



Victoria Government Gazette

No. S 747 Wednesday 24 December 2025
By Authority of Victorian Government Printer

Local Government Act 1989

MINISTERIAL GUIDELINES RELATING TO PAYMENT OF RATES AND CHARGES

I, the Honourable Nick Staikos MP, Minister for Local Government, under section 181AA of the **Local Government Act 1989**, issue the Ministerial guidelines relating to payment of rates and charges at Attachment A.

These Guidelines come into operation on the date they are published in the Government Gazette.
Dated 23 December 2025

NICK STAIKOS MP
Minister for Local Government

SPECIAL

ATTACHMENT A
MINISTERIAL GUIDELINES FOR COUNCILS
RELATING TO PAYMENT OF RATES AND CHARGES

December 2025

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1. Introduction

Every year, Councils collect rates and charges from ratepayers in accordance with the **Local Government Act 1989** (the LG Act 1989). Rates are an important source of revenue for Councils that contribute significantly to delivering local community infrastructure and services.

Timely payment of rates and charges allow Councils to be more financially sustainable and provide continuity for Councils to effectively plan for the delivery of services throughout the year.

Most ratepayers across the State pay their rates and charges in a timely manner. However, ratepayers may need assistance to manage the payment of rates and charges. This could be due to prolonged hardship or unforeseen circumstances including but not limited to, loss of employment, illness, and change of family circumstances. Most Councils have policies in place around debt management and collection.

Ratepayers experiencing hardship and financial hardship must be treated fairly, compassionately and proportionately.¹

1.1 Objectives of guidelines

These Guidelines provide direction to Councils to review and update (as necessary) their existing hardship and debt management policies in relation to the payment of rates and charges.

The objectives of these Guidelines are to:

- encourage a more consistent approach across local government policies relating to debt management for the payment of rates and charges;
- provide guidance and support to Councils and ratepayers in relation to hardship and financial hardship; and
- empower Councils to recover debt from unpaid rates and charges in a fair and equitable way, consistent with Victorian Government, community and stakeholder expectations.

The Guidelines contain matters that must be considered in a Council's policy formation, whilst not being prescriptive about models for implementing council policies.

By proactively working with ratepayers who may be in hardship or financial hardship, Councils may ultimately minimise additional organisational costs, in addition to costs to ratepayers, associated with debt management. This may enable Councils to continue to be financially sustainable.

1.2 Legal Framework

The Minister for Local Government has issued these Guidelines under section 181AA of the LG Act 1989. Councils are required to comply with these Guidelines under section 181AA(3).

Where the Minister has been advised by particular bodies and is satisfied that a Council's governance processes and policies require improvement, the Minister may direct a Council to amend or replace its governance processes and policies.²

Subject to the requirements of the LG Act 1989 and the **Local Government Act 2020**, Councils must develop policies, practices and processes associated with the payment of rates and charges in accordance with these Guidelines³.

Councils must recover overdue rates and charges from ratepayers in an effective and fair way, prior to undertaking any debt collection action, which can be costly to the Council and ratepayer.

¹ 1 Second Reading Speech for the *Local Government Legislation Amendment (Rating and Other Matters) Bill 2022*, Legislative Assembly, 8 June 2022.

² Section 175, **Local Government Act 2020**

³ Section 181AA(3), LG Act 1989.

1.3 Scope of guidelines

Under section 181AA(1), the Minister may issue guidelines in relation to:

- (a) the meaning of hardship for the purposes of section 170 (*deferred payment*); and
- (b) the meaning of financial hardship for the purposes of sections 171 (*waiver*), 171A (*waiver by application*) and 172A (*maximum rate of interest*); and
- (c) the content of hardship policies and financial hardship policies; and
- (d) the circumstances in which a Council may apply the hardship policies and financial hardship policies; and
- (e) the process for applying for a payment plan; and
- (f) the waiver of interest on unpaid rates or charges under sections 171, 171A and 172 (*interest on unpaid rates*); and
- (g) any other matters covered by sections 170, 171, 171A, 171B (*payment plans*), 172, 180 (*recovery of unpaid rates or charges*) and 181 (*Council may sell land*).

