debt is paid in full. If the arrangement is not maintained debt recovery action and/or legal action will proceed without further notice.

**FINANCIAL HARDSHIP**  
It is not the usual practice for Council to waive or defer rates or charges. If you think you may have difficulty paying your rates please contact Council on 1300 882 233 to discuss a more suitable payment arrangement.

**NOTICE TO PENSIONERS**  
If this notice is for your principle place of residence and you are in receipt of a pensioner concession card and government rebates are not shown on your rate notice you could be entitled to a rate reduction as set out in Section 171 (4) of the Local Government Act 1989. Application must be made at any one of Council's Service Centres by 30 June each year. The pensioner concession card showing eligibility must be produced at the time of making the application.

### Have you got a question or having difficulty paying your rates?

Please contact us immediately to discuss payment options and/or application under hardship provisions.

**Contact us**

ASSIST 03 9209 6777  
[portphillip.vic.gov.au](mailto:portphillip.vic.gov.au)

**Visit us**

For up-to-date information on Port Phillip town hall opening times and locations, please visit:  
[portphillip.vic.gov.au](http://portphillip.vic.gov.au)

**National Relay Service**

If your hearing or speech is impaired use the National Relay Service.  
TTY users 133 677, Speak & Listen users 1300 555 727 then ask for 03 9209 6777.

**Change of address**  
The property owner must notify Council in writing of any change of postal and residential address.  
[eservices.portphillip.vic.gov.au](mailto:eservices.portphillip.vic.gov.au)  
[rates@portphillip.vic.gov.au](mailto:rates@portphillip.vic.gov.au)

**Notice of valuation / land tax**  
This property has been valued as at 1 January 2020 and is effective from 1 July 2020. Any amendment to the valuation may result in additional rates, for which a supplementary rate notice will be issued. The basis of the assessment is the Net Annual Value for the calculation of Municipal rates. The State Revenue Office uses the Site Value in assessing land tax.

**Appeal against valuation**  
Section 18 of the Valuation of Land Act 1960 provides that the owner/ratepayer may object to the valuation within two months of the date of issue of this notice. Objections must be lodged using the prescribed form. For any valuation enquiries contact the Rates Department on 03 9209 6777.  
**If you have transferred obligation of payment for this account you MUST forward a copy of this notice to the transferee or contact Council.**

**Special rates and charges**  
Properties subject to special rates have the levy details printed on the front of this notice. Currently the following special rates are in place:  

- Port Melbourne Business Precinct Special Rate and Charge Combined Scheme 1 July 2016 to 30 June 2021
- Fitzroy Street and Environs Special Rate and Charge Combined Scheme 1 July 2019 to 30 June 2024
- Acland Street Village Precinct Special Rate and Charge Combined Scheme 1 July 2019 to 30 June 2024.

For more details contact the Placemaking Team on 03 9209 6777.

**Penalties for late payments**  
Amounts not paid by the due dates shown on this notice will be charged interest at 10 per cent per annum from the due date of each overdue instalment (including the full payment option, unless an agreement is in place).

**Waste charges / rebates**

- 240 litre bin:** rebate of \$188
- 80 litre bin:** rebate of \$60 where approved by Council.

**All payments will be allocated as follows:**

- Legal Costs Owing (if any)
- Arrears Interest Owing (if any)
- Arrears Owning (if any)
- Current Owning.

**Are you a pensioner?**  
Council offers rates assistance for pensioners of \$175 (maximum) in addition to a \$241 (maximum) State Government rebate and \$50 fixed rebate for the Fire Services Property Levy. Eligible cards: Centrelink Pensioner Concession Cards and Department of Veterans' Affairs Gold Card (War Widow or TPI). **Health Care and Seniors Cards are not eligible.**

**Rate cap**  
Council has complied with the Victorian Government's rate cap of two per cent. The cap applies to the average annual increase of rates and charges. The rates and charges for your property may have increased or decreased by a different percentage amount for the following reasons:  

- the valuation of your property relative to the valuation of other properties in the municipal district;
- the application of any differential rate by Council;
- the inclusion of other rates and charges not covered by the Victorian Government's rates cap.

**Privacy** The City of Port Phillip collects the personal information contained in this form for the purposes of carrying out its functions under the Local Government Act 1989. The personal information is used by Council to facilitate the delivery of Council services including Rates, Valuations, Planning and the production of a Voters Roll for Council Elections. This information will not be disclosed except as required by law.

property's unique Reference Number are located on the front of this notice.  
from your cheque or savings account. ©Registered to BPAY Pty Ltd ABN 69 079 137 518

	Pay over the internet from your credit card at: <a href="http://www.maroondah.vic.gov.au">www.maroondah.vic.gov.au</a> Maroondah City Council accepts MasterCard & Visa
	Pay by phone from your credit card Call <b>1300 900 765</b> to make payments Maroondah City Council accepts MasterCard & Visa The phone payment line is a 24 hour service. Calls are charged at the cost of a local call (mobles extra)
	Pay in store at Australia Post by cash cheque or Eftpos. Credit card payments not accepted. Or at Council offices: <b>Realm</b> , Maroondah Highway Ringwood <b>Croydon Library</b> Civic Square Croydon. Eftpos/Credit Card payments accepted at Council offices
	Detach payment slip with payment to: Maroondah City Council   GPO Box 1860 Melbourne VIC 3001 Please make cheques payable to: "Maroondah City Council" Receipts will not be issued for mailed payments and postal delays will not be accepted as an excuse for late payment

*General correspondence to be mailed to Maroondah City Council, PO Box 156, Ringwood Vic 3134*

Source: Port Phillip City Council and Maroondah City Council rates notices.

## Council websites

96. The investigation also reviewed council websites in June and July 2020 to see what information ratepayers might find there.
97. Fifty-five of the 79 councils had text on their websites about hardship relief (separate from council policies). Another 12 had information about pandemic assistance schemes, but not their usual assistance options.
98. Better examples included Greater Bendigo City Council. Its rates webpage said the Council is committed to helping people in hardship. It had a link to the Council's policy and contact information for local financial counsellors. Hobsons Bay City Council's rates webpage also had information about assistance options, its assessment process and an online application form.
99. Ratepayers Victoria's submission to the investigation criticised other council websites. It said in its experience, 'most are not helpful, nor easy to navigate and understand'. The Rating System Review report noted 'Council guidance is largely limited to advising customers to call council to discuss their position'.

## Council officers

100. The investigation heard anecdotal accounts of what happens when ratepayers contact their council.
101. One small shire council told the investigation that it talks through the person's situation and their options. It said many people in financial hardship feel their situation is 'not bad enough' to warrant help:

hardship is a situation best communicated by a conversation to ensure that the ratepayer is comfortable and understands what can be offered, and what alternatives exist.
102. However, the Ombudsman sometimes hears from ratepayers who do not know they can apply for hardship relief, even after talking to their council. The case study on page 30 is one example. Other ratepayers say councils do not tell people about the options in the Local Government Act 1989.

## Extracts from complaints and evidence to the investigation

Is this considered OK – to not inform consumers of the full range of options available to them, instead expecting them to research and identify this information themselves? ... I only encountered this information by my own means, very late in proceedings.

When I realised the huge disparity between what the Local Government Act said and what my local council was doing, I was gobsmacked, absolutely gobsmacked.



103. Ratepayers Victoria's submission said during the pandemic, it 'dealt with record levels of enquiry and requests for information from ratepayers who have struggled with their council to get clear and consistent information when asking for help'.
104. Ratepayers Victoria was particularly concerned that councils were not telling ratepayers they could apply to have rates waived under the Local Government Act 1989. (This report discusses councils' reluctance to offer rates waivers from paragraph 161.) Ratepayers Victoria said it ran a social media campaign in April and May 2020 and received over 700 enquiries from ratepayers. It said 95 per cent of ratepayers who had spoken with their council had not been told about the waiver option in the Act.



## No information about hardship relief options

Ana is a pensioner living in a unit in the Darebin City Council area. She migrated to Australia and speaks English, but has difficulty writing in English.

She contacted the Ombudsman after her yearly rates bill jumped by 40 per cent. She said she paid the first instalment, but the next instalment was due and she could not afford to pay. She said 'this is my place. I'm an older person. Where am I going to go?'

Ana had already called the Council. A Council officer told her the rates had gone up because her property had been revalued and its value had risen. She said they told her to follow the objection process set out on the back of her rates notice. She said they would not help her fill out the form.

The Ombudsman asked Ana if the Council told her about its hardship policy. She said no.

The Ombudsman contacted the Council and it agreed to help Ana complete a form so she could object to the revaluation of her property. It also agreed to help her apply for hardship relief.



## Other council initiatives

105. Some councils told the investigation they also promoted hardship relief in other ways. This included social media and local newspapers or radio. Ararat Rural City Council said it did a letter drop to householders during the pandemic. Moonee Valley City Council said it advertised its COVID support website on posters at local bus stops.
106. One council officer told the investigation there had been 'very much a big push' to tell ratepayers about hardship relief during the pandemic.

## Accessible information

107. The investigation observed that ratepayers who struggle to read or write in English are likely to have particular trouble finding information.
108. Census data from 2016 says 28 per cent of Victorians speak a language other than English at home. Of Victoria's 79 councils, the investigation found 17 mentioned languages other than English on rates notices, usually in the form of details for interpreter services. Twenty-one councils provided information on websites in languages other than English. This usually involved a web function that translated webpages into other languages.
109. Brimbank City Council, in Melbourne's western suburbs, is an example of better practice. It publishes some information on its financial hardship webpage in five community languages.

110. People with disabilities that affect their communication may also struggle accessing information. Sixty-three councils had some accessibility features on their websites. These included adjustable font size (which lets people increase the size of the print on the screen) or ReadSpeaker (a function that reads aloud text on the screen). Hume City Council published a short video explaining its COVID rates relief.
111. However, rates notices offered little help for people with disabilities. The investigation did not identify any councils that offered hardship relief information in Easy English or Easy Read English for people with cognitive impairments or low literacy.
112. Financial counsellors and community lawyers spoke with the investigation about clients with intellectual disability or mental health issues or limited English. They questioned how well councils communicated with these homeowners.



## Finding information – how do councils compare?

### Energy, urban water and telecommunications companies

Regulatory codes require these companies to have a financial hardship policy.<sup>13</sup> They also require the companies to tell customers about hardship relief:

- Energy companies have to publish their policy on their website and provide ‘clear and unambiguous’ information about their relief options to customers who contact them.
- Urban water companies must include information on water bills about help for customers experiencing payment difficulties.
- Telecommunications companies have to publish their policy on their website and provide other information to customers on request.

The companies also have obligations to customers who speak languages other than English or have disabilities. Energy and urban water companies must include information about interpreter services on their bills. Urban water companies must publish their customer charter in languages other than English. Telecommunications companies must communicate with customers ‘in a way that is appropriate to the customers’ communications needs, including customers with a disability’.

The Essential Services Commission recently published a guide for water companies on customers with cognitive disabilities.<sup>14</sup> It recommended options such as Easy English explainers for bills; making information available in multiple formats including short, captioned videos; and having a dedicated person or team to help customers with cognitive disabilities.

### Government tax agencies

The Australian Taxation Office and the State Revenue Office both publish detailed information about hardship relief on their websites.

The State Revenue Office’s website explains who is eligible for relief, how to apply, what information to provide and how it decides applications. The State Revenue Office does not include hardship relief information on its tax assessment notices but told the investigations it planned to review those notices in future.

<sup>13</sup> *Energy Retail Code; Urban Water Business Customer Service Code; Telecommunications Consumer Protections Code.*

<sup>14</sup> *Essential Services Commission and University of Melbourne, Enhancing Access and Support for Water Customers with Cognitive Disabilities: A Guide for Water Businesses (2020).*

## Applying for help

113. The Local Government Act 1989 provides for councils to waive or defer rates on application (sections 170A and 171A).<sup>15</sup>
114. The Ombudsman's experience is that sometimes ratepayers have good evidence of financial hardship, but never apply.
115. Some councils made similar observations. A rates officer at one council told the investigation that getting people to apply can be hard. They said they spoke with people in hardship and sent out forms but did not get them back. Northern Grampians Shire Council also said 'the biggest obstacle for our rates officers is to convince [people] to seek help; it is a real challenge'.
116. These observations are consistent with research in the area. Melbourne Law School's Financial Hardship Project found only a minority of people in financial hardship actually apply to relief schemes. The people who took part in its survey were more likely to deal with their financial problems by cutting down on food, recreation, utilities and other essentials.<sup>16</sup>
117. The investigation heard different views about why this might be the case:
  - People can be too embarrassed or frightened to ask for help.
  - People might not recognise the extent of their problems or identify with the label 'financial hardship'.
  - Some council application processes are difficult for people in hardship.

118. The investigation looked at current council application processes, and how some organisations make it easier to seek help.

## Written applications and evidence

119. The Local Government Act 1989 does not require applications for hardship relief to be in any particular form. But most councils ask ratepayers to fill out a form, either in hard copy or online. Some ask for supporting documents. This helps councils work out if the hardship is genuine.
120. However, the investigation heard these application processes also create barriers in some cases. Examples were:
  - **People who do not read or write in English**

The case study on page 30 shows the problems faced by people who need help with written English.
  - **Women escaping family violence**

An advocate who works in the area of family violence said women leaving violent relationships may not know what their assets and liabilities are and they need time to work out those issues.
  - **People who have survived a natural disaster**

Victoria Legal Aid operated a Disaster Legal Help service following the 2019-20 bushfires. Its submission said its lawyers observed that many people lose key documents in a disaster and this can delay access to help.

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<sup>15</sup> Councils have a limited discretion to waive rates or interest without an application from the ratepayer - see *Local Government Act 1989* (Vic) section 171(1)(b).

<sup>16</sup> Bourova, Ramsay and Ali, above n 5, 211-2.

121. Some councils have more flexible processes. Moonee Valley City Council, for example, does not require people receiving the State Government rates concession to complete a hardship form. Its policy states it is generally recognised that hardship has already been established for this group. Colac Otway Shire Council's policy notes some ratepayers may not be able to provide information and gives the example of records destroyed in a natural disaster. Other councils, such as Indigo Shire Council, accept verbal applications for short-term help.
122. Other councils make it easier to complete their application forms. Maribyrnong City Council, for example, publishes its hardship application form in 14 community languages. Hobsons Bay City Council advertises help with filling out its form.

### Time limits

123. The investigation noted some councils ask ratepayers to reapply for hardship relief every one or two years.
124. This ensures ratepayers only get hardship relief while they need it. But for ratepayers in long-term hardship, it can create uncertainty. Some financial counsellors questioned this practice. One noted the situation of people on age and disability support pensions is unlikely to change and said these ratepayers should have permanent arrangements.

### Financial counselling requirements

125. The investigation found that almost half of councils (38 councils or 48 per cent) require ratepayers to see a financial counsellor or other service before they will accept a hardship application, at least in some circumstances. Some require a certified assessment from the financial counsellor.
126. The investigation heard these requirements, where they exist, have some benefits:
- Council officers noted that if a ratepayer is struggling to pay their rates, they are probably struggling with other bills as well. A financial counsellor can help the ratepayer with their whole situation.
  - A financial counsellor adds independence and privacy to the process. This can be important in small communities where ratepayers might know council officers and feel uncomfortable revealing financial details.
  - Some councils do not have resources or expertise to assess applications themselves.
127. However, the investigation also heard the requirement creates problems. Some ratepayers tell the Ombudsman their council's nominated service was never available or did not call them back. Ratepayers can also resent being forced to attend a service. One told the Ombudsman '[w]hat's Council expecting charities to do this work for them? ... I've provided a huge amount of information about my hardship circumstances [to the Council]'.
128. In other cases, the addition of an extra party to the process leads to confusion. The following case is one example.



## Confusion about application leads to debt collector contacting ratepayer

Rafael came to the Ombudsman in 2019 after a Melton City Council debt collector started contacting him and his wife.

He said he and his wife were living on one income while his wife was studying for a job. They were paying off their rates in small fortnightly instalments and had been to a financial counsellor named by the Council, whom they thought had submitted a hardship application for them. Rafael said his wife spoke with the Council after the debt collector started calling them. They told her she needed to make another application.

When the Ombudsman contacted the Council, it explained it never received the application from the financial counsellor. It became concerned that Rafael and his wife were not paying enough to keep up with their rates, so it asked its debt collector to contact them.

The Council said its debt collector spoke with the couple about seeing a financial counsellor again. It said the financial counsellor was waiting for more information from Rafael and his wife before submitting an application.

When the Ombudsman gave the Council a chance to comment on a draft of this report, it said it had since received the hardship application. Rafael and his wife are now paying back their debt in instalments.

The Council said its process of referring ratepayers to independent financial counsellors 'has worked for Council over many years'. In this case, it said it was aware of the couple's proposed hardship application and tried to contact them at least four times. It said it had not charged any collection fees or taken legal action to recover the amount.

The Council questioned whether the case should be described as one of confusion leading to debt collection. It said it engaged the debt collection agent to contact Rafael about the hardship application, not to collect the debt.

It was clear from Rafael's complaint to the Ombudsman that this was not clear to him. He said the Council's debt collector was harassing him and his wife and they were confused about what had happened to his application.

## Language and attitudes

129. The investigation also heard that people's willingness to apply for hardship relief can also depend on councils' language and attitudes.
130. The Local Government Act 1989 uses the term 'financial hardship' but one council officer said in their experience, people do not respond to that term. The 2013 MAV Guidelines noted research showing that terms such as 'difficulty' and 'hardship' have negative connotations and can scare some people off. They suggested 'nuanced phrasing' such as 'are you having trouble paying this bill?'.
131. Some people who spoke with the investigation also suggested that councils' attitudes can be off-putting at times (this report discusses council attitudes more from paragraph 289). The investigation heard some councils ask judgmental or intrusive questions, such as what sort of car the ratepayer drives or the financial situation of other people in their household. A financial counsellor said one council argues with financial counsellors about their assessments for clients, going through ratepayer budgets line by line and questioning why clients need expenses like Foxtel.
132. Ratepayers Victoria said these sorts of attitudes deter ratepayers from seeking help:

if I come to you and say I am in hardship, I'm humiliated and usually embarrassed to have to come and ask for help ... To some degree, I would say some councils [are] actually ... very polite and lovely, but what we have heard from the overwhelming majority of people that have come back to us is they're caught in a washing machine, and they just get banged around the system until eventually they give up out of despair and walk away from trying to get any sort of help.

## Other ways to identify hardship

133. Community advocates compared the approach of councils with utility and other companies. The investigation heard utility companies have a more proactive approach to identifying customers in hardship. They take steps to identify customers themselves. Government agencies, however, tend to rely on people to ask for help.
134. Colac Otway Shire Council is one council taking a more innovative approach. It has an agreement with Colac Area Health and Barwon Water that allows those organisations to identify shared clients who may be experiencing hardship. The organisations can accept applications and refer them to the Council. This at least saves people in hardship from having to contact multiple bodies to ask for help.



## Applying for help – how do councils compare?

### Energy, telecommunications companies and banks

Regulatory codes and guidelines for these companies encourage early identification of customers in hardship and early intervention.

Telecommunications companies can contact customers about hardship relief if they believe the customer may be eligible, without waiting for the customer to seek help. The Telecommunications Industry Ombudsman, the Communications Alliance and Financial Counselling Australia have issued a guide listing possible signs of hardship such as regular late payments or requests for more time to pay.<sup>17</sup>

Energy companies and banks can also identify and contact customers in hardship early.<sup>18</sup> Energy companies can contact residential customers with information about hardship relief within 21 days if the customer has not paid a bill by its due date and they owe more than \$55. The Australian Banking Association's Code of Practice for banks says 'If we identify that you may be experiencing difficulty paying what you owe under a loan (or are experiencing financial difficulty), then we may contact you to discuss your situation and the options available to help you'.

Telecommunications companies also have rules about what they can ask of customers who apply for help. They can only request relevant information that is not 'unduly onerous'. They can only request supporting documents in some cases, for example where the customer needs long term help, owes a large amount of money or there is evidence of fraud. The industry guide for companies warns them against insisting customers seek representation from third parties like financial counsellors.

### Government tax agencies

The Australian Taxation Office and State Revenue Office require taxpayers to apply for hardship relief and provide evidence to support their claims.

The Australian Taxation Office outlines its requirements on its website and in practice statements.

The State Revenue Office said its officers may agree to short-term payment plans of up to six months over the telephone, but evidence and manager approval is needed for longer payment plans.

Applications for relief in the form of waivers or deferrals over \$1,000 are considered by a statutory board, the Land Tax Relief Board. It requires taxpayers to fill out an application form and provide evidence including bank statements and tax returns.

<sup>17</sup> Telecommunications Industry Ombudsman, Communications Alliance and Financial Counselling Australia, *Assisting and responding to customers in financial hardship* (2017). See also *Telecommunications Consumer Protections Code*.

<sup>18</sup> Energy Retail Code; Australian Banking Association *Banking Code of Practice*.

## Getting fair and reasonable help

135. The Local Government Act 1989 confers a broad discretion on councils to offer various options to ratepayers who are in financial hardship.
136. Victoria Legal Aid's submission said best practice hardship programs use options that best suit people's individual circumstances. It said flexibility is 'necessary to accommodate the many different circumstances that people experience which can cause hardship including unemployment or reduced employment, illness or injury and family separation'.
137. Previous reports have highlighted the lack of guidance as to how council discretion is applied and the lack of consistency between councils in their decision making. The 2020 Rating System Review report noted councils told the review that the current systems work well and require few changes, but ratepayers who have experienced hardship have a very different view.
138. The following sections look at the help currently offered by councils and whether it is fair, reasonable and consistent with the Local Government Act.

### Payment plans

139. Payment plans or arrangements allow ratepayers to pay rates debts over time in regular instalments. They are different to the instalment payment options offered by councils – those options allow people to pay their bill in at least four instalments by set dates (this is discussed in more detail from paragraph 198). Payment plans help people who cannot pay by the due dates and end up with a rates debt.
140. There is no mention in the Act regarding the use of payment plans or arrangements for ratepayers in hardship. Yet all 79 councils offer payment plans.
141. Some councils list payment plans or arrangements as an option in their hardship policy. Other councils offer them, but specifically state that they do not consider them to be a form of hardship relief.
142. Councils have different rules around how long they give ratepayers to pay off their rates debt, and what they expect in regular instalments.
143. Most councils are flexible and open to payment arrangements that suit the ratepayer's financial circumstances. Pyrenees Shire Council, for example, said it agrees to whatever payment arrangement works for the person and this can be weekly, fortnightly or monthly payments. They prefer people to pay off their rates by 31 May, but said the plan needs to be achievable and some have lasted 10 years. Other councils said they prefer ratepayers to repay their debt in 12 or 24 months, but they are open to extending that time period if needed.
144. This is consistent with the 2012 community legal centre's draft code of practice, which emphasised that councils should negotiate plans that reflect a ratepayer's 'actual capacity to pay'.
145. Other councils ask ratepayers to repay the debt within a particular time period or require a minimum repayment amount. The Ombudsman sometimes hears complaints from ratepayers who say they cannot afford these repayments.



## Extracts from complaints

I was advised the council would not accept anything less than \$500 per fortnight and [they] threatened they would sell my house if I didn't pay.

I understand it needs to be paid, that's not my dispute ... now they're wanting \$535 a fortnight. I only get \$300 a fortnight.

We are so far behind on everything and have everyone on payment plans just trying to keep on top of it all. I asked to be able to pay it off and they want \$200 per week. I just can't afford it at this time ... I am only asking for a little leeway from now till mid-October when I will be more able to service the debt. I am not asking to have it wiped I am just asking for a few weeks grace to get [my] finances under control.

146. Some councils said their rules are meant to stop debts growing over time. Frankston City Council, told the investigation:

In all cases, as rates is an ongoing annual commitment, then at a minimum the ratepayer is encouraged to make a payment equal in amount to the annual rates. Any less then Council is simply assisting or being complacent in allowing the ratepayer to fall further into debt.

147. The Ombudsman has also observed from complaints that councils are less flexible if the ratepayer has a history of breaking payment plans. The following case studies show the different approaches taken by two councils.



## Payment plan takes almost a third of woman's income

Rachel lives in a house in the Greater Shepparton City Council area. Her financial counsellor contacted the Ombudsman on her behalf in 2019.

The complaint said that for around 10 years, Rachel's ex-partner subjected her and her family to extreme family violence (this report describes Rachel's history in more detail from page 75).

After Rachel ended the relationship in 2009, she had ongoing financial and other problems. This included a rates debt with the Council.

The Council was aware of Rachel's history by at least 2010. Its records show it agreed to multiple payment plans under which she could pay as little as \$30 a fortnight, but she did not keep up her payments.

Rachel says she still experiences trauma and cannot remember what happened with the Council until 2017.

In 2017, she entered into a new payment plan with the Council that required her to pay \$500 a fortnight towards the debt. Rachel said her fortnightly income at the time was just \$1,600.

Rachel and the Council provided different accounts of how this came about.

Rachel says she asked the Council if she could pay \$200 a fortnight and it told her it would not accept less than \$500 a fortnight. The Council said its records show Rachel offered \$150-\$200 a fortnight and this was 'unacceptable' because she 'would still be faced with an outstanding debt at the end of the arrangement, which only compounds the problem'. It said Rachel put forward the offer of \$500 a fortnight and it suggested she make an appointment with her accountant or a financial counsellor.

Rachel said she made payments for 12 months but then fell behind with other bills and had problems with working after her car broke down. She said her fortnightly income fell to \$1,100 and she asked the Council again to reduce the payments to \$200 a fortnight, but it refused. The Council says it has no record of this request.

Rachel's bank eventually intervened and paid her remaining debt to the Council, which meant she could stay in her home.



## Flexibility leads to good result

Isla and her family live on a small farm in the Baw Baw Shire Council area. She said they began having financial problems in 2017 and fell behind with their rates. She had left paid work to have children. Her husband was on short term contracts and was sometimes out of work.

Isla said by 2019 things were 'looking dire'. She contacted the Council and it asked her to pay a minimum of \$150 a fortnight. She said she could not afford that much and asked if she could pay \$100 a fortnight until May 2020. She said she was securing ongoing work and hoped to be in a better financial position at that point.

Isla told the Ombudsman the Council refused to negotiate. In response to a draft of this report, the Council said it offered payment plans on many occasions, but they were never followed and it sent the file to its debt collector.

After getting a letter from a Council debt collector, Isla contacted the Ombudsman.

The Council told the Ombudsman it had no record of a hardship application from the family and it had agreed to payment plans in the past but they had not been followed. It agreed to accept \$100 a fortnight until May 2020 but said the payments would need to increase from that point. It agreed to send a hardship application form for Isla to fill out.

The Ombudsman spoke with Isla in late 2020 to see what had happened. She said they only had \$50 left to pay and expected to be up to date with her rates by Christmas.

## Deferrals

148. The Local Government Act 1989 also gives councils the power to defer a person's rates 'if it considers that an application by that person shows that the payment would cause hardship to the person' (section 170). Councils can defer the whole or part of the rates and impose conditions.
149. In effect, this extends the time the ratepayer has to pay their rates. The debt is not payable until the council sends a notice requiring payment. The Act states that the council may send a notice if 'it considers that the person's circumstances have so changed that the payment would no longer cause hardship to the person' (section 170(3)(a)).

### *Availability of deferrals*

150. While the Act gives councils a broad discretion to offer deferrals, the 2013 MAV Guidelines call for limits. They say this option 'would generally apply to long term cases of extreme financial hardship, or where council extends hardship assistance to self-funded pensioner and retiree rate payers'. They suggested councils consider factors such as whether the ratepayer was a pensioner with a low income.
151. The investigation found that, during the pandemic, councils were more generous with deferrals. Fifty-six councils offered deferrals as part of their pandemic assistance, usually with few restrictions.

152. Outside of pandemic schemes, however, some councils restrict the availability of this option. Most councils (75 councils or 95 per cent) offer deferral in some form. But at least 26 of those councils limit the circumstances in which they will agree to a deferral. The limits vary from council to council. For example:
- Port Phillip City Council allows age pensioners and seniors card holders to defer their rates indefinitely, but other ratepayers can only defer their rates until 30 June of the rating year.
  - Banyule City Council says it will only agree to deferrals in long term cases of extreme hardship.
  - Moreland City Council caps the amount it will defer at 50 per cent of the property's value.

153. Four councils do not (or do not clearly) offer deferral at all, despite the Act listing it as an option.

#### *Views about deferrals*

154. The investigation heard different views about when deferrals are a fair and reasonable option for ratepayers in hardship.
155. Community advocates said deferrals are most often used for 'asset-rich income-poor' age pensioners who are struggling to pay yearly rates bills. The rates accrue as a charge against the property. This means the homeowner can stay in their home, and the council recovers the rates when the property is sold or passed on.

156. The Ombudsman sometimes hears complaints involving elderly ratepayers who are distressed at the idea of debts accruing against their homes. Ratepayers Victoria told the investigation:

It could be a couple that's had that a home for 40-50 years, one has passed on and left one pensioner in the home who's on an aged pension on very limited income, isn't well off, just happens to own the home from 30 years ago.

All of a sudden ... according to the way council deals with them, they are a nuisance, they can't afford their rates and they are now a hardship problem that council will not and has no social obligation to address but they created it. The system created it and trapped them there.

157. For younger ratepayers, the investigation heard long term deferrals are less helpful. Unless their circumstances change in the future, a deferral simply pushes the debt into the future with the likelihood that this would also cause the debt to increase. The investigation heard from one ratepayer who was offered a deferral by his council:

I've been unemployed for about 14 months now ... I am roughly \$400 behind every month without even taking into account food costs, electricity, utilities, whatever insurance I might be paying.

They just hand balled me over to a deferral. So instead of recognising that I've got financial hardship now, all they've done is just taken that level of debt and moved it [to] next year ... I'm going to have more problems next year even if I do find work.

158. The 2020 Rating System Review said councils report that ratepayers rarely seek deferrals. Ratepayers raised concerns that:

- councils can seek high interest on deferred rates (this is discussed in more detail from paragraph 178)
- councils can require payment at any time, which creates 'uncertainty in times of hardship'
- they do not want to erode their equity in their homes.

159. The report noted deferrals may be an appropriate way to support asset-rich, income-poor ratepayers. It recommended the State Government publish guidelines and a public communication strategy to promote deferrals to address capacity to pay issues.

160. Some community advocates argued that councils should also offer short term deferrals more often. They gave the example of a relationship breakdown where the couple plans to sell their property and just needs some time to finalise the settlement and sale. The investigation understands some councils sometimes offer short term deferrals (see, for example, the case study at page 76), but not all councils.

### Rates waivers

161. The Local Government Act 1989 also gives ratepayers the right to apply for a waiver of the whole or part of their rates or charges (section 171A). The Act says the council may grant an application if it is 'satisfied that the applicant is a person who is suffering financial hardship if that person paid the full amount of the rate or charge for which he or she is liable'.

162. The Act also gives councils the power to waive rates and charges for groups of people (section 171). These groups are:

- people eligible for the State Government rates concession (see paragraphs 61-63)
- 'any other class of persons determined by the Council for the purpose of waiving rates or charges on the grounds of financial hardship'.

### Availability of rates waivers

163. The 2013 MAV Guidelines discourage waivers. They reference the section of the Local Government Act on waivers but say:

Councils will not generally waive rates or interest. This is to ensure that financial hardship assistance proffered to one rate payer does not have a 'redistributional' effect on the rate base.

164. Local Government Victoria's 2014 *Revenue and Rating Strategy Better Practice Guide* for councils provides some support for this view. It talks about equity in tax systems and discusses the idea of 'horizontal equity' - the idea that ratepayers in similar situations should pay similar amounts. But it also states '[e]quity is a subjective concept that is difficult to define'. The Guide also mentions other principles which may be considered including the 'capacity to pay principle' - the fact some ratepayers have more ability to pay rates than do others with similarly valued properties.

165. In practice, the investigation found just under half of councils (38 councils or 48 per cent) do not include waiver of rates as an option in their standard hardship policies. Some expressly state they never waive rates. For example:

- Banyule City Council's policy states 'Council will not waive in whole or part any rate, levy, special rate or special charge'.
- Glen Eira City Council's policy states 'Under no circumstances will the principal component of a Rates debt be waived'.

166. Not all councils provide a reason for this practice, but it appears MAV's statement about waivers being unfair because of their 'redistributional effect' may be influential. Fourteen councils refer to this in their policies. Nillumbik City Council's policy states that it is a principle of the Act that '[e]very rateable property should meet its share of rates and charges' and:

Council will not waive rates, municipal charges or service charges as the value of each property provides the owner with a potential source of funds if liquidated. It is considered inequitable for the majority of ratepayers to subsidise the property assets of hardship applicants. A more equitable solution for the community is to defer payment of rates and charges.

167. Of the other councils, 27 councils limit the circumstances in which a rates waiver is available. Some say waivers are only provided in exceptional circumstances. Others cap the amount of waiver they will provide. For example:

- Greater Dandenong City Council's standard hardship policy says it will only waive rates in 'extreme circumstances' and it will not waive more than \$500 unless the Council resolves that exceptional circumstances warrant an exception.

- Port Phillip City Council also says it will only waive rates in 'extreme circumstances' but has a \$1,000 cap.
- Melton City Council will only consider waivers for people eligible for the State Government rates concession and caps the waiver at 30 per cent of the current year's rates.

168. At some councils, a council resolution is required for rates waivers of any size – this was the case at 14 councils.

169. During the pandemic, some councils were more generous with waivers. Some announced some waivers as part of their COVID-19 rates packages, although they sometimes used the term 'rebate' or 'reimbursement'. Some of these councils were advertising waivers for the first time. For example:

- Southern Grampians Shire Council offered a reimbursement equivalent to two per cent of total rates bills for the 2020-21 financial year.
- Golden Plains Shire Council offered rebates of \$500 for people on Jobseeker and businesses on JobKeeper and \$100 for people with more than a 30 per cent drop in income.
- Frankston City Council allowed residential ratepayers on Jobseeker to apply for a \$200 rate waiver for their 2020-21 first quarter instalment payment.

170. The investigation has limited data about councils' actual use of rates waivers. It obtained data from 13 councils for the years 2018-19 and 2019-20. Nine councils did not waive rates in those years. The only councils waiving rates in any substantial way were:

- Greater Dandenong City Council, which said it waived rates under its standard hardship policy 22 times in 2018-19 and 54 times in 2019-20. This amounted to \$8,394 in rates in 2018-19 and \$18,807 in 2019-20. The Council said it also provided rebates to 10,713 eligible pensioners and 373 people receiving JobSeeker in 2019-20 as part of its pandemic assistance package, at a cost of more than \$1.1 million.
- Melton City Council, which reported 3,433 waivers totalling \$686,000 in 2019-20 as part of its COVID assistance package.

#### *Views about waivers*

171. When the investigation met with community advocates, they often expressed frustration with councils' reluctance to offer rates waivers. They noted utility companies and banks are willing to waive customer debts, but not councils.

172. This report has noted that some ratepayers say their council did not tell them they could apply under the Act (see paragraphs 102-104). One recounted his experience trying to apply for a waiver using an application form developed by Ratepayers Victoria during the pandemic. He said when he spoke to one council officer:

she was just basically following a script ... She made comments to me 'Oh we haven't given waivers, we don't give waivers, we haven't given a waiver in 30 years'. I feel like it's like a cultural thing ... It's almost like a knee jerk reaction.

173. When the investigation spoke with local government bodies, it observed concerns about the impact of rates waivers on:

- council revenue and ability to provide services
- the fairness of the rating system, if other ratepayers have to make up the shortfall.

174. One council officer told the investigation:

We still need to deliver the services and at the end of the day, if we start waiving rates then another section of our community then has to pick up that tab. At the end of the day, we've still got a finite fixed revenue and expenses. So, if we are writing off rates then that money has to come from somewhere else and we have then to make service adjustments to other services to, in the end, balance that bottom line.

175. The Rating System Review report noted although waivers 'may be appealing to address payment difficulties and hardship issues for individual ratepayers, the consequent loss of revenue could create challenges for broader equity'. It noted the Act gives councils sufficient discretion but 'there is no guidance to councils about the process by which eligibility is determined'.

176. A representative from Ratepayers Victoria told the investigation that councils' current approach to waivers 'bears no relation to what's in the Local Government Act. It falls a long way short'.

177. The Ombudsman has raised concerns with councils in the past about blanket policies on waivers and whether they are consistent with the discretion given by the Local Government Act. The following case studies show the different responses of two such councils.





## Blanket refusal to consider rates waiver ‘dictated’ by policy

Nick lives in a unit in the Maroondah City Council area and contacted the Ombudsman in late 2020 about a problem with his rates. He explained that he lost his savings in 2018 when his business collapsed. The stress aggravated a pre-existing medical condition and he found himself on a disability support pension struggling to pay his bills. When he contacted the Ombudsman in 2020, he said he would not have survived without help from his mum, siblings and friends.

Nick said he asked the Council to waive his 2019-20 rates, which were just over \$1,000. He told the Council his pension was not covering his basic expenses and mortgage and a waiver ‘may help me begin to get back on my feet’.

The Council refused. In one email, it said ‘to ensure the rate burden is shared equally amongst all ratepayers, Maroondah City Council do not waive the rates of any individual properties, which will ultimately be at the expense of others’. It offered Nick a payment plan or said he could defer his rates with interest. The Ombudsman was concerned the Council was applying a rigid policy without considering Nick’s circumstances. The Council said:

Council is like any other statutory authority that collects taxes and charges, it does not waive those charges but more appropriately works with its ratepayers to meet their rating obligations in a manner that is suitable to both the ratepayer and the Council recognising the individual circumstances of each of those ratepayers.

... To do otherwise and waive rates for some means that the other ratepayers in the community would be expected to meet the shortfall for those rates, a notion that cannot be contemplated especially in a ‘rate capped’ environment that Local Government finds itself in.

Council is of the strong opinion that its conduct with its ratepayers who find themselves in financial difficulty for whatever reason is consistent with the current legislation. It also is of the belief that it mirrors best practice with other Local Government authorities and State and Federal taxing authorities.

The Ombudsman asked the Council for evidence it had assessed Nick’s circumstances under the waiver section in the Local Government Act and determined whether payment would cause him hardship. The Council said, ‘[w]e are not trained counsellors, financial or otherwise, and are not qualified to be able to determine whether someone is suffering hardship due to their financial or medical situation’. It repeated:

Council has not and will not seek applications from ratepayers for waiver of rates under Section 171A of the Local Government Act 1989. Council’s Rate Collection and Hardship Policy dictates its response in relation to ratepayers that find themselves in difficulty. Therefore, Council does not need to provide consideration under [section] 171A.

The Ombudsman gave the Council a chance to comment on a draft of this case study. It said it ‘has provided and continues to provide the ratepayer with the ability to discharge his rating obligations without the application of penalty interest’. It also said it ‘has not dictated a minimum amount or timeframe as to when the outstanding rates need to be paid [and] the ratepayer has the ability to determine when and how much he can pay.’ It said it was ‘disappointing’ this report did not note it had reached agreement with ratepayers in over 1,000 other cases.

