

RATES HARDSHIP AND DEBT RECOVERY POLICY

Policy Number:	2.2.3
Approved by:	Council
Date Approved:	December 2025
Date of Next Review:	December 2027
Applicable to:	Corporate Finance Business Unit
Responsible Officer:	Manager Corporate Finance
Related Policies:	Nil
Related Documents:	Revenue and Rating Plan 2025-2029 Wellington Coast Strategy Wellington Coast Subdivision Strategy Voluntary Assistance Scheme Wellington Planning Scheme
Statutory Reference:	<i>Local Government Act 1989</i> <i>Local Government Act 2020</i> <i>Penalty Interest Rates Act 1983</i> <i>Emergency Services and Volunteers Fund Act 2012</i>

OVERVIEW

Municipal rates, fees and charges are the primary source of revenue for Council to ensure the ongoing delivery of a range of important services to the local community. Council recognises that there are many reasons why members of the community may experience hardship.

Managing financial hardship is a shared responsibility and Council has a part to play while also ensuring that it has the funds to deliver services.

Council will pursue unpaid rates to maintain financial stability and ensure all ratepayers contribute to services we deliver.

THE POLICY

1. Rates

Council will distribute annual and instalment rates notices at least 14 days prior to each payment due date, allowing ratepayers sufficient time to effect payment, pursuant to section 158(4)(d) of the *Local Government Act 1989*.

2. Payments

2.1 Due Dates

You may pre-pay the full amount of your rates, all four instalments, by 30 September 2025. Payments can be made in any other combination where the instalment amounts are paid before their due date.

The instalment dates apply to all rates, charges and levies listed on your annual rate notice. You cannot separately pay one charge before another.

There is no provision to pay in full at a later date. You may apply for a payment plan or set

up a direct debit deduction via Payble – <https://pay.wellington.vic.gov.au/>

All Payments will reduce your balance in the following order:

- legal costs
- interest
- arrears
- overdue amounts
- current rates

2.2 Postal Payments

Payments post marked prior to the due date but received after the due date will be accepted without interest penalty. Payments posted on the due date with no chance of same day delivery will attract an interest penalty.

2.3 Other Payment methods

Payments can be made by the following methods:

- Payble – customer self-managed payment schedule where the ratepayer can determine their frequency of payments to finalise the rates balance by the 31 May of that financial year.
- BPAY – one off payments or scheduled payments with a banking institution.
- In Person – at one of our service centres in Sale and Yarram.
- Cheque – this method will be phased out in the coming years.
- AusPost – at any Australia Post branch or outlet.

When a property is sold the rates are due and payable at settlement where any arrears or overdue amount exists. Section 175 of the *Local Government Act 1989* states that a person becoming the owner of rateable land must pay any rate or charge which is current and any arrears of rates and charges including any interest. Where there are no overdue rates or charges, a new owner may elect to pay by instalments.

3. Interest Charges

Section 172(1) of the *Local Government Act 1989* states that a Council may require a person to pay interest on any amounts of rates and charges which have not been paid by the due date, and which that person is liable to pay.

3.1 Application Date

Interest charges on unpaid rates will be calculated from the day after each instalment due date.

3.2 Weekends/Public Holidays

If the due date of an instalment falls on a public holiday or weekend, interest will begin accruing from the day after the next working day i.e. due date is Sunday, interest will commence from the following Tuesday.

3.3 Payment Arrangements

Ratepayers can enter into a payment plan by making scheduled payments through *Payble* - <https://pay.wellington.vic.gov.au/> or by contacting Council directly.

Payment plans must be paid on a consistent basis adhering to the agreed amount and

frequency. No interest will be applied where a ratepayer is on a payment plan. This allows rates payments to be spread across the majority of the financial year.

Payment plans can be cancelled by Council where the agreed payment plan is not paid in a consistent