Consistent with section 181AA of the LG Act 1989, these Guidelines outline the meaning of hardship and financial hardship, together with the circumstances, processes and relevant considerations Councils must take into account when developing their policies for ratepayers experiencing hardship or financial hardship.

Many Councils already have multiple payment options and processes in place for payment of rates and charges. As every local community has different needs and requirements, Councils **may implement flexible payment options and processes which align with their local community needs and within Council capability and resources.**

These Guidelines support Councils to proactively work with ratepayers, to explore the arrangement most suitable in a person's situation. This approach is consistent with the Second Reading Speech for the amendments inserting section 181AA into the LG Act 1989. The Second Reading Speech states that:

*The Ministerial Guidelines will require councils to proactively work with ratepayers experiencing financial hardship to explore different arrangements and solutions, and more punitive actions such as legal actions and the application of penalty interest will be only available when ratepayers refuse to engage and all other approaches are exhausted.*⁴

It is intended that these Guidelines will discourage Councils from charging interest for those who are under hardship arrangements. These Guidelines reflect that legal action and the application of penalty interest should only be pursued when ratepayers do not engage, and all other approaches are exhausted.

These Guidelines commence on publication and Councils are required to update their policies for ratepayers experiencing hardship or financial hardship within a reasonable timeframe.

⁴ Second Reading Speech for the *Local Government Legislation Amendment (Rating and Other Matters) Bill 2022*, Legislative Assembly, 8 June 2022.

2. **Mandatory Principles**

Councils must review their policies for ratepayers experiencing hardship or financial hardship. In doing so, Councils must reflect the following principles within their own hardship and debt management policies and procedures.

Flexible, place-based approach: Councils must have modern and flexible payment options and methods for payment of rates and charges that align with local community expectations, needs and hardship circumstances.

Clear and accessible communication: Councils must provide easy to understand and multiple methods of communication about payment of rates and charges that align with local community expectations, needs and hardship circumstances.

Fair, equitable, and compassionate treatment: Councils must treat all ratepayers equitably, compassionately and proportionately in relation to payment of rates and charges, including any applications relating to hardship or financial hardship.

Protect privacy and confidentiality: Councils must treat all information provided by applicants in accordance with relevant privacy legislation.

3. **Principles Councils are strongly encouraged to consider**

Councils are strongly encouraged to reflect the following principles within their own hardship and debt management policies and procedures.

Reduce costs associated with debt collection: Councils should consider options for proactive management of payment of rates and charges that can minimise costs to Council and ratepayers in relation to debt management.

Continuous improvement: Councils should consider measuring the impact of debt management and hardship policies and should commit to regular review and improvement of policies to continually adapt and align to community needs and expectation.

Place-based approach: Councils should consider their local community by taking a place-based approach to hardship and financial hardship, such as the consideration of local issues, engaging with local community organisations, designing processes with the make-up of the local community in mind.

4. **Proactive management for the payment of rates and charges**

4.1 Current rates and charges notices

Section 158(4) of the LG Act 1989, requires that a notice:

- (a) contain the prescribed information; and
- (b) state –
 - (i) in the case of general rates, municipal charges, service rates and service charges, the dates when the instalments of the rates or charges are due, and, if those rates and charges may be paid in a lump sum, the date when that lump sum is due; or
 - (ii) in any other case, when the rates or charges are due; and
- (c) specify any other options for payment determined by the Council; and
- (d) be issued at least 14 days before the date on which the first payment of the rates or charges is due.