The Council did not address the point of the case study, which is that its blanket policy that it never waives rates appears to be inconsistent with the Local Government Act 1989.





## Creation of a more flexible policy under the Act

In 2019, a financial counsellor contacted the Ombudsman about Melbourne City Council's approach to rates and financial hardship. She said she recently helped two Council ratepayers in hardship and, while the Council offered them a payment plan, it did not appear to have a policy or offer options under the Local Government Act.

When the Ombudsman made enquiries, the Council said it did not have an endorsed policy but had been resolving matters with payment plans in practice. It noted the 'legislative provisions relating to waivers are onerous and difficult to enact'.

Ombudsman officers met with the Council, which was open to developing a policy.

The Council fast-tracked the process when the pandemic began and published its policy in March 2020. It allows ratepayers to ask for payment plans, deferrals and interest waivers. It also allows ratepayers to apply for a waiver or reduction of rates. It says, while this is not its preferred option, it will consider waiving or reducing rates for homeowners in 'exceptional circumstances' where 'severe impact' can be demonstrated.

The Council now has an online application form which ratepayers can use to apply for all the hardship relief options under the Act.

## Interest charges

178. The investigation also heard concerns about the interest charged by councils when they offer hardship relief in the form of payment plans or deferrals.
179. Councils have a discretion whether to charge interest. The Act states a council 'may' require a person to pay interest on any rates or charges not paid by the due date (section 172). It also states that councils 'may' require payment of interest on deferred amounts when they give notice that the amount must be repaid (section 170(3)(b)).
180. The Act states that where interest is charged, it 'is to be calculated' at the penalty interest rate, which is currently 10 per cent (section 172).
181. The Rating System Review expressed the view that councils had a discretion whether to charge the penalty interest rate or a lower rate. The investigation understands there are three ways this can happen under the Act:
  - a council 'may exempt any person from paying the whole or part of any interest either generally or specifically' (section 172(3))
  - a council may waive the whole or part of interest for people eligible for the State Government rates concession or 'any other class of persons determined by the Council for the purpose of waiving rates or charges on the grounds of financial hardship'. This requires a Council resolution (section 171).
  - a ratepayer can apply for an interest waiver under the Act (section 171A).

182. The 2013 MAV Guidelines say councils should charge interest in the case of both payment plans and deferrals. They justify this in relation to deferrals, stating 'interest should continue to accrue on the deferred rates and charges in order to avoid "redistributional" effect on the rate base'.

183. However, the MAV Guidelines state that councils should not charge penalty interest. They explain the importance of an interest reduction as follows:

Councils recognise that setting a penalty interest rate which is consistent with the *Penalty Interest Act 1983* could have a negative effect on the finances of ratepayers which prolongs their hardship. As such, where hardship is established, councils should reduce the penalty interest rates to the market interest rate (for example the official 180-day bank bill rate). This ensures that neither the council, nor ratepayer suffer unduly from implementing the rates and charges deferral.

### *Council interest charges*

184. The investigation found many councils charge penalty interest on payment plans and deferrals, despite the MAV Guidelines.

185. In the case of payment plans, the majority of councils appear to be charging penalty interest. Council policies on this issue were sometimes unclear, but the investigation identified just 10 councils that were willing to hold interest on payment plans in at least some circumstances (for example, for the first 12 months or for so long as the ratepayer complies with the terms of the payment plan). Another two councils said they only charge interest on the recommendation of a financial counsellor. Whitehorse City Council was one of the few councils charging a lower rate of interest (it charges the penalty interest rate less five per cent).

186. In the case of deferrals, again, the majority of councils appear to be charging penalty interest. The investigation identified just four councils that charge no interest. Another two councils indicated they charge penalty interest on the recommendation of a financial counsellor. The investigation identified just 15 councils that charge a lower rate of interest, at least in some cases. Monash City Council, for example, charges no interest on deferred amounts for pensioners over age of 65 who have lived in their home for more than 10 years, and 2.5 per cent for other ratepayers.

187. Some of these councils specifically note the problems created by penalty interest in their policies. Indigo Shire Council's policy, for example, states:

Council recognises that setting a penalty interest rate which is consistent with the *Penalty Interest Act 1983* could have a negative effect on the finances of ratepayers which prolongs their hardship. As such, where hardship is established, Council will reduce the penalty interest rates to Council's investment rate as assessed at the beginning of each financial year.

188. It is not always clear why other councils charge penalty interest. Yarriambiack Shire Council's policy, for example, says 'A penalty interest is a legitimate amount owing that council has a right to collect'. Some councils appear to believe they cannot charge a lower rate of interest under the Act. For example, the Borough of Queenscliffe's Rating Strategy says Council cannot apply an alternative interest rate, although it can exempt a person from paying the whole or part of an amount. Banyule City Council's rating strategy also states 'Council cannot apply an alternative rate'.

189. During the pandemic, many councils have been more generous with interest charges. This generally involved councils holding their interest on unpaid rates or offering interest-free payment plans and deferrals.

#### *Interest waivers*

190. Almost all councils (75 councils or 95 per cent) clearly offer the option of interest waivers under the Act.

191. However, a handful of councils limit the amount of interest they will waive. Nillumbik Shire Council, for example, caps interest waivers at 12 months. Glen Eira City Council's policy says it only waives interest in 'extreme circumstances'. Kingston City Council's policy says it will only agree to one interest waiver every five years (although, in response to a draft of this report, the Council noted it has made exceptions to this rule in some cases and has also waived interest as part as its pandemic relief).

192. Some councils said they consider reducing interest on a case by case basis. One council told the investigation:

We want to try to encourage those who are genuinely in hardship who are reaching out and asking for assistance, we want to help them not make it harder for them.

#### *The impact on ratepayers*

193. Although councils have options to reduce and waive interest, the Ombudsman regularly receives complaints from ratepayers concerned about their council's interest charges.

194. One council officer told the investigation that their council only charges interest if a ratepayer misses an instalment on their payment plan, and that interest might only be around \$4. They said ratepayers sometimes object more to the idea of the interest than the amount itself.

195. However, the Ombudsman has seen cases where over time other councils have charged ratepayers hundreds or thousands of dollars. In some cases, the interest charges have built over time and now make up anywhere from a quarter to nearly 50 per cent of the ratepayer's total debt. The case study on page 51 is one example.

196. The Rating System Review report set out some key principles in relation to hardship, noting '[t]he system should assist ratepayers facing payment difficulty and avoid causing harm'.

## Extracts from complaints

I'm really struggling with this because the interest is accumulating. But there's nothing they tell me they can do about it. It just continues ... it just keeps escalating and with the interest I'll never be able to pay this off ... It just keeps going up and up and up and it's like, oh my god.

These hefty interests, calculated on a daily basis, ... have made it impossible for me to bring about a resolution ... [T]he problem is with all the fees (interests and legal fees) they keep adding on and all the constant high demands, I can just never catch up, the whole situation (the total amount owing) is out of control, and it just doesn't feel like there is ever an end.

My bank is there to make money and they even considered me and didn't charge me interest and gave me hardship and things like that. I'm trying to pay them off and it's like a little snowball becoming a big snowball because they keep on charging interest and everything else on top of it ... where everybody else I've been able to get on top of things. It's like a noose hanging around my neck at the moment.

This made it very hard for me to pay it off as the interest fee just kept adding on[to] the bill ... I went on a payment plan ... and still they are not even stopping the interest fee ... I am struggling now because I am not working because of COVID-19.

We are struggling to keep on top of everything especially with the significant increase in price for utilities ... Financially I am unable to pay the interest owing.

197. One financial counsellor told the investigation that council interest charges create a 'poverty trap' for people who are already struggling financially. Another said, '[t]he debt just keeps on accumulating and increasing in value. A ratepayer never gets an opportunity to take stock and catch up on it'.



## Woman on payment plan charged over \$25,000 in penalty interest

Teresa called the Ombudsman in early 2020 about her rates debt with Brimbank City Council. She told the Ombudsman that after separating from her husband some years ago, she found out he had not been paying their council rates. She said he cannot work and she is working two jobs to pay off the debt.

Teresa was upset the Council was charging interest on the debt. She said the debt 'keeps escalating ... and I will never be able to pay this off'.

The Ombudsman advised Teresa to complain to the Council's Chief Executive Officer and call back if she could not resolve the matter.

The investigation followed up the case with the Council in 2021 to find out what happened.

The Council's records showed Teresa and her husband started falling behind on their rates in 2000. It said Teresa entered into a payment plan in 2010, when the debt was around \$19,500. The Council confirmed it had been charging interest on the debt. Its interest charges since 2010 total more than \$25,000. Although Teresa has been making regular payments for a decade, her debt including ongoing rates is now \$47,000. Before the pandemic, the Council was charging Teresa more in interest each year than it was charging her for rates.

Teresa and the Council gave different accounts of whether Teresa had ever asked for help or been offered it by the Council. Teresa told the Ombudsman she spoke to a manager at the Council who refused to waive the interest and suggested she take money out of her superannuation.

When the investigation spoke with the Council, it said it had no longer had the correspondence from the time the payment plan was created and it had no record of any contact from Teresa since 2010. The investigation noted Council records refer to a call in July 2019, but did not record what was said. The Council said it would not advise people to take money out of superannuation and it refers people to its hardship policy. It said it had never received a hardship application from Teresa.

The Council said it would contact Teresa about its hardship policy and 'of course we would consider a waiver of the interest on the debt'. The Council also said it had recently updated its policy:

Under our current arrangements, if a ratepayer enters into a payment arrangement under financial hardship and maintains that arrangement then Council places a hold on the raising of interest.

## Other options – extra payment options

198. The investigation heard that in addition to offering hardship relief, some councils offer ratepayers extra ways to pay their rates to help them budget and stay out of debt in future.
199. The Local Government Act 1989 currently sets out two options for ratepayers to pay their rates (section 167):
- in four instalments, on dates determined by the Minister for Local Government. Councils must offer this option under the Act.
  - in a lump sum in February each year. Councils may offer this option under the Act, but they do not have to.
200. The investigation found that most councils (61 councils or 77 per cent) now also offer ratepayers extra instalment options. Some let ratepayers pay in nine or 10 monthly instalments. Others let ratepayers pay in fortnightly or weekly instalments. Councils usually require the ratepayer to agree to direct debit to access these options.
201. A number of councils (32 councils or 41 per cent) also offer Centrepay. Centrepay allows people on Centrelink benefits to have their bills paid by Centrelink from their fortnightly benefits.
202. The Rating System Review said, as a matter of principle, '[t]he system should make it easy for ratepayers to pay their rates'. It said most councils support more payment options, but some said they do not have the capability to offer direct debit. The Review said it was concerned councils were falling behind other organisations that offer more payment options.



## Getting help – how do councils compare?

### Energy, water, telecommunications companies and banks

There are a set of mandatory obligations regarding energy payment plans including giving customers minimum assistance, including the option of repayment of arrears 'over not more than 2 years by payments at regular intervals of up to one month'. Energy retailers must give customers advice about payment options that would let them pay over this period and they have discretion to allow payments over a longer period.

There are also mandatory obligations regarding deferral. Retailers must give customers minimum assistance including 'an initial period of at least 6 months' during which repayment of the customer's arrears is put on hold while they take steps to reduce their energy costs.

There do not appear to be minimum requirements regarding waivers, but the Energy Retail Code says there is nothing that prevents waiver of fee, charge or amount of debt.

The energy sector does not charge penalty interest and the interest rate for water is capped at 4 per cent, to be charged only in certain circumstances.

The Urban Water Business Customer Service Code makes provision for alternative payment arrangements 'in accordance with a customer's capacity to pay', including flexible payment plans, offering to extend the due date for some or all of an amount owed and informing customers of any circumstances in which the water company will waive or suspend interest payments on outstanding amounts.



Water companies will waive any interest accrued prior to the customer being identified as in hardship and exempting the debt from the accrual of interest on overdue amounts during the customer's period of hardship for those on a payment plan.

The Telecommunications Consumer Protections Code is more flexible than the Energy Retail Code and the Urban Water Business Customer Service Code – suppliers can choose three options from a list that includes deferrals, waivers and cancellation of fees.

The telecommunications best practice guide *Assisting and responding to customers in financial hardship*, sets out the principle that ensures that the response to a customer who is experiencing financial hardship is proportionate, and commensurate with matters such as the degree of vulnerability and the customer's capacity to meet their financial obligations. This includes taking steps to ensure customers are only offered repayment options and ongoing services that they can afford.

In the case of banks, consumers can apply for a change to their credit contract with their bank on hardship grounds by extending the period of the contract and reducing the amount of each payment due; postponing payments during a specific period; or both.

Banks will offer interest-only payments for a period of time; extend the term of the loan or temporarily postpone payments if it thinks it is possible to restore the customer's financial position. Banks have a discretion to reduce or waive debt if it is an unsecured personal loan or credit card debt, on a case by case basis and on compassionate grounds.

## Government tax agencies

The Australian Tax Office operates a scheme where taxpayers can apply for 'release' from tax debts on the grounds of 'serious hardship' and can also suspend debt recovery. It can extend the due date for payment (deferral) and will consider payment of debts by instalment over time (payment plan). However, this is not offered as a matter of course.

The Australian Taxation Office's General Interest Charge ('GIC') is currently 7.02 per cent, payable from the time the tax was due. Taxpayers can apply for a remission and the ATO can also initiate a remission itself. There is a broader discretion to remit the GIC and it is not payable until after the extended due date. For payment by instalments, GIC applies from the original due date but the taxpayer can seek a remission.

The State Revenue Office has a debt management team that deals with the majority of taxpayers who are experiencing financial hardship with land tax. It can offer instalment arrangements, usually up to 12 months, and can offer longer arrangements on a case by case basis. Taxpayers can apply to the Land Tax Relief Board for remission and the Treasurer can grant ex gratia relief (waiver). The relief board and the Commissioner can grant postponements (deferrals).

The State Revenue Office allows up to 26 weeks interest free to pay land tax. If someone is willing to pay or circumstances have impacted their ability to pay, then market interest (currently 1 per cent) is used, or a significant portion is waived. If someone is deliberately avoiding paying, then the premium interest rate of 8 per cent is charged. It can also offer payment arrangements without interest and has had a 12-month interest-free arrangement during the pandemic.

## Facing debt recovery

203. Ratepayers who cannot negotiate suitable hardship relief with their council, or who ignore their rates debts, face enforcement action. Under the Local Government Act 1989, this can include being taken to court and, if the rates debt remains unpaid for three years, sale of their land.

204. Government bodies are expected to act as 'model litigants' when taking legal proceedings. The State Government has issued model litigant guidelines that describe what this means in practice. The guidelines do not expressly apply to local councils but are followed by some. They allow agencies to act 'firmly and properly to protect their interests' and to seek to recover their legal costs. But they also stress the need to:

- act fairly and consistently in the handling of legal proceedings
- consider seeking to avoid and limit the scope of legal proceedings by taking reasonable steps to resolve disputes by agreement.

205. On some occasions, councils have been criticised for being too zealous about recovering rates debts. The 2012 community legal centre report said some councils were 'far too quick to sue residents without adequately exploring alternatives to litigation'. The 2020 Rating System Review recommended regulation to make it clear that coercive powers, such as legal action and debt collection, should be a 'last resort'.

206. On other occasions, councils have been criticised for not doing enough to recover rates debts. In 2019, the Local Government Inspectorate criticised one council for not recovering unpaid rates. The Inspectorate said 'many instances of failure to pay rates may be instances of hardship but council requires a process to manage such circumstances'.<sup>19</sup>

207. The investigation looked at what ratepayers can expect from councils at present, and what could be improved.

## Attempts to contact ratepayers

208. The investigation found that all councils now attempt to contact ratepayers about unpaid rates before resorting to legal action.

209. The process varies from council to council. Some councils only send a reminder or overdue notice to the ratepayer. Other councils go to some effort. Alpine Shire Council, for example, told the investigation it starts with a reminder notice and then asks its debt collector to call the ratepayer. It then uses an 'early intervention' strategy which involves six attempts to contact the ratepayer by phone, SMS, email or letter. If this does not work, the debt collector follows up with a formal letter, another phone call or SMS and a final 'field call' (an in-person visit).

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<sup>19</sup> Local Government Inspectorate, *Protecting Integrity: Yarriambiack Shire Council Investigation* (2019) 13.



210. Some councils said these processes reduce the need for legal action to recover debts. Port Phillip City Council, for example, changed its approach to debt collection in 2010 and since then has reportedly seen:

an overall reduction of legal costs on ratepayers from approximately \$300,000 per year to approximately \$60,000 per year and an improved collection rate of 98% plus (before COVID-19).

Many ratepayers are very grateful for the call. On a number of occasions, the ratepayer has forgotten to change their mailing address. Sometimes it's due to a family crisis for example cancer and paying a rate bill and/or contacting the Council is the last thing on their mind.

211. The Ombudsman tends to hear about the cases where the process has not worked. Ratepayers sometimes report they did not get their council's letters or emails.

#### Extracts from complaints

[T]hey said they send letters but we haven't received any – the first time they sent it to the Sheriff's department and this time they referred it to a law firm ... Don't they have due diligence to try to call you or contact you by email before they go screwing with your credit rating by sending the Sheriff to your door?

I've just received a call this morning from a debt collector that they've put it in the hands of. I've received no letters from the council, no calls, no emails, nothing. I'm just dumbfounded.

I have had (at many times) little or no correspondence from [the Council] at all, I haven't even received all my rates notices.

212. In some cases, the problem is a practical one – the council does not have the right address for the ratepayer. Pyrenees Shire Council told the investigation it recently started sending its final letter by registered mail. If no one signs for the letter, it assumes the person is no longer at the address. It then uses ‘skip tracing’ (a system for tracking down a person) to locate the person. Around a dozen other councils also use skip tracing or ‘field calls’ to find ratepayers. Pyrenees Shire Council said it had cut its use of legal action by half since it started sending mail by registered post.
213. Complaints to the Ombudsman also suggest it can be hard to get the amount of contact and the timing right. Some ratepayers find the number of calls and visits stressful. Some councils only pursue larger debts in earnest, which ensures the amount of contact is proportionate to the size of the debt. Moreland City Council and Mornington Peninsula Shire Council, for example, only refer debts over \$1,000 for debt collection.
214. However, the Ombudsman also dealt with one complaint where the council did not pursue the ratepayer until the debt grew. By that time, the ratepayer found the size of the debt unmanageable.
215. In 2019, the High Court found that in Queensland, statute of limitations laws apply to the recovery of rates debts.<sup>20</sup> In that case, it meant the council had to take action to recover the debt within six years. There are similar statute of limitations laws in Victoria.

## Use of debt collectors

216. One community lawyer noted councils largely rely on debt collectors to contact ratepayers, instead of engaging with people themselves.
217. Almost all councils use debt collectors to recover unpaid rates debts from ratepayers, usually if there is no response to their own reminder notices. Only two councils – Ararat Rural City Council and Banyule City Council – told the investigation they no longer use debt collectors.
218. For many ratepayers, a letter or call or visit from a professional debt collector is stressful and upsetting. The Ombudsman hears these sorts of concerns from ratepayers.
219. The 2012 community legal centre report and the 2020 Rating System Review report both noted that use of debt collections adds to the stress and pressure for vulnerable people. The Rating System Review, as noted earlier, recommended regulation to ensure practices such as debt collection are a last resort.
220. The investigation identified several problems with current arrangements.

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<sup>20</sup> *Brisbane City Council v Amos* [2019] HCA 27.

## Extracts from complaints

It was intimidation, really, [there were] two blokes. I am a mum at home with my kids.

I am again being hounded by [the Council's debt collector], who calls up at odd hours of the day and evening. They have also sent a field officer to my door to talk to my wife.

I was shocked and concerned about having debt collectors pursuing me at my home for payment. I do have genuine concerns around debt collectors being sent to relatively isolated properties unannounced, particularly where women like myself might be alone ...

[T]his situation is causing [my aunt] a lot stress and anxiety. It is like she is constantly paying the council the little money she has and is constantly being harassed and asked for more.

### *Use of debt collectors to negotiate hardship relief*

221. Once councils refer a debt to their debt collector, ratepayers usually have to negotiate hardship relief with the debt collector.
222. The 2013 MAV Guidelines advised councils against this. They suggested councils ensure their debt collection policies for ratepayers give people an opportunity to apply for hardship assistance. They recommended that '[d]ebt collection agents who identify hardship should refer cases back to council'.
223. Few councils, however, are willing to engage with ratepayers once they have referred a debt. The investigation reviewed some of the letters sent by council debt collectors to ratepayers. In almost all cases, they provided contact details for the debt collector if the ratepayer wanted an alternative payment arrangement. Ratepayers also reported such experiences.

224. Some councils' policies expressly state that the council will not deal with ratepayers or hardship applications at this point. West Wimmera's policy, for example, states '[o]nce a debt has been placed in the hands of Council's Debt Recovery Contractor all negotiations with the ratepayer will be handled by them'. In response to a draft of this report, the Council said this ensures there is one point of contact for ratepayers. It explained it would speak to ratepayers who contact the Council, but would not vary any agreement. It said it gives its hardship policy to its debt collectors and expects to them to act consistently with social obligation requirements. Yarriambiack Shire Council's policy states:

If a debt has already been referred to Council's nominated Debt Collection Agency, a person cannot apply for Financial Hardship in relation to that debt. The person must negotiate payment terms with the nominated Debt Collection Agency.

### *Extracts from complaints*

They won't let me [lodge a hardship application] because it's through a [debt collection] lawyer. They won't even speak with us ... They won't accept anything unless it's through the lawyers.

[The Council] refused to even speak with me at all and said it was now in the hands of their [debt collection] solicitors and I could only deal with them.

### *Limited hardship relief options*

225. The investigation observed that debt collectors generally only offer ratepayers a 'special payment arrangement' or payment plan that lets ratepayers pay off the debt in instalments.
226. When the investigation reviewed copies of debt collector letters to see their advice, some referred to unspecified 'payments options' or 'arrangements' and encouraged ratepayers to contact the debt collector for discussion. Where the letters mentioned a specific option, it was a 'special payment arrangement' or plan.
227. The investigation also looked at councils' contracts with debt collectors where councils could provide a copy. Most referred only to special payment arrangements, if they referred to hardship at all. One commonly used contract in the sector refers to a 'hardship waiver agreement'. However, the investigation found no references to that option in debt collectors' communication with ratepayers.

### *Limited oversight of debt collectors*

228. The investigation was not always confident about councils' arrangements for managing the way debt collectors deal with people in hardship.
229. The investigation asked councils to provide a copy of their contracts with debt collectors to consider contract standards regarding ratepayers in hardship, and how councils monitored those standards.
230. Nine councils said they did not have a current written contract with their debt collector.

231. Another 36 councils did not or could not provide their contract. Many explained that they engaged their debt collector through MAV or Procurement Australasia. MAV and Procurement Australasia offer councils arrangements under which they tender for a panel of debt collectors and enter a legal deed with the successful companies. Councils can 'opt in' to these arrangements and choose a debt collector from the panel.
232. Some councils said they did not have a copy of MAV's or Procurement Australasia's contract documents. The investigation obtained copies of these contracts direct from MAV and Procurement Australasia.
233. MAV and Procurement Australia require debt collectors to comply with relevant laws as well as industry codes of practice or guidelines. These would include debt collection guidelines issued by the Australian Competition and Consumer Commission and the Australian Securities and Investments Commission.<sup>21</sup> These guidelines set standards of behaviour for debt collectors, such as how often and when they can contact debtors.
234. However, none of the contracts reviewed by the investigation referred to the hardship relief provisions in the Local Government Act 1989 or required debt collectors to tell ratepayers about those options.

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<sup>21</sup> Australian Competition and Consumer Commission and Australian Securities and Investments Commission, *Debt collection guideline: for collectors and creditors* (2020).

235. Some contracts require debt collectors to offer payment arrangements in accordance with council practices and to seek council approval for arrangements. However, few councils require debt collectors to consider or apply the council's broader hardship policy. Yarra Ranges Shire Council's contract was one exception. It stated '[t]he Council has in place a Rate Recovery and Financial Hardship Policy ... The Contractor is to be fully conversant with the policy when dealing with ratepayers'.

236. Procurement Australasia told the investigation that councils are responsible for monitoring debt collectors' actions and performance. MAV also said contractors are obliged to report their activities to councils direct. It is not clear how councils monitor their debt collector's compliance with their contract when so many councils told the investigation they did not have a copy of the contract documents.

### *Confused communication*

237. The Ombudsman also observed cases where lines of communication between councils, their debt collectors and ratepayers became confused.

238. The debt collector letters reviewed by the investigation were all clear, short and written in plain English. However, they did not offer interpreters or information in accessible formats for people who speak languages other than English or have a disability.

239. The Ombudsman sometimes sees complaints that involve miscommunication between all the parties. The following case studies are two examples. The second case highlights the particular challenges faced by ratepayers who struggle communicating in English.



## **Debt collector tells ratepayer she owes \$8,400 – Council says she owes more than \$20,000**

Lyn owns her house in the Casey City Council area. She has struggled to pay her council rates since buying the house many years ago. She acknowledges she has not always handled her debt problems well.

Lyn contacted the Ombudsman in early 2020 after some confusing advice about the size of her debt. She provided a copy of a letter from the council's debt collector dated January 2019 asking her to pay just over \$8,400. Then in November 2019, she found out via her bank that she owed the Council more than \$20,000. She said 'I nearly fell over and was in complete shock'. She said when she called the Council, they told her the \$8,000 figure was an 'old amount'.

When the Ombudsman contacted the Council, it confirmed Lyn owed around \$21,000. The letter from the debt collector referred to only part of the debt, not the total debt. The Council acknowledged the letter did not make this clear and said it would review its documents.

The Council said if Lyn started making regular payments, it would stop applying penalty interest to the debt. It said if she kept up the payments over three to six months, it would waive some of the interest that had already accrued. Lyn was not happy with the Council's offer. However, given her long history of failing to pay her rates, the Ombudsman concluded the Council's position was reasonable.



## Extra confusion for woman with limited English

Amal lives with her family in Melbourne's northern suburbs and speaks limited English.

She contacted the Ombudsman with the help of a friend in early 2020 after getting a final notice from Whittlesea City Council saying she owed just over \$4,000 on her rates.

Amal could not understand how she owed that much. She said she spoke with the Council about the rates a few years earlier through an interpreter. She said she was told to pay \$100 a month and that would cover the rates. She provided copies of bank records to prove she had been making the payments.

The Council emailed Amal to explain that she had not paid her rates on time since her family bought their house. It said the person she spoke with years earlier was its debt collector. It said she had entered a payment plan to pay off her rates.

According to the debt collector, it set the payments at \$100 because Amal said that was all she could afford. It was never enough to cover her rates.

The Council said Amal later agreed to another payment plan which required her to pay \$200 a month. It said, since then, the Council had changed its debt collector and she should have received a letter telling her the direct debit arrangement with the old debt collector had stopped. It asked her to contact its new debt collector to make a new arrangement.

Amal asked the Council to waive the interest it had charged on the debt (around \$700) because she felt the debt collector gave her wrong advice. The Council acknowledged that English was not Amal's first language. It offered to waive \$500 in interest if Amal lodged a hardship application.

## Legal action

240. Councils retain the power to take ratepayers to court if they do not resolve their debt problems or keep to their payment arrangement.
241. For ratepayers, legal action adds to their problems. Apart from the stress, councils can seek an order for the ratepayer to pay their legal and other costs. Councils then add these costs to the ratepayers' debt. This usually increases the debt by \$1,000 or more.
242. The 2012 community legal centre report and the 2020 Rating System Review both argued legal action should be a last resort. The investigation looked at councils' current practices.

## Use of legal action

243. The 2012 community legal centre report included court data showing that in 2010-11 councils sued 6,328 people for unpaid rates debts.
244. This sort of data needs to be used with caution when looking at homeowners in financial hardship. The data shows all legal action taken by councils for unpaid rates, including legal action against investors and business owners. It also does not show how many of the ratepayers were experiencing hardship, or the history of the debts and whether councils took action as a last resort. There were also a number of councils who said their own records differ from the Magistrates' Court data (which is based on the number of proceedings classified in the Court's systems as 'arrear of rates'). However, it is currently the best available evidence of how often councils use legal action to resolve rates debts.
245. Recent court data shows that the overall number of legal actions has grown. The investigation obtained recent data from the Magistrates' Court. In 2018-19, the last financial year before the pandemic, councils sued ratepayers for unpaid rates on more than 7,000 occasions.
246. Most councils stopped taking legal action when the pandemic began (although many still contacted ratepayers about their debts in other ways). This was consistent with principles issued by the National Cabinet to 'essential service providers' including councils in April 2020. In 2019-20, the number of actions for unpaid rates debts dropped to over 4,000.
247. At an individual council level, the picture varies. Some councils, mainly in regional areas, have cut their use of legal action since the 2012 community legal centre report. Some did not sue any ratepayers, or very few ratepayers, in 2018-19. They include Ararat Rural City Council, Banyule City Council, Colac Otway Shire Council, Gannawarra Shire Council, Surf Coast Shire Council and Swan Hill Rural City Council.
248. Other councils, mainly in metropolitan areas, increased their use of legal action compared with 2010-11, according to the Magistrates' Court data. They include Kingston City Council (334 actions in 2018-19, compared with 63 in 2010-2011), Whitehorse City Council (342 compared with 38 in 2010-2011) and Yarra City Council (168 compared with 45 in 2010-2011). In response to a draft of this report, Kingston City Council said it could not comment because it had not provided the data. Yarra City Council said the Council's own records were different, but it could not provide further information in the time available.



249. The top three councils for legal action in 2018-19 were in outer suburban areas – Brimbank City Council, Wyndham City Council and Casey City Council. In response to the draft report, Brimbank City Council and Casey City Council both noted that councils with a larger number of ratepayers would be expected to have a larger number of legal actions. They suggested that other data should be used to show use of legal action in the sector.

#### *Council discretion in cases of hardship*

250. Based on complaints investigated by the Ombudsman, councils try to resolve rate debts in other ways before taking legal action.

251. At least 11 councils now say that legal action is a last resort in their policies, and another two told the investigation this was their approach in practice. One council officer said ‘I try to take every step ... I try, I really try’.

252. The most difficult cases seen by the Ombudsman are those where the ratepayer is clearly vulnerable but has stopped engaging completely or has a history of defaulting on hardship agreements with the council.

253. The 2013 MAV Guidelines state councils have limited capacity to identify genuine hardship amongst ‘recalcitrants and those who ignore rates notices’. The Guidelines said:

At some point councils must begin charging penalty interest, or instigate debt collection processes and lodge matters with the Magistrates Court in order to achieve a resolution. However, during this process, councils and contractors must remain sensitive to hardship and ensure that hardship is not exacerbated by instigating debt collection processes.

254. Some council officers who spoke with the investigation took a similar view. One said councils have to take action at some point. Another said they do not take legal action ‘if we feel that the people are genuine’ but ‘it’s those that ignore, those are deliberately trying to evade paying, that’s where we say we can’t help you if you can’t help yourself’.

255. The Rating System Review expressed concern that councils appeared to be using legal action to ‘trigger a response’ from ratepayers. It said:

Anecdotal evidence from rates managers and other council participants of the consultation process indicates that the court order applies more pressure on the ratepayer than other less formal processes such as phone calls, reminder notices and letters from lawyers.

256. Community advocates argued councils need a better understanding of how vulnerable people behave. One lawyer said clients sometimes arrive at appointments with piles of letters they are too scared to open. A financial counsellor said:

[It’s] like they’re frozen. It’s embarrassing. They feel guilt. They feel shame. I don’t think [councils] understand that.

257. Some community lawyers noted that councils do not have to take legal action to recover rates. Since rates are a first charge on land, they can let the rates accrue against the value of the land and collect the debt when the land is sold or transferred in the future.

258. There is evidence that at least some councils exercise discretion before taking legal action. Around half of councils (40 councils or 51 per cent) now sue only if the debt reaches a certain size. Bayside City Council and Central Goldfields Shire Council and Casey City Council, for example, only sue for debts once they reach \$1,000. Nillumbik Shire Council only sues for debts over \$5,000. Ratepayers Victoria's submission argued this threshold for action should be much higher – either \$10,000 or three years of unpaid rates debts.
259. Other councils consider the vulnerability of the ratepayer. For example, at least three councils – Melbourne City Council, Whitehorse City Council and Monash City Council – say they will not take legal action against pensioners. Hobsons Bay City Council also told the investigation it had never referred a pensioner to its debt collector.
260. But practices are not consistent. The following case studies describe three complaints to the Ombudsman. In all of the cases, there was some evidence of hardship, but the ratepayers were not cooperating with the council. In the first two cases, councils took legal action. In the third, the council exercised its discretion to let the debt accrue.



## Warrant of apprehension for 'distressed' ratepayer not responding to contact

Jill is in her 60s and lives in the Melton City Council area. When the Ombudsman spoke with her, she said she was in a serious accident at work around 10 years ago. She said she had been living on compensation payments and is now on unemployment benefits.

The Council's records showed Jill had been behind with her rates on and off for a few years. On 11 December 2017, the Council sent a reminder notice asking her to pay \$496 'immediately'. There was a statement on the front of the notice inviting Jill to call the Council if she was in financial hardship.

The Council says Jill did not respond. Less than a month later, on 5 January 2018, it referred the debt to its debt collector.

The debt collector tried to contact Jill many times by phone and letter. They visited her house nine times but no one answered the door. When they reached her by phone in April 2018, she told them she was not living at the house.

She said a family member had an addiction and had attacked her and she was 'too afraid' to live there. The debt collector described her as 'very cooperative but clearly a very distressed person'.

Jill agreed to pay off her debt at \$100 a fortnight, but she did not make any payments. In the meantime, she was missing more rates payments and the debt was growing. The debt collector sent an SMS and another letter. Jill paid \$200 but did not contact the debt collector or the Council.

In June 2018, the Council took Jill to court. At that stage, her rates debt was \$1,296. The Council obtained an order for its legal costs. Jill's \$1,296 debt was now a \$2,216 debt.

The Council took out a summons for oral examination (which requires a debtor to attend court to give information about their finances). Jill made two more payments but did not go to the court. The Council took out a warrant of apprehension.

Jill eventually paid that debt but she was falling behind with her new rates payments. In July 2019, the Council threatened to take her to court again. When the Council's debt collector visited Jill, she said she was on unemployment benefits but was expecting an inheritance. She later called twice, 'confused' about what she owed.

The debt collector gave her details of a financial counsellor to help her apply for hardship, but she made no application. The Council sent a letter threatening more court action. The Council told the Ombudsman it decided not to take Jill to court again and she eventually paid out the debt. It said 'Council will go through all avenues to contact a ratepayer and seek to offer them assistance before legal proceedings are commenced'.

When Ombudsman officers spoke with Jill in December 2020, she said she ended up borrowing money from her family to pay out the Council.

The Ombudsman gave the Council a chance to comment on a draft of this case study. It noted that it sent 36 rates notices to Jill about outstanding rates balances in the years leading up to the legal action, and it tried to contact her 12 times before taking legal action. It said she 'broke arrangements [three] times without notifying Council and making [an alternative payment arrangement]'.

However, it agreed:

it is important to recognise that people who are vulnerable due to personal crisis or family violence may struggle to engage with councils at times and legal action needs to be exercised with sensitivity. Council tries to do that at all times and believes in the vast majority of cases it does so. As [the report] recognised, there are difficulties involved in managing such situations when you are unable to communicate with the ratepayer consistently.

The Council said it had tightened its processes so that:

- accounts in arrears are referred to a manager where there is evidence the ratepayer could be impacted by family violence. It said this will allow closer review of these situations by senior staff.
- manager approval is required any warrants of apprehension.

The Council also said it would refund the legal costs charged to Jill in this case.



## Bankruptcy action against age pensioner who had not paid rates for 13 years

Chris is an age pensioner in their 60s who has trouble communicating in English. A community legal centre contacted the Ombudsman on Chris's behalf in 2018 after Wyndham City Council bankrupted Chris over around \$30,000 in unpaid rates.

The community legal centre said Chris's behaviour suggested mental health issues. Chris was living alone in the house without electricity or gas or a telephone. The legal centre said Chris appeared not to understand the obligation to pay rates and could not read the bankruptcy notice. It said a financial counsellor had prepared a hardship application and it wanted the Council to annul the bankruptcy and let Chris pay off the debt at \$50 a fortnight.

When the Ombudsman contacted the Council, it said Chris had not paid rates since 2005. It said it had tried to resolve the matter over 13 years:

- It had spoken with Chris many times, as well as with friends of Chris and a migrant assistance centre.
- Chris had agreed to seven payment plans. Chris had defaulted on six of them but was making payments under a current plan.
- It had invited Chris to make a hardship application in the past, but Chris had not.
- It had taken Chris to court twice and issued summonses for oral examination. It said Chris only attended court after it sought a warrant for apprehension. It also executed a warrant to seize property from Chris but decided not to take anything from the house.

The Council said it had not decided to pursue the bankruptcy lightly. It said while its records show Chris had limited English, it believed Chris had some funds and simply refused to accept there was an obligation to pay rates.

It said it believed it would be unfair to other ratepayers to let the matter go and let debt accrue. The Ombudsman did not pursue the complaint at the time because a court ordered the bankruptcy and only a court could overturn the order.

Officers contacted the Council during this investigation to find out what had happened. The Council said Chris' bankruptcy administrator had not been able to engage with Chris and the Council, as the only creditor, decided to annul the bankruptcy and pay the administrator's costs. It said the Council had since granted hardship assistance in the form of a payment plan of \$100 per month. Chris had made some but not all payments. The Council said '[t]he balance of the rates will be deferred until hardship consideration ends or [Chris] chooses to sell the property'.

The Council said:

This was the first application for Bankruptcy proceeding that Council undertook in an effort to recover a significant amount of outstanding rates, where other legal action had been unsuccessful.

... Council is very proactive in our attempts to provide support to those that are more vulnerable within our community. Support is provided through hardship plans as well as referral to external support agencies where appropriate. We have seen this process achieve some positive results for residents in need. Our policy and processes continue to be reviewed and refined to ensure that we engage as fully as possible to understand the circumstances of those in hardship and tailor solutions that may meet their needs.

The ongoing challenge for Council is to more effectively balance the need to ensure the payment of rates in an effort to be fair to all rate payers against the need to support individual rate payers in need of additional support. An added difficulty which we recognise is that vulnerable residents may not always be in a position where they can communicate their need for support.



## Council lets debt accrue for family in hardship

Tim contacted the Ombudsman in 2019 about his rates debt with Glen Eira City Council. He explained he found himself unemployed a few years ago and was out of work for around two years. He said a support organisation lodged a hardship application with the Council but they 'didn't give me nothing'. He said he was working again and was paying off the debt, but the Council was charging interest and the debt was growing.

Ombudsman officers advised Tim to seek hardship relief from the Council. We had trouble contacting him again, so officers contacted the Council during this investigation to query its response.

The Council said Tim started falling slightly behind with his rates in 2005 and by 2009, the amount owing became a concern. It said after trying to contact Tim three times, it agreed to a payment plan in 2010.