In addition, regulation 6 of the *Local Government (General) Regulations 2025* prescribes a range of technical and financial information that must be included on a rates and charges notice, which may be summarised as:

- the name and address of the person who is liable to pay, but if that person is not the owner of the land, the name of the owner
- a description of the land in respect of which the rate or charge is levied

- the amount for which the person is liable:
 - If the rate is based on the value of the land – the system of valuation the Council used, the value of the land and the current level of value date;
 - If the rate is raised by the application of a differential rate – the type or class of the person’s land, and where information in relation to the differential rate is available, and various details about the class and type of land in the municipal district.
- the method of calculating the rate or charge;
- the penalties for failing to pay;
- the manner in which the rate or charge may be paid;
- a statement that the person may apply to the Council for a payment plan;
- the manner, in order of priority, in which the Council intends to allocate money received;
- the rights of the person to apply for a review in relation to a differential rating, or a rate or charge, or a special rate or charge;
- the rights of a person to object in relation to a valuation under the **Valuation of Land Act 1960**;
- a statement regarding whether Council has made a rate cap application, the outcome of the application and the impact on a person’s property.

Some ratepayers struggle to understand the complex and detailed information required on rates notices. In addition to providing this information, Councils are encouraged to use easy to understand language and accessible communication methods.

Councils are encouraged to include additional information on:

- flexible payment options;
- any concessions that are available;
- where to go for further information (including Council’s hardship policy); and
- how to contact Council by phone, email or in person.

Councils are also encouraged to consider the demographic and socioeconomic environment of their communities and whether additional aids to assist with understanding notices are required, including translation services and, alternative formatting of notices.

4.2 Flexible payment options

Consistent with the LG Act 1989, Councils determine the schedule of payment for rates and charges in 4 instalments. Some Councils provide the option to pay in a lump sum.

Use of technology has created an environment where ratepayers expect modern and flexible payment options for all types of payments and charges.

Many Councils already offer multiple ways to pay rates and notices and are encouraged to continually review and revise payment methods that keep up with advances in technology.

Flexible ways to pay include, but are not limited to:

- in person at Council offices (cheques, money orders, EFTPOS, credit/debit cards and cash);
- direct debit for periodic payments/bill smoothing (on instalment due dates, monthly or fortnightly);
- Centrepay;

- BPAY;
- Australia Post (over the counter, over the phone by credit card and on the internet);
- by mail (cheques and money orders only).

4.3 Current discounts and subsidies

In the development of hardship and financial hardship policies, as well as debt management policies, Councils must consider current discounts and subsidies applied to rates and charges notices. Often, those receiving a subsidy or discount may be more vulnerable to hardship and financial hardship. If a ratepayer is receiving a subsidy, including a rebate or concession, this does not preclude them from being assessed as being in hardship or financial hardship and eligible for deferred payment or waiver (as appropriate).

Pensioner and Veteran Affairs

Holders of an eligible Centrelink or Veteran Affairs Pension Concession Card (PCC) or a Veteran Affairs Gold card which stipulates 'TPI' or 'War Widow' may claim a rebate on their sole or principal place of residence.

Following an initial application for a PCC, ongoing eligibility is maintained, unless rejected by Centrelink or the Department of Veteran Affairs during the annual verification procedure. After being granted a PCC, pensioners can then apply for the rebate at any time throughout the rating year.

Retrospective claims up to a maximum of one previous financial year can be approved by Council on verification of eligibility criteria.

Incentives for prompt payment

Under section 168 of the LG Act 1989, the Council may declare that incentives are to be given by it for the payment of those rates and charges before the due date and must include in the declaration details of the circumstances in which an incentive will be given. This information must be included on the rates and charges notice.

4.4 Measuring Council performance

Performance reporting is a key program promoting Council transparency, accountability and performance.

The Local Government Performance Reporting Framework is a mandatory system of performance reporting for all Victorian Councils. It ensures that Councils are measuring and reporting on their performance in a consistent way to promote transparency and accountability in the local government sector.

The framework is made up of 59 measures from a range of service areas, including roads, planning, animal management and waste. It is complemented by a Governance and Management checklist of 27 items, which shows the policies, plans and procedures in place at each Council. Together, they build a comprehensive picture of Council performance.

You can find these reports on the local government (www.localgovernment.vic.gov.au) or Know Your Council websites (www.vic.gov.au/know-your-Council).

Currently the State Government does not mandate reporting in relation to outstanding rates and charges. However, Councils are strongly encouraged to record and report this information to demonstrate transparency and improvement.

5. **Hardship and financial hardship in the Local Government Act 1989**

Hardship and financial hardship are identified as two separate terms under the LG Act 1989 (section 170 and sections 171 to 171A respectively). The Guidelines explain these terms and how Councils can apply deferrals, payment plans and waivers to rates and charges when hardship or financial hardship is experienced by a ratepayer.

While situations of hardship may cause financial hardship, the two situations are not always present together. Under the legislation, a ratepayer does not need to demonstrate financial hardship to be applicable for support when applying for deferral of rates and charges, or when applying for a payment plan. Rather, the ratepayer must show that payment would cause hardship to them in their circumstances, at the time the rates and charges are payable.

By contrast, when applying for waiver of rates and charges, the ratepayer will need to demonstrate that payment would likely result in financial hardship.

Determination of whether a ratepayer is in ‘hardship’ or ‘financial hardship’, will always be dependent on an individual’s circumstances.

A non-exhaustive definition:

Hardship (including financial hardship) can arise from a variety of causes which may include but are not limited to:

- employment difficulties, loss of employment or unemployment of the ratepayer or family member;
- reduced, insufficient or lack of income;
- medical issues, injury, illness or mental illness of the ratepayer or family member;
- alcohol, drug or substance use;
- death of a family member or loved one;
- family circumstances;
- family violence or economic abuse;
- elder abuse;
- gambling;
- scams or fraud;
- incarceration;
- natural disaster;
- barriers to accessing essential services including event-based circumstances and systemic and market-based factors, which result in economic and/or social exclusion or harm.

5.1 The concept of hardship in the **Local Government Act 1989**

When is hardship applicable?

The concept of ‘hardship’ is referenced in section 170 of the LG Act 1989. Hardship will depend on a person’s particular circumstances. Hardship may include financial or economic hardship but also includes a diverse range of other personal circumstances and events which may be detrimental to a person’s quality of life.

What does section 170 require?

Section 170 of the LG Act 1989 empowers a Council to defer, either in full or in part, any rate or charge which is payable, for a specific period and subject to any conditions determined by the Council, if an application by a ratepayer shows that payment would cause hardship to the person.

Deferrals under section 170

Rates and charges can be deferred in full or in part by the Council.

A deferral will enable payment to be made at a future agreed date, giving the ratepayer a grace period where no payments are made. A deferral in this way can assist a ratepayer in a wide range of circumstances where hardship may be immediate, unexpected, and/or shorter-term in nature and will ease an immediate obligation or financial pressure.

Charging interest on deferrals

Section 170 makes clear that a deferral can include particular conditions determined by the Council.⁵ When a Council approves an application for deferred payment, it must not charge interest on the unpaid rate or charge. A ratepayer approved for a deferred payment is no longer liable for payment⁶ and therefore cannot be charged interest⁷ until the ratepayer is sent a notice by Council making them liable and requiring payment.⁸

At the time of sending a notice, the Council may elect to calculate any interest on the deferred payment in accordance with the conditions of the deferment, however Councils are discouraged from applying interest in circumstances of hardship or financial hardship.

Deferrals with a payment plan under section 170

Councils may also elect to apply deferred payments under the condition that a payment plan is subsequently put in place.

Where a Council chooses to apply a payment plan following a deferral of payment interest must not be charged on any amount of the unpaid rates and charges. This is because the due date for payment had been deferred and there is no 'late payment' as such.

5.2 The concept of financial hardship in the **Local Government Act 1989**

When is financial hardship applicable?