It cancelled that plan in 2016 after Tim stopped paying. A support organisation contacted the Council and explained that Tim and his wife were unemployed and caring for a child with a disability. The Council asked for documents to verify that they were getting Centrelink benefits and a statement of their income and assets. It said the documents were never provided.

The Council said Tim wrote to it in 2019 after he complained to the Ombudsman. The Council's response said 'Council is more than happy to evaluate and consider your claim for financial hardship, but we do require supporting documentation'.

The Council said it had not received any documents. It said Tim was making some payments and owed around \$10,000. It continued to charge interest on the debt until the start of the COVID-19 pandemic, but had not taken any legal action.

### Legal costs

261. As this report has already noted, most councils seek an order for their legal costs and add them to the ratepayer's debt (see paragraph 241).
262. Gannawarra Shire Council indicated these decisions are motivated by fairness to other ratepayers. It said '[i]n this way the ratepayers who have paid their assessment are not burdened with these extra costs'.
263. However, the Ombudsman hears complaints from ratepayers that these costs just make it harder for them to pay their debts.

264. A representative of Ratepayers Victoria told the investigation that these practices can further entrench hardship. He said '[i]t's just giving free legal work that is not solving the problem. You're not solving it'. Some community advocates also told the investigation that rates should not be a way to push people into destitution and homelessness, noting this puts more pressure on other parts of government and the housing sector.
265. Many councils (34 councils or 43 per cent) expressly state in their policies that they will consider waiving legal costs.

### Extracts from complaints

[T]he cyclical behaviour of council charging interest and legal fees despite my hardship has contributed further to my hardship rather than assisted me to get out of financial hardship ... The interest and legal fees I was charged made me feel there was no light at the end of the tunnel ...

I am a single parent working long hours and struggle financially to raise two children on one income ... The reason I did not pay my rates was because I was finding it difficult at the time, please do not make it even more difficult for me by imposing these crazy, unjustifiable fees.

I have paid thousands of dollars so far but I can't keep up ...

266. However, the situations in which councils will waive legal costs differ. Melton City Council and Mitchell Shire Council say they will waive costs if the ratepayer is in hardship. Mitchell Shire Council told the investigation it had waived \$10,451 in legal costs over the last two years. Bass Coast Shire Council said it will consider waiving costs if there are 'severe mental health issues'.

267. Other councils do not provide for costs waivers on the ground of hardship. Eight councils said in their policies that they would only waive costs if there had been an error on the council's part or the council had not done enough to engage with the ratepayer before taking them to court.

### Forced land sales

268. The Local Government Act 1989 also gives councils the power to sell a ratepayer's property to recover unpaid rates (section 181). This option is available if:

- the rates have been unpaid for three years or more
- there is no current arrangement in place for payment of the rates to the council
- the council has a court order requiring payment.

269. People who contact the Ombudsman are sometimes well aware of this power and are fearful of losing their homes.

270. In practice, however, councils rarely use this power. Data from Land Use Victoria, the State's land registry agency, shows that there were only 28 land sales or transfers under this section of the Local Government Act in 2018-19. In 2019-20, there were only 10. It is unclear from the records how many of these cases involved residential homes, but the records suggest many of the properties were vacant land.

271. The investigation heard that councils are conscious of the 'reputational damage' caused by forcing the sale of people's land. Some councils, such as Benalla Shire Council, have a policy of not selling properties used as a residence. Others require a resolution of their elected councillors before they will sell property under the Act.

## Extracts from complaints

I heard that the council, they can take your house. That was my biggest worry.

[The Council] threatened they would sell my house if I didn't pay. I felt [intimidated] and bullied ... I was so fearful that I would lose my house ...

[The Council] can kick you out, they can sell the place ... [T]his is my place. I'm an older person. Where am I going to go?

Knowing that my house may be sold and [we] will be homeless doesn't let me sleep at nights.





## Recovering debts – how do councils compare?

### Energy, water, telecommunications companies and banks

Regulation prevents these companies from disconnecting customers or taking debt recovery action while customers are receiving hardship assistance.

Energy companies must keep offering assistance until the customer is no longer in payment difficulty, or the customer has 'refused or failed to take reasonable action' towards paying their bills and debts. They cannot take debt recovery proceedings while the customer is receiving assistance and they can only disconnect a customer for non-payment as a last resort after certain steps have been taken. The steps include issuing a reminder notice, a disconnection notice and using 'best endeavours' to contact the customer and offering hardship assistance.

Water companies cannot take legal action or restrict supply until they have sent a reminder notice and a warning notice, have attempted to contact the customer and have offered a flexible payment plan. They cannot take legal action unless the customer owes \$200 or more or has failed to pay consecutive bills over 12 months.

Telecommunications companies must issue reminder and disconnection notices that include information about their hardship policies. They must also comply with ACCC and ASIC guidelines for debt collection.

The Australian Banking Code of Practice also states banks will comply with the ACCC and ASIC guidelines and will not require people to access superannuation to pay off debts.

### Government tax agencies

The Australian Taxation Office publishes a practice statement on its approach to enforcement on its website. It notes it has a responsibility to collect unpaid tax:

As a matter of course, the ATO will take into account the individual circumstances of each tax debtor to ensure that any recovery strategy is effective and appropriate for collecting that particular tax-related liability.

The Australian Taxation Office says it issues notices for outstanding amounts and may contact taxpayers before taking legal action, but they cannot expect this.

The State Revenue Office uses an internal debt management policy. Its objectives include 'vigorous pursuit of debt in a sensible, cost efficient, effective and timely manner'.

The State Revenue Office told the investigation it generally sends two reminder notices to taxpayers who fail to pay land tax. Its policy also encourages 'personal contact' by telephone unless this is not appropriate. Officers can take legal action against taxpayers who have not responded to earlier attempts to recover taxes. The policy allows for legal action for any debt over \$200.

The policy states officers must 'exercise discretion' and apply the policy with 'common sense' to ensure that taxpayers in similar circumstances are treated equally. It lists factors officers should consider, including whether pursuing the debt is in the public interest. It lists a range of options for officers where a taxpayer does not have funds to pay, or payment would leave them destitute. These are not limited to payment plans.

The State Revenue Office said it uses professional debt collectors to recover smaller land tax debts. Its debt collectors can arrange instalment payments with customers as long as they comply with the agency's policies. For more complicated matters, the State Revenue Office expects the debt collector to refer the matter back to its officers.

## Resolving complaints

272. Community lawyers and financial counsellors noted that good practice hardship schemes give people a way to complain about or appeal their treatment. This section looks at the current options.

### Internal options

273. The new Local Government Act 2020 requires councils to develop a fair and effective process for considering and responding to complaints about their services (section 106). It also requires councils to have a complaints policy (section 107).
274. The investigation identified that at least 18 councils also have a specific system for appealing or reviewing hardship relief decisions. In most cases, the 'appeal' is heard by a senior council officer or the council's Chief Executive Officer. Two councils allow appeals to their elected councillors.

### External options

275. Some financial counsellors told the investigation they also want an external body to hold councils to account. One financial counsellor said they had a client who was fearful of what would happen if they made a complaint to the council. They noted there is a 'huge power imbalance when it comes to councils and ratepayers. They're not on a level playing field'.
276. The Victorian Ombudsman can take complaints about the actions of councils and regularly deals with complaints about rates hardship and debt recovery. The Ombudsman endeavours to quickly and informally resolve complaints, and may decide to investigate any matter arising from complaints. The Ombudsman may make formal recommendations for change if an investigation reveals any unfairness or wrongdoing.
277. The Parliament amended the Ombudsman Act in 2019 to give the Ombudsman additional powers to mediate or conciliate complaints.
278. The investigation's discussions with financial counsellors suggest that awareness of the Ombudsman as an option to consider complaints about councils is low. Few council policies require officers to advise ratepayers about their right to complain to the Ombudsman. Only three councils currently refer to the Ombudsman in their hardship policies.



## Resolving disputes – how do councils compare?

### Energy, water, telecommunications companies and banks

These private companies have statutory regulators that can issue codes and guidelines about hardship – the Essential Services Commission in the case of energy and water companies, the Australian Communications and Media Authority in the case of telecommunications companies and various Commonwealth regulators in the case of banks.

Their regulatory arrangements differ. Energy and water companies have codes created by the Essential Services Commission. Telecommunications companies largely operate under an industry code.

These sectors also have ‘industry’ ombudsman schemes that can take complaints from customers – the Energy and Water Ombudsman, the Telecommunications Industry Ombudsman and the Australian Financial Complaints Authority. Regulatory codes require energy and water companies and banks to tell customers about their right to complain to these bodies.

The industry ombudsmen all have information on their websites about how they deal with hardship complaints.

They can:

- ask companies to suspend any debt recovery or disconnection action while they consider a complaint
- use alternative dispute resolution to resolve the matter
- if the matter cannot be resolved, make a decision or determination that is binding on the company.

### Government tax agencies

The Australian Taxation Office and the State Revenue Office, like other public sector bodies, are subject to the powers of government ombudsmen. Government ombudsmen can make recommendations but not binding decisions.

## Special topic: Family violence

279. Throughout the investigation's meetings and discussions, community lawyers and financial counsellors consistently raised one problem – the way councils treat people with debts associated with family violence.

280. Victoria's 2015 Royal Commission into Family Violence recognised economic abuse as a form of family violence. It noted that when people leave violent relationships, they can be left in financial insecurity and debt:

Victims of family violence are more likely than other women to experience financial difficulty and many women experience poverty as a result of family violence, regardless of their prior economic circumstances. Research also tells us that women from culturally and linguistically diverse backgrounds and older women are at greater risk of financial insecurity following family violence and face additional barriers to accessing support. The financial consequences of family violence can be acutely damaging and they are often long-term.

Victims' financial security is affected by partners who perpetrate economic abuse by controlling household finances, financial and utility accounts and incurring debt in the victim's name through coercion or deception.

281. The Royal Commission looked at three types of debts – consumer credit debts, utility debts and fines. It recommended the State Government:

- work with Commonwealth and State authorities or industry associations to ensure regulatory codes recognise family violence as a ground for hardship assistance, and to produce industry guidelines
- encourage industry ombudsmen to publicise the availability of dispute resolution processes to help victims resolve disputes about debts incurred in the context of family violence.

## Council policies and practices

282. The Royal Commission did not look at councils and rates debt, although it made some other recommendations involving local government. Community advocates told the investigation that victims of family violence also face problems with rates:

- The perpetrator of the violence may have failed or refused to pay rates during the relationship, running up debts in the name of the victim.
- The perpetrator may stay in the house after the victim leaves and stop paying the rates, exposing them to debt recovery and legal action.

283. An advocate who works in the area of family violence said victims face multiple problems resolving these issues – they may have no savings or money to pay the debts; they may have trouble applying for hardship relief because they do not have financial documents or know the extent of their assets or liabilities; and they may also be dealing with other debts and legal disputes as well as housing and other problems.

284. Councils as a whole do not appear to have considered the implications of family violence for their rates practices. The investigation found only seven councils (nine per cent) currently refer to family violence in their hardship policies.

285. The following three case studies show the way three councils dealt with people with rates debts in the context of family violence.



## Victim of family violence subject to repeated court action and threats to sell her house

Rachel lives in a house in the Greater Shepparton City Council area. Her financial counsellor contacted the Ombudsman on her behalf in 2019.

This report has already described parts of this case on page 40. The complaint said that for around 10 years, Rachel's ex-partner subjected her and her family to extreme family violence. When Rachel ended the relationship in 2009, she had ongoing financial and other problems. Her former partner had sold all her belongings. She had to borrow money to pay for legal costs. She was also supporting her family on one income. She and her family had ongoing health problems.

Rachel fell into debt with her council rates. The Council was aware of Rachel's history by at least 2010. Its records show it agreed to multiple payment plans under which she could pay as little as \$30 a fortnight, but she defaulted on those plans. Rachel says she still experiences trauma and cannot remember what happened with the Council until 2017, when she requested a new payment plan. She and the Council disagree on exactly what happened but she ended up on a payment plan that required her to pay \$500 a fortnight (almost a third of her income).

According to Rachel, her accountant wrote to the Council explaining she was in financial hardship. According to the Council, it asked Rachel's accountant for a statement of financial position 'multiple times', but did not receive one.

Information provided by the Council shows its officers and debt collection agency attempted to contact Rachel many times about the debt and that between 2010 and 2019 it:

- took Rachel to court three times
- threatened to sell Rachel's home four times. The Council began the legal process to sell the home twice.

By 2018-19, the Council's interest charges and legal costs on the debt totalled over \$10,000. Rachel's rates charges over the same period were around \$16,700. Rachel wrote to the Council in 2019 with the help of a financial counsellor and asked it to refund the interest and legal costs on her debt.

The Council refused. It noted it had asked Rachel's accountant for information to support a hardship application but no information was provided. It said:

... Council is within its rights under the Local Government Act to charge interest on any outstanding balances ... To remain fair to the 30,000 ratepayers within the municipality, and to comply with Council policy, Council rates staff require all necessary information to assess each application for hardship on their merits. Council was not afforded the opportunity to properly undertake the assessment of hardship.

Rachel's bank decided to step in to pay her debt to the Council. The Council agreed to waive a small amount of interest as a 'show of good faith'. That waiver totalled \$377. Ombudsman officers made enquiries with the Council in 2019 about the case. Its response said 'Council will not waiver rates, legal costs or any further interest.'

The Ombudsman wrote to the Council again when finalising this report and noted concerns about 'the Council's treatment of [Rachel] given her significant history of family violence and the ongoing impact on her and her family.' Amongst other things, she asked if the Council intended to review its approach to victims of family violence in future. The Council said 'Council will continue to be guided by its Financial Hardship Policy and assess every hardship situation, whether due to family violence or any other factor, on a case by case basis.'



## Victim of family violence given more time to pay

Ashleigh owns a house in the Greater Geelong City Council area but has been living in safe accommodation since leaving her ex-partner. Her financial counsellor brought her situation to the Ombudsman's attention.

The financial counsellor said Ashleigh was a 'victim of extreme family violence' that had left her with 'extensive and complicated' financial problems. She said Ashleigh's ex-partner refuses to leave the house and Ashleigh has had to take legal proceedings to have him removed so she can sell the property. She has not paid council rates since leaving the house and owes the Council around \$7,000.

The financial counsellor said the Council has agreed not to take action until the house is sold. She noted, however, that the Council wanted to charge interest.

She said she believed this was 'inherently unfair':

Ideally some reduction of the amount outstanding is not unreasonable either. The pandemic and systemic problems in the judicial process have resulted in [Ashleigh] being unable to live in her home for 2 years whilst the perpetrator remains in the property at no cost to himself. [Ashleigh] has been responsible for the mortgage, rates, water bills and house insurance during this period. She has been plunged further into debt through no fault of her own and received no benefit from the home she bought for herself.

The Ombudsman contacted the Council about Ashleigh's situation. It said it did not have a policy on family violence and rates debts. It confirmed it had been charging penalty interest on the debt, which totalled just over \$500. The Council said '[d]ue to the circumstances, the City will waive all penalty interest ... and hold further interest until the property is sold'.



## 'Huge empathy' and \$14,500 waiver

Kate's financial counsellor emailed the Ombudsman after hearing about this investigation. They wanted the Ombudsman to know that Cardinia Shire Council had shown 'huge empathy' to a client. The Council is one of the councils with a policy that recognises family violence as a sign of hardship. The Ombudsman contacted the financial counsellor and Kate consented to them telling her story.

The counsellor explained Kate had been in a violent relationship until 2008. They said her ex-partner left her with debts as well as psychological and physical injuries.

According to the Council's records, Kate started falling behind with the rates on her house in 2010. She had a long history of contact with the Council. At times, she paid off small amounts on payment plans. At other times, she made no payments and the debt grew.

Kate had disclosed her history and problems to the Council several times over the years. In 2013 and 2015, she told the Council she was not working and was struggling financially. The Council referred the matter to its debt collector in 2015 and started taking legal action. Kate told the debt collector about the family violence and said it had left her with debts and a brain injury.

A couple of months later, she contacted the Council again to say she was 'barely putting food on the table'. In 2018, she emailed again and the Council agreed to a payment plan of \$100 a week.

The counsellor said Kate came to see them in 2020 and they called the Council about her history. The Council advised the financial counsellor to lodge a hardship application. The counsellor included Kate's police reports and intervention order applications.

The Council told the Ombudsman that after it read the application, it reviewed the history of Kate's rates account saying:

Due to the severe nature of the ratepayer's personal circumstances that directly attributed to the non-payment of rates and in recognition that Council could have done more to work with the ratepayer over this time, it was recommended to Council's financial hardship committee that the arrears including legal costs and interest be waived.

The financial hardship committee noted Kate had been making regular payments since April 2018. With the approval of the Council's Chief Executive Officer, the Council agreed to waive around \$14,500.

Kate's financial counsellor told the Ombudsman that Kate is currently working and managing to pay her mortgage and rates.



## Family violence – how do councils compare?

### Energy, water, telecommunications companies and banks

Regulatory codes for energy and water companies require them to have a family violence policy and train their staff. They must recognise family violence as a potential cause of payment difficulty. Before taking debt recovery action, energy companies must consider the impact on the customer and whether other people were responsible for the energy use.

The Telecommunications Consumer Protection Code refers to family violence in its definition of financial hardship. It requires providers to provide flexible repayment options including 'where being the victim of domestic or family violence contributed to an inability to pay the debt'.

The Australian Banking Association's industry guideline for banks sets out potential signs of financial abuse and principles for responding. They include developing internal processes, recognising that financial abuse can contribute to financial hardship and training staff. The guideline also states banks should ensure their contracts with debt collectors require the debt collectors to comply with the guideline.

Many of these private companies advertise support programs for customers affected by family violence.

### Government tax agencies

The State Revenue Office does not have publicly available information for taxpayers affected by family violence, but the Australian Taxation Office publishes some information on its website.



# Council systems

286. The investigation also considered what drives councils' responses to ratepayers in hardship. It heard at length from community advocates and others about what they saw as problems in the system, including poor understanding of hardship and a lack of proper regulation and systems.
287. The 2012 Rating System Review heard similar evidence. As this report has noted, it recommended regulation to ensure consistent practice and 'a collaborative change management program' in the sector.
288. This section sets out the evidence from community advocates and councils about the current problems and what they would like to change. It looks at how other sectors have managed these issues, including how they choose and train people to deal with hardship; how they report their work; and how they build collaborative relationships with other services.

## Attitudes to hardship and fairness

### Criticism of councils

289. When the investigation met with advocates and other organisations, the most common concern they raised issue was councils' attitudes to people who cannot afford to pay their rates.
290. The investigation heard some councils were 'exemplary' or 'fantastic' at dealing with ratepayers in hardship. They included Bass Coast Shire Council and Monash City Council.
291. But comments about certain councils and the sector overall were stinging. Descriptions included 'paternalistic', 'passive', 'antiquated', 'punitive', 'behind the times', 'somewhere in the Dickensian era'.

292. This report has already noted concerns about judgmental application processes (see paragraphs 129-132). A representative from Ratepayers Victoria said councils take the view that 'if the ratepayers cannot pay their rates, it is the ratepayers' fault'. Some community advocates wanted councils to understand that people in hardship may have other problems, or to understand how vulnerability affects people and their behaviour.
293. Some also wanted councils to understand that, for residential ratepayers, homes are not just assets for liquidation. One financial counsellor recalled occasions where councils asked about 'downsizing' for older ratepayers. Another said attitudes at one council appeared to be that 'it is a privilege to own a house.'
294. A representative of Ratepayers Victoria said:
- the thing for all of us is councils have a social obligation. It is not a financial transaction; they have a social obligation like every other company in our country.

### Council views

295. The investigation found a range of attitudes and approaches across councils.
296. Some councils acknowledge their social obligations in their policies. For example, West Wimmera Shire Council's policy mentions the council's 'social obligation to ensure that its vulnerable customers are treated fairly and that our actions will not add to the customer's burden'. Horsham Rural City Council's policy advises its officers to be 'extremely aware of the financial, emotional, physical or psychological difficulties that the ratepayer may be experiencing'.

297. However, some council policies strike a harsher tone. Greater Shepparton City Council's policy, for example, distinguishes between 'reasonable' and 'unreasonable' causes of financial difficulty. This gives officers the ability to refuse hardship relief if they believe the hardship has resulted from the ratepayer's 'own decisions'.
298. At an officer level, the investigation also observed a range of views both at its meetings and in council responses to case studies in this report. Some stressed the importance of a helpful approach. An officer from Southern Grampians Shire Council said 'the way we try to drive it is to say understand the person first and then there are a series of processes. I think it is developing within councils'. A financial counsellor who works with Mansfield Shire Council said:
- [The Council] is very dependent on collecting all [its] rates, so the rates coordinator's focus is let's help people to pay their rates, not punish them because they can't.
299. However, the investigation also observed some concern about ratepayers who ask for relief when they may not be in genuine hardship. Some council officers said it can be difficult to tell when hardship is genuine, for example where ratepayers say they cannot pay rates but are paying for school fees or 'lifestyle' expenses.
300. The investigation observed that councils often spoke about fairness, but in terms of fairness to other ratepayers. As this report has noted, the 2013 MAV Guidelines warn of the 'redistributional effect' of waiving rates and interest on other ratepayers (see paragraph 163). The investigation was told some other ratepayers also have low incomes but 'scrimp and save' to pay rates.

## Expertise and training

301. Council officers' statements about the difficulties of identifying 'genuine' hardship raises questions about expertise and training within councils.
302. This can be a particular problem when councils are asked to assess applications for rates waivers (see case study on page 46, for example). One council officer suggested detailed guidance on 'how a council should objectively measure and assess hardship' and 'how the level of assessed financial hardship is to be weighted against the proportion of rate relief sought'.
303. Councils rarely employ people with financial counselling or specialist experience to deal with hardship applications. Mansfield Shire Council employs a part-time financial counsellor and Bass Coast Shire Council's policy refers to a Specialist Revenue Officer who is an ex-financial counsellor. Golden Plains Shire Council said it recently appointed a specialist Rates Hardship Officer on a six-month contract.
304. Other small councils noted their rates teams only have one or two people. Hiring people with specialist qualifications is not always an option.
305. Some councils, as this report noted earlier (see paragraph 125), ensure an expert assessment by asking ratepayers for an assessment from a financial counsellor. Other councils indicate they rely on the substantial experience of their officers.

306. The investigation identified that current training and guidance for officers varies. The Revenue Management Association (the professional association for rates officers) holds a yearly conference which usually has speakers or sessions on hardship issues. Some councils said officers had attended training with financial counselling bodies or the debt collection industry.

307. By contrast, utility and telecommunications companies have regulatory obligations to train staff on issues such as family violence or the companies' hardship policies.

## Budget pressures and conflicts of interest

308. The investigation heard that the problems in the current system may be more fundamental than just expertise and training.

309. Ratepayers Victoria's submission argued council rates and finance officers have 'an inherent Conflict of Interest' in this area. A representative explained:

they have a budget that they have to make ... And so what that means is that's what they will protect at all costs even if it's on the back of hardship. So they are conflicted in assessing hardship because they actually don't want to grant it because then they would have to cut something, drive efficiency, do something different. They don't want to do that; their job is to protect the revenue for the budget.

310. The Ratepayers Victoria representative noted councils do not usually make any provision for hardship relief in their budget plans. This means any relief granted by councils disrupts their budget. He contrasted this approach with private companies such as banks. He said '[i]t is a massive governance failure because they are saying "we don't have anything; we haven't even allowed for it"'.

311. The investigation did not find any cases where councils decided hardship applications on revenue grounds. But it observed finance and rates officers often talked about hardship relief in terms of budgets, cash flow and costs. The investigation heard budgets in councils are tight, especially in smaller councils and especially since the State Government introduced 'rate-capping' (see paragraph 50). One officer said their council relies on rates for around half of its revenue and waiving them would be unsustainable. Another said their council does not offer Centrepay because it costs more than other payment options and the council cannot pass the cost to the ratepayer.

312. One stakeholder suggested council hardship relief schemes might be better managed in other sections of councils, where officers have a different focus and different skills. The investigation heard water companies usually deal with hardship relief in their customer service teams, rather than their finance teams. It heard their focus is helping customers make regular payments, not minimising outstanding debt.

## Laws and standards

313. Some financial counsellors were frustrated that ratepayers' experiences depend on individual councils and individual council officers. One said, 'no matter which council you go to, no matter who you speak to ... there has to be consistency'.
314. This report has noted that energy and water and other private companies have minimum regulatory standards. By contrast, councils have broad discretions under the Local Government Act to decide if and when to give hardship relief. Not all councils follow the 2013 MAV Guidelines.
315. Ratepayers Victoria's submission argued that the 'self-regulated, self-managed' approach to hardship relief has failed. One financial counsellor said:
- Most of the other industries or sectors we deal with, if it's not legislated they at least have guidelines as to what you have to do and that does not seem to be the case within councils. They can basically do whatever the hell they like. And that can make them very difficult to deal with.
316. The investigation noted the sector lacks even an agreed definition of 'financial hardship'. The Local Government Act does not define the term. The investigation found only just over half of councils (45 councils or 56 per cent) include a definition in their policies. Most use the definition in the 2013 MAV Guidelines, which is 'a customer or ratepayer who wants to pay but cannot'. But one stakeholder said in practice, councils often make quasi-judgements based on what people own or how they spend their money. A representative of Ratepayers Victoria said councils 'literally don't know how to define [hardship] and they don't know how to assess it. If you can't do those things, you actually can't address hardship'.

317. Ratepayers Victoria's submission also argued for clear service standards and uniform timeframes for assessment and decision-making.
318. Some councils welcomed the idea of advice about good practice or minimum standards, including detailed advice about how to assess hardship applications. One said it offers benefits for councils, because they can point to compliance with certain standards to 'defend' themselves from criticism.

## Transparency and reporting

319. Ratepayers Victoria also argued councils should have minimum standards for transparency around their hardship relief schemes. A representative said:
- Councils for us should have to disclose as good corporate citizens every year in public ... how many applications they got for hardship ..., how many they approved, how many they rejected, and how much they actually gave in hardship ... [T]hat should be a minimum standard across the sector so that we can see that councils are being responsible and responding to hardship.
320. Councils already collect a range of data under a sector-wide scheme known as the Local Government Performance Reporting Framework. They report the data to the State Government, which publishes it on the 'Know Your Council' website. Local Government Victoria's website describes the Framework as a way to promote 'council transparency, accountability and performance'. The scheme includes data on visits to council swimming pools and the cost of council libraries. However, there is currently nothing on rates hardship relief or debt recovery.

321. Some councils collect and report data to senior managers. However, when the investigation requested data for this report, it found councils collected and reported in different ways. For example, the investigation asked for data on the proportion of unpaid rates at each council, to see if it affected councils' debt recovery practices. Some councils counted only substantial rates debts in their data while others included smaller debts. These differences make it difficult to compare councils.
322. Other councils do not appear to collect key data at all. One council told the investigation that determining the number of payment plans for the last two financial years would take one of its officers a week.
323. Other agencies and sectors have more consistent and transparent reporting. The State Revenue Office publishes data on levels of tax debt in its annual review, although it does not publish data on hardship relief. Energy and water companies give data on their hardship schemes to their regulator, the Essential Services Commission. The Commission publishes the data in a yearly report and published data more often during the pandemic.

## Collaboration

324. Finally, there was a consistent theme in the investigation's meetings that councils could learn from practices and experiences in other sectors.
325. As this report has noted before, the 2012 community legal centre report argued that '[i]n comparison to other sectors, such as the utility sector, local government is lagging far behind in terms of best practice financial hardship regulation and monitoring.' The investigation heard similar statements during this investigation. One community advocate said '[c]ouncils operate in a vacuum. They don't look at what everybody else is doing ... [They talk] with each other but they don't talk to anyone else'.
326. The 2013 MAV Guidelines encouraged councils to build relationships with financial counsellors. They said:
- Council should commit to maintaining close relationships with their region's accredited financial counsellors and meet with them on a regular basis. These meetings can provide a forum to discuss the implementation of council's hardship policy and other relevant issues.
327. Some councils do this already. Colac Otway Shire Council is part of a local Financial Inclusion Action Plan with local business and services. The investigation heard Whitehorse City Council and Mitchell Shire Council considered feedback from financial counsellors when developing their hardship policies. Councils such as Greater Bendigo City Council, Greater Dandenong City Council, Northern Grampians Shire Council and Wyndham City Council said they have referral arrangements or regular meetings with local financial counsellors.
328. One council officer told the investigation there were benefits in engaging with organisations and setting up referral schemes with other agencies. They said, in their experience, there had been positive outcomes for ratepayers who received assistance from these agencies.
329. Some community advocates suggested councils might also participate in groups such as the Thriving Communities Partnership. Its members include energy and water companies, banks, financial counsellors and other support organisations. Its website says it aims to 'create deeper awareness and connections across communities, organisations and government by building collaborative networks and platforms for collective learning and action' on issues of vulnerability and hardship.

# Conclusions

330. This investigation looked at how councils can better deal with ratepayers in financial hardship.

331. This issue has been generating criticism of councils for many years. Two reports – the 2012 community legal centre report and the 2020 Rating System Review report – raised concerns about poor information and heavy-handed debt collection. The economic impact of the COVID-19 pandemic has made the issue more urgent.

332. The investigation found councils have already changed some of their practices. Many offered more generous hardship relief during the pandemic. Outside of those special schemes, they have been doing more to engage with ratepayers who fall into debt. The investigation found examples of good practice – councils publishing information in community languages, offering easier ways to pay rates, and working with local financial counsellors and other organisations.

333. But good practice is not consistent across all councils, and the sector as a whole is falling behind the private sector and government tax agencies. It should be a matter of concern that banks and utility companies sometimes do more to meet social obligations than local councils.

334. There are some common practices in councils that cannot be justified:

- **Failing to inform ratepayers about all of their options**

Council information too often focuses on the option of payment plans. This is a solution for many ratepayers, but not all. The Local Government Act 1989 includes deferrals and waivers as other options. Failing to inform ratepayers about those options, or providing unclear or out of date information, is inconsistent with councils' public transparency obligations.

- **Refusing to consider waivers and deferrals**

Too many councils have a blanket policy of refusing to consider rates waivers and deferrals, or only considering them in limited ways. Councils are willing to exercise discretions that benefit their revenue. They need to be just as willing to exercise discretions that benefit ratepayers. There are good grounds for arguing councils should waive rates rarely, but the Parliament has given people the right to apply and applications should be considered on their merits. Blanket refusals to even accept applications are inconsistent with the spirit of Local Government Act and the approach taken by the Australian Taxation Office and the State Revenue Office.

- **Charging penalty interest to people in hardship**

Penalty interest is meant to punish people who do the wrong thing, not to drive people in hardship further into debt. In some cases reviewed by the investigation, the interest charged by councils was staggering – hundreds and thousands of dollars of extra debt for people who have had rates deferred for hardship reasons or are trying to pay off their rates.

335. Councils' approach to debt recovery is more complex. All governments reserve the right to take enforcement action where people fail to pay their taxes. Councils are no different. However, they should act as model litigants and only take legal action as a last resort.



336. It is heartening to see councils already taking this approach, but the heavy reliance on debt collectors to engage with ratepayers carries risks. Contact from a debt collector can be stressful and frightening for anyone, let alone someone in hardship. This type of activity needs clear, enforceable hardship standards. It may also be time for some councils to check their own policies against ACCC and ASIC debt collection guidelines.

337. The investigation was particularly concerned by examples of legal action against people with vulnerabilities such as mental health problems, personal crisis or a history of family violence. In some of the cases reviewed by the investigation, councils appeared to lack an understanding that people in these situations may not have the capacity to engage with them at times. The power to take legal action in the Local Government Act 1989 is a discretion and, like the power to sell land, it needs to be exercised with sensitivity.

338. Nobody wins from heavy-handed approaches, least of all the public interest. The investigation often heard about the need to be fair to other ratepayers. However, councils have obligations under the Local Government Act to their whole community, not just those who can afford to pay. Good hardship relief schemes get the balance right. And as the investigation heard, driving people in hardship further into debt or out of their homes is short-sighted. It creates costs for other parts of government, costs that are also borne by taxpayers.

## The way forward

339. During this investigation, the State Government made a welcome commitment to reform rates hardship relief. Its response to the 2020 Rating System Review accepted high-level recommendations for:

- regulation to ensure consistency in some areas and to ensure debt collection and legal action are a last resort
- a 'collaborative change management program'.

340. The evidence in this investigation supports this direction. It can be achieved in practice by:

- **strengthening laws and standards** through changes to the Local Government Act and regulations. This report's recommendations tackle the most difficult issues identified in evidence through clear minimum standards for all councils; better public information; scope for councils to help people struggling with formal application processes; recognition of the role of payment plans; fairer use of interest; limits on heavy-handed debt recovery; and more transparency.
- **increasing skills and knowledge** in councils through training and guidance materials, such as model policies and procedures
- **addressing the reliance on debt collectors** through stronger contractual oversight
- **building links with other sectors**, including the private sector. It is sometimes said councils and council rates are unique. This is true in many ways, but there are dangers in insularity. The sector should never again be left to fall so far behind good practice.

341. In all of these areas, the recommendations call for change to address one of the most pressing issues raised by community advocates - rates debts linked with economic abuse associated with family violence.
342. Such a program of reform brings challenges. Some smaller regional councils told the investigation they rely heavily on rates and operate under financial constraints.
343. There is a body within the State Government that has driven such change before in the form of the Essential Services Commission. The Commission brings existing hardship expertise and a record of reform from its work in the energy and water sectors. It is familiar with local government through its role under the State 'rate-capping' laws. It has good links with other organisations and sectors, something which is needed to ensure councils stay up to date with good practice.
344. This investigation recommends the Minister for Local Government and Local Government Victoria work with the Essential Services Commission and its minister, the Assistant Treasurer, to drive this much-needed change.
345. The Victorian Ombudsman recognises it also has a role to play as a complaints body for local councils. Pending changes to local government laws and regulations, this report sets out on page 90 this office's own view on what a good approach to financial hardship looks like.
346. This office welcomes advice from some councils that they will review their policies and procedures for ratepayers in hardship as a result of this report. The result promises to provide better outcomes for councils and ratepayers.



# Opinion

347. On the basis of the evidence obtained in the investigation, the Ombudsman has formed the opinion that the following practices at some local councils are 'wrong' pursuant to section 23(1)(g) of the Ombudsman Act:

- failing to inform ratepayers of all the statutory options available to councils to address financial hardship
- adopting a blanket policy that council will not waive or defer rates, or will limit the circumstances in which they will do so, without considering the merits of ratepayers' applications
- charging penalty interest when ratepayers are meeting their obligations under payment arrangements, or have had rates deferred on the basis of financial hardship
- failing to ensure debt collector contractors are subject to clear and enforceable standards regarding ratepayers in financial hardship
- restricting options available to ratepayers in financial hardship once a matter has been referred to a debt collector contractor.

# Recommendations

The Ombudsman makes the following recommendations pursuant to section 23(2) of the Ombudsman Act:

## To the Minister for Local Government and the Assistant Treasurer

### Recommendation 1 – Stronger laws and standards

Seek changes to relevant local government legislation and regulations to:

- a. ensure a clear, consistent definition of ‘financial hardship’
- b. empower the Essential Services Commission and the Minister for Local Government to issue standards (in the form of a code of practice or guidelines) for rates hardship relief, including where rates debts are associated with family violence
- c. require councils to have a rates hardship policy. The policy should include provisions related to economic abuse associated with family violence.
- d. require councils to include hardship relief information on their websites and rates notices
- e. give councils discretion to waive or defer rates and interest for individual ratepayers without an application
- f. recognise payment plans or arrangements as one of the statutory options for responding to ratepayers in financial hardship, along with waivers and deferrals
- g. provide for the Minister for Local Government and the Essential Services Commission to set a maximum interest rate that may be charged by councils where a ratepayer is complying with the conditions of a payment plan or arrangement or a deferral
- h. require councils to make reasonable efforts to contact a ratepayer before taking legal action to recover unpaid rates
- i. require councils to report data on rates hardship relief through the Local Government Performance Reporting Framework (or another appropriate reporting mechanism).

### The Department of Jobs, Precincts and Region’s response:

The Department’s response to the recommendations in this report said:

*The report’s recommendations will be considered in the context of the Victorian Government’s response to the Local Government Rating System Review final report. The government committed to ensuring that the rating system is set out in primary legislation and provides transparent and flexible ways for councils to treat ratepayers facing financial hardship fairly.*

*The Victorian Government has committed to designating local government rates as a form of taxation in statute. This benefits the nature of rates and the status of local governments as a distinct and essential tier of government as per the Victorian Constitution Act 1975. In considering ratepayer circumstances of financial hardship, alignment with the best practices of the State Revenue Office (SRO) and Australian Taxation Office (ATO) will be sought wherever possible.*

## To Local Government Victoria (in the Department of Jobs, Precincts and Regions)

### Recommendation 2 – Building knowledge and skills

Work with the Essential Services Commission, councils and local government professional associations to develop training and guidance material (such as model hardship policies) on dealing with rates hardship applications and debt recovery, including in relation to the following matters:

- a. identifying indicators of financial hardship
- b. assessing financial hardship applications and determining the most appropriate relief options
- c. identifying indicators of family violence and responding to ratepayers who have disclosed family violence.

#### The Department's response:

Accepted.

The Department said:

*[it] will work with councils and local government professional associations to develop training and guidance material, centred around future iterations of the Revenue and Rating Plan as required by the Local Government Act 2020 and work on developing model financial hardship policy requirements ... [T]his work will take its lead from the best practice approaches of the SRO and ATO and advice will be sought from these entities along with the Essential Services Commission. This work will also support improved collaboration by councils with financial counsellors and other groups as per Recommendation Four.*

### Recommendation 3 – Use of debt collectors

Work with councils, the Municipal Association of Victoria and Procurement Australasia to ensure that arrangements with debt collection agents:

- a. are subject to clear and enforceable standards
- b. require debt collection agents to comply with the ACCC and ASIC guidelines for debt collection
- c. require debt collection agents to be familiar with and comply with council rates hardship policies
- d. require debt collection agents to inform ratepayers of all statutory options available for hardship relief
- e. refer ratepayers who disclose financial hardship to the council for consideration.

#### The Department's response:

Accepted. The Department said:

*Improvements to the use of debt collectors by councils will be included in the work to develop training and guidance material, centred around future iterations of the Revenue and Rating Plan as required by the Local Government Act 2020 and work on developing model financial hardship policy requirements.*

### Recommendation 4 – Building collaboration

Work with the Essential Services Commission, councils and local government professional associations to build regular and ongoing consultation with financial counsellors, community legal groups and other sectors and organisations that work with people in financial hardship.

#### The Department's response:

Accepted.

# What does a good approach to financial hardship look like?

## Information for ratepayers

- having a rates hardship policy that sets out hardship relief options, eligibility for those options and how to apply
- making the policy easily accessible online and in hard copy on request
- publishing a plain English explanation of the policy online and in hard copy on request
- providing the summary in accessible formats appropriate to the community eg community languages, audio or video versions or Easy English or Easy Read versions.
- having a communication strategy for reaching ratepayers in hardship eg prominent information on rates notices, use of local media and social media, offering information through local support services
- using customer-focused, effective language in communication
- ensuring council officers dealing with ratepayers are familiar with the rates hardship policy

## Application processes

- making it clear when farmers, or other people who live at their place of business, are eligible for hardship relief
- making application processes proportionate to the relief sought by the ratepayer eg accepting verbal applications for payment plans or deferrals under three months
- seeking only relevant information from ratepayers and ensuring questions are not intrusive

- requiring supporting documents only where necessary, for example in cases of:
  - long-term hardship relief
  - relief for a significant rates debt
  - a waiver of rates or interest
  - situations where the council considers the ratepayer is not providing honest and accurate information
- offering referrals to financial counsellors, but being flexible if ratepayers do not want to see or apply through such a service
- consulting with local financial counsellors to ensure referral schemes operate effectively
- offering assistance to complete application forms in appropriate cases.

## Early intervention

- taking proactive steps to identify ratepayers who may be in hardship regarding their rates, for example ratepayers who miss due dates, request payment plans or disclose hardship or other vulnerabilities
- informing ratepayers about alternative payment options, the hardship policy and available support services.

## Payment options

- offering alternative payment options to help ratepayers budget and pay for rates eg Centrepay and monthly instalment options.

## Hardship relief

- developing a hardship agreement appropriate to the ratepayers' individual financial circumstances
- considering all options for providing hardship relief:
  - a payment plan or arrangement based on the ratepayer's capacity to pay
  - a short term deferral
  - a long term or indefinite deferral, under which the debt accrues as a charge on the land and is recovered when the land is sold or transferred
  - a rate waiver under the Local Government Act
  - an interest waiver under the Local Government Act
  - referral to a financial counselling or other support organisation.
- considering whether it is appropriate to charge any interest while the ratepayer is complying with the hardship agreement or where the ratepayer is a pensioner or otherwise vulnerable
- charging interest at a rate not exceeding the market rate plus the costs of administering the arrangement, where the ratepayer is complying with the hardship agreement.
- reconsidering the hardship agreement if the ratepayers' circumstances change.

## Debt recovery

- ensuring debt management policies and practices are consistent with the ACCC and ASIC's debt collection guidelines
- determining a risk-based debt recovery strategy appropriate to the size and age of the debt and the ratepayer's circumstances
- ensuring any debt collectors contracted by the council are subject to clear and enforceable requirements to:
  - be familiar with the council's rates hardship policy
  - inform the ratepayer of the council's rates hardship policy where there are reasonable grounds to believe the ratepayer is in financial hardship
  - offer information in accessible formats where there are reasonable grounds for believing the ratepayer has trouble speaking, reading or writing in English
  - inform the council where ratepayers disclose financial hardship
  - not contact ratepayers who are complying with their hardship agreement
- not taking legal action unless:
  - there have been reasonable efforts to contact the ratepayer about the debt, including checking council's address for the ratepayer is correct
  - the ratepayer has been informed of the council's hardship policy and how to apply

- o the cost of the legal action is proportionate to the size and age of the debt
- o the council can demonstrate consideration of any known financial hardship or vulnerability eg status as a pensioner, history of family violence, mental health concerns. Councils may opt not to take legal action against pensioners or other vulnerable groups as a matter of policy, or may require senior manager approval before taking any action.
- considering waiving legal costs where it becomes clear the ratepayer was in hardship at the time of legal action or where the legal costs are exacerbating the ratepayer's hardship.
- reporting publicly on hardship relief applications, hardship agreements and debt recovery actions, either in annual reports or through statutory performance reporting arrangements
- keeping proper records of council decisions.

## Disputes and complaints

- advising ratepayers who are dissatisfied with the council's decision about internal complaint and review options
- advising ratepayers who are dissatisfied about external complaint options, including the Victorian Ombudsman.

## Decision-making and reporting

- managing conflicts of interest within the council by deciding hardship relief applications outside rates or revenue collection teams
- ensuring staff who decide applications have relevant training or experience in identifying and responding to financial hardship
- ensuring provision for hardship relief is factored into the council's annual budget
- developing timeliness and quality targets for deciding hardship applications
- developing referral arrangements and regular consultation with local financial counselling and support organisations
- reporting regularly to senior council managers on hardship relief applications, hardship agreements and debt recovery actions

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# Appendix 1:

## Council summaries

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# Appendix 1: Council summaries

The following pages set out basic information about rates and hardship practices at each local council in Victoria.

Each page is a brief summary of council practices compiled in early 2021. Anyone planning to apply for hardship relief should check the council's website or contact the council for detailed, up to date information about what the council offers, whether they qualify and how to apply.

**The following section explains where the information is from, what it means and any important limitations.**

Population	This information is from the Australian Bureau of Statistics' 'Data by Region' webpage. It shows the estimated resident population for the council in 2019.
Index of Relative Socio-Economic Disadvantage	The Australian Bureau of Statistics ranks Victoria's council areas from 1 to 80 according to their level of socio-economic disadvantage. It considers factors such as income levels, unemployment, education levels, job types and access to a car or the internet. The data in this report shows the Bureau's 2016 rankings. The council ranked '1' is the most disadvantaged council area and the council ranked '80' is the least disadvantaged council area.
Council type	Local Government Victoria groups councils into five types as part of its Local Government Performance Reporting Framework – Metropolitan, Interface, Regional City, Large Shire and Small Shire.
Rateable properties (assessments)	This shows the number of properties (known as assessments) liable to pay council rates in 2019-20. The number is taken from councils' 2019-20 budget documents. The number of properties liable to pay rates changes over time as new properties are developed. The number in council budget documents generally shows the number of properties at the start of 2019-20.
Average rates	This shows the average amount of rates charged by the council in 2019-20. It comes from Local Government Victoria's Know Your Council website.
Budgeted income from rates	This shows how much of the council's income in 2019-20 came from rates. It comes from Local Government Victoria's Know Your Council website.
Extra payment options	This shows whether the council lets ratepayers pay their rates through Centrepay or through monthly, fortnightly or weekly instalments.
Hardship policy	This shows whether the council had a written hardship policy at the time this report was drafted.

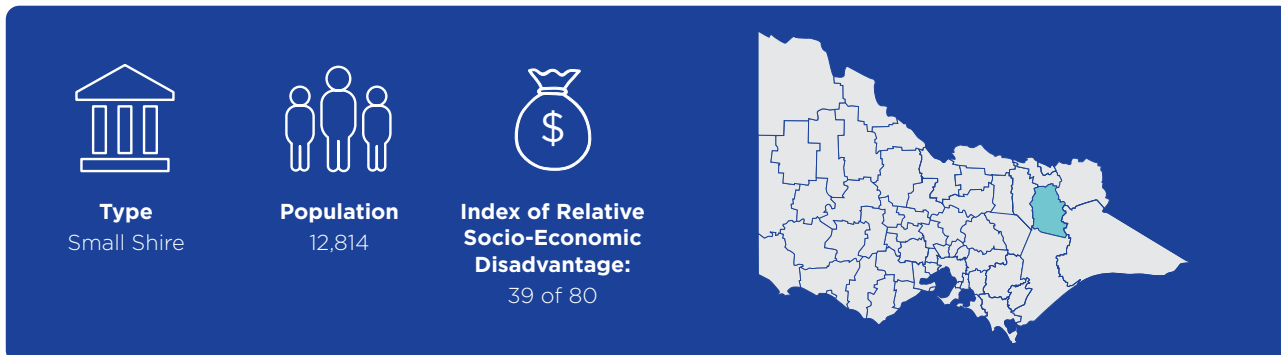


<b>Rates waivers, Deferrals and Payment Plans</b>	<p>This shows whether the council will consider these options where a ratepayer in financial hardship. It shows the rules that apply to rates for primary residences. Many councils have different rules for investment properties, commercial and other properties. Some councils offer deferrals and waivers only in limited circumstances. Where there are limits, they are noted in brackets. This information is based on council's public information (policies and websites) as well information provided by councils during the investigation.</p>
<b>Interest rate and Interest waiver</b>	<p>This shows the rate of interest charged by the council on unpaid rates and whether the council is willing to consider waiving that interest. Where councils told us they charge no interest or a different rate of interest for deferred rates or payment plans, this is noted. These sections show the rules that apply to rates for primary residences only. The information is based on council's public information (policies and websites) as well information provided by councils during the investigation.</p>
<b>Other</b>	<p>Some councils also offer extra types of assistance for ratepayers in hardship. Where a council drew that to the investigation's attention, it is noted here.</p>
<b>Debt collection agent</b>	<p>This information shows whether the council uses a debt collection agent to help it recover unpaid rates. It is based on information provided by the council during the investigation.</p>
<b>Number of court actions</b>	<p>This shows the number of Magistrate Court actions brought by the council to recover unpaid rates. It was obtained from the Magistrates Court and is based on the number of actions classified in its systems as 'arrears of rates'. The data is for all ratepayers, not just homeowners. Some councils told the investigation their records are different to the Court's data. This may be because of the way the action is classified in the different systems. Where councils told us this, it is noted on the page.</p>
<b>Number of land sales</b>	<p>This shows the number of properties that were sold or transferred by the council under section 181 of the <i>Local Government Act 1989</i> because of unpaid rates. The data is for all ratepayers, not just homeowners. It is based on information provided by the State's land registry, Land Use Victoria.</p>
<b>COVID rates help</b>	<p>This section shows the special assistance offered by the council during the COVID-19 pandemic. Some councils had already stopped offering this assistance when this report was drafted. Anyone planning to apply for help should check the council website or contact the council to find out whether the assistance is still available, whether they qualify for help and how to apply.</p>

# Alpine Shire Council

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## Rates and hardship practices



The infographic features three icons: a classical building for 'Type', three people for 'Population', and a money bag with a dollar sign for 'Index of Relative Socio-Economic Disadvantage'. To the right is a map of Victoria with Alpine Shire highlighted in teal.

<b>Type</b> Small Shire	<b>Population</b> 12,814	<b>Index of Relative Socio-Economic Disadvantage:</b> 39 of 80
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### Council rates – All properties

Rateable properties (assessments):	8,807 in 2019-20
Average rates:	\$1,684 in 2019-20
Budgeted income from rates:	59 per cent in 2019-20
Extra payment options:	No

### Hardship relief – Primary residences

Hardship policy:	Yes
Rates waivers:	Yes (in exceptional cases)
Deferrals:	Yes
Payment plans:	Yes
Interest rate:	Penalty interest
Interest waiver:	Yes
Other:	Rates relief for ratepayers impacted by 2019-20 bushfires

### Debt recovery – All properties

Debt collection agent:	Yes
Number of court actions:	10 in 2018-19 9 in 2019-20
Number of land sales:	0 in 2018-19 0 in 2019-20

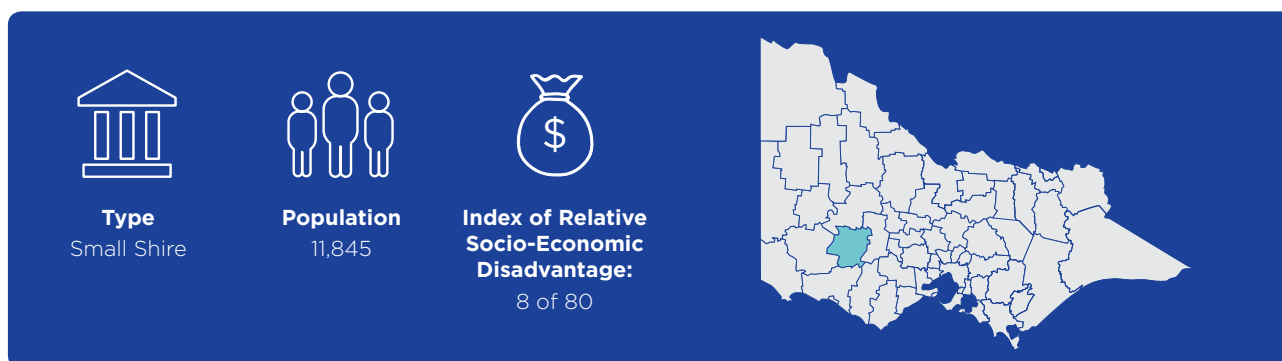
### COVID rates help

Interest hold  
Due date extension for 2019-20 rates  
Interest-free payment plans  
Extra waivers for commercial ratepayers

# Ararat Rural City Council

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## Rates and hardship practices



### Council rates – All properties

Rateable properties (assessments):	7,164 in 2019-20
Average rates:	\$2,077 in 2019-20
Budgeted income from rates:	61 per cent in 2019-20
Extra payment options:	Centrepay Nine monthly or 18 fortnightly instalments by direct debit

### Hardship relief – Primary residences

Hardship policy:	Yes (in Rating and Revenue Strategy)
Rates waivers:	Yes
Deferrals:	Yes
Payment plans:	Yes
Interest rate:	Penalty interest
Interest waiver:	Yes
Other:	Grace period of 30 days before any interest charged

### Debt recovery – All properties

Debt collection agent:	No
Number of court actions:	0 in 2018-19 0 in 2019-20
Number of land sales:	0 in 2018-19 0 in 2019-20

### COVID rates help

Interest hold  
Due date extension for 2019-20 rates  
Interest-free payment plans and deferrals  
Rate cut of one per cent in 2020-21

# Ballarat City Council

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## Rates and hardship practices



**Type**  
Regional City

**Population**  
109,505

**Index of Relative Socio-Economic Disadvantage:**  
29 of 80

### Council rates – All properties

Rateable properties (assessments): 53,728 in 2019-20  
Average rates: \$1,877 in 2019-20  
Budgeted income from rates: 67 per cent in 2019-20  
Extra payment options: No

### Hardship relief – Primary residences

Hardship policy: Yes  
Rates waivers: Yes  
Deferrals: Yes  
Payment plans: Yes  
Interest rate: Penalty interest  
Interest waiver: Yes

### Debt recovery – All properties

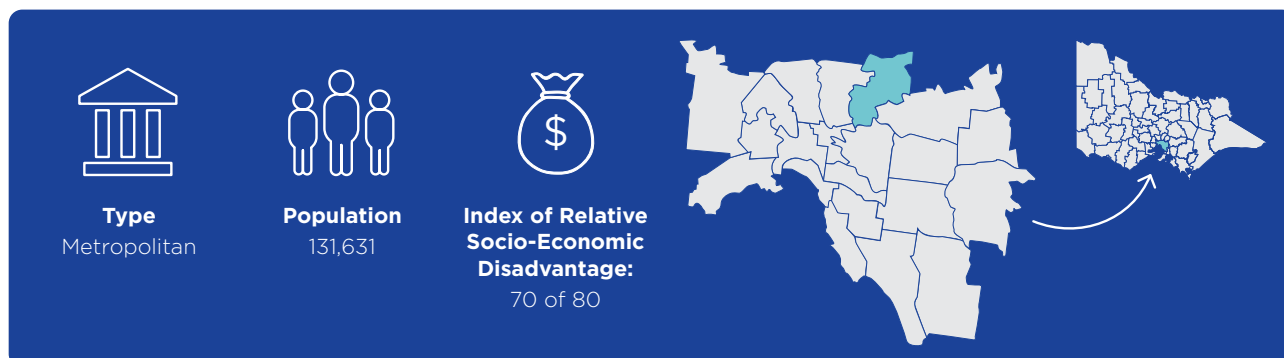
Debt collection agent: Yes  
Number of court actions: 139 in 2018-19  
22 in 2019-20  
Number of land sales: 0 in 2018-19  
0 in 2019-20

### COVID rates help

Interest hold  
Due date extension for 2019-20 rates  
Interest-free deferrals and payment plans  
No court action for unpaid rates  
Zero per cent rate rise for 2020-2021

# Banyule City Council

## Rates and hardship practices



### Council rates – All properties

Rateable properties (assessments):	55,080 in 2019-2020
Average rates:	\$1,866 in 2019-20
Budgeted income from rates:	66 per cent in 2019-20
Extra payment options:	Centrepay Weekly, fortnightly or monthly instalments by direct debit

### Hardship relief – Primary residences

Hardship policy:	Yes
Rates waivers:	No (under review)
Deferrals:	Yes (for long term cases of extreme financial hardship)
Payment plans:	Yes
Interest rate:	Penalty interest
Interest waiver:	Yes

### Debt recovery – All properties

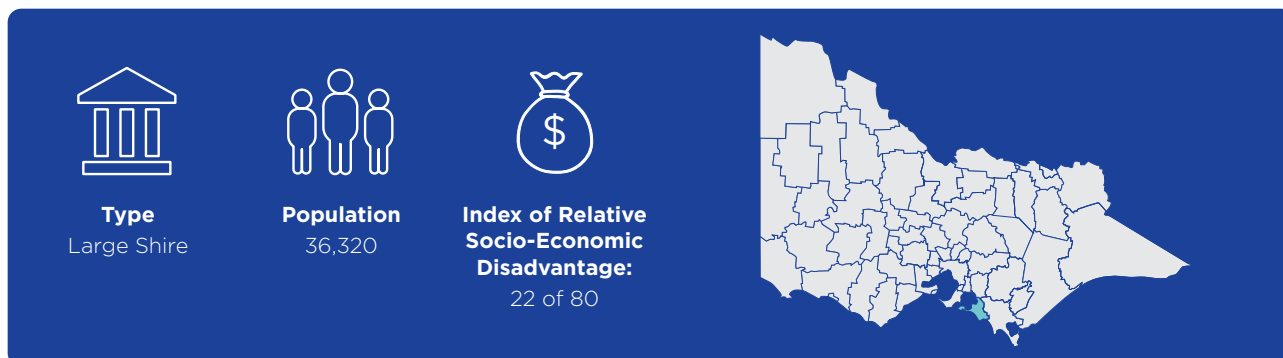
Debt collection agent:	No
Number of court actions:	0 in 2018-19 0 in 2019-20
Number of land sales:	0 in 2018-19 0 in 2019-20

### COVID rates help

Interest hold  
Interest-free deferrals and payment plans  
Extra rates waivers

# Bass Coast Shire Council

## Rates and hardship practices



### Council rates – All properties

Rateable properties (assessments):	31,526 in 2019-20
Average rates:	\$1,540 in 2019-20
Budgeted income from rates:	77 per cent in 2019-20
Extra payment options:	Arrangements to pay by other instalments*

### Hardship relief – Primary residences

Hardship policy:	Yes
Rates waivers:	No
Deferrals:	Yes (in extreme circumstances where making any payment would cause further distress)
Payment plans:	Yes
Interest rate:	50 per cent of penalty interest for deferred rates Penalty interest for other unpaid rates
Interest waiver:	Yes (if payment of interest would exacerbate the problem, capped at 50 per cent of penalty interest)

### Debt recovery – All properties

Debt collection agent:	Yes
Number of court actions:	38 in 2018-19* 9 in 2019-20
Number of land sales:	2 in 2018-19 1 in 2019-20 (land was sold in 2018-19 but not transferred until 2019-20)

### COVID rates help

Interest-free deferrals and payment plans

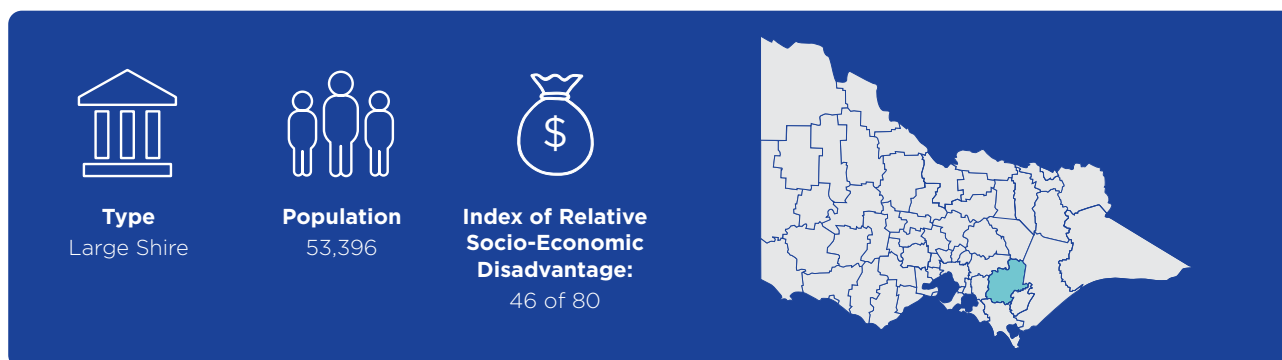
\* The Council's Financial Hardship Policy states that Council will '[c]onsider applications from ratepayers to deviate from the standard payment options by entering into an appropriate payment arrangement'.

\*\* The Council's records differ slightly from the Magistrates Court's records for this year. The number shown is based on the Council's records.

# Baw Baw Shire Council

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## Rates and hardship practices



### Council rates – All properties

Rateable properties (assessments):	26,414 in 2019-20
Average rates:	\$1,969 in 2019-20
Budgeted income from rates:	69 per cent in 2019-20
Extra payment options:	Centrepay Nine monthly instalments by direct debit

### Hardship relief – Primary residences

Hardship policy:	Yes
Rates waivers:	No
Deferrals:	Yes (if payment plan not an option)
Payment plans:	Yes
Interest rate:	Penalty interest
Interest waiver:	Yes

### Debt recovery – All properties

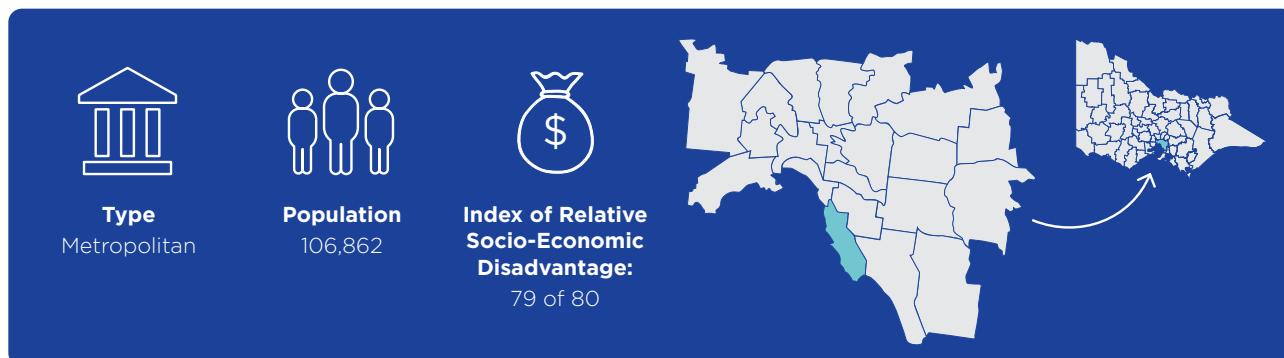
Debt collection agent:	Yes
Number of court actions:	89 in 2018-19 74 in 2019-20
Number of land sales:	0 in 2018-19 0 in 2019-20

### COVID rates help

Due date extension for fourth 2019-2020 rates instalment  
Interest-free deferrals and payment plans

# Bayside City Council

## Rates and hardship practices



### Council rates – All properties

Rateable properties (assessments):	45,888 in 2019-20
Average rates:	\$1,796 in 2019-20
Budgeted income from rates:	74 per cent in 2019-20
Extra payment options:	Nine monthly instalments by direct debit

### Hardship relief – Primary residences

Hardship policy:	No (Council uses Municipal Association of Victoria 2013 guidelines)
Rates waivers:	No
Deferrals:	Yes
Payment plans:	Yes
Interest rate:	Penalty interest
Interest waiver:	Yes

### Debt recovery – All properties

Debt collection agent:	Yes
Number of court actions:	24 in 2018-19 10 in 2019-20
Number of land sales:	0 in 2018-19 0 in 2019-20

### COVID rates help

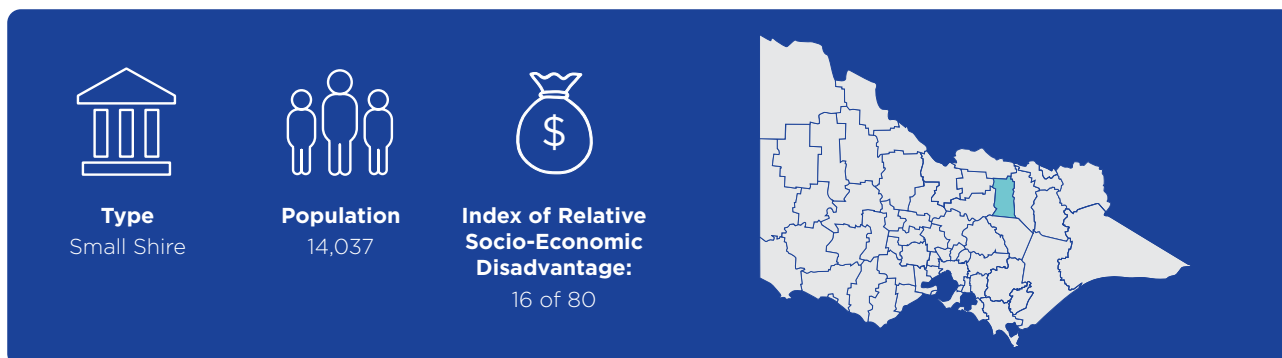
Interest hold  
Interest-free deferrals and payment plans



# Benalla Rural City Council

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## Rates and hardship practices



### Council rates – All properties

Rateable properties (assessments):	8,024 in 2019-20
Average rates:	\$1,850 in 2019-20
Budgeted income from rates:	57 per cent in 2019-20
Extra payment options:	Weekly, fortnightly or monthly instalments by direct debit

### Hardship relief – Primary residences

Hardship policy:	Yes
Rates waivers:	No
Deferrals:	Yes
Payment plans:	Yes
Interest rate:	Penalty interest
Interest waiver:	Yes

### Debt recovery – All properties

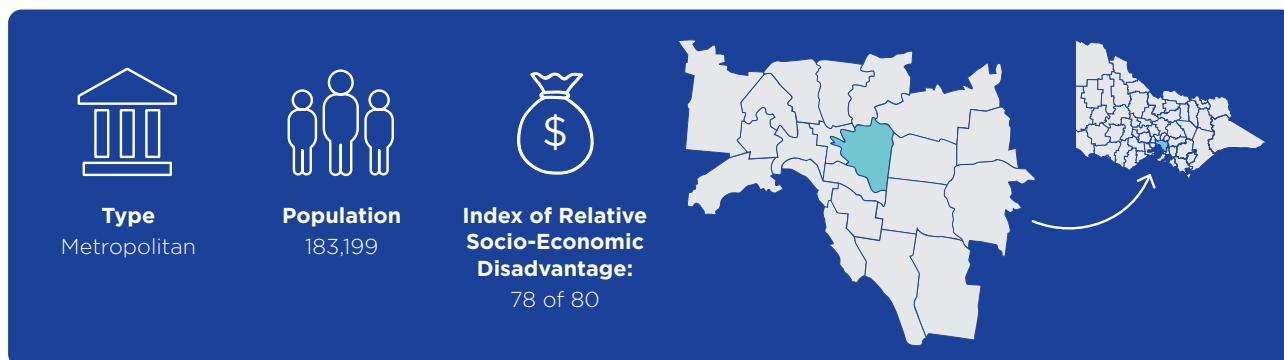
Debt collection agent:	Yes
Number of court actions:	4 in 2018-19 0 in 2019-20
Number of land sales:	0 in 2018-19 0 in 2019-20

### COVID rates help

Interest hold  
Interest-free deferrals and payment plans  
No legal action for unpaid rates

# Boroondara City Council

## Rates and hardship practices



### Council rates – All properties

Rateable properties (assessments):	77,686 in 2019-20
Average rates:	\$2,006 in 2019-20
Budgeted income from rates:	79 per cent in 2019-20
Extra payment options:	Ten monthly instalments by direct debit

### Hardship relief – Primary residences

Hardship policy:	Yes
Rates waivers:	Generally not
Deferrals:	Yes
Payment plans:	Yes
Interest rate:	2.32 per cent in 2019-20 for people who are eligible for State Government rates concession and have had a hardship application approved by Council Penalty interest for other ratepayers
Interest waiver:	Yes

### Debt recovery – All properties

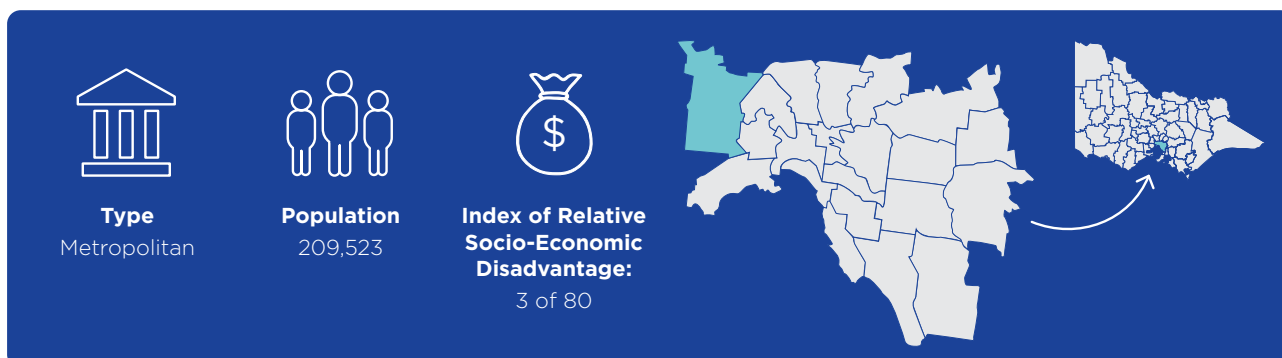
Debt collection agent:	Yes
Number of court actions:	92 in 2018-19 0 in 2019-20
Number of land sales:	0 in 2018-19 0 in 2019-20

### COVID rates help

Interest hold  
No debt collection for unpaid rates

# Brimbank City Council

## Rates and hardship practices



### Council rates – All properties

Rateable properties (assessments):	78,389 in 2019-20
Average rates:	\$1,679 in 2019-20
Budgeted income from rates:	76 per cent in 2019-20
Extra payment options:	Weekly, fortnightly or monthly instalments by direct debit

### Hardship relief – Primary residences

Hardship policy:	Yes
Rates waivers:	No
Deferrals:	No
Payment plans:	Yes
Interest rate:	No interest on payment plans for ratepayers in financial hardship (where ratepayer complies with arrangement) Penalty interest in other cases
Interest waiver:	Yes (capped at 12 months)

### Debt recovery – All properties

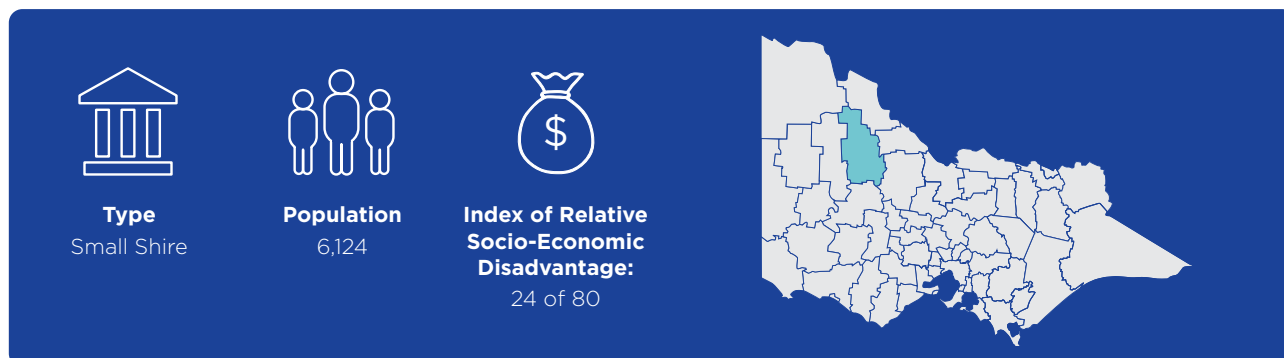
Debt collection agent:	Yes
Number of court actions:	628 in 2018-19 416 in 2019-20
Number of land sales:	1 in 2018-19 0 in 2019-20

### COVID rates help

Interest hold  
Interest-free deferrals and payment plans  
No court action for unpaid rates  
Zero per cent rate rise for 2020-2021

# Buloke Shire Council

## Rates and hardship practices



### Council rates – All properties

Rateable properties (assessments):	6,259 in 2019-20
Average rates:	\$1,939 in 2019-20
Budgeted income from rates:	50 per cent in 2019-20
Extra payment options:	Centrepay Nine monthly instalments by direct debit

### Hardship relief – Primary residences

Hardship policy:	Yes
Rates waivers:	Yes
Deferrals:	Yes (capped at five per cent of Capital Improved Value)
Payment plans:	Yes
Interest rate:	Penalty interest
Interest waiver:	Yes

### Debt recovery – All properties

Debt collection agent:	Yes
Number of court actions:	0 in 2018-19 0 in 2019-20*
Number of land sales:	1 in 2018-19 0 in 2019-20

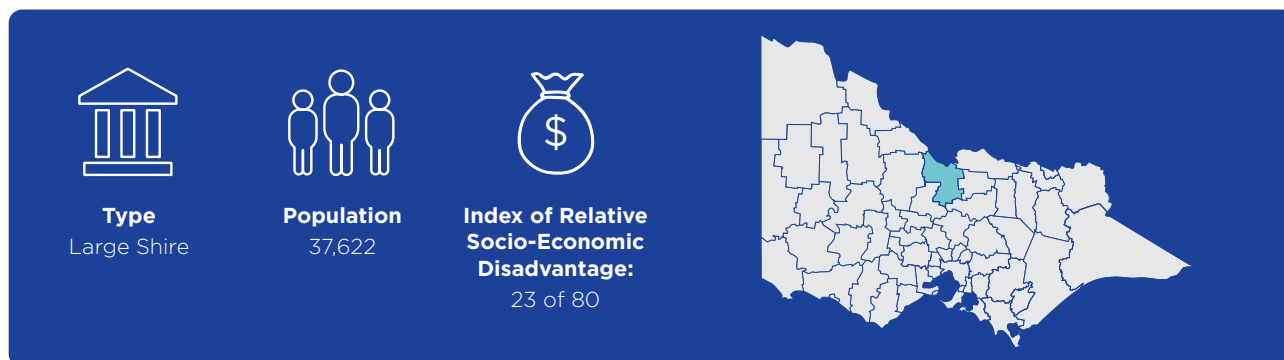
### COVID rates help

Interest hold  
Interest-free payment plans  
No court action for unpaid rates

\* The Council's records differ slightly from the Magistrates Court's records for this year. The number shown is based on the Council's records.

# Campaspe Shire Council

## Rates and hardship practices



### Council rates – All properties

Rateable properties (assessments):	20,791 in 2019-20
Average rates:	\$1,784 in 2019-20
Budgeted income from rates:	53 per cent in 2019-20
Extra payment options:	Weekly, fortnightly or monthly payments by direct debit

### Hardship relief – Primary residences

Hardship policy:	Yes
Rates waivers:	No
Deferrals:	Yes
Payment plans:	Yes
Interest rate:	Penalty interest
Interest waiver:	Yes

### Debt recovery – All properties

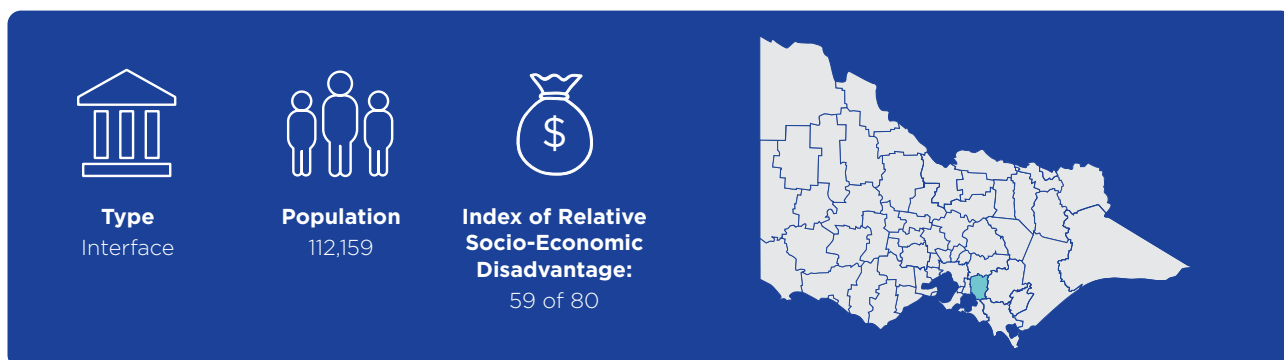
Debt collection agent:	Yes
Number of court actions:	82 in 2018-19 25 in 2019-20
Number of land sales:	0 in 2018-19 0 in 2019-20

### COVID rates help

Interest hold  
Interest-free payment plans  
No debt collection for unpaid rates

# Cardinia Shire Council

## Rates and hardship practices



### Council rates – All properties

Rateable properties (assessments):	45,423 in 2019-20
Average rates:	\$1,711 in 2019-20
Budgeted income from rates:	75 per cent in 2019-20
Extra payment options:	Centrepay Weekly, fortnightly or monthly instalments

### Hardship relief – Primary residences

Hardship policy:	Yes
Rates waivers:	Yes (extreme financial hardship only)
Deferrals:	Yes
Payment plans:	Yes
Interest rate:	No interest charged on deferred or payment plan amounts (unless ratepayer defaults on arrangement)
Interest waiver:	Yes
Other:	Extra rebate for people receiving JobSeeker

### Debt recovery – All properties

Debt collection agent:	Yes
Number of court actions:	234 in 2018-19 103 in 2019-20
Number of land sales:	0 in 2018-19 1 in 2019-20*

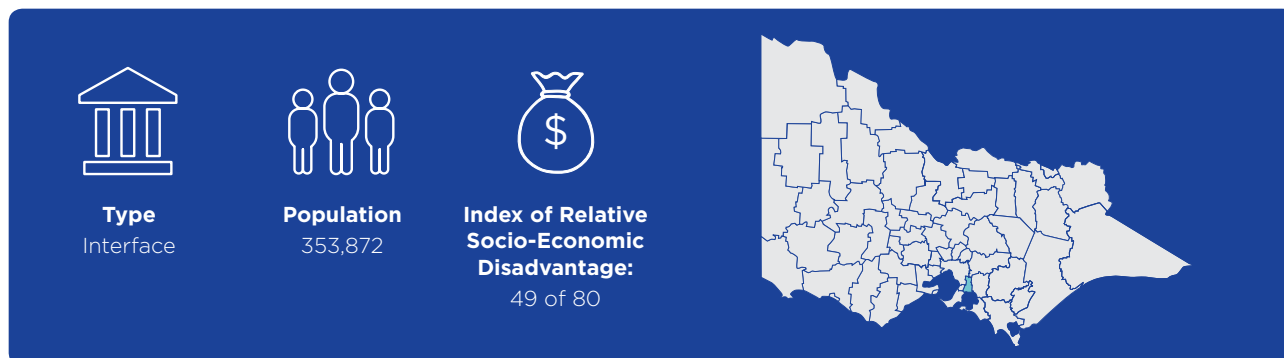
### COVID rates help

- Interest hold
- Due date extension for 2019-2020 rates
- Interest-free deferrals and payment plans
- Extra rebate for people with Health Care Cards
- No court action for unpaid rates

\* The Council's records differ slightly from Land Use Victoria's records. The number shown on this page is based on the Council's records.