The concept of 'financial hardship' is referenced in sections 171 and 171A of the LG Act 1989, which allow a Council to waive the whole or part of a payment of any rate, charge or interest, where it considers that the person is suffering financial hardship, or payment would cause financial hardship to the person.

As with hardship, financial hardship can arise from a variety of causes, which may include:

- employment difficulties, loss of employment or unemployment of the ratepayer or family member;
- reduced, insufficient or lack of income;
- medical issues, injury, illness or mental illness of the ratepayer or family member;
- alcohol, drug or substance use;
- death of a family member or loved one;
- family circumstances;
- family violence or economic abuse;
- elder abuse;
- gambling;
- scams or fraud;

5 Section 170(1), LG Act 1989.

6 Section 170(2), LG Act 1989.

7 Otherwise required to be paid under section 172(1)(a), LG Act 1989.

8 Section 170(3)(b), LG Act 1989.

- incarceration;
- natural disaster;
- barriers to accessing essential services including event-based circumstances and systemic and market-based factors, which result in economic and/or social exclusion or harm.

For the purposes of sections 171 and 171A of the LG Act 1989, if a ratepayer is experiencing any of the circumstances above and the payment of rates and charges means that they would not be able to afford the necessities of life for themselves or their dependants, they will be in financial hardship.

Examples of necessities of life may include (but are not limited to):

- essential medical treatments or supplies;
- essential utility services (including water, energy, internet);
- access to basic living needs, including:
 - food;
 - accommodation;
 - clothing;
 - childcare and education;
 - transport;
 - insurance.

Councils are encouraged to consider innovative approaches to supporting ratepayers in financial hardship.

What does section 171 require?

Section 171 provides that a Council may waive the whole or part of any rates, charges or interest to:

- an eligible recipient within the meaning of the **State Concessions Act 2004**; or
- any other class of persons determined by the Council for the purpose of waiving rates or charges on the grounds of financial hardship.

What does section 171A require?

Section 171A provides that when a ratepayer applies for a waiver of unpaid rates and charges due to financial hardship.⁹

The Council may grant a waiver application if the Council is satisfied that ratepayer is suffering, or will suffer, financial hardship if that person paid the full amount of the rate or charge for which they are liable.

Where a Council requires an applicant to provide (or verify) further details as a part of their waiver application,¹⁰ the Council must clearly state:

- what further particulars are required; and
- how an applicant can verify these particulars.

Many Councils currently waive interest where a ratepayer is in hardship or financial hardship. Other Councils have reported waiver policies based on a capped amount or up to 50% of rates. Councils should consider a range of options in line with community needs.

For more information on assessing hardship or financial hardship applications, see section 7.

⁹ Section 171A, LG Act 1989.

¹⁰ Section 171A(2), LG Act 1989.

Charging interest on waivers

A ratepayer approved for a waiver is no longer liable for payment and therefore cannot be charged interest.¹¹

Penalties for false or misleading information

Rates are an important part of Council revenue to fund vital local services and facilities. By granting a waiver on the grounds of financial hardship, ratepayers will no longer be legally liable for the full payment, or the amount agreed to by the Council. To ensure appropriate safeguards are in place, section 171A provides penalties for providing false and misleading information and failure to provide notice of any change in circumstances.¹²

6. Applying for a payment plan in section 171B of the LG Act 1989

Section 171B of the LG Act 1989 allows payment plans to be made in relation to unpaid rates and charges. This applies to rates and charges:

- that are being paid in instalments
- for which payment was deferred under section 170
- that were waived in part under sections 171 or 171A

Payment plans should be available for any ratepayer regardless of whether they are experiencing hardship or financial hardship. Councils must provide easy and efficient application processes for payment plans as ratepayers expect Councils to provide flexible options that consider different needs and circumstances.

Early engagement with ratepayers by enabling payment plans will support continuity of contact with that ratepayer over the longer term.