# Casey City Council

## Rates and hardship practices



### Council rates – All properties

Rateable properties (assessments): 124,503 in 2019-20  
Average rates: \$1,567 in 2019-20  
Budgeted income from rates: 71 per cent in 2019-20  
Extra payment options: Nine monthly instalments by direct debit

### Hardship relief – Primary residences

Hardship policy: Yes  
Rates waivers: Yes (exceptional circumstances only and capped at \$500 unless Council resolves otherwise)  
Deferrals: Yes (capped at three years)  
Payment plans: Yes  
Interest rate: Penalty interest  
Interest waiver: Yes

### Debt recovery – All properties

Debt collection agent: Yes  
Number of court actions: 670 in 2018-19\*  
0 in 2019-20  
Number of land sales: 0 in 2018-19  
0 in 2019-20

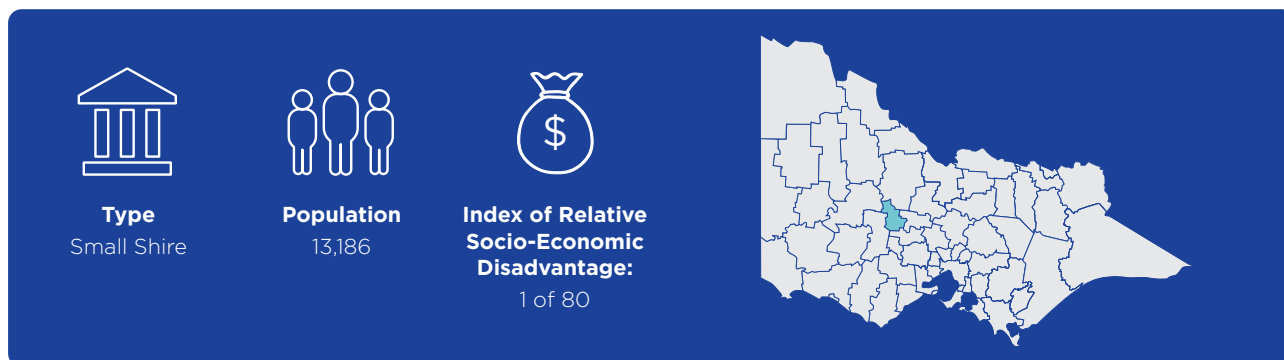
### COVID rates help

Interest hold  
Due date extension for 2019-2020 rates  
Interest-free deferrals and payment plans

\* The Council's records differed from the Magistrates Court's records for this year. The number shown is based on the Council's records.

# Central Goldfields Shire Council

## Rates and hardship practices



### Council rates – All properties

Rateable properties (assessments):	8,467 in 2019-20
Average rates:	\$1,419 in 2019-20
Budgeted income from rates:	55 per cent in 2019-20
Extra payment options:	Centrepay Weekly, fortnightly or monthly instalments by direct debit

### Hardship relief – Primary residences

Hardship policy:	Yes
Rates waivers:	No
Deferrals:	Yes (capped at 10 per cent of Capital Improved Value)
Payment plans:	Yes
Interest rate:	No interest charged on deferred rates Penalty interest in other cases
Interest waiver:	Yes

### Debt recovery – All properties

Debt collection agent:	Yes
Number of court actions:	41 in 2018-19 16 in 2019-20
Number of land sales:	0 in 2018-19 0 in 2019-20

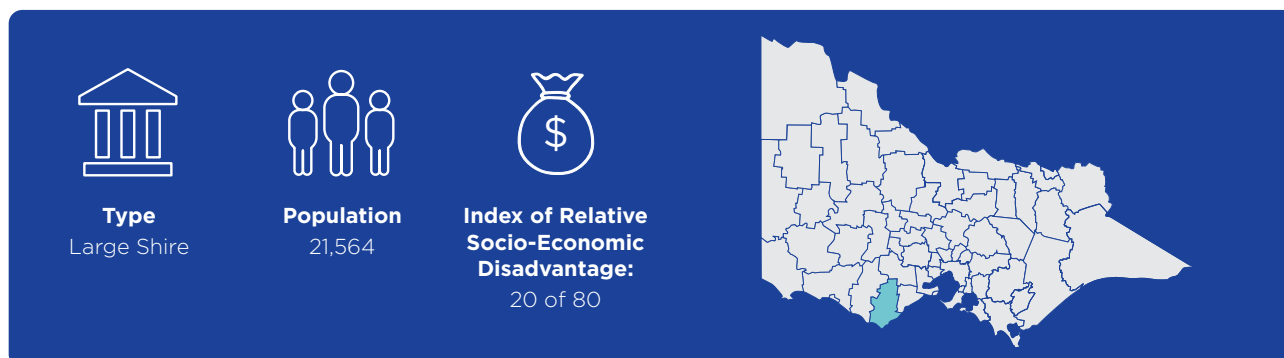
### COVID rates help

Interest hold  
Interest-free deferrals and payment plans  
No court action for unpaid rates



# Colac Otway Shire Council

## Rates and hardship practices



### Council rates – All properties

Rateable properties (assessments):	15,395 in 2019-20
Average rates:	\$1,811 in 2019-20
Budgeted income from rates:	58 per cent in 2019-20
Extra payment options:	Weekly, fortnightly or monthly instalments by direct debit

### Hardship relief – Primary residences

Hardship policy:	Yes
Rates waivers:	Yes (only for natural disaster or emergency events, capped at 50 per cent of rates unless Council resolves otherwise)
Deferrals:	Yes
Payment plans:	Yes
Interest rate:	Penalty interest
Interest waiver:	Yes

### Debt recovery – All properties

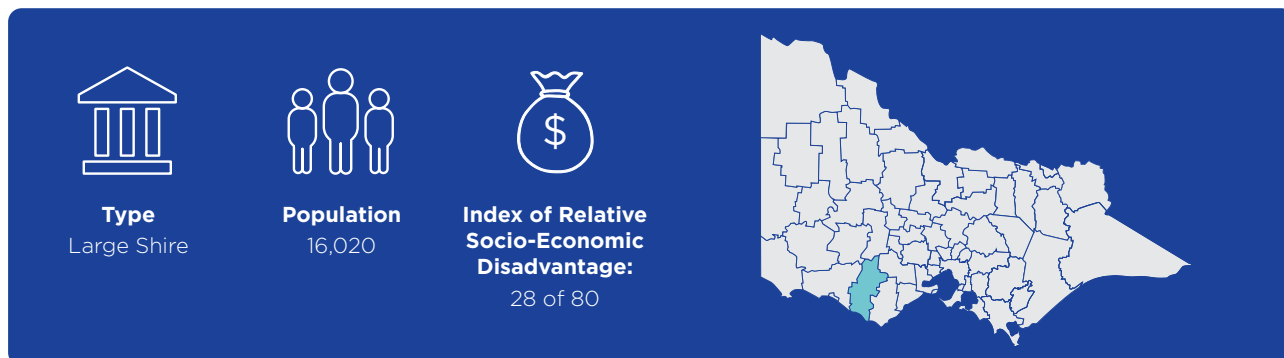
Debt collection agent:	Yes
Number of court actions:	1 in 2018-19 0 in 2019-20
Number of land sales:	0 in 2018-19 0 in 2019-20

### COVID rates help

Interest hold  
No debt collection for unpaid rates  
1.5 per cent rate rise in 2020-21 (which is below the two per cent rate cap)

# Corangamite Shire Council

## Rates and hardship practices



The infographic features three icons: a classical building for 'Type', three people for 'Population', and a money bag with a dollar sign for 'Index of Relative Socio-Economic Disadvantage'. To the right is a map of Victoria with Corangamite Shire highlighted in teal.

<b>Type</b> Large Shire	<b>Population</b> 16,020	<b>Index of Relative Socio-Economic Disadvantage:</b> 28 of 80
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### Council rates – All properties

Rateable properties (assessments): 9,626 in 2019-20  
Average rates: \$2,063 in 2019-20  
Budgeted income from rates: 49 per cent in 2019-20  
Extra payment options: Centrepay  
Weekly, fortnightly or monthly instalments\*

### Hardship relief – Primary residences

Hardship policy: Yes  
Rates waivers: No  
Deferrals: Yes (capped at 12 months)  
Payment plans: Yes  
Interest rate: Penalty interest  
Interest waiver: Yes

### Debt recovery – All properties

Debt collection agent: Yes  
Number of court actions: 18 in 2018-19  
10 in 2019-20  
Number of land sales: 0 in 2018-19  
0 in 2019-20

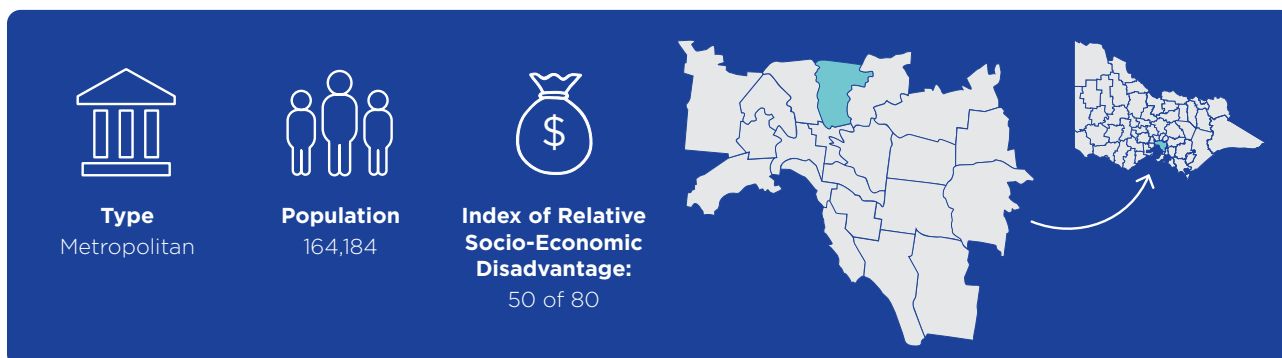
### COVID rates help

Due date extension for 2019-20 rates  
Interest-free payment plans and deferrals  
No court action for unpaid rates  
Zero per cent rate rise for 2020-21

\* At the time this report was drafted, this option was not described on the Council's website or rates notices, but Council advised the investigation it is available to ratepayers.

# Darebin City Council

## Rates and hardship practices



### Council rates – All properties

Rateable properties (assessments):	71,417 in 2019-20
Average rates:	\$1,756 in 2019-20
Budgeted income from rates:	74 per cent in 2019-20
Extra payment options:	Ten monthly instalments by direct debit

### Hardship relief – Primary residences

Hardship policy:	Yes
Rates waivers:	No
Deferrals:	Yes (capped at 50 per cent of Capital Improved Value)
Payment plans:	Yes
Interest rate:	Penalty interest
Interest waiver:	Yes
Other :	Extra rebate for people eligible for State Government rates concession

### Debt recovery – All properties

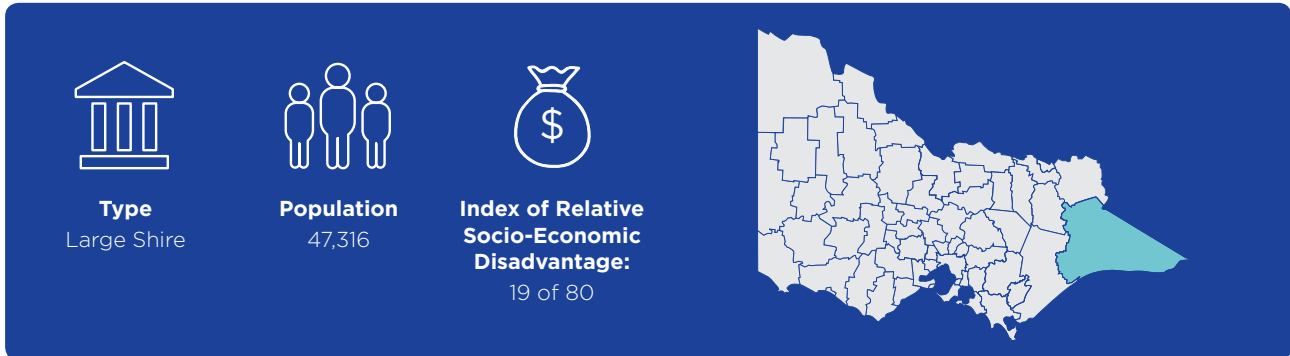
Debt collection agent:	Yes
Number of court actions:	0 in 2018-19 0 in 2019-20
Number of land sales:	0 in 2018-19 0 in 2019-20

### COVID rates help

Interest hold  
Interest-free payment plans and deferrals  
No court action for unpaid rates

# East Gippsland Shire Council

## Rates and hardship practices



### Council rates – All properties

Rateable properties (assessments):	31,728 in 2019-20
Average rates:	\$1,599 in 2019-20
Budgeted income from rates:	50 per cent in 2019-20
Extra payment options:	Centrepay Nine monthly instalments by direct debit or an 'arrangement to pay' by other instalments

### Hardship relief – Primary residences

Hardship policy:	Yes
Rates waivers:	Yes
Deferrals:	Yes
Payment plans:	Yes
Interest rate:	Varying arrangements for deferred rates* Penalty interest for payment plans
Interest waiver:	Yes
Other:	Extra rebate for people eligible for State Government concession Rates relief for ratepayers impacted by 2019-20 bushfires

### Debt recovery – All properties

Debt collection agent:	Yes
Number of court actions:	24 in 2018-19 80 in 2019-20
Number of land sales:	0 in 2018-19 0 in 2019-20

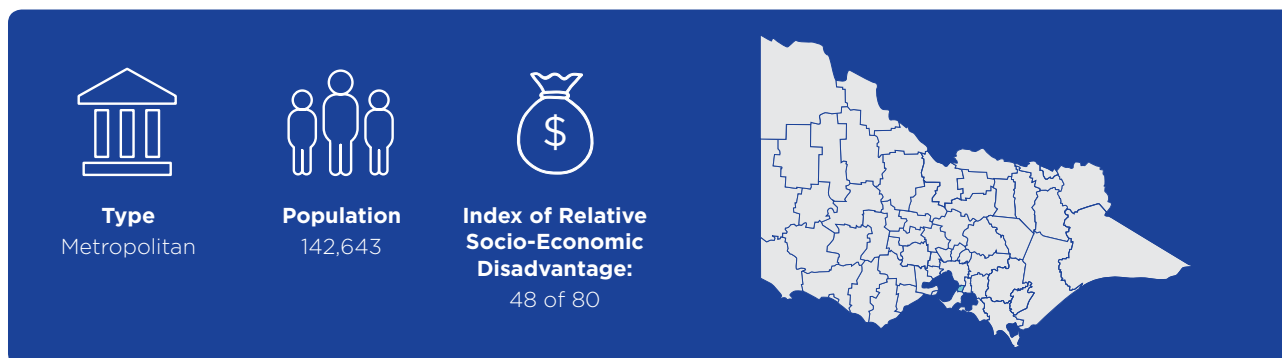
### COVID rates help

Interest hold  
No court action for unpaid rates  
Zero per cent rate rise for 2020-21

\* At the time this report was drafted, the Council's Financial Hardship Policy said interest would be charged 'at a reduced rate, which will reflect the official 180-day bank bill rate applicable at the end of the previous month'. The Council told the investigation it charges penalty interest on deferred rates. It said it will be updating the Policy to note that interest 'may' be charged. It noted there have been cases where it charged no interest at all on deferred rates.

# Frankston City Council

## Rates and hardship practices



### Council rates – All properties

Rateable properties (assessments):	62,727 in 2019-20
Average rates:	\$1,589 in 2019-20
Budgeted income from rates:	69 per cent in 2019-20
Extra payment options:	Centrepay Nine monthly instalments by direct debit or an 'arrangement to pay' by weekly, fortnightly or monthly payments

### Hardship relief – Primary residences

Hardship policy:	Yes
Rates waivers:	No
Deferrals:	Yes
Payment plans:	Yes
Interest rate:	50 per cent of penalty interest rate for deferred rates No interest charged for payment plans if financial counsellor states ratepayer is in financial hardship (capped at 24 months)
Interest waiver:	Yes

### Debt recovery – All properties

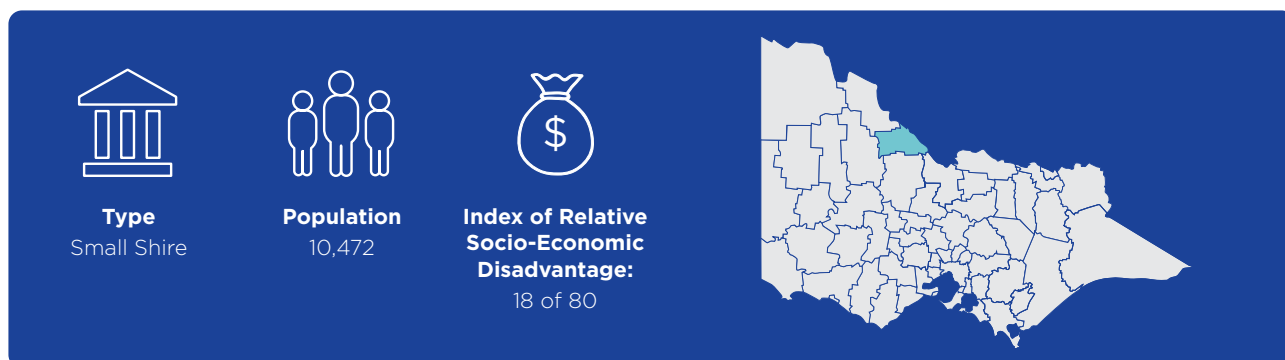
Debt collection agent:	Yes
Number of court actions:	412 in 2018-19 490 in 2019-20
Number of land sales:	0 in 2018-19 0 in 2019-20

### COVID rates help

- Interest waived
- No court action for unpaid rates
- Extra rebate for people on JobSeeker
- Extra rebate for people meeting hardship criteria

# Gannawarra Shire Council

## Rates and hardship practices



### Council rates – All properties

Rateable properties (assessments): 6,760 in 2019-20  
Average rates: \$1,611 in 2019-20  
Budgeted income from rates: 45 per cent in 2019-20  
Extra payment options: Centrepay

### Hardship relief – Primary residences

Hardship policy:	Yes
Rates waivers:	Yes
Deferrals:	Yes
Payment plans:	Yes
Interest rate:	Penalty interest
Interest waiver:	Yes

### Debt recovery – All properties

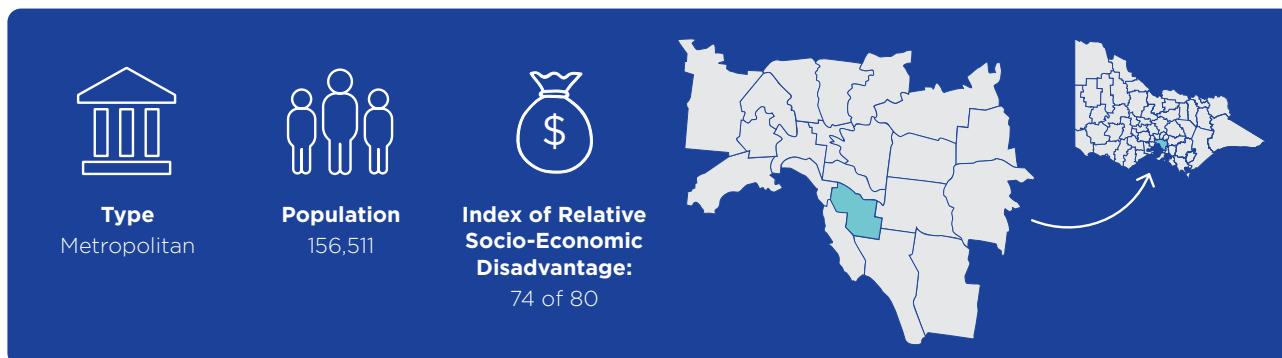
Debt collection agent:	Yes
Number of court actions:	4 in 2018-19 0 in 2019-20
Number of land sales:	0 in 2018-19 0 in 2019-20

### COVID rates help

Interest hold  
Interest-free payment plans  
No court action for unpaid rates

# Glen Eira City Council

## Rates and hardship practices



### Council rates – All properties

Rateable properties (assessments):	67,107 in 2019-20
Average rates:	\$1,404 in 2019-20
Budgeted income from rates:	63 per cent in 2019-20
Extra payment options:	Ten monthly instalments by direct debit

### Hardship relief – Primary residences

Hardship policy:	Yes
Rates waivers:	No
Deferrals:	Yes
Payment plans:	Yes
Interest rate:	Penalty interest
Interest waiver:	Yes (extreme circumstances only)

### Debt recovery – All properties

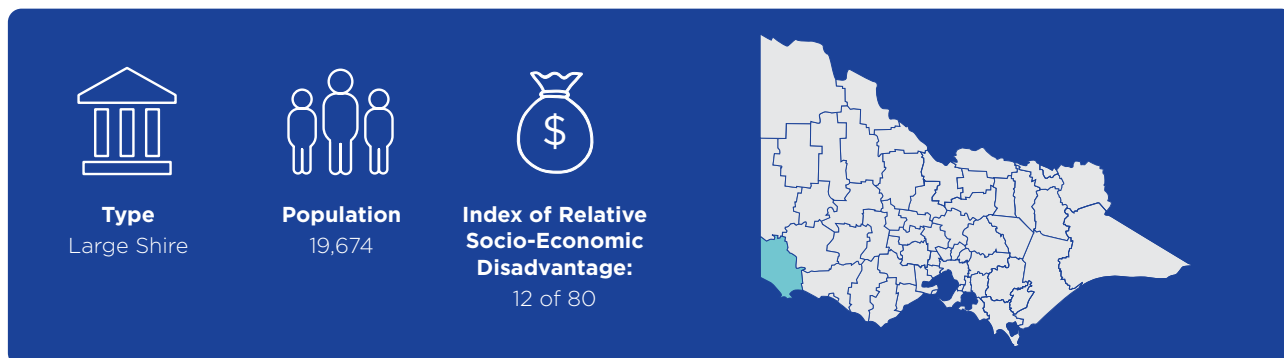
Debt collection agent:	Yes
Number of court actions:	26 in 2018-19 0 in 2019-20
Number of land sales:	0 in 2018-19 0 in 2019-20

### COVID rates help

Interest hold  
Interest-free deferrals and payment plans  
No court action for unpaid rates

# Glenelg Shire Council

## Rates and hardship practices



### Council rates – All properties

Rateable properties (assessments):	13,832 in 2019-20
Average rates:	\$1,399 in 2019-20
Budgeted income from rates:	45 per cent in 2019-20
Extra payment options:	No

### Hardship relief – Primary residences

Hardship policy:	Yes
Rates waivers:	No
Deferrals:	Yes
Payment plans:	Yes
Interest rate:	Penalty interest
Interest waiver:	Yes

### Debt recovery – All properties

Debt collection agent:	Yes
Number of court actions:	35 in 2018-19 40 in 2019-20
Number of land sales:	0 in 2018-19 0 in 2019-20

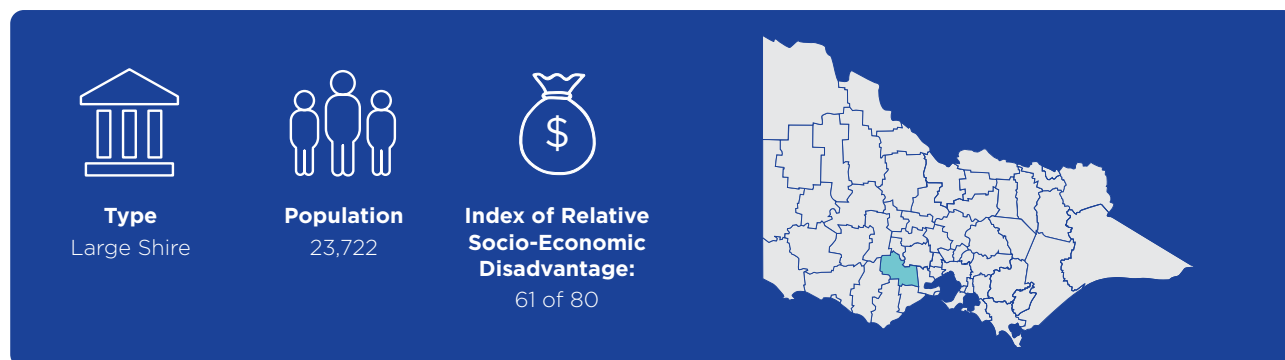
### COVID rates help

Due date extension for 2019-20 rates  
Interest-free deferrals and payment plans  
No referrals to debt collection agent for unpaid rates  
Zero per cent rate rise for 2020-21



# Golden Plains Shire Council

## Rates and hardship practices



### Council rates – All properties

Rateable properties (assessments):	11,076 in 2019-20
Average rates:	\$1,839 in 2019-20
Budgeted income from rates:	58 per cent in 2019-20
Extra payment options:	Ten monthly instalments by direct debit

### Hardship relief – Primary residences

Hardship policy:	Yes
Rates waivers:	No
Deferrals:	Yes
Payment plans:	Yes
Interest rate:	Penalty rate or other rate determined by Council
Interest waiver:	Yes

### Debt recovery – All properties

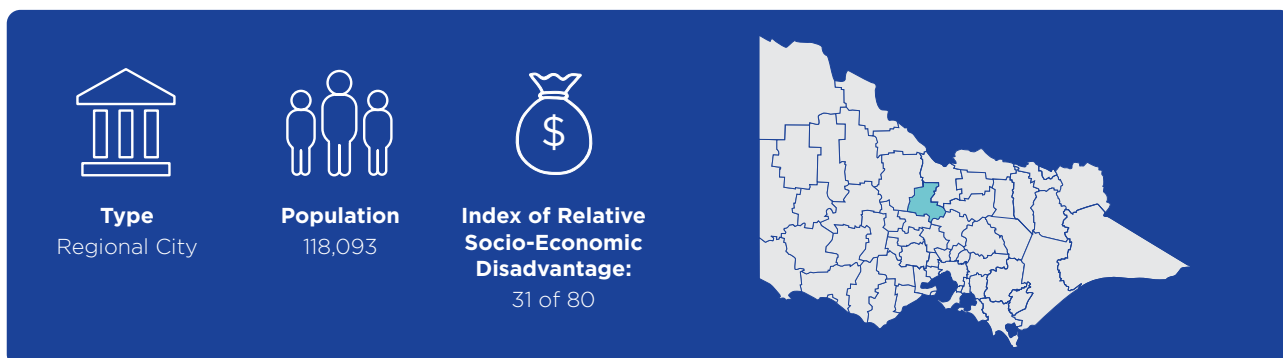
Debt collection agent:	Yes
Number of court actions:	15 in 2018-19 0 in 2019-20
Number of land sales:	3 in 2018-19 0 in 2019-20

### COVID rates help

Interest hold  
Interest-free deferrals and payment plans  
No court action for unpaid rates  
Extra rates waiver for people receiving JobSeeker, businesses receiving JobKeeper and people who can demonstrate 30 per cent or more income reduction

# Greater Bendigo City Council

## Rates and hardship practices



The infographic features three icons: a classical building for 'Type', three people for 'Population', and a money bag with a dollar sign for 'Index of Relative Socio-Economic Disadvantage'. To the right is a map of Victoria with Bendigo highlighted in green.

<b>Type</b> Regional City	<b>Population</b> 118,093	<b>Index of Relative Socio-Economic Disadvantage:</b> 31 of 80
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### Council rates – All properties

Rateable properties (assessments): 58,689 in 2019-20  
Average rates: \$1,710 in 2019-20  
Budgeted income from rates: 66 per cent in 2019-20  
Extra payment options: Centrepay  
Weekly, fortnightly or monthly instalments by direct debit

### Hardship relief – Primary residences

Hardship policy: Yes  
Rates waivers: No  
Deferrals: Yes (only if ratepayer enters a payment plan, capped at 12 months and 50 per cent of Capital Improved Value)  
Payment plans: Yes  
Interest rate: Penalty interest  
Interest waiver: Yes

### Debt recovery – All properties

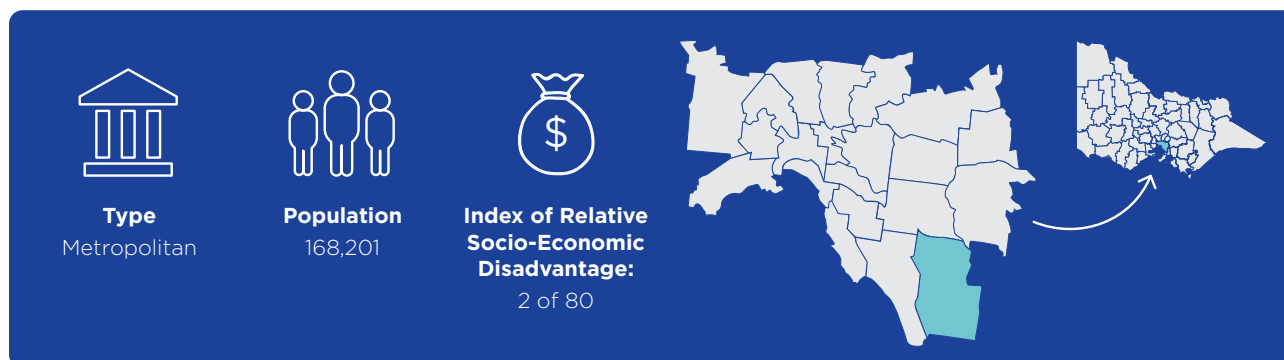
Debt collection agent: Yes  
Number of court actions: 127 in 2018-19  
27 in 2019-20  
Number of land sales: 1 in 2018-19  
0 in 2019-20

### COVID rates help

Interest hold  
Due date extension for 2019-2020 rates  
Interest-free deferrals and payment plans  
No court action for some unpaid rates

# Greater Dandenong City Council

## Rates and hardship practices



### Council rates – All properties

Rateable properties (assessments):	65,942 in 2019-20
Average rates:	\$1,839 in 2019-20
Budgeted income from rates:	72 per cent in 2019-20
Extra payment options:	Nine monthly instalments by direct debit

### Hardship relief – Primary residences

Hardship policy:	Yes
Rates waivers:	Yes (in extreme circumstances only and capped at \$500 unless Council resolves otherwise)
Deferrals:	Yes
Payment plans:	Yes
Interest rate:	Market interest for deferred rates Penalty interest for other unpaid rates
Interest waiver:	Yes

### Debt recovery – All properties

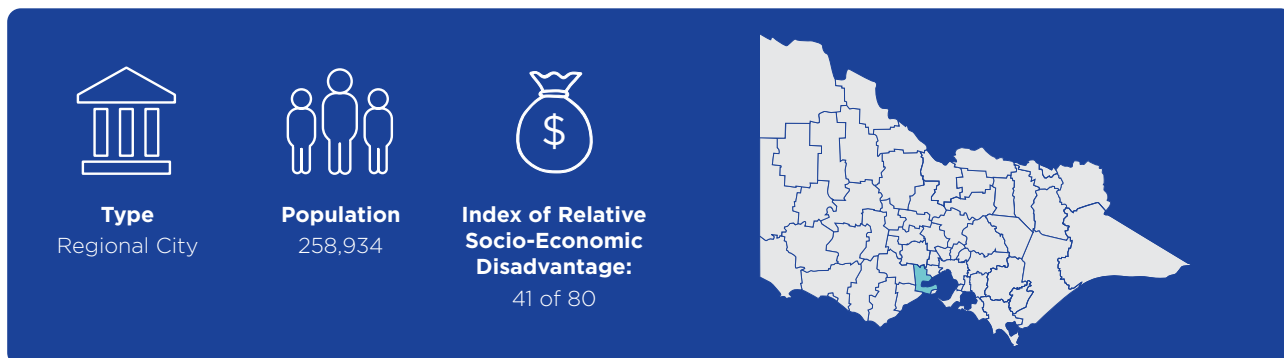
Debt collection agent:	Yes
Number of court actions:	0 in 2018-19 319 in 2019-20
Number of land sales:	0 in 2018-19 0 in 2019-20

### COVID rates help

Interest hold  
Interest-free deferrals and payment plans  
No court action for unpaid rates  
Extra rebate for people receiving JobSeeker or State Government rates concession (for rates on principal place of residence)

# Greater Geelong City Council

## Rates and hardship practices



### Council rates – All properties

Rateable properties (assessments):	125,928 in 2019-20
Average rates:	\$1,603 in 2019-20
Budgeted income from rates:	62 per cent in 2019-20
Extra payment options:	Centrepay Nine monthly or 20 fortnightly instalments by direct debit or individual instalment arrangements*

### Hardship relief – Primary residences

Hardship policy:	Yes (spread across policies including Rating Strategy)
Rates waivers:	Yes**
Deferrals:	Yes
Payment plans:	Yes
Interest rate:	For deferred rates, interest rate set by Council Rating Strategy (3.8 per cent in 2020-21) For payment plans, no interest where ratepayer complies with plan Penalty interest in other cases
Interest waiver:	Yes***

### Debt recovery – All properties

Debt collection agent:	Yes
Number of court actions:	272 in 2018-19 127 in 2019-20
Number of land sales:	0 in 2018-19 0 in 2019-20

### COVID rates help

Interest hold  
Interest-free deferrals and payment plans  
Extra rates waivers for businesses required to fully close and in 'exceptional circumstances'  
No debt recovery for unpaid rates

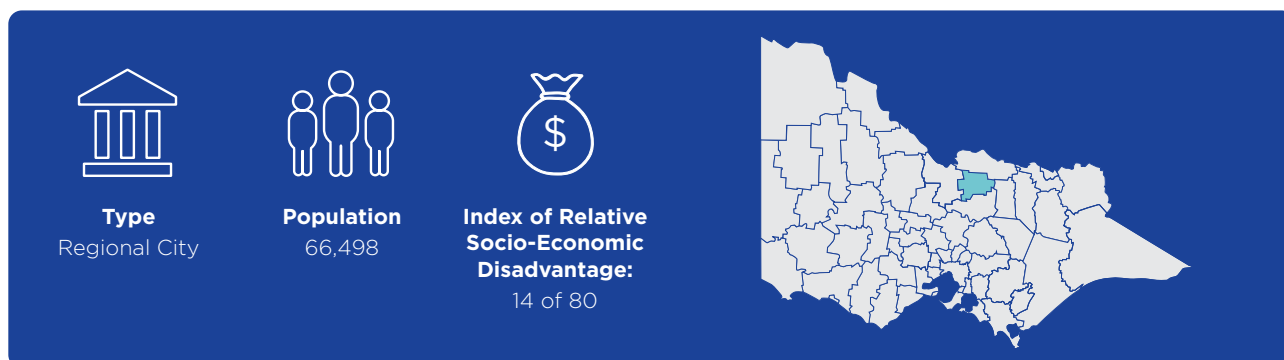
\* The Council advertises monthly and fortnightly direct debit instalments on its website. It told the investigation it can also create one-off arrangements to suit ratepayer's circumstances.

\*\*At the time this report was drafted, the Council's Rating Strategy provided for three specific waiver schemes. They included a 'Rates Assistance Waiver' for low income homeowners whose property valuation has increased significantly because of changes in the property market.

\*\*\*The Council's Rating Strategy and website do not discuss interest waivers, but the Council advised that they are available.

# Greater Shepparton City Council

## Rates and hardship practices



### Council rates – All properties

Rateable properties (assessments):	31,280 in 2019-20
Average rates:	\$2,219 in 2019-20*
Budgeted income from rates:	61 per cent in 2019-20
Extra payment options:	Centrepay Ten monthly instalments by direct debit

### Hardship relief – Primary residences

Hardship policy:	Yes
Rates waivers:	No
Deferrals:	Yes (only for people eligible for State Government rates concession and capped at 10 per cent of Capital Improved Value)
Payment plans:	Yes
Interest rate:	Penalty interest No interest charged for payment plans (unless ratepayer defaults on agreement)
Interest waiver:	Yes

### Debt recovery – All properties

Debt collection agent:	Yes
Number of court actions:	128 in 2018-19 78 in 2019-20
Number of land sales:	1 in 2018-19 0 in 2019-20

### COVID rates help

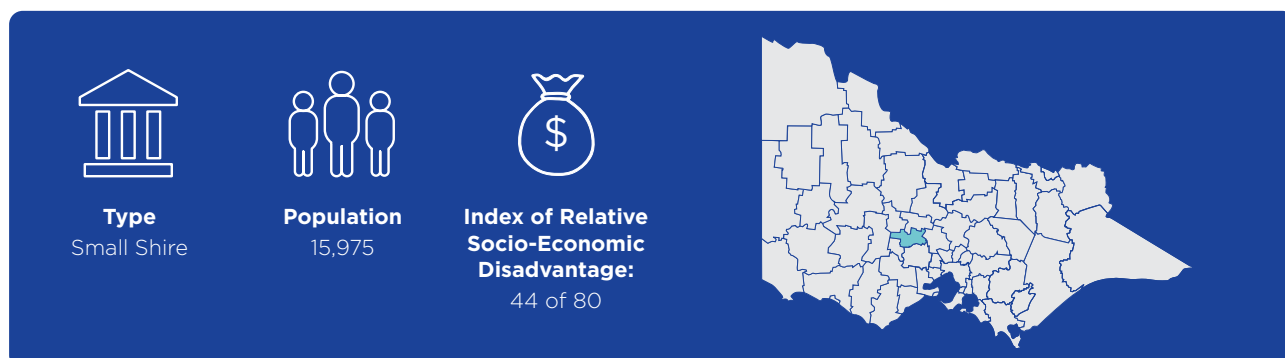
Interest hold  
Interest-free payment plans

\* When this report was drafted, Local Government Victoria's Know Your Council website listed the Council's average rates as \$2,542. The Council told the investigation that figure is incorrect because it includes some additional charges. It said its average rates were in fact \$2,219.

# Hepburn Shire Council

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## Rates and hardship practices



### Council rates – All properties

Rateable properties (assessments):	11,268 in 2019-20
Average rates:	\$1,566 in 2019-20*
Budgeted income from rates:	65 per cent in 2019-20
Extra payment options:	Ten monthly instalments by direct debit

### Hardship relief – Primary residences

Hardship policy:	Yes
Rates waivers:	No
Deferrals:	Yes
Payment plans:	Yes
Interest rate:	Penalty interest
Interest waiver:	Yes

### Debt recovery – All properties

Debt collection agent:	Yes
Number of court actions:	61 in 2018-19 6 in 2019-20
Number of land sales:	0 in 2018-19 0 in 2019-20

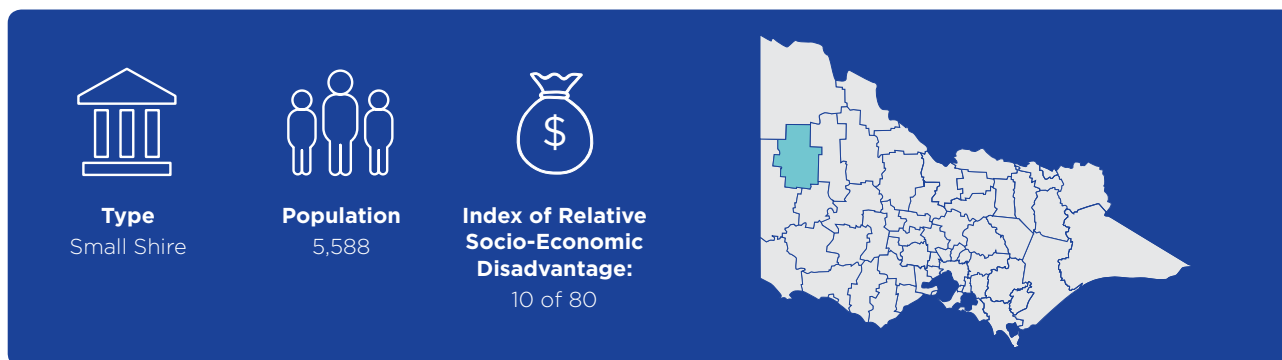
### COVID rates help

Interest hold  
Due date extensions for 2019-20 and 2020-21 rates  
Interest-free deferrals

# Hindmarsh Shire Council

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## Rates and hardship practices



### Council rates – All properties

Rateable properties (assessments):	5,124 in 2019-20
Average rates:	\$1,508 in 2019-20
Budgeted income from rates:	37 per cent in 2019-20
Extra payment options:	Centrepay Weekly, fortnightly or monthly instalments by direct debit

### Hardship relief – Primary residences

Hardship policy:	Yes
Rates waivers:	Yes
Deferrals:	No
Payment plans:	Yes
Interest rate:	Penalty interest
Interest waiver:	Yes

### Debt recovery – All properties

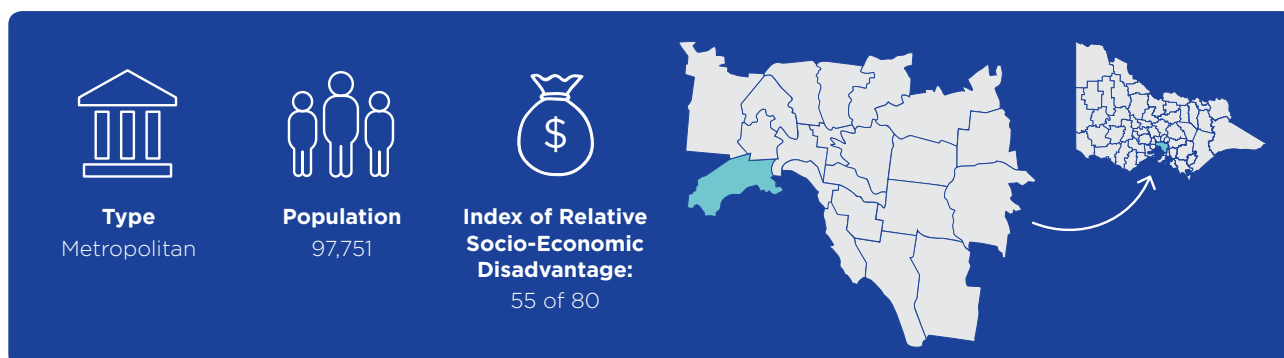
Debt collection agent:	Yes
Number of court actions:	8 in 2018-19 2 in 2019-20
Number of land sales:	0 in 2018-19 0 in 2019-20

### COVID rates help

No extra rates measures announced

# Hobsons Bay City Council

## Rates and hardship practices



### Council rates – All properties

Rateable properties (assessments):	42,295 in 2019-20
Average rates:	\$2,372 in 2019-20*
Budgeted income from rates:	79 per cent in 2019-20
Extra payment options:	Weekly, fortnightly or monthly instalments by direct debit

### Hardship relief – Primary residences

Hardship policy:	Yes
Rates waivers:	Yes (in exceptional circumstances only, capped at the lesser of \$10,000 or 12 months' rates value)
Deferrals:	Yes
Payment plans:	Yes
Interest rate:	No interest for deferred rates Penalty interest for payment plans
Interest waiver:	Yes
Other:	Extra Council rebate for people eligible for State Government rates concession

### Debt recovery – All properties

Debt collection agent:	Yes
Number of court actions:	0 in 2018-19 38 in 2019-20
Number of land sales:	0 in 2018-19 0 in 2019-20

### COVID rates help

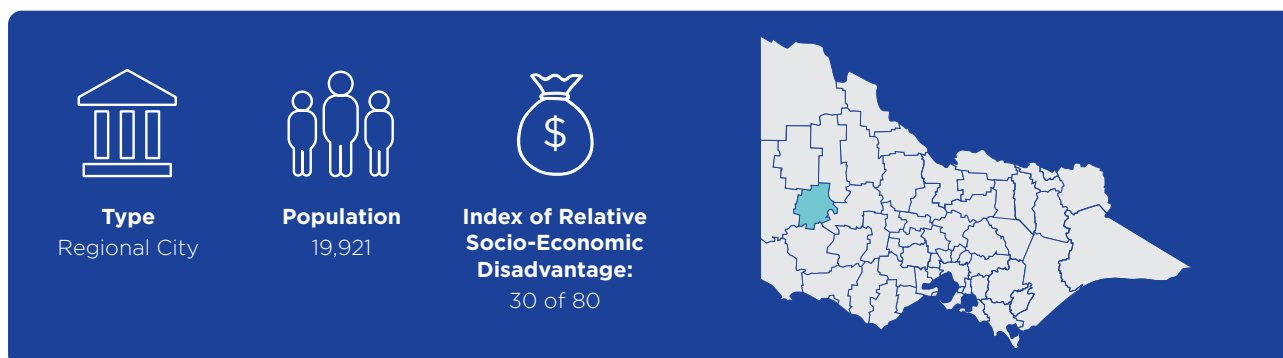
- Interest hold
- Interest-free deferrals and payment plans
- Due date extensions for 2019-20 and 2020-21 rates
- One-off 'rate adjustments' (rebates)
- No court action for unpaid rates



# Horsham Rural City Council

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## Rates and hardship practices



### Council rates – All properties

Rateable properties (assessments):	12,454 in 2019-20
Average rates:	\$2,015 in 2019-20*
Budgeted income from rates:	56 per cent in 2019-20
Extra payment options:	Centrepay

### Hardship relief – Primary residences

Hardship policy:	Yes
Rates waivers:	Yes
Deferrals:	Yes (capped at 50 per cent of Capital Improved Value)
Payment plans:	Yes
Interest rate:	Penalty interest
Interest waiver:	Yes

### Debt recovery – All properties

Debt collection agent:	Yes
Number of court actions:	4 in 2018-19 8 in 2019-20
Number of land sales:	0 in 2018-19 0 in 2019-20

### COVID rates help

Interest waivers  
Interest-free deferrals and payment plans  
No legal action for unpaid rates

# Hume City Council

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## Rates and hardship practices



The infographic features three icons: a classical building for 'Type', three stylized figures for 'Population', and a money bag with a dollar sign for 'Index of Relative Socio-Economic Disadvantage'. To the right is a map of Victoria with the Hume region highlighted in light blue.

<b>Type</b> Interface	<b>Population</b> 233,471	<b>Index of Relative Socio-Economic Disadvantage:</b> 13 of 80
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### Council rates – All properties

Rateable properties (assessments): 88,234 in 2019-20  
Average rates: \$1,981 in 2019-20  
Budgeted income from rates: 63 per cent in 2019-20  
Extra payment options: Centrepay  
Weekly, fortnightly or monthly instalments by direct debit

### Hardship relief – Primary residences

Hardship policy:	No
Rates waivers:	No
Deferrals:	Yes
Payment plans:	Yes
Interest rate:	Penalty interest
Interest waiver:	Yes (capped at one third of interest)

### Debt recovery – All properties

Debt collection agent:	Yes
Number of court actions:	0 in 2018-19 1 in 2019-20
Number of land sales:	0 in 2018-19 0 in 2019-20

### COVID rates help

Interest-free deferrals and payment plans  
Extra rebate for residential ratepayers

# Indigo Shire Council

## Rates and hardship practices



**Type**  
Small Shire



**Population**  
16,701



**Index of Relative  
Socio-Economic  
Disadvantage:**  
57 of 80



### Council rates – All properties

Rateable properties (assessments):	8,859 in 2019-20
Average rates:	\$1,554 in 2019-20
Budgeted income from rates:	58 per cent in 2019-20
Extra payment options:	Monthly or fortnightly instalments by direct debit

### Hardship relief – Primary residences

Hardship policy:	Yes
Rates waivers:	Yes (capped at \$1,000 if granted)
Deferrals:	Yes (for people eligible for State Government rates concession, self-funded retirees and extreme and long term cases of hardship; capped at 50 per cent of Capital Improved Value or 30 per cent of equity in property)
Payment plans:	Yes
Interest rate:	50 per cent of penalty interest for deferred rates Penalty interest for payment plans
Interest waiver:	Yes

### Debt recovery – All properties

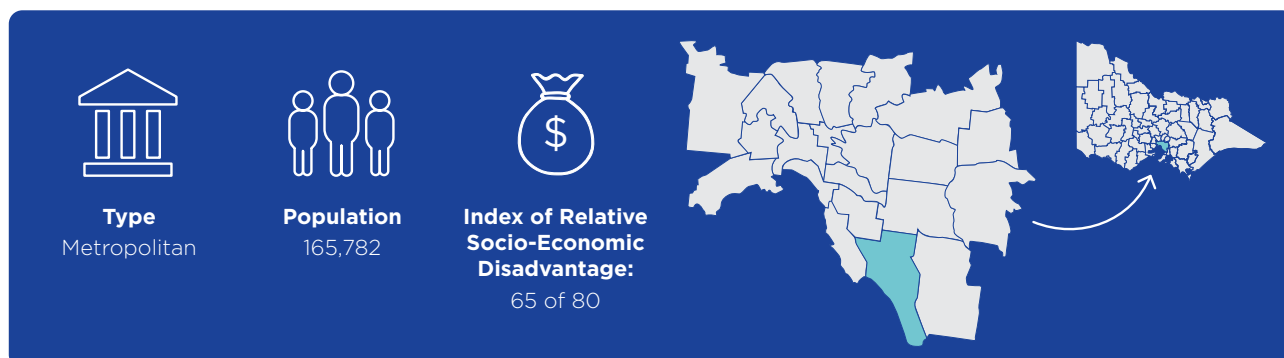
Debt collection agent:	Yes
Number of court actions:	2 in 2018-19 0 in 2019-20
Number of land sales:	0 in 2018-19 0 in 2019-20

### COVID rates help

Interest hold  
Due date extension for 2019-20 rates  
Interest-free payment plans  
No court action for unpaid rates

# Kingston City Council

## Rates and hardship practices



### Council rates – All properties

Rateable properties (assessments):	75,043 in 2019-20
Average rates:	\$1,741 in 2019-20
Budgeted income from rates:	65 per cent in 2019-20
Extra payment options:	Ten monthly instalments by direct debit

### Hardship relief – Primary residences

Hardship policy:	Yes
Rates waivers:	Yes (in exceptional circumstances)
Deferrals:	Yes (for people with a Pensioner Concession Card or a Veterans Affairs Gold Card)
Payment plans:	Yes
Interest rate:	Penalty interest
Interest waiver:	Yes (capped at one interest waiver every five years)*

### Debt recovery – All properties

Debt collection agent:	Yes
Number of court actions:	334 in 2018-19 201 in 2019-20
Number of land sales:	0 in 2018-19 0 in 2019-20

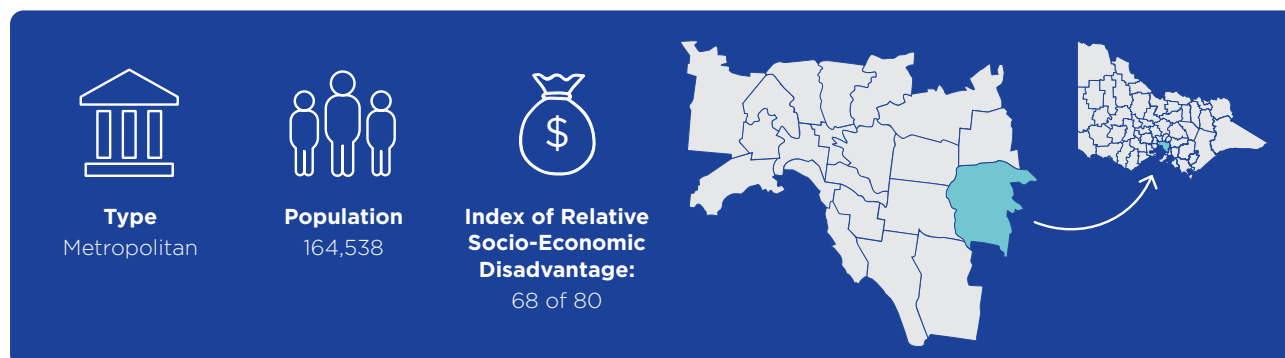
### COVID rates help

Interest hold  
Due date extension for 2019-20 rates  
Interest-free deferrals and payment plans  
Extra rebate for people receiving JobSeeker and businesses receiving JobKeeper

\* In response to a draft of this report, the Council advised there are exceptions to this policy.

# Knox City Council

## Rates and hardship practices



### Council rates – All properties

Rateable properties (assessments):	67,562 in 2019-20
Average rates:	\$1,524 in 2019-20*
Budgeted income from rates:	69 per cent in 2019-20
Extra payment options:	Nine monthly instalments by direct debit

### Hardship relief – Primary residences

Hardship policy:	Yes
Rates waivers:	Generally not
Deferrals:	Yes (for eligible pensioners and people receiving unemployment benefits, capped at 10 per cent of Capital Improved Value)
Payment plans:	Yes
Interest rate:	Market interest plus two per cent for deferred rates Penalty interest for payment plans
Interest waiver:	Yes

### Debt recovery – All properties

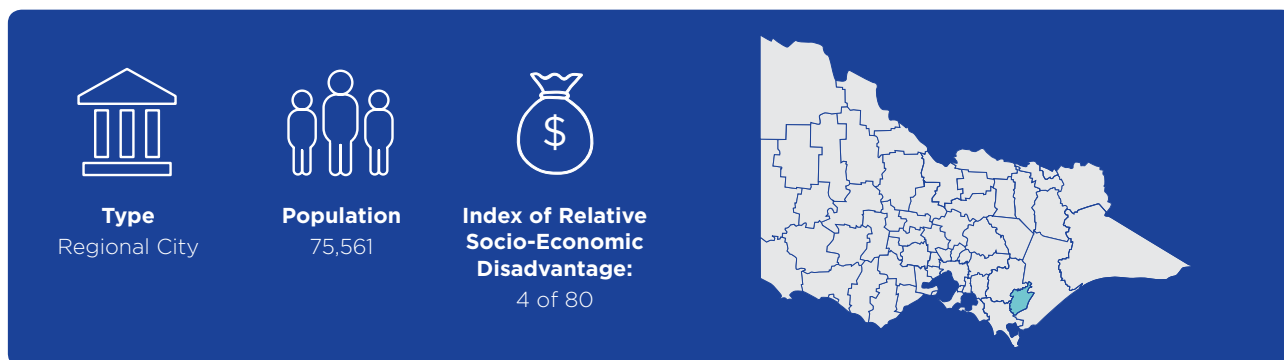
Debt collection agent:	Yes
Number of court actions:	0 in 2018-19 0 in 2019-20
Number of land sales:	0 in 2018-19 0 in 2019-20

### COVID rates help

Interest hold  
Interest-free deferrals and payment plans  
No court action for unpaid rates

# Latrobe City Council

## Rates and hardship practices



### Council rates – All properties

Rateable properties (assessments):	38,752 in 2019-20
Average rates:	\$1,542 in 2019-20*
Budgeted income from rates:	60 per cent in 2019-20
Extra payment options:	Centrepay Weekly, fortnightly or monthly instalments by direct debit

### Hardship relief – Primary residences

Hardship policy:	Yes
Rates waivers:	No
Deferrals:	Yes*
Payment plans:	Yes
Interest rate:	Penalty interest**
Interest waiver:	Yes

### Debt recovery – All properties

Debt collection agent:	Yes
Number of court actions:	145 in 2018-19 62 in 2019-20
Number of land sales:	0 in 2018-19 0 in 2019-20

### COVID rates help

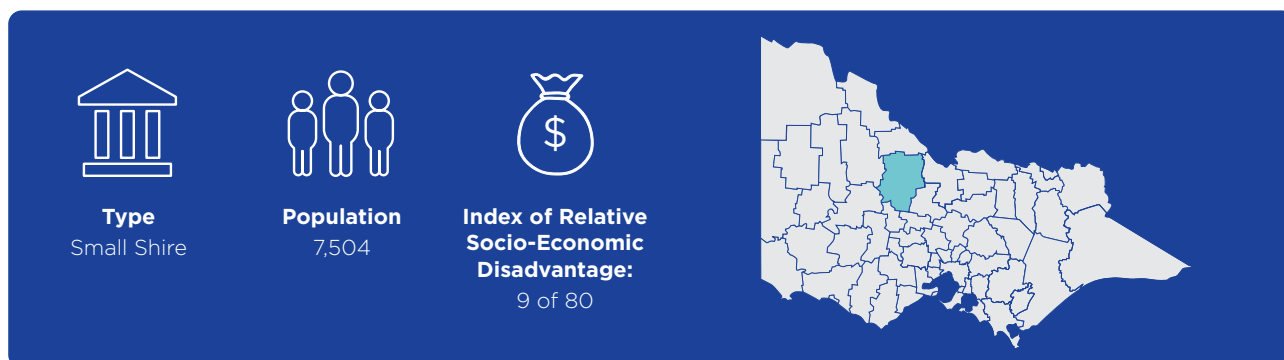
Interest-free deferrals and payment plans  
No court action for unpaid rates  
Zero per cent rate rise for 2020-21

\* At the time this report was drafted, the Council's Financial Hardship policy stated 'A deferral is only permitted for one year up to a maximum of three years, with a new application being required to be submitted and assessed each year'. However, the Council advised that it considers deferrals on a case by case basis and can be flexible depending on the circumstances.

\*\* At the time this report was drafted, the Council's Financial Hardship policy stated 'If the payment arrangement is complete within the same financial year in respect of which the rates are levied, no interest will be charged'. The Council clarified that it may waive interest in some circumstances.

# Loddon Shire Council

## Rates and hardship practices



### Council rates – All properties

Rateable properties (assessments): 7,814 in 2019-20  
Average rates: \$1,277 in 2019-20\*  
Budgeted income from rates: 39 per cent in 2019-20  
Extra payment options: Centrepay  
Weekly, fortnightly or monthly instalments by direct debit  
Rates Payment Card (pay in instalments at Post Office)

### Hardship relief – Primary residences

Hardship policy:	Yes
Rates waivers:	Yes
Deferrals:	Yes
Payment plans:	Yes
Interest rate:	Penalty interest
Interest waiver:	Yes

### Debt recovery – All properties

Debt collection agent:	Yes
Number of court actions:	16 in 2018-19 7 in 2019-20
Number of land sales:	3 in 2018-19 0 in 2019-20

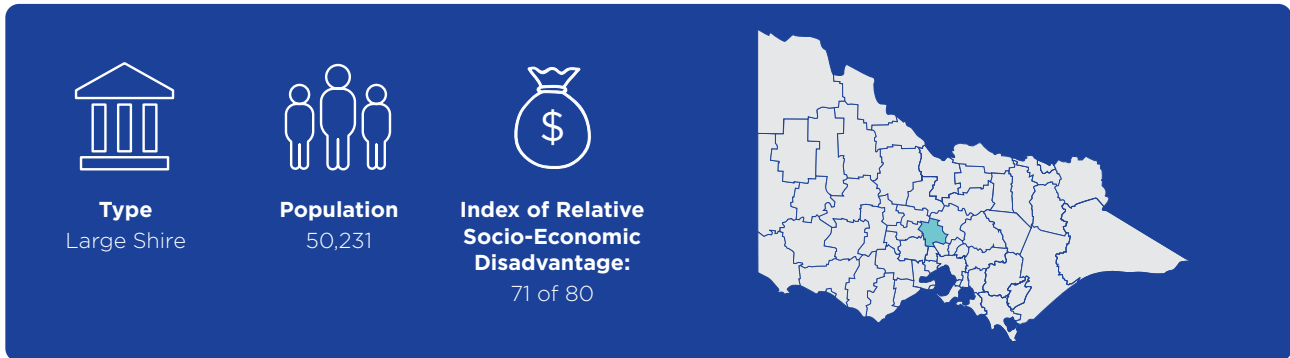
### COVID rates help

Interest hold  
No court action for unpaid rates

# Macedon Ranges Shire Council

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## Rates and hardship practices



### Council rates – All properties

Rateable properties (assessments):	22,895 in 2019-20
Average rates:	\$1,843 in 2019-20
Budgeted income from rates:	62 per cent in 2019-20
Extra payment options:	Centrepay Weekly, fortnightly or monthly instalments by direct debit

### Hardship relief – Primary residences

Hardship policy:	Yes
Rates waivers:	Yes (capped at two years)
Deferrals:	Yes (capped at two years)
Payment plans:	Yes
Interest rate:	Usually penalty interest but depends on recommendation from ratepayer's financial counsellor
Interest waiver:	Yes (capped at two years)

### Debt recovery – All properties

Debt collection agent:	Yes
Number of court actions:	162 in 2018-19 187 in 2019-20
Number of land sales:	0 in 2018-19 0 in 2019-20

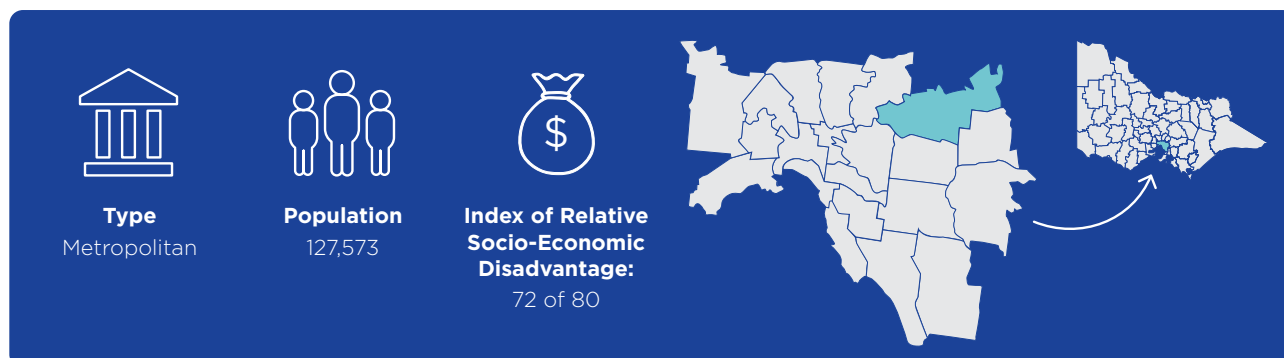
### COVID rates help

Interest hold  
No court action for unpaid rates



# Manningham City Council

## Rates and hardship practices



### Council rates – All properties

Rateable properties (assessments):	50,347 in 2019-20
Average rates:	\$1,788 in 2019-20
Budgeted income from rates:	79 per cent in 2019-20
Extra payment options:	Ten monthly instalments by direct debit

### Hardship relief – Primary residences

Hardship policy:	Yes
Rates waivers:	Yes (only if Capital Improved Value rises by more than 30 per cent in one year, capped at 50 per cent of rates increase)
Deferrals:	Yes
Payment plans:	Yes
Interest rate:	No interest charged on payment plans where Council accepts there is financial hardship Penalty interest in other cases
Interest waiver:	Yes
Other:	Partial rebate for people with Low Income Health Care Cards

### Debt recovery – All properties

Debt collection agent:	Yes
Number of court actions:	0 in 2018-19 0 in 2019-20
Number of land sales:	0 in 2018-19 0 in 2019-20

### COVID rates help

Due date extension for 2019-20 rates  
Interest-free deferrals and payment plans

# Mansfield Shire Council

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## Rates and hardship practices

**Type**  
Small Shire

**Population**  
9,176

**Index of Relative Socio-Economic Disadvantage:**  
56 of 80

The infographic features three icons: a classical building for 'Type', three stylized human figures for 'Population', and a money bag with a dollar sign for 'Index of Relative Socio-Economic Disadvantage'. To the right is a map of Victoria with the Mansfield Shire area highlighted in light blue.

### Council rates – All properties

Rateable properties (assessments): 7,786 in 2019-20  
Average rates: \$1,537 in 2019-20  
Budgeted income from rates: 65 per cent in 2019-20  
Extra payment options: Centrepay  
Weekly, fortnightly or monthly instalments by direct debit

### Hardship relief – Primary residences

Hardship policy: Yes  
Rates waivers: Yes (exceptional circumstances)  
Deferrals: Yes  
Payment plans: Yes  
Interest rate: Penalty interest  
Interest waiver: Yes

### Debt recovery – All properties

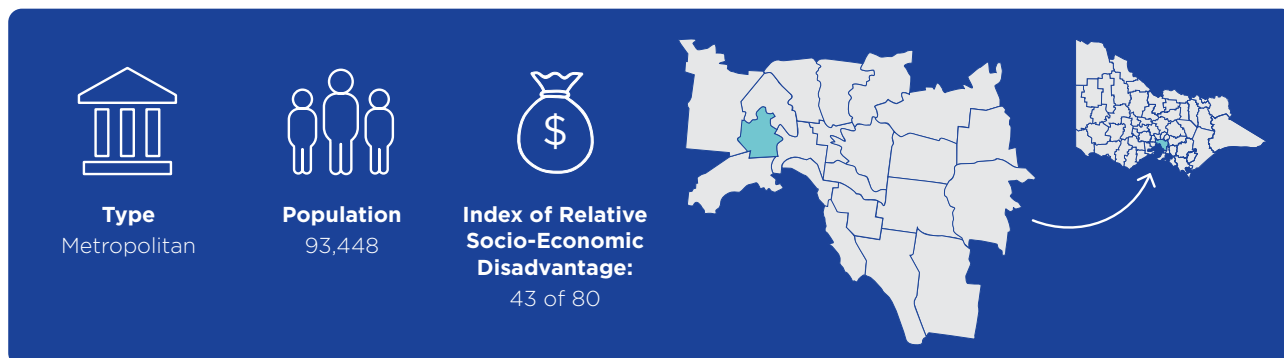
Debt collection agent: Yes  
Number of court actions: 12 in 2018-19  
15 in 2019-20  
Number of land sales: 0 in 2018-19  
0 in 2019-20

### COVID rates help

Interest hold  
Interest-free deferrals and payment plans  
No court action for unpaid rates

# Maribyrnong City Council

## Rates and hardship practices



### Council rates – All properties

Rateable properties (assessments):	40,992 in 2019-20
Average rates:	\$2,283 in 2019-20
Budgeted income from rates:	74 per cent in 2019-20
Extra payment options:	Monthly instalments by direct debit

### Hardship relief – Primary residences

Hardship policy:	Yes
Rates waivers:	No
Deferrals:	Yes
Payment plans:	Yes
Interest rate:	Penalty interest
Interest waiver:	Yes

### Debt recovery – All properties

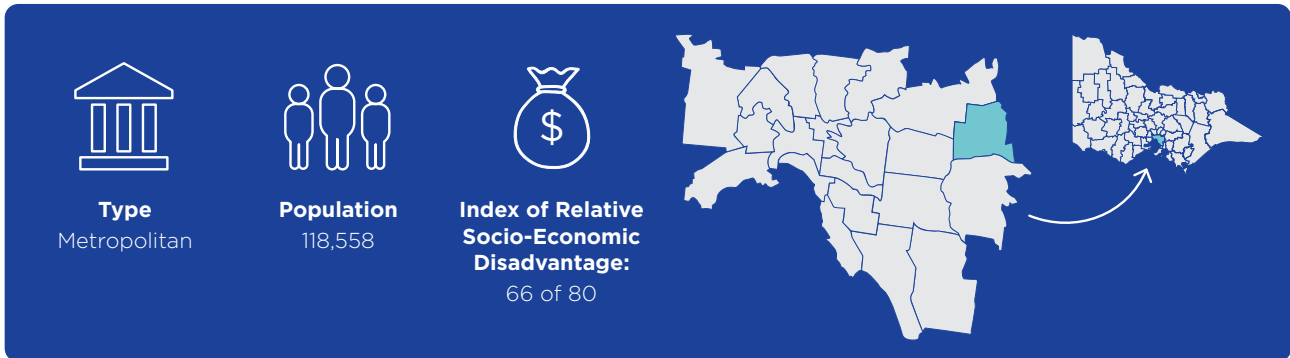
Debt collection agent:	Yes
Number of court actions:	9 in 2018-19 134 in 2019-20
Number of land sales:	0 in 2018-19 0 in 2019-20

### COVID rates help

Interest-free deferrals and payment plans  
Extra rebates for eligible businesses  
No court action for unpaid rates  
Zero per cent rate rise in 2020-21

# Maroondah City Council

## Rates and hardship practices



### Council rates – All properties

Rateable properties (assessments):	50,148 in 2019-20
Average rates:	\$1,520 in 2019-20
Budgeted income from rates:	69 per cent in 2019-20
Extra payment options:	Nine monthly instalments by direct debit

### Hardship relief – Primary residences

Hardship policy:	Yes
Rates waivers:	No
Deferrals:	Generally no*
Payment plans:	Yes
Interest rate:	Penalty interest (Council may hold interest for up to six months for ratepayers experiencing financial or other hardship)
Interest waiver:	Yes

### Debt recovery – All properties

Debt collection agent:	Yes
Number of court actions:	0 in 2018-19 0 in 2019-20
Number of land sales:	0 in 2018-19 0 in 2019-20

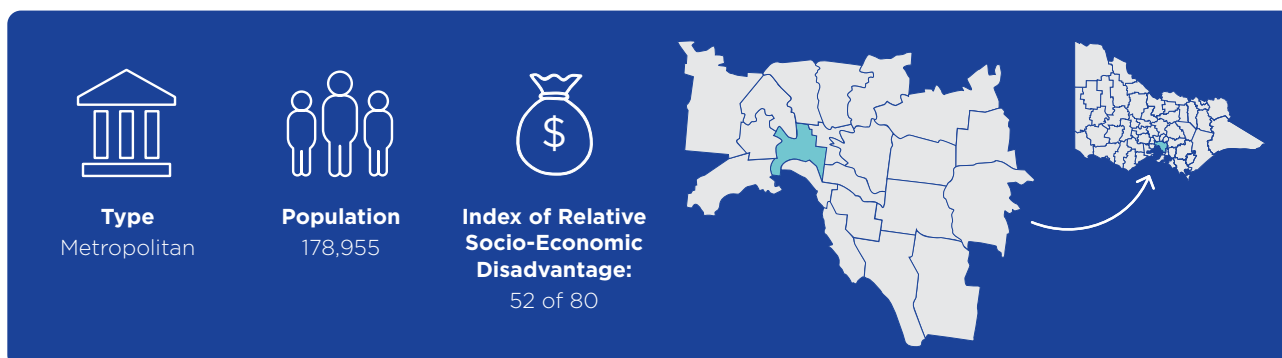
### COVID rates help

Interest hold  
Interest-free payment plans  
No court action for unpaid rates

\* At the time this report was drafted, the Council's Rate Collection and Financial Hardship policy stated 'It is not the usual practice for Council to waive or defer rates or charges'. The Council advised there are exceptions and it currently has two deferrals in place.

# Melbourne City Council

## Rates and hardship practices



### Council rates – All properties

Rateable properties (assessments):	120,198 in 2019-20
Average rates:	\$2,445 in 2019-20
Budgeted income from rates:	60 per cent in 2019-20
Extra payment options:	Ten monthly instalments by direct debit

### Hardship relief – Primary residences

Hardship policy:	Yes
Rates waivers:	Yes (in exceptional circumstances)
Deferrals:	Yes
Payment plans:	Yes
Interest rate:	Penalty interest
Interest waiver:	Yes

### Debt recovery – All properties

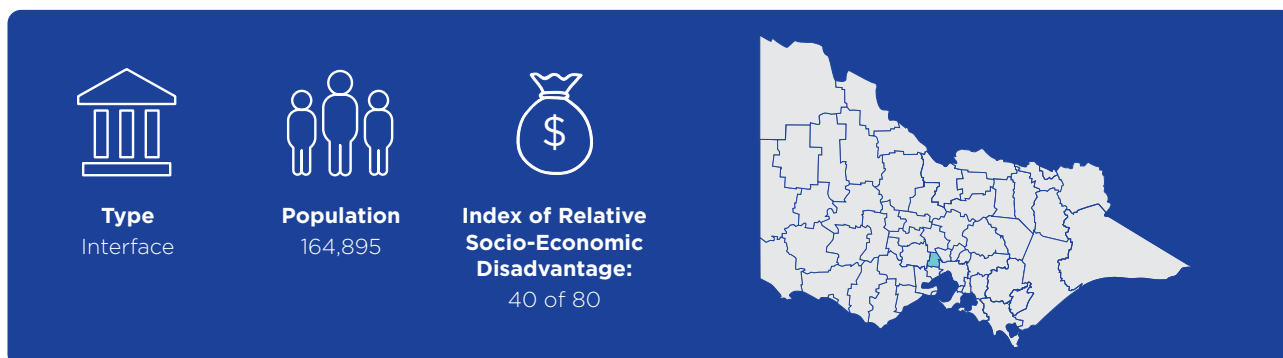
Debt collection agent:	Yes
Number of court actions:	95 in 2018-19 6 in 2019-20
Number of land sales:	0 in 2018-19 0 in 2019-20

### COVID rates help

Interest-free deferrals and payment plans  
Zero per cent rate rise in 2020-21

# Melton City Council

## Rates and hardship practices



### Council rates – All properties

Rateable properties (assessments):	59,341 in 2019-20
Average rates:	\$1,584 in 2019-20
Budgeted income from rates:	71 per cent in 2019-20
Extra payment options:	Centrepay Monthly or fortnightly instalments by direct debit

### Hardship relief – Primary residences

Hardship policy:	Yes
Rates waivers:	Yes (for people eligible for the State Government rates concession, capped at 30 per cent of current year's rates and charges)
Deferrals:	Yes
Payment plans:	Yes
Interest rate:	Market interest for deferred rates Penalty interest for payment plans
Interest waiver:	Yes (capped at 12 months)

### Debt recovery – All properties

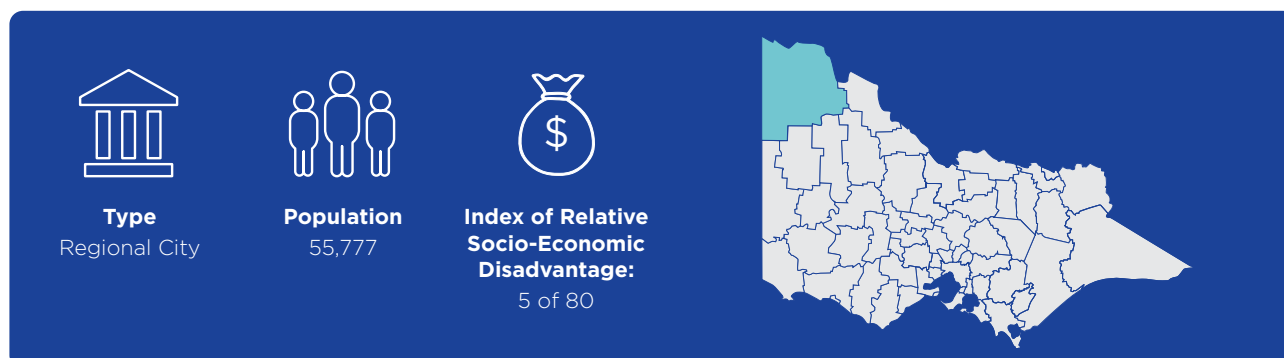
Debt collection agent:	Yes
Number of court actions:	418 in 2018-19 263 in 2019-20
Number of land sales:	0 in 2018-19 1 in 2019-20

### COVID rates help

- Interest-free deferrals and payment plans
- Extra rates rebate for people receiving Centrelink payments
- No court action for unpaid rates
- Zero per cent rate rise in 2020-21

# Mildura Rural City Council

## Rates and hardship practices



### Council rates – All properties

Rateable properties (assessments):	29,332 in 2019-20
Average rates:	\$2,093 in 2019-20
Budgeted income from rates:	61 per cent in 2019-20
Extra payment options:	Centrepay Monthly or fortnightly instalments by direct debit

### Hardship relief – Primary residences

Hardship policy:	Yes
Rates waivers:	Yes (in exceptional circumstances)
Deferrals:	Yes (for people eligible for the State Government rates concession or unemployed for three months, capped at three years and 25 per cent of Capital Improved Value)
Payment plans:	Yes
Interest rate:	50 per cent of penalty interest rate for deferred rates Penalty interest for payment plans
Interest waiver:	Yes (capped at 12 months and not available for consecutive periods)

### Debt recovery – All properties

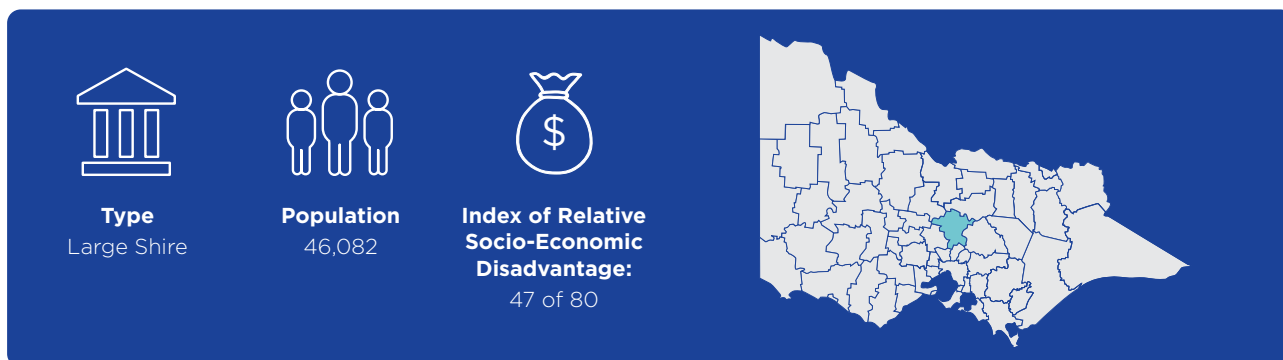
Debt collection agent:	Yes
Number of court actions:	111 in 2018-19 101 in 2019-20
Number of land sales:	0 in 2018-19 0 in 2019-20

### COVID rates help

Interest holds  
Interest-free deferrals and payment plans  
Rates relief packages of up to \$2,000 for business rates

# Mitchell Shire Council

## Rates and hardship practices



### Council rates – All properties

Rateable properties (assessments):	21,066 in 2019-20
Average rates:	\$1,805 in 2019-20
Budgeted income from rates:	63 per cent in 2019-20
Extra payment options:	Eleven monthly payments by direct debit