6.1 Application forms

An application form for a payment plan must be available on a Council's website, as well as a physical copy at customer service points, and provide details of how a customer can contact the Council. The application form must clearly state (but is not limited to):

- what a ratepayer may be required to submit (including information or particulars);
- that Council may request further information or particulars if relevant;
- in what timeframe the Council will notify if an application has been accepted or rejected.

Where ratepayers who have previously applied for deferral of payment or partial waiver, the ratepayer's previous information may be used to support a payment plan application, to streamline the application process. The ratepayer in this instance may only be required to provide information in relation to any change in their circumstances, if relevant.

Councils must also offer the ability for ratepayers to apply for a payment plan verbally instead of by a written application. Information requested in a verbal application should be identical to what is requested in a written application, as only information relevant to consideration of an application should be collected by a Council. Verbal applications should be supported by council's existing evidentiary requirements to confirm personal details of applicants.

¹¹ Otherwise required to be paid under section 172(1)(a), LG Act 1989.

¹² Sections 171(6) & 171A(4), LG Act 1989.

6.2 Approval process for payment plans

When approving a payment plan, a Council must determine:

- the duration of the payment plan;
- the amount of each payment plan instalment;
- any other terms.

When a payment plan is being arranged, the Council must work with the applicant to ensure the plan is realistic in terms of the applicant's capacity to pay. Consistent with financial hardship policies in other sectors, many Councils approve payment plans for nominal amounts as an early, compassionate response which prevents costly escalation later.

Councils may also consider incentives and options including forgiveness of debt where a ratepayer has entered into a payment plan and has met all obligations for a certain period, for example, 12 months or more.

In most cases, payment plans for ratepayers should be approved however, in the rare instance where a ratepayer has failed to pay multiple debts or has previously not been able to comply with a payment plan, Council may reject an application. Councils should clearly communicate the reasons for the decision and how to access the Council's internal review process or other dispute resolution services.

6.3 Reminder notices and payment schedules

Without limiting section 171B of the LG Act 1989, a payment plan must clearly state the schedule of payments, including amount and length of time. Council must also clearly communicate the process for which a payment plan will be cancelled, and how a ratepayer will be informed of the cancellation.

In accordance with section 171B(7), a payment plan may be cancelled if the ratepayer fails to comply with their plan.

If the ratepayer fails to comply with their payment plan, or does not contact Council about failure to pay, Council should send a reminder notice to make payment or contact the Council to discuss alternative arrangements. Reminder notices and cancellation notices should include clear guidance on support options available for ratepayers on payment plans.

Council should provide a timeframe for the ratepayer to respond and inform the ratepayer that their payment plan may be cancelled if they do not respond. If Council determines that the payment plan is cancelled, a cancellation notice should be sent to the ratepayer formally notifying them in writing that the payment plan has been cancelled and the debt will be subject to Council's regular debt recovery process.

7. Assessing applications of hardship or financial hardship

7.1 How applications are to be assessed

Information on how Councils assess hardship applications, how decisions are made, how to contact Council, and resources, such as hardship factsheets and application forms, must be easily accessible on the Council website and in person to allow ratepayers to apply.

Applications must be able to be submitted online, over the phone, or in person, by the ratepayer or by another person on their behalf. Applications should be supported by council's existing evidentiary requirements to confirm personal details of applicants.

Each application must be assessed on a case-by-case basis, and on the information provided by the ratepayer.

Factors to be considered may include, but are not limited to, whether the ratepayer:

- has provided appropriate evidence including but not limited to:
 - circumstances of hardship (whether short term or prolonged) from the list provided in the introduction of this section; and
 - an indication that paying rates and charges means that they would be unable to afford necessities of life for themselves and/or dependants.
- receives Centrelink or other benefits;
- is on a low or fixed income such as pension or superannuation payment;
- has been referred by an accredited financial counsellor, welfare agency or legal assistance service; or
- has a payment history that indicates they have difficulty in meeting payments in the past.

Councils must only request and collect information directly relevant and necessary in order to make a decision on financial hardship. All information should be collected and held in line with privacy legislation and Council's privacy policies.