### Hardship relief – Primary residences

Hardship policy:	Yes
Rates waivers:	No
Deferrals:	Yes
Payment plans:	Yes
Interest rate:	Market interest for deferred amounts Penalty interest for payment plans
Interest waiver:	Yes

### Debt recovery – All properties

Debt collection agent:	Yes
Number of court actions:	115 in 2018-19 108 in 2019-20
Number of land sales:	0 in 2018-19 0 in 2019-20

### COVID rates help

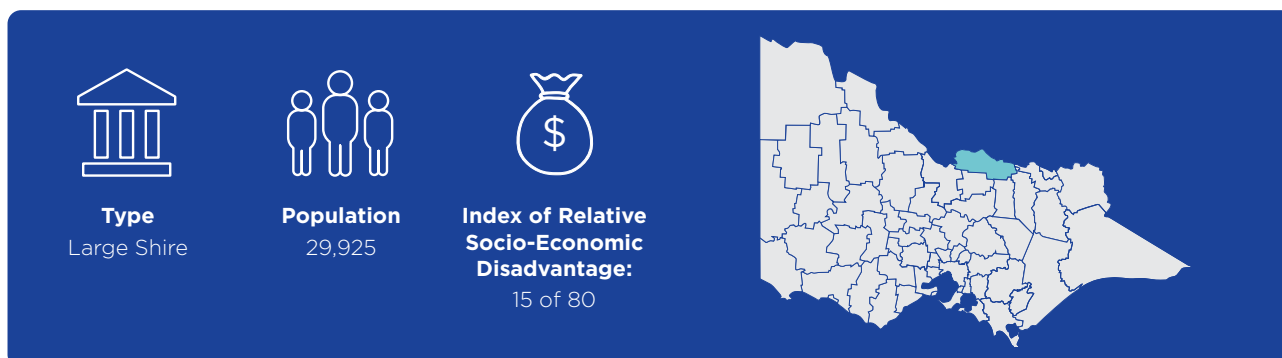
Interest hold  
Due date extension for 2019-20 rates



# Moira Shire Council

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## Rates and hardship practices



### Council rates – All properties

Rateable properties (assessments): 17,564 in 2019-20  
Average rates: \$1,673 in 2019-20  
Budgeted income from rates: 62 per cent in 2019-20  
Extra payment options: Weekly, fortnightly or 10 monthly instalments by direct debit

### Hardship relief – Primary residences

Hardship policy:	Yes
Rates waivers:	No
Deferrals:	Yes
Payment plans:	Yes
Interest rate:	Penalty interest
Interest waiver:	Yes

### Debt recovery – All properties

Debt collection agent:	Yes
Number of court actions:	40 in 2018-19 50 in 2019-20
Number of land sales:	4 in 2018-19 0 in 2019-20

### COVID rates help

Interest hold  
Interest-free deferrals and payment plans  
No court action for unpaid rates

# Monash City Council

## Rates and hardship practices



### Council rates – All properties

Rateable properties (assessments):	80,119 in 2019-20
Average rates:	\$1,529 in 2019-20
Budgeted income from rates:	66 per cent in 2019-20
Extra payment options:	Centrepay Nine monthly instalments

### Hardship relief – Primary residences

Hardship policy:	Yes
Rates waivers:	Yes (in exceptional circumstances)
Deferrals:	Yes
Payment plans:	Yes
Interest rate:	For deferred rates, zero interest for 'eligible recipient pensioners' and 2.5 per cent for other ratepayers Penalty interest for payment plans
Interest waiver:	Yes
Other:	Extra Council rebate for people eligible for State Government rates concession

### Debt recovery – All properties

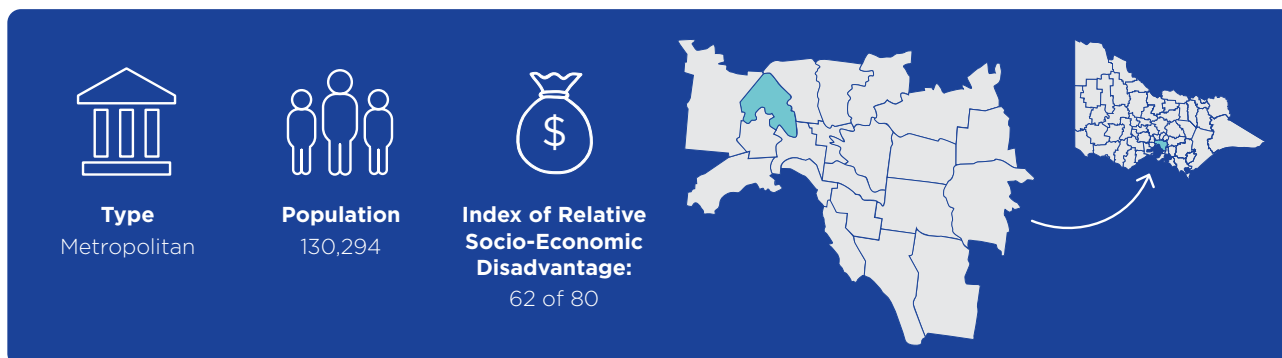
Debt collection agent:	Yes
Number of court actions:	57 in 2018-19 0 in 2019-20
Number of land sales:	0 in 2018-19 0 in 2019-20

### COVID rates help

Interest-free deferrals  
Ten per cent waiver for all ratepayers

# Moonee Valley City Council

## Rates and hardship practices



### Council rates – All properties

Rateable properties (assessments): 57,040 in 2019-20  
Average rates: \$1,823 in 2019-20  
Budgeted income from rates: 69 per cent in 2019-20  
Extra payment options: No

### Hardship relief – Primary residences

Hardship policy: Yes  
Rates waivers: No  
Deferrals: Yes  
Payment plans: Yes  
Interest rate: Penalty interest  
Interest waiver: Yes

### Debt recovery – All properties

Debt collection agent: Yes  
Number of court actions: 131 in 2018-19  
11 in 2019-20\*  
Number of land sales: 0 in 2018-19  
0 in 2019-20

### COVID rates help

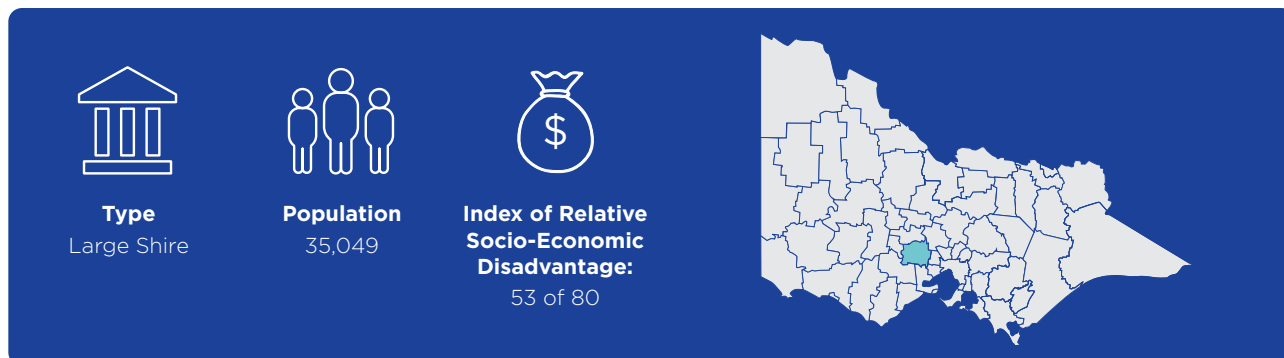
Interest hold  
Interest-free deferrals and payment plans  
No court action for unpaid rates

\* The Council's records differ from the Magistrates Court's records for these years. The number shown is based on the Council's records.

# Moorabool Shire Council

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## Rates and hardship practices



### Council rates – All properties

Rateable properties (assessments): 17,091 in 2019-20  
Average rates: \$1,763 in 2019-20  
Budgeted income from rates: 66 per cent in 2019-20  
Extra payment options: Ten monthly instalments by direct debit

### Hardship relief – Primary residences

Hardship policy: Yes  
Rates waivers: Yes  
Deferrals: Yes (capped at 10 per cent of Capital Improved Value)  
Payment plans: Yes  
Interest rate: Penalty interest  
Interest waiver: Yes

### Debt recovery – All properties

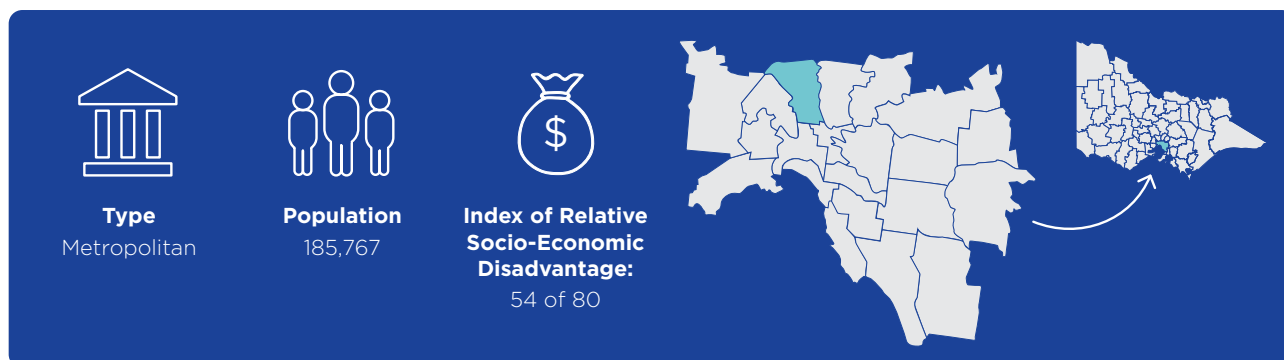
Debt collection agent: Yes  
Number of court actions: 35 in 2018-19  
22 in 2019-20  
Number of land sales: 2 in 2018-19  
0 in 2019-20

### COVID rates help

Interest hold  
Interest-free deferrals and payment plans  
No court action for unpaid rates

# Moreland City Council

## Rates and hardship practices



### Council rates – All properties

Rateable properties (assessments):	80,962 in 2019-20
Average rates:	\$1,714 in 2019-20
Budgeted income from rates:	72 per cent in 2019-20
Extra payment options:	Centrepay Ten monthly instalments by direct debit

### Hardship relief – Primary residences

Hardship policy:	Yes
Rates waivers:	Yes (in exceptional circumstances)
Deferrals:	Yes (may be capped at 50 per cent of Capital Improved Value)
Payment plans:	Yes
Interest rate:	Penalty interest
Interest waiver:	Yes

### Debt recovery – All properties

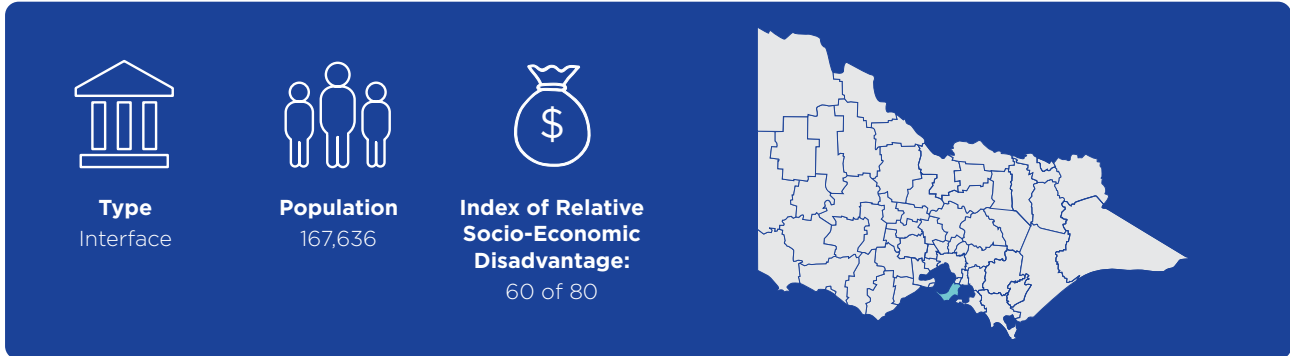
Debt collection agent:	Yes
Number of court actions:	224 in 2018-19 126 in 2019-20
Number of land sales:	0 in 2018-19 0 in 2019-20

### COVID rates help

- Interest hold
- Interest-free deferrals and payment plans
- No court action for unpaid rates
- Extra rebate for pensioners and Health Care Card holders

# Mornington Peninsula Shire Council

## Rates and hardship practices



### Council rates – All properties

Rateable properties (assessments): 101,863 in 2019-20  
Average rates: \$1,452 in 2019-20  
Budgeted income from rates: 77 per cent in 2019-20  
Extra payment options: Centrepay  
Nine monthly instalments by direct debit

### Hardship relief – Primary residences

Hardship policy: Yes  
Rates waivers: No  
Deferrals: Yes  
Payment plans: Yes (capped at 12 months)  
Interest rate: Penalty interest  
Interest waiver: Yes

### Debt recovery – All properties

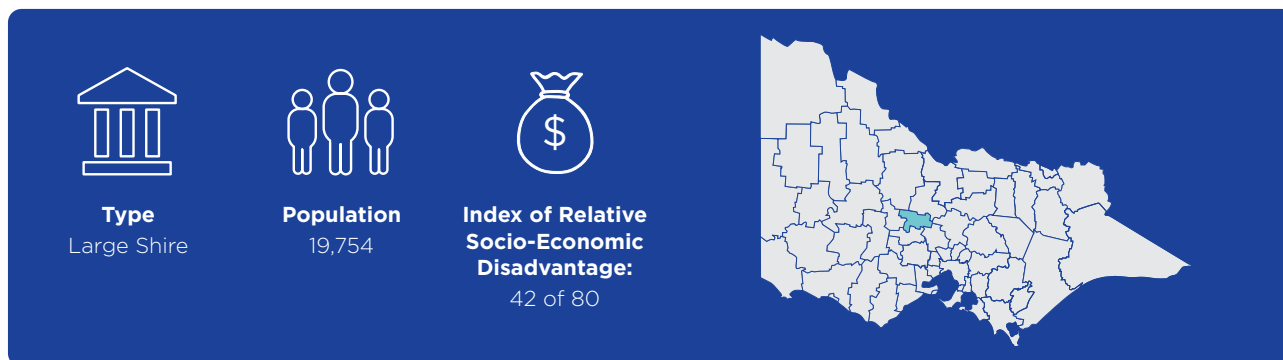
Debt collection agent: Yes  
Number of court actions: 121 in 2018-19  
0 in 2019-20  
Number of land sales: 0 in 2018-19  
0 in 2019-20

### COVID rates help

Interest hold for commercial ratepayers

# Mount Alexander Shire Council

## Rates and hardship practices



### Council rates – All properties

Rateable properties (assessments):	11,730 in 2019-20
Average rates:	\$1,650 in 2019-20
Budgeted income from rates:	65 per cent in 2019-20
Extra payment options:	Centrepay Monthly or fortnightly instalments by direct debit

### Hardship relief – Primary residences

Hardship policy:	Yes
Rates waivers:	Yes
Deferrals:	Yes (capped at six months)
Payment plans:	Yes
Interest rate:	No interest charged on deferred rates or payment plans
Interest waiver:	Yes

### Debt recovery – All properties

Debt collection agent:	Yes
Number of court actions:	14 in 2018-19 28 in 2019-20
Number of land sales:	0 in 2018-19 1 in 2019-20

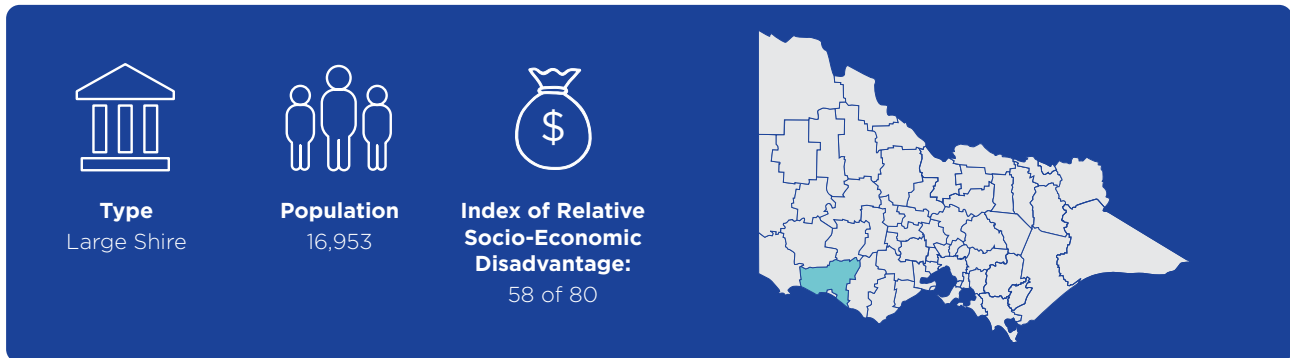
### COVID rates help

Interest hold  
Interest-free payment plans  
No court action for unpaid rates

# Moyne Shire Council

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## Rates and hardship practices



### Council rates - All properties

Rateable properties (assessments):	12,210 in 2019-20
Average rates:	\$1,480 in 2019-20
Budgeted income from rates:	49 per cent in 2019-20
Extra payment options:	Centrepay

### Hardship relief - Primary residences

Hardship policy:	No
Rates waivers:	No
Deferrals:	Yes
Payment plans:	Yes
Interest rate:	Penalty interest
Interest waiver:	No

### Debt recovery - All properties

Debt collection agent:	Yes
Number of court actions:	66 in 2018-19 36 in 2019-20
Number of land sales:	0 in 2018-19 0 in 2019-20

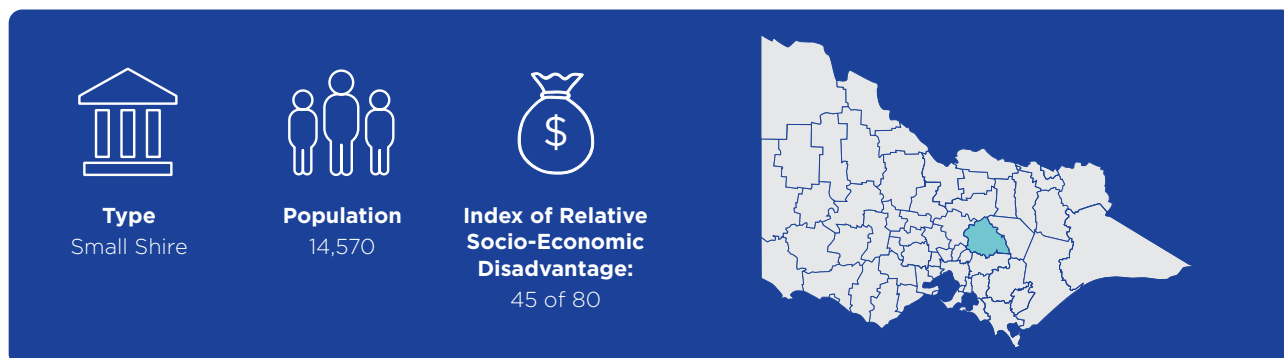
### COVID rates help

Zero per cent rate rise in 2020-21



# Murrindindi Shire Council

## Rates and hardship practices



### Council rates – All properties

Rateable properties (assessments):	9,909 in 2019-20
Average rates:	\$1,802 in 2019-20
Budgeted income from rates:	60 per cent in 2019-20
Extra payment options:	Fortnightly or monthly instalments by direct debit

### Hardship relief – Primary residences

Hardship policy:	Yes
Rates waivers:	Generally not
Deferrals:	Yes
Payment plans:	Yes
Interest rate:	Penalty interest
Interest waiver:	Yes

### Debt recovery – All properties

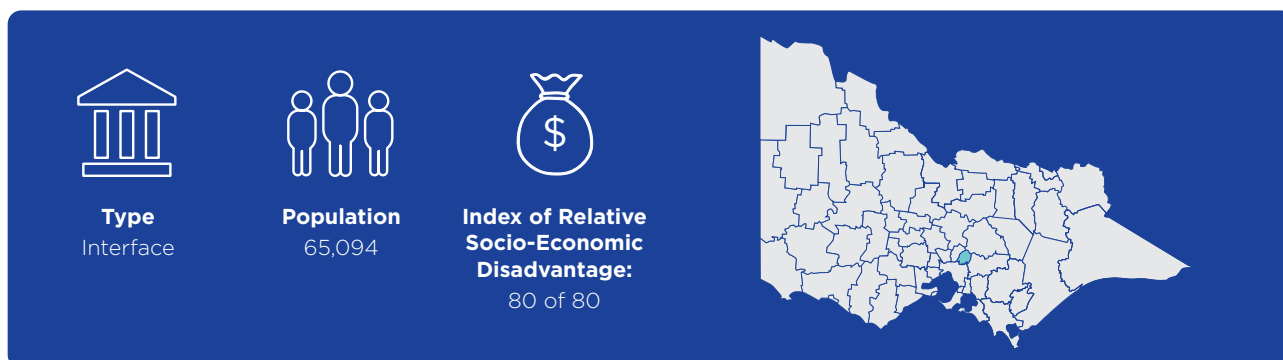
Debt collection agent:	Yes
Number of court actions:	0 in 2018-19 0 in 2019-20
Number of land sales:	0 in 2018-19 0 in 2019-20

### COVID rates help

Interest hold  
Interest-free deferrals and payment plans  
No court action for unpaid rates  
Zero per cent rate rise for 2020-21

# Nillumbik Shire Council

## Rates and hardship practices



### Council rates – All properties

Rateable properties (assessments):	23,627 in 2019-20
Average rates:	\$2,381 in 2019-20
Budgeted income from rates:	74 per cent in 2019-20
Extra payment options:	No

### Hardship relief – Primary residences

Hardship policy:	Yes
Rates waivers:	No
Deferrals:	Yes
Payment plans:	Yes
Interest rate:	Penalty interest for deferred rates For payment plans, no interest for first 12 months for pensioners and people on an approved financial hardship plan* Penalty interest for other payment plans
Interest waiver:	Yes (capped at 12 months)

### Debt recovery – All properties

Debt collection agent:	Yes
Number of court actions:	36 in 2018-19 34 in 2019-20
Number of land sales:	0 in 2018-19 0 in 2019-20

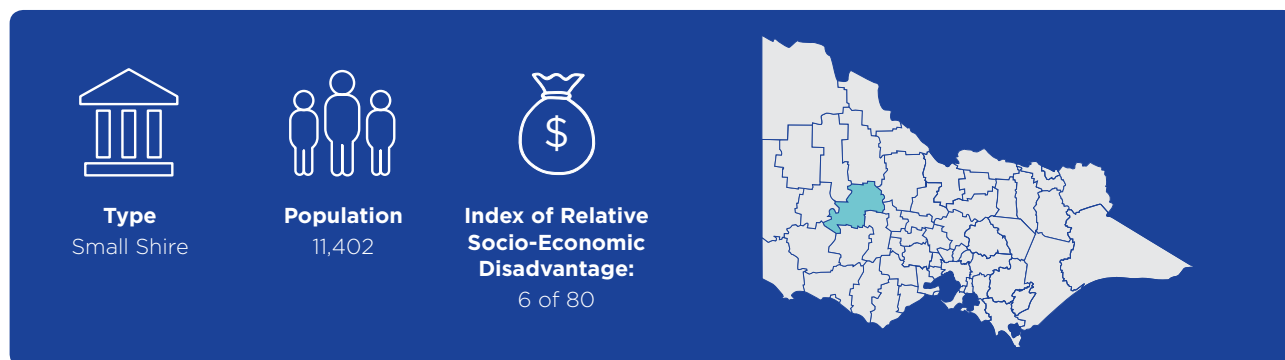
### COVID rates help

Interest hold  
Interest-free deferrals and payment plans  
Zero per cent rate rise for 2020-21

\* At the time this report was drafted, the Council's Financial Hardship Policy stated that interest is charged after the first 12 months at the penalty interest rate.

# Northern Grampians Shire Council

## Rates and hardship practices



### Council rates – All properties

Rateable properties (assessments):	9,342 in 2019-20
Average rates:	\$1,608 in 2019-20
Budgeted income from rates:	54 per cent in 2019-20
Extra payment options:	Monthly and fortnightly instalments by direct debit*

### Hardship relief – Primary residences

Hardship policy:	Yes
Rates waivers:	No
Deferrals:	Yes
Payment plans:	Yes
Interest rate:	Penalty interest
Interest waiver:	Yes

### Debt recovery – All properties

Debt collection agent:	Yes
Number of court actions:	7 in 2018-19 9 in 2019-20
Number of land sales:	0 in 2018-19 0 in 2019-20

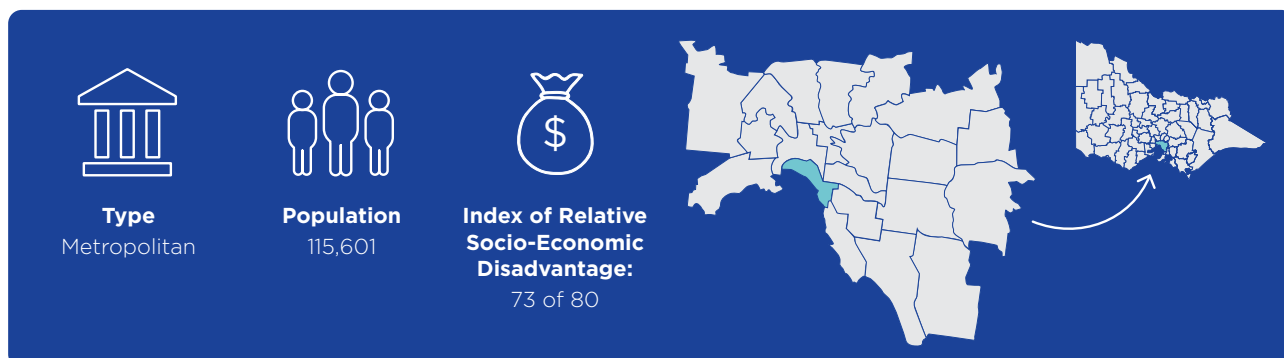
### COVID rates help

Interest hold  
Interest-free deferrals and payment plans  
No court action for unpaid rates

\* At the time this report was drafted, the Council's website and rates notices only mentioned fortnightly instalments, but the Council advised that monthly instalments are also available.

# Port Phillip City Council

## Rates and hardship practices



### Council rates - All properties

Rateable properties (assessments):	72,883 in 2019-20
Average rates:	\$1,755 in 2019-20
Budgeted income from rates:	58 per cent in 2019-20
Extra payment options:	Nine or ten monthly instalments*

### Hardship relief - Primary residences

Hardship policy:	Yes
Rates waivers:	Generally not (capped at \$1,000 if granted)
Deferrals:	Yes (except for aged pensioners and Seniors Card holders, deferrals are only granted until 30 June of the rating year)
Payment plans:	Yes
Interest rate:	50 per cent of penalty interest rate on deferred rates for aged pensioners and holders of Seniors Cards, Pensioner Concession Cards or Veterans' Affairs Gold Cards Penalty interest for other deferred rates and payment plans
Interest waiver:	Yes
Other:	Extra rebate for people eligible for the State Government rates concession

### Debt recovery - All properties

Debt collection agent:	Yes
Number of court actions:	37 in 2018-19 12 in 2019-20
Number of land sales:	0 in 2018-19 0 in 2019-20

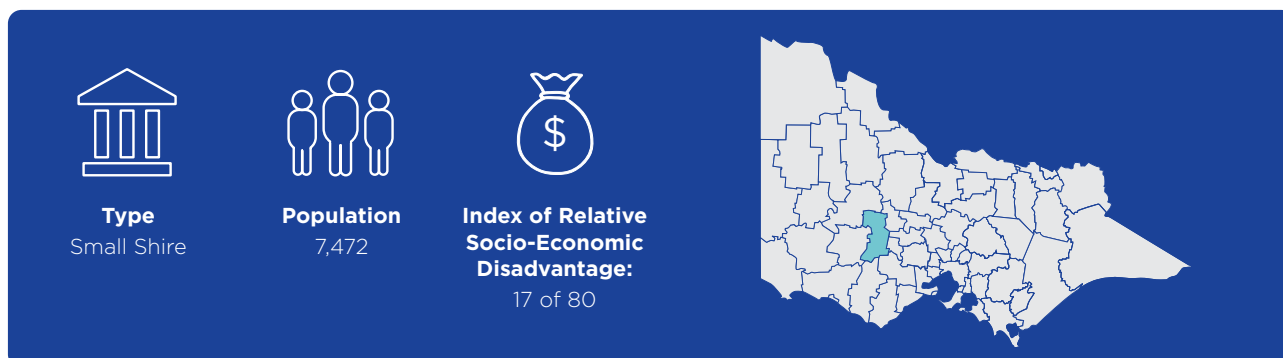
### COVID rates help

Interest-free deferrals and payment plans  
Rates waiver for residential owner-occupied properties (maximum of \$1,000)

\* Council advised that it usually offers ten monthly instalments, but this has been reduced to nine instalments for 2020-21. Additional payment options are also available for pensioners.

# Pyrenees Shire Council

## Rates and hardship practices



### Council rates – All properties

Rateable properties (assessments):	6,010 in 2019-20
Average rates:	\$1,407 in 2019-20
Budgeted income from rates:	47 per cent in 2019-20
Extra payment options:	Centrepay

### Hardship relief – Primary residences

Hardship policy:	Yes
Rates waivers:	No
Deferrals:	Yes
Payment plans:	Yes
Interest rate:	Penalty interest
Interest waiver:	Yes

### Debt recovery – All properties

Debt collection agent:	Yes
Number of court actions:	18 in 2018-19 12 in 2019-20
Number of land sales:	0 in 2018-19 3 in 2019-20

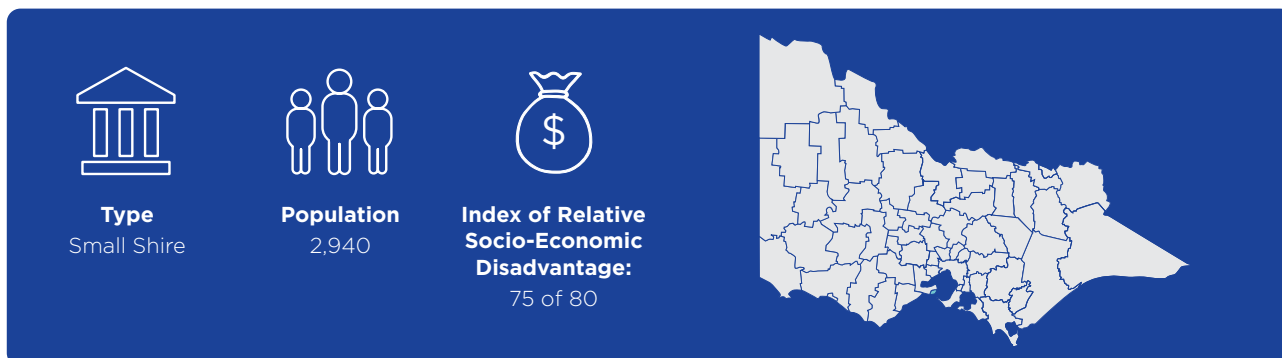
### COVID rates help

Interest-free deferrals  
No court action for unpaid rates

# Borough of Queenscliffe

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## Rates and hardship practices



### Council rates – All properties

Rateable properties (assessments):	3,083 in 2019-20
Average rates:	\$2,101 in 2019-20
Budgeted income from rates:	65 per cent in 2019-20
Extra payment options:	Centrepay

### Hardship relief – Primary residences

Hardship policy:	Yes
Rates waivers:	No
Deferrals:	Yes (capped at 50 per cent of Capital Improved Value)
Payment plans:	Yes
Interest rate:	Penalty interest
Interest waiver:	No

### Debt recovery – All properties

Debt collection agent:	Yes
Number of court actions:	1 in 2018-19 0 in 2019-20
Number of land sales:	0 in 2018-19 0 in 2019-20

### COVID rates help

Interest hold  
Interest-free deferrals and payment plans  
No court action for unpaid rates

# South Gippsland Shire Council

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## Rates and hardship practices



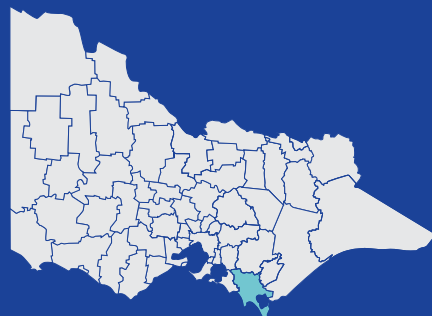
**Type**  
Large Shire



**Population**  
29,914



**Index of Relative  
Socio-Economic  
Disadvantage:**  
35 of 80



### Council rates – All properties

Rateable properties (assessments): 19,779 in 2019-20  
Average rates: \$2,014 in 2019-20  
Budgeted income from rates: 64 per cent in 2019-20  
Extra payment options: No

### Hardship relief – Primary residences

Hardship policy: Yes  
Rates waivers: No  
Deferrals: Yes  
Payment plans: Yes  
Interest rate: Penalty interest  
Interest waiver: Yes

### Debt recovery – All properties

Debt collection agent: Yes  
Number of court actions: 6 in 2018-19  
18 in 2019-20  
Number of land sales: 0 in 2018-19  
2 in 2019-20

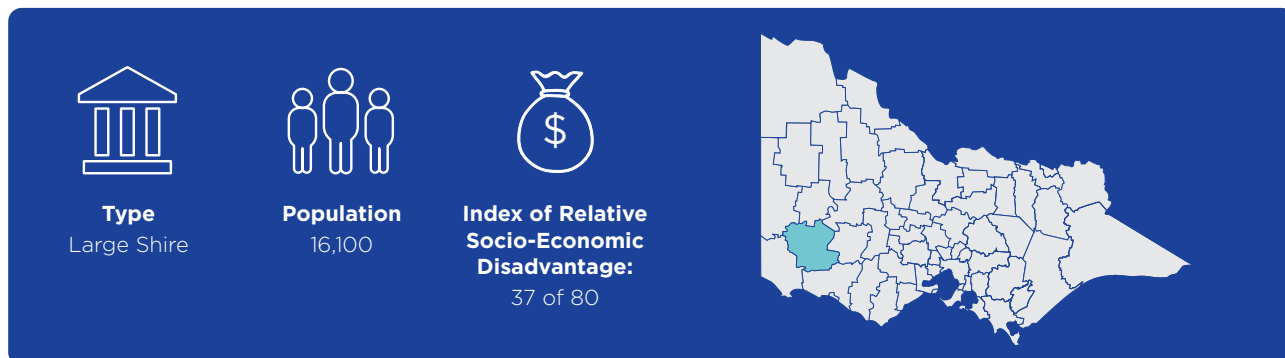
### COVID rates help

Interest-free deferrals

# Southern Grampians Shire Council

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## Rates and hardship practices



### Council rates – All properties

Rateable properties (assessments): 10,975 in 2019-20  
Average rates: \$1,707 in 2019-20  
Budgeted income from rates: 47 per cent in 2019-20  
Extra payment options: Weekly, fortnightly or monthly instalments by direct debit

### Hardship relief – Primary residences

Hardship policy:	Yes
Rates waivers:	No
Deferrals:	Yes
Payment plans:	Yes
Interest rate:	Penalty interest
Interest waiver:	Yes

### Debt recovery – All properties

Debt collection agent:	Yes
Number of court actions:	17 in 2018-19 15 in 2019-20
Number of land sales:	0 in 2018-19 0 in 2019-20

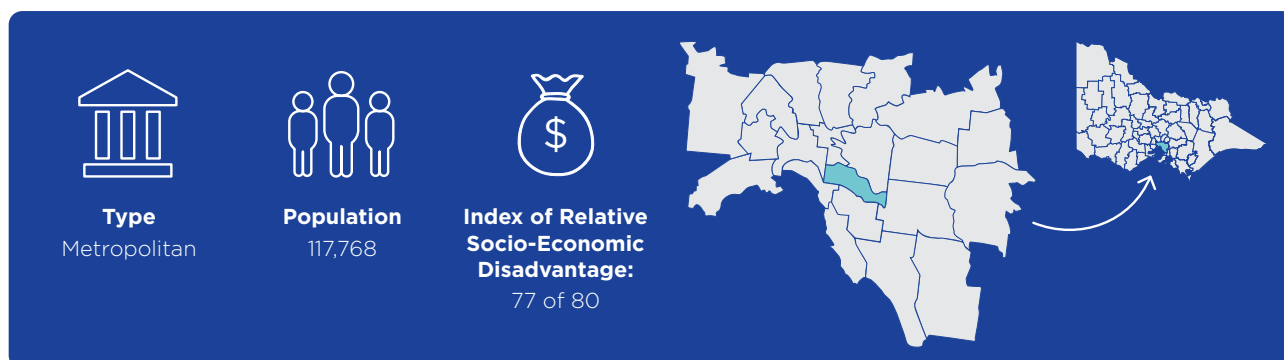
### COVID rates help

Interest hold on fourth 2019-20 instalment  
Interest-free deferrals and payment plans  
Two per cent reimbursement of 2020-21 rates on application



# Stonnington City Council

## Rates and hardship practices



### Council rates – All properties

Rateable properties (assessments):	64,456 in 2019-20
Average rates:	\$1,444 in 2019-20
Budgeted income from rates:	65 per cent in 2019-20
Extra payment options:	Centrepay

### Hardship relief – Primary residences

Hardship policy:	Yes
Rates waivers:	No
Deferrals:	Yes
Payment plans:	Yes
Interest rate:	Penalty interest
Interest waiver:	Yes

### Debt recovery – All properties

Debt collection agent:	Yes
Number of court actions:	204 in 2018-19 1 in 2019-20
Number of land sales:	0 in 2018-19 0 in 2019-20

### COVID rates help

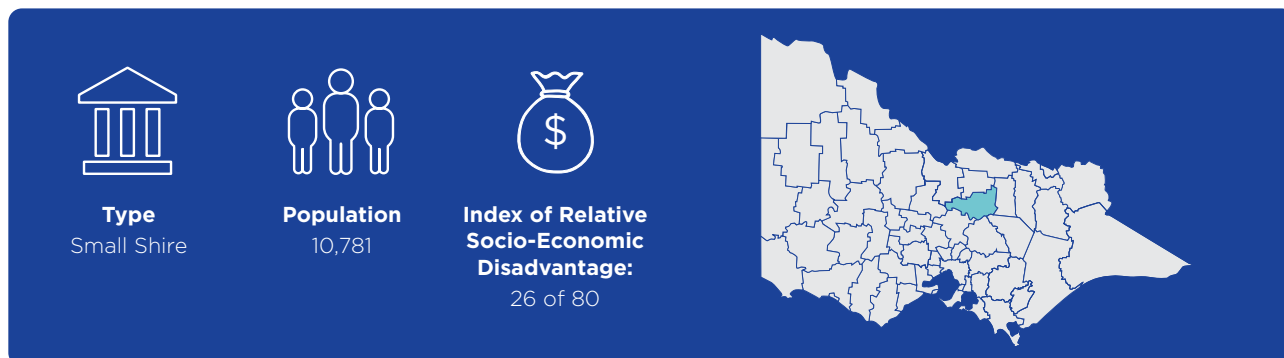
Interest hold

Interest-free deferrals and payment plans

Two per cent rate waiver (to offset two per cent rate rise in 2020-21. In effect, this meant there was no increase in Council rates in 2020-21)

# Strathbogie Shire Council

## Rates and hardship practices



### Council rates – All properties

Rateable properties (assessments):	7,606 in 2019-20
Average rates:	\$2,142 in 2019-20
Budgeted income from rates:	63 per cent in 2019-20
Extra payment options:	No

### Hardship relief – Primary residences

Hardship policy:	Yes
Rates waivers:	No
Deferrals:	Yes
Payment plans:	Yes
Interest rate:	Penalty interest
Interest waiver:	Yes

### Debt recovery – All properties

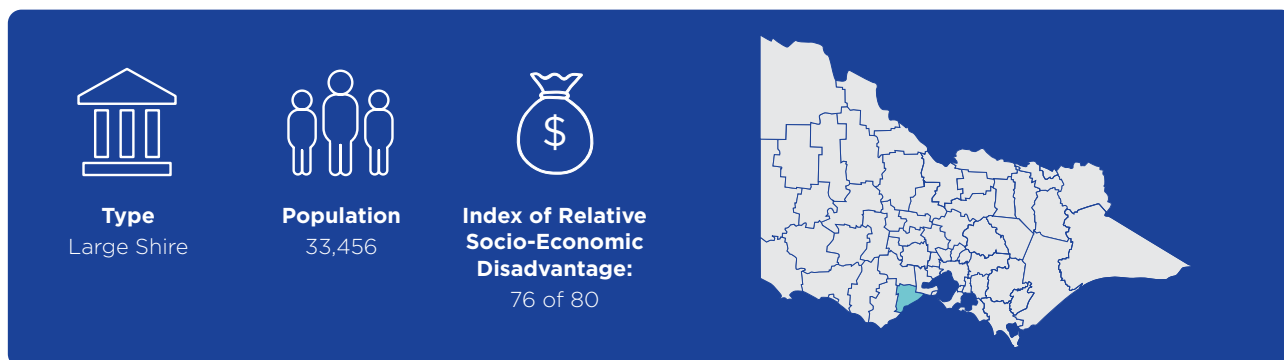
Debt collection agent:	Yes
Number of court actions:	20 in 2018-19 18 in 2019-20
Number of land sales:	0 in 2018-19 0 in 2019-20

### COVID rates help

Interest hold

# Surf Coast Shire Council

## Rates and hardship practices



### Council rates – All properties

Rateable properties (assessments):	22,347 in 2019-20
Average rates:	\$2,033 in 2019-20
Budgeted income from rates:	68 per cent in 2019-20
Extra payment options:	Ten monthly instalments by direct debit

### Hardship relief – Primary residences

Hardship policy:	Yes
Rates waivers:	Yes
Deferrals:	Yes
Payment plans:	Yes
Interest rate:	No more than cash rate plus one per cent for deferred rates Penalty interest for payment plans
Interest waiver:	No

### Debt recovery – All properties

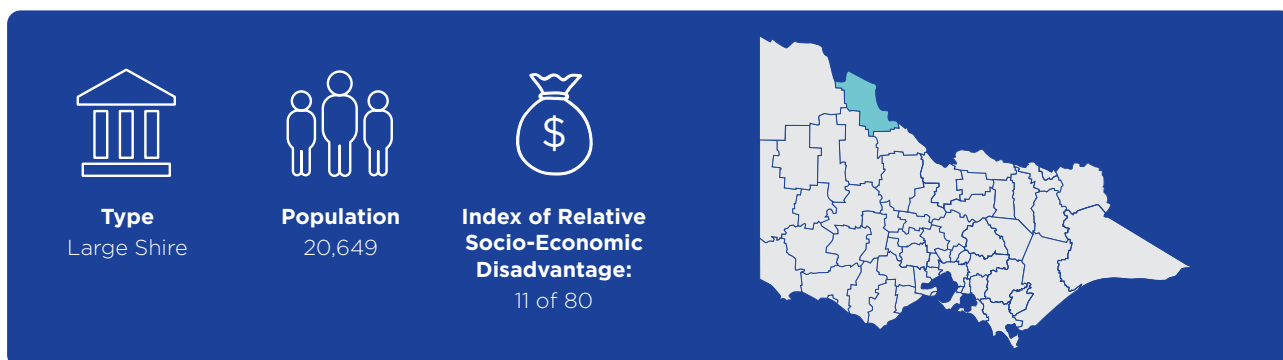
Debt collection agent:	Yes
Number of court actions:	0 in 2018-19 2 in 2019-20
Number of land sales:	0 in 2018-19 0 in 2019-20

### COVID rates help

- Interest hold
- Interest-free deferrals and payment plans
- Rates waiver in exceptional circumstances
- No court action for unpaid rates

# Swan Hill Rural City Council

## Rates and hardship practices



### Council rates – All properties

Rateable properties (assessments):	12,002 in 2019-20
Average rates:	\$2,029 in 2019-20
Budgeted income from rates:	54 per cent in 2019-20
Extra payment options:	Centrepay Weekly, fortnightly or monthly instalments by direct debit

### Hardship relief – Primary residences

Hardship policy:	Yes
Rates waivers:	Yes (in circumstances of 'dire financial hardship' or where commercial decision made not to pursue debt)
Deferrals:	Yes (in long term cases of extreme financial hardship)
Payment plans:	Yes
Interest rate:	Penalty interest
Interest waiver:	Yes

### Debt recovery – All properties

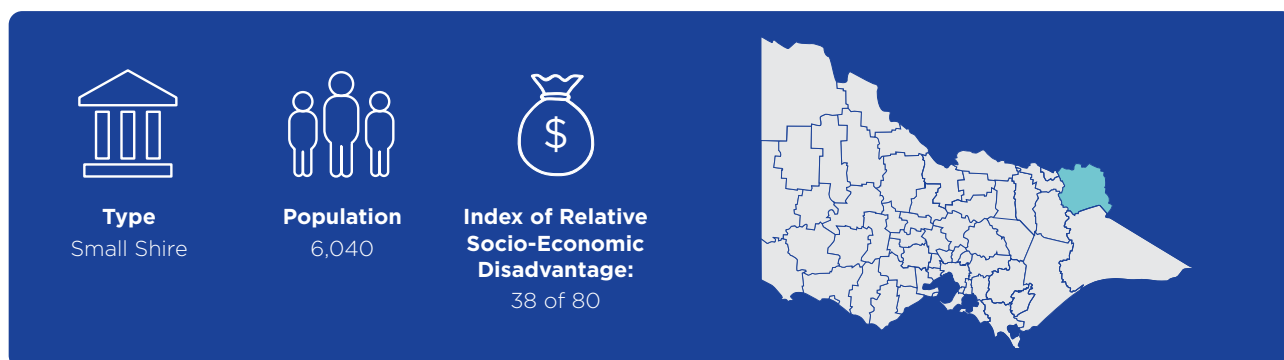
Debt collection agent:	Yes
Number of court actions:	1 in 2018-19 0 in 2019-20
Number of land sales:	0 in 2018-19 0 in 2019-20

### COVID rates help

Interest-free deferrals and payment plans

# Towong Shire Council

## Rates and hardship practices



### Council rates – All properties

Rateable properties (assessments):	4,480 in 2019-20*
Average rates:	\$1,722 in 2019-20
Budgeted income from rates:	34 per cent in 2019-20
Extra payment options:	No

### Hardship relief – Primary residences

Hardship policy:	Yes**
Rates waivers:	No
Deferrals:	No
Payment plans:	Yes
Interest rate:	Penalty interest
Interest waiver:	No
Other:	Rates relief for ratepayers impacted by 2019-20 bushfires

### Debt recovery – All properties

Debt collection agent:	Yes
Number of court actions:	4 in 2018-19 0 in 2019-20
Number of land sales:	0 in 2018-19 0 in 2019-20

### COVID rates help

Interest hold  
Interest-free deferrals and payment plans  
Zero per cent rate rise for 2020-21

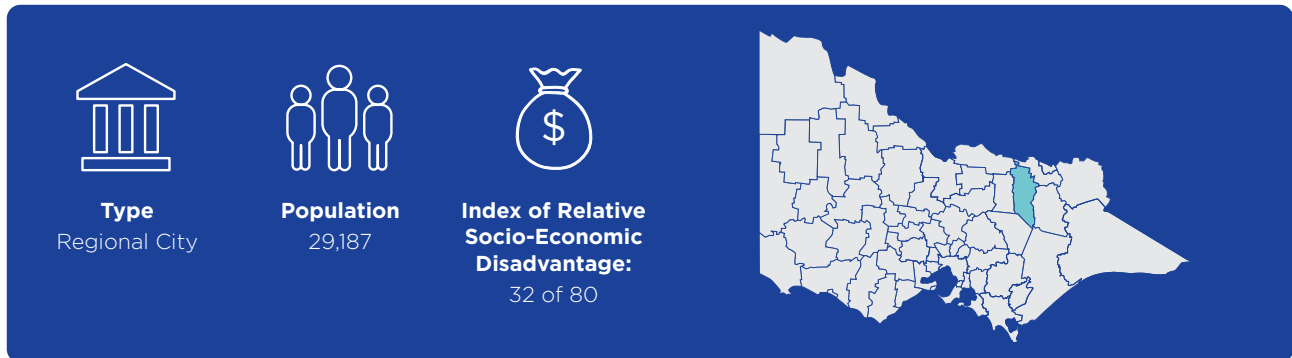
\* The Council's 2019-20 budget listed the number of assessments as 4,905. This included non-rateable properties. The Council advised the correct figure is 4,480.

\*\* The Council provided a written policy for its COVID rates assistance, but not a general hardship policy.

# Wangaratta Rural City Council

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## Rates and hardship practices



### Council rates - All properties

Rateable properties (assessments):	15,659 in 2019-20
Average rates:	\$1,725 in 2019-20
Budgeted income from rates:	49 per cent in 2019-20
Extra payment options:	Weekly, fortnightly or monthly instalments by direct debit

### Hardship relief - Primary residences

Hardship policy:	Yes
Rates waivers:	No
Deferrals:	Yes
Payment plans:	Yes
Interest rate:	Penalty interest
Interest waiver:	Yes

### Debt recovery - All properties

Debt collection agent:	Yes
Number of court actions:	31 in 2018-19 36 in 2019-20
Number of land sales:	0 in 2018-19 0 in 2019-20

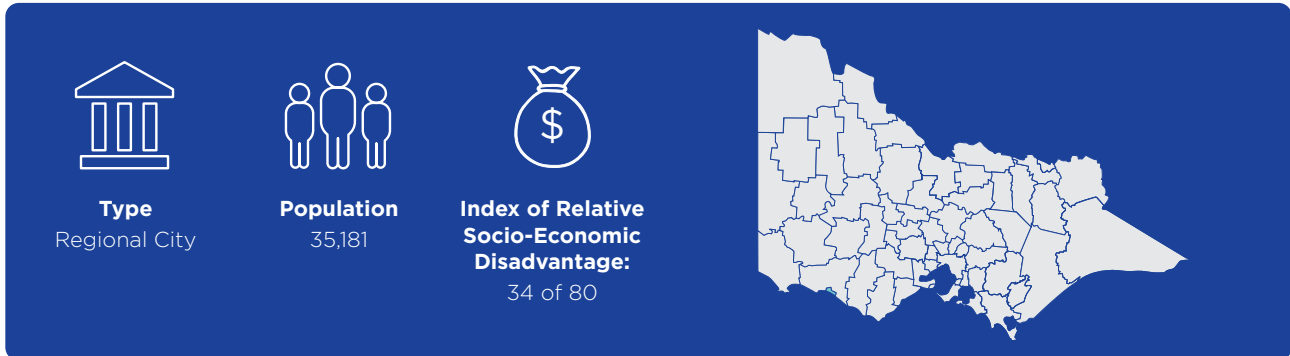
### COVID rates help

Interest hold  
Interest-free payment plans

# Warrnambool City Council

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## Rates and hardship practices



### Council rates – All properties

Rateable properties (assessments):	17,383 in 2019-20
Average rates:	\$1,946 in 2019-20
Budgeted income from rates:	55 per cent in 2019-20
Extra payment options:	No

### Hardship relief – Primary residences

Hardship policy:	Yes
Rates waivers:	Yes
Deferrals:	Yes
Payment plans:	Yes
Interest rate:	Penalty interest
Interest waiver:	Yes

### Debt recovery – All properties

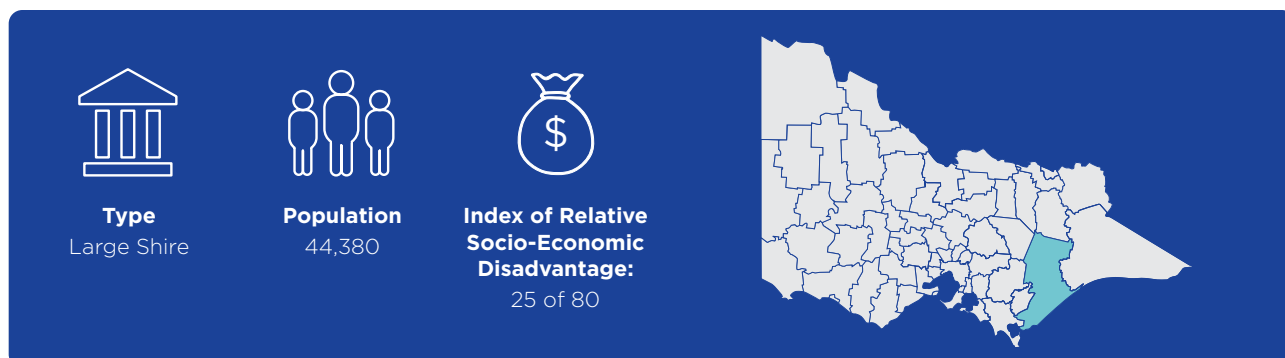
Debt collection agent:	Yes
Number of court actions:	26 in 2018-19 37 in 2019-20
Number of land sales:	0 in 2018-19 0 in 2019-20

### COVID rates help

Interest-free deferrals

# Wellington Shire Council

## Rates and hardship practices



### Council rates – All properties

Rateable properties (assessments):	32,478 in 2019-20
Average rates:	\$1,695 in 2019-20
Budgeted income from rates:	63 per cent in 2019-20
Extra payment options:	Nine monthly instalments by direct debit

### Hardship relief – Primary residences

Hardship policy:	Yes
Rates waivers:	Generally not
Deferrals:	Yes
Payment plans:	Yes
Interest rate:	Penalty interest
Interest waiver:	Yes

### Debt recovery – All properties

Debt collection agent:	Yes
Number of court actions:	116 in 2018-19* 0 in 2019-20
Number of land sales:	3 in 2018-19 1 in 2019-20

### COVID rates help

Interest hold  
Zero per cent rate rise for 2020-21

\* The Council's records differ slightly from the Magistrates Court's records for this year. The number shown is based on the Council's advice.



# West Wimmera Shire Council

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## Rates and hardship practices



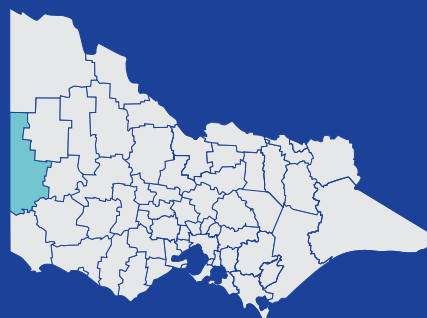
**Type**  
Small Shire



**Population**  
3,841



**Index of Relative  
Socio-Economic  
Disadvantage:**  
33 of 80



### Council rates – All properties

Rateable properties (assessments): 4,729 in 2019-20  
Average rates: \$1,545 in 2019-20  
Budgeted income from rates: 38 per cent in 2019-20  
Extra payment options: No

### Hardship relief – Primary residences

Hardship policy: Yes  
Rates waivers: Yes  
Deferrals: Yes  
Payment plans: Yes  
Interest rate: Penalty interest  
Interest waiver: Yes

### Debt recovery – All properties

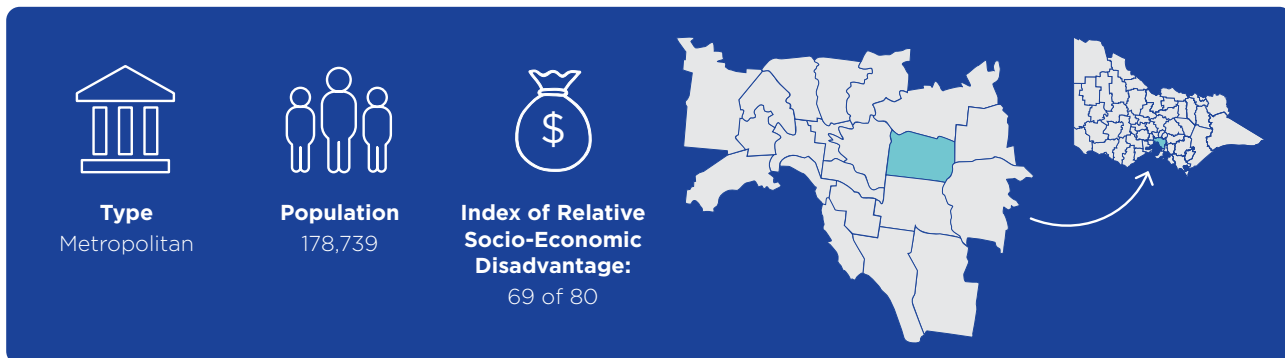
Debt collection agent: Yes  
Number of court actions: 0 in 2018-19  
0 in 2019-20  
Number of land sales: 3 in 2018-19  
0 in 2019-20

### COVID rates help

Interest hold  
Interest-free deferrals and payment plans  
No court action for unpaid rates

# Whitehorse City Council

## Rates and hardship practices



### Council rates – All properties

Rateable properties (assessments):	74,341 in 2019-20
Average rates:	\$1,584 in 2019-20
Budgeted income from rates:	60 per cent in 2019-20
Extra payment options:	No

### Hardship relief – Primary residences

Hardship policy:	Yes
Rates waivers:	No
Deferrals:	Yes
Payment plans:	Yes
Interest rate:	Penalty interest minus five per cent
Interest waiver:	Yes

### Debt recovery – All properties

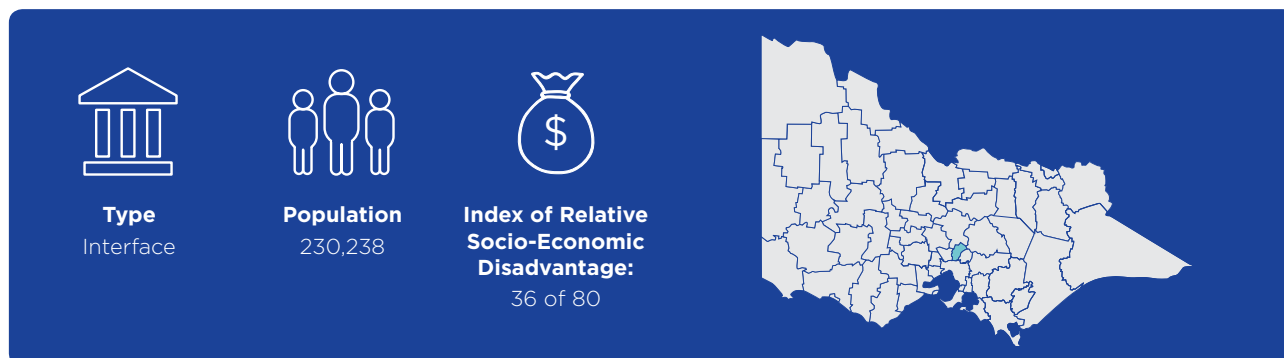
Debt collection agent:	Yes
Number of court actions:	342 in 2018-19 55 in 2019-20
Number of land sales:	0 in 2018-19 0 in 2019-20

### COVID rates help

Interest hold and reductions  
Due date extension for some rates instalments  
Deferrals and payment plans at reduced interest  
Online payment calculator (which helps ratepayers work out the minimum payments they need to make to pay their rates in full by 31 May 2021)

# Whittlesea City Council

## Rates and hardship practices



### Council rates – All properties

Rateable properties (assessments):	87,075 in 2019-20
Average rates:	\$1,674 in 2019-20
Budgeted income from rates:	70 per cent in 2019-20
Extra payment options:	18 fortnightly or nine monthly instalments Monthly instalments on set dates by direct debit

### Hardship relief – Primary residences

Hardship policy:	Yes
Rates waivers:	Yes (in exceptional circumstances)*
Deferrals:	Yes (capped at three rating years)**
Payment plans:	Yes
Interest rate:	Penalty interest
Interest waiver:	Yes

### Debt recovery – All properties

Debt collection agent:	Yes
Number of court actions:	533 in 2018-19 39 in 2019-20
Number of land sales:	0 in 2018-19 0 in 2019-20

### COVID rates help

Interest hold  
Interest-free deferrals and payment plans

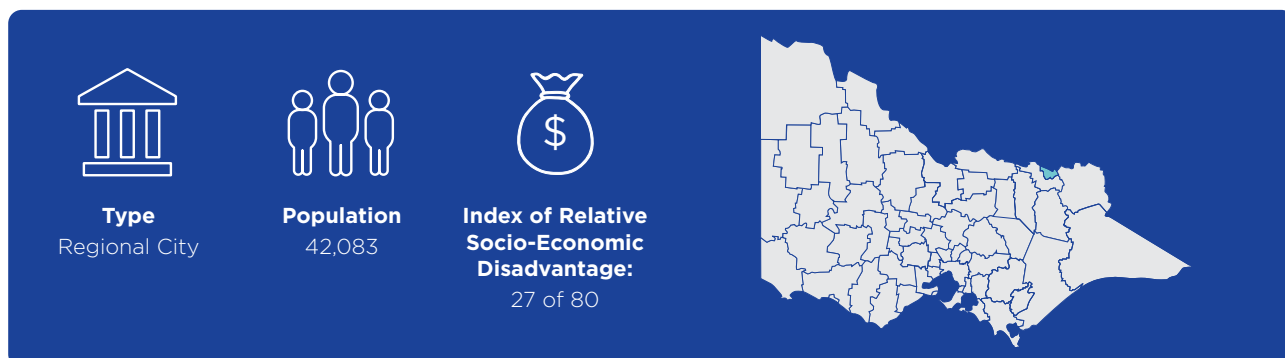
\* When this report was drafted, Council's Financial Hardship Policy for Residential Property Owners (Municipal Rates & Charges) stated 'Council will only consider the waiving of rates and charges (partial or whole) in exceptional circumstances and only by way of Council resolution.' The Council advised that waivers are assessed on application.

\*\* When this report was drafted, Council's Policy stated 'A deferral (partial or whole) may be for a defined period of up to three rating years only by way of Council resolution.' The Council advised that deferrals are also assessed on application.

# Wodonga City Council

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## Rates and hardship practices



### Council rates – All properties

Rateable properties (assessments): 19,669 in 2019-20  
Average rates: \$1,991 in 2019-20  
Budgeted income from rates: 72 per cent in 2019-20  
Extra payment options: Nine monthly instalments by direct debit

### Hardship relief – Primary residences

Hardship policy: Yes  
Rates waivers: Yes (in extreme circumstances)  
Deferrals: Yes  
Payment plans: Yes  
Interest rate: Penalty interest  
Interest waiver: Yes

### Debt recovery – All properties

Debt collection agent: Yes  
Number of court actions: 27 in 2018-19  
18 in 2019-20  
Number of land sales: 0 in 2018-19  
0 in 2019-20

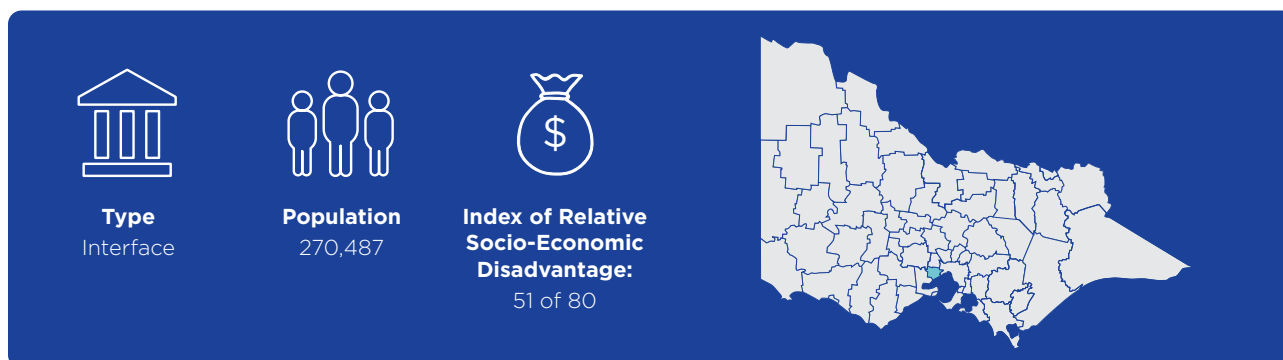
### COVID rates help

Interest hold  
Interest-free payment plans  
No debt recovery for unpaid rates  
Zero per cent rate rise for 2020-21

# Wyndham City Council

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## Rates and hardship practices



### Council rates – All properties

Rateable properties (assessments): 101,208 in 2019-20  
Average rates: \$1,789 in 2019-20  
Budgeted income from rates: 61 per cent in 2019-20  
Extra payment options: Monthly or fortnightly instalments by direct debit

### Hardship relief – Primary residences

Hardship policy: Yes  
Rates waivers: Yes (in extreme hardship situations)  
Deferrals: Yes  
Payment plans: Yes  
Interest rate: Penalty interest  
Interest waiver: Yes

### Debt recovery – All properties

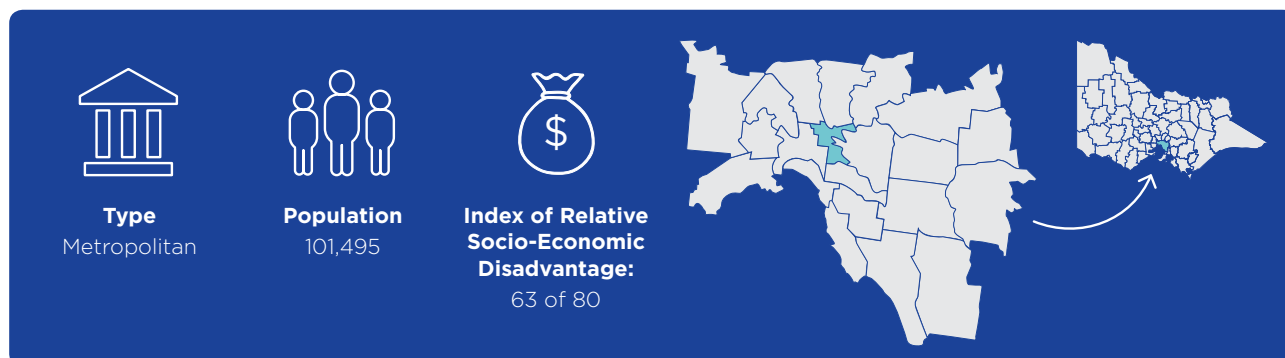
Debt collection agent: Yes  
Number of court actions: 664 in 2018-19  
541 in 2019-20  
Number of land sales: 0 in 2018-19  
0 in 2019-20

### COVID rates help

Interest-free deferrals and payment plans  
Extra rebates for pensioners and people receiving JobSeeker  
No court action for unpaid rates

# Yarra City Council

## Rates and hardship practices



### Council rates – All properties

Rateable properties (assessments):	54,579 in 2019-20
Average rates:	\$2,031 in 2019-20
Budgeted income from rates:	60 per cent in 2019-20
Extra payment options:	Ten monthly instalment by direct debit

### Hardship relief – Primary residences

Hardship policy:	Yes
Rates waivers:	Yes
Deferrals:	Yes
Payment plans:	Yes
Interest rate:	Usually penalty interest but depends on recommendation from ratepayer's financial counsellor
Interest waiver:	Yes

### Debt recovery – All properties

Debt collection agent:	Yes
Number of court actions:*	168 in 2018-19 23 in 2019-20
Number of land sales:	0 in 2018-19 0 in 2019-20

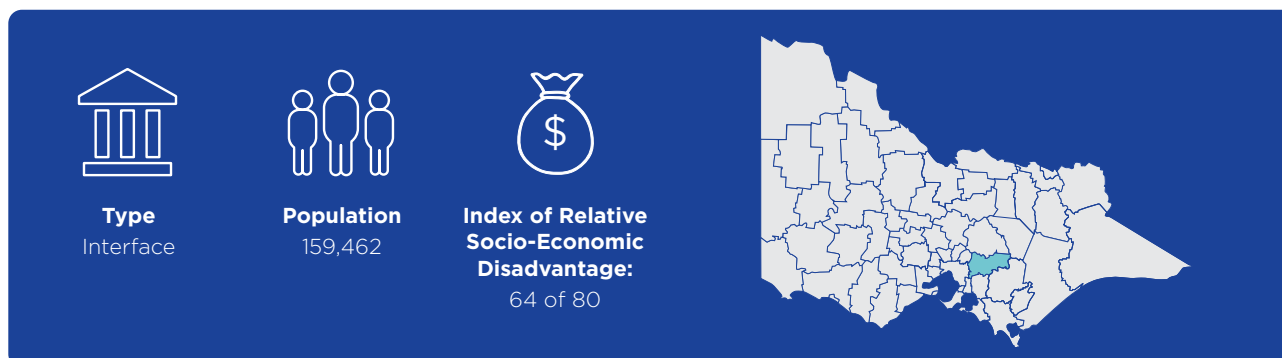
### COVID rates help

Interest-free deferrals and payment plans  
Extra rebate for people with a Pensioner Concession Card or Veterans' Affairs Gold Card  
No court action for unpaid rates

\* See paragraph 248 of the report. The Council advised the investigation that its records differ from the Magistrate Court data but it could not provide its own data in the time available.

# Yarra Ranges Shire Council

## Rates and hardship practices



### Council rates – All properties

Rateable properties (assessments):	65,693 in 2019-20
Average rates:	\$1,907 in 2019-20
Budgeted income from rates:	75 per cent in 2019-20
Extra payment options:	Fortnightly or monthly instalments by direct debit

### Hardship relief – Primary residences

Hardship policy:	Yes
Rates waivers:	No*
Deferrals:	Yes
Payment plans:	Yes
Interest rate:	No penalty interest for 12 months where ratepayer has rates deferred under a financial hardship agreement (ratepayer can reapply after 12 months) Penalty interest in other cases
Interest waiver:	Yes

### Debt recovery – All properties

Debt collection agent:	Yes
Number of court actions:	378 in 2018-19 75 in 2019-20
Number of land sales:	0 in 2018-19 0 in 2019-20

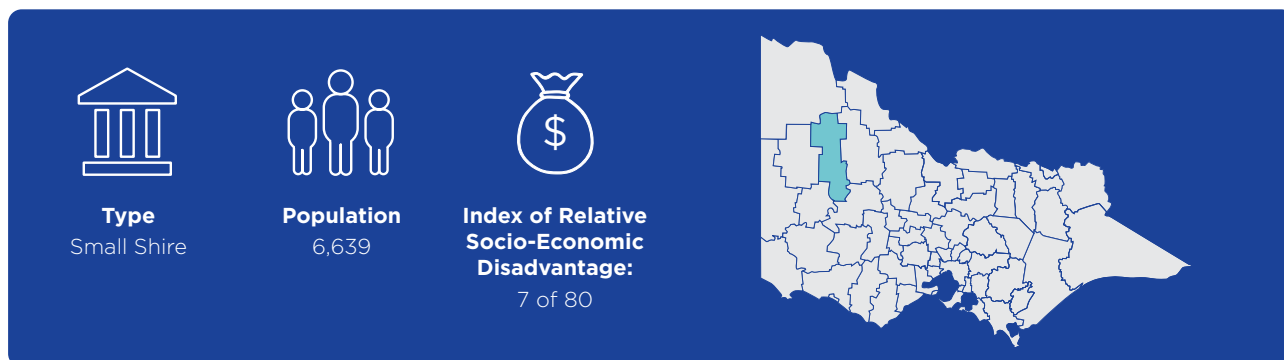
### COVID rates help

- Interest hold
- Interest-free deferrals and payment plans
- No court action for unpaid rates
- Waivers to maintain rates at 2019-20 level

\* When this report was drafted, the Council's Rates Recovery and Financial Hardship Policy stated 'Where Ratepayers are unable to make their rate payments on time or at all, they can make application for deferral or waiver. If Council is satisfied that any applicant will suffer financial hardship, consideration will be given to deferral or waiver (or a combination of both).' Council advised it offered waivers as part of its COVID rates assistance but does not offer rates waivers in other circumstances.

# Yarriambiack Shire Council

## Rates and hardship practices



### Council rates – All properties

Rateable properties (assessments):	6,939 in 2019-20
Average rates:	\$1,634 in 2019-20
Budgeted income from rates:	50 per cent in 2019-20
Extra payment options:	Centrepay

### Hardship relief – Primary residences

Hardship policy:	Yes
Rates waivers:	Yes (in exceptional circumstances)
Deferrals:	Yes (if ratepayer enters a payment plan)
Payment plans:	Yes
Interest rate:	Penalty interest
Interest waiver:	Yes

### Debt recovery – All properties

Debt collection agent:	Yes
Number of court actions:	0 in 2018-19 2 in 2019-20
Number of land sales:	0 in 2018-19 0 in 2019-20

### COVID rates help

Interest hold  
Due date extension for 2019-20 rates  
Interest-free deferrals and payment plans  
No court action for unpaid rates





## Victorian Ombudsman's Parliamentary Reports tabled since April 2014

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### 2021

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Investigation into the Department of Jobs, Precincts and Regions' administration of the Business Support Fund

April 2021

Outsourcing of parking fine internal reviews – a follow-up report

March 2021

Investigation of protected disclosure complaints regarding the former Principal of a Victorian public school

February 2021

### 2020

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Investigation into the detention and treatment of public housing residents arising from a COVID-19 'hard lockdown' in July 2020

December 2020

Investigation into complaints about assaults of five children living in Child Protection residential care units.

October 2020

Investigation into corporate credit card misuse at Warrnambool City Council

October 2020

Investigation into review of parking fines by the City of Melbourne.

September 2020

Investigation into the planning and delivery of the Western Highway duplication project

July 2020

Ombudsman's recommendations – third report

June 2020

Investigations into allegations of nepotism in government schools

May 2020

Investigation of alleged improper conduct by Executive Officers at Ballarat City Council

May 2020

Investigation into three councils' outsourcing of parking fine internal reviews

February 2020

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## 2019

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Investigation of matters referred from the Legislative Assembly on 8 August 2018

December 2019

WorkSafe 2: Follow-up investigation into the management of complex workers compensation claims

December 2019

Investigation into improper conduct by a Council employee at the Mildura Cemetery Trust

November 2019

Revisiting councils and complaints

October 2019

OPCAT in Victoria: A thematic investigation of practices related to solitary confinement of children and young people

September 2019

Investigation into Wellington Shire Council's handling of Ninety Mile Beach subdivisions

August 2019

Investigation into State Trustees

June 2019

Investigation of a complaint about Ambulance Victoria

May 2019

Fines Victoria complaints

April 2019

VicRoads complaints

February 2019

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## 2018

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Investigation into the imprisonment of a woman found unfit to stand trial

October 2018

Investigation into allegations of improper conduct by officers at Goulburn Murray Water

October 2018

Investigation of three protected disclosure complaints regarding Bendigo South East College

September 2018

Investigation of allegations referred by Parliament's Legal and Social Issues Committee, arising from its inquiry into youth justice centres in Victoria

September 2018

Complaints to the Ombudsman: resolving them early

July 2018

Ombudsman's recommendations – second report

July 2018

Investigation into child sex offender Robert Whitehead's involvement with Puffing Billy and other railway bodies

June 2018

Investigation into the administration of the Fairness Fund for taxi and hire car licence holders

June 2018

Investigation into Maribyrnong City Council's internal review practices for disability parking infringements

April 2018

Investigation into Wodonga City Council's overcharging of a waste management levy

April 2018

Investigation of a matter referred from the Legislative Council on 25 November 2015

March 2018

## Victorian Ombudsman's Parliamentary Reports tabled since April 2014

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### 2017

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Investigation into the financial support provided to kinship carers

December 2017

Implementing OPCAT in Victoria: report and inspection of the Dame Phyllis Frost Centre

November 2017

Investigation into the management of maintenance claims against public housing tenants

October 2017

Investigation into the management and protection of disability group home residents by the Department of Health and Human Services and Autism Plus

September 2017

Enquiry into the provision of alcohol and drug rehabilitation services following contact with the criminal justice system

September 2017

Investigation into Victorian government school expulsions

August 2017

Report into allegations of conflict of interest of an officer at the Metropolitan Fire and Emergency Services Board

June 2017

Apologies

April 2017

Investigation into allegations of improper conduct by officers at the Mount Buller and Mount Stirling Resort Management Board

March 2017

Report on youth justice facilities at the Grevillea unit of Barwon Prison, Malmsbury and Parkville

February 2017

Investigation into the Registry of Births, Deaths and Marriages' handling of a complaint

January 2017

### 2016

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Investigation into the transparency of local government decision making

December 2016

Ombudsman enquiries: Resolving complaints informally

October 2016

Investigation into the management of complex workers compensation claims and WorkSafe oversight

September 2016

Report on recommendations

June 2016

Investigation into Casey City Council's Special Charge Scheme for Market Lane

June 2016

Investigation into the misuse of council resources

June 2016

Investigation into public transport fare evasion enforcement

May 2016

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## 2015

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Reporting and investigation of allegations of abuse in the disability sector: Phase 2 – incident reporting

December 2015

Investigation of a protected disclosure complaint regarding allegations of improper conduct by councillors associated with political donations

November 2015

Investigation into the rehabilitation and reintegration of prisoners in Victoria

September 2015

Conflict of interest by an Executive Officer in the Department of Education and Training

September 2015

Reporting and investigation of allegations of abuse in the disability sector: Phase 1 – the effectiveness of statutory oversight

June 2015

Investigation into allegations of improper conduct by officers of VicRoads

June 2015

Investigation into Department of Health oversight of Mentone Gardens, a Supported Residential Service

April 2015

Councils and complaints – A report on current practice and issues

February 2015

Investigation into an incident of alleged excessive force used by authorised officers

February 2015

## 2014

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Investigation following concerns raised by Community Visitors about a mental health facility

October 2014

Investigation into allegations of improper conduct in the Office of Living Victoria

August 2014

Victorian Ombudsman  
Level 2, 570 Bourke Street  
Melbourne VIC 3000

Phone 03 9613 6222  
Email [complaints@ombudsman.vic.gov.au](mailto:complaints@ombudsman.vic.gov.au)  
[www.ombudsman.vic.gov.au](http://www.ombudsman.vic.gov.au)