Examples of what may be considered relevant includes (but is not limited to) the below:

- **Government agency documentation:** Centrelink, ATO, NDIA, Victoria Police, Victorian Courts;
- **Certified documentation:** medical certificates, referral from financial counsellors, legal documentation, statutory declarations;
- **Personal information:** payslips, evidence of job loss or reduced hours, unpaid bills or repayment notices, bank statements (only where necessary, not mandatory).

7.2 Engaging a third party to assist in assessing hardship and financial hardship

Applicant ratepayers may benefit from a referral by a Council to a financial counsellor, a community lawyer, a government-funded assistance program or specialist family violence support service. Councils must provide details to applicants that request these services.

Financial counsellors can offer a range of support, depending on someone's eligibility for the service. Ratepayers may be eligible for in-depth financial counselling if they:

- are on a Centrelink benefit;
- have no income;
- are vulnerable due to personal circumstances;
- are exposed to family violence.

If a ratepayer is in financial difficulty, they may receive free, confidential and independent advice from a financial counsellor by:

- calling the National Debt Helpline (Victoria) on 1800 007 007, Monday to Friday, 9.30 am – 5.00 pm
- visiting the National Debt Helpline's Financial Counselling page
- calling a community agency that provides financial counselling in the area where the ratepayer lives or works. To find the nearest agency, go to Financial counselling providers.

A council may refer a ratepayer to, or a ratepayer may choose to directly engage with, a financial counsellor. Financial counsellors can assist in providing ratepayers with a professional opinion regarding an application for hardship or financial hardship.

However, Councils must not require an applicant to engage a professional to support the preparation or verification of an application.

7.3 Hardship application decisions and reviews

The applicant must be informed of the Council's decision in writing within a reasonable timeframe after making the application and should be given reasons for the decision.

Councils must specify the timeframes required to make a decision on hardship applications and state this information on its website, hardship factsheets and application forms.

Councils are encouraged to adopt a best practice approach to providing timeframes for processing a decision. For example, a Council may specify that a hardship application will be processed within 14 days of receipt of a complete application. A Council may also specify timeframes for responding to a query in relation to a hardship application that is on foot and timeframes for reviewing a decision on an application.

A Council must not take recovery or enforcement action for unpaid rates, charges or interest whilst an application is being assessed.

In the event that an applicant is denied a waiver or deferment, council should refer applicants to other support measures such as financial counselling.

If not satisfied with the outcome, an applicant should be able to request the Council to review the decision. Councils should proactively provide applicants on their internal review processes at the time of the decision outcome. Information on the review process and timeframes for review should also be available online and in person.

Councils should ensure that a review of a decision is undertaken by a person not involved in the original decision and the person has authority to:

- review the decision-making process to ensure it was fair and transparent;
- assess whether the decision was based on relevant evidence and considerations;
- evaluate the decision's compliance with relevant laws;
- determine whether the decision was reasonable and justifiable in the circumstances.

8. Council Hardship and Financial Hardship policies

Council hardship policies and financial hardship policies regarding the payment of rates and charges must be easily accessible to all ratepayers and be available:

- on a Council's website;
- as a physical copy at customer service points;
- to be posted as a physical copy to ratepayers on request; and
- to be emailed as an electronic copy to ratepayers on request.

This must include information on how Councils assess hardship applications, how decisions are made, how to contact Council.

Resources, such as hardship factsheets and application forms, must be easily accessible on the Council website and in person to allow ratepayers to apply.

Council policies must state that ratepayers can request that a Council or their representatives use an interpreter and/or translator to communicate with them and such a request must not be denied.

8.1 Consideration of family violence or economic abuse

In circumstances where a ratepayer has identified circumstances of family violence or economic abuse (including in relation to other joint owners of the property), Councils must implement measures to prevent each owner from accessing confidential information regarding the other's personal details and detail these measures in their policies. Councils should also avoid seeking repayment solely from victim-survivors of family violence or economic abuse where there is shared ownership or joint liability.

Councils should consider implementing training and processes that assist council staff to support ratepayers that have identified circumstances of family violence or economic abuse. This should include processes that reduce the need for ratepayers to repeat disclosure of their family violence to council staff.

9. Any other matters covered by sections 172, 180 and 181 of the Local Government Act 1989

9.1 Section 172: Council may charge interest on unpaid rates and charges

A Council may choose to charge interest on any amount of unpaid rates and charges up to the maximum rate fixed by the Minister for Local Government.¹³

However, Councils are encouraged to consider an applicant's circumstances and whether they are in hardship before imposing interest on unpaid rates and charges.

Councils must specify in relevant policies and plans what interest rates they are setting on unpaid rates and charges, and detail under what situations they will apply either a lesser rate or, apply no interest. Councils must ensure that ratepayers are able to reasonably access this information and are informed of, how and when interest is applied.

Ratepayers that have successfully applied for deferred payments on their unpaid rates and charges cannot not be charged any amount of interest by Councils during the period of deferment.

If a Council had determined that the ratepayer has provided false or misleading information in regard to an application for a waiver of interest,¹⁴ a Council cannot reinstate any interest that was waived but may choose to enforce the relevant penalty units set out in the LG Act 1989.

9.2 Section 180: Unpaid rates or charges

Where a Council has informed a ratepayer of unpaid rates and charges and the payment options available, and a payment option is not agreed, the Council may recover the amount owing in the Magistrates' Court or by taking action to recover the debt, subject to the requirements of section 180A of the LG Act 1989. Without limiting Part 8 of the LG Act 1989, it is encouraged that Councils exhaust all other options before seeking recovery from the Magistrates' Court.

A Council's policies must clearly state under which circumstances recovery of unpaid rates and charges will occur. A Council must not take recovery or enforcement action for unpaid rates, charges or interest whilst an application is being assessed.

If a Council intends to recover an unpaid rate or charge a Council must, subject to the requirements of section 180 and 180A of the LG Act 1989:

- contact the ratepayer in writing, notifying them of the outstanding debt and the intention to recover the unpaid rates, charges and any interest;
- confirm the timing of debt recovery action, including what portion of debt is considered recoverable; and
- make reasonable attempts to contact the ratepayer with details they have provided to Council, regarding the unpaid rates, charges and any interest.

Councils must specify on their websites any costs of debt recovery that may be added to ratepayer's unpaid rates and charges. These charges must only be added after a Court Order is obtained.

If a council locates a ratepayer during the process to recover rates and charges, whether directly or via a third party, a hardship assessment must be made by council prior to undertaking debt recovery action.

¹³ Section 172, LG Act 1989.

¹⁴ Sections 171A(4) & 171(6), LG Act 1989.

9.3 Section 181: Council may sell land or recover unpaid rates or charges

Once a Court Order has been obtained requiring payment of unpaid rates and charges, any unpaid amount is more than three years overdue, and provided that no current arrangement, including a payment plan, exists for the payment of the amount to the Council, a Council may determine to sell or cause the land to be transferred into Council ownership.

A Council must prepare policies which:

- outline what a Council considers to be a ‘current arrangement’¹⁵ for the payment of an amount due for or in respect of rates or charges (the Act stipulates that a ‘current arrangement’ includes a payment plan); and
- state:
 - the process for which land is evaluated every financial year for sale or transfer by Council;
 - where a sale or transfer is approved, the Council’s process to complete the transaction;
 - how the Council’s decisions regarding the sale or transfer of the land will be recorded and made public.

If the Council intends to use land transferred to itself for public purposes, then relevant policies must clearly explain how this type of land will be utilised for the benefit of the community.

10. Transparency and Disclosure

Where Councils make decisions regarding the payment of rates and charges, this process must be transparent except when dealing with information that is confidential by virtue of the LG Act 1989 or any other Act.

¹⁵ Section 181(1)(b), LG Act 1989.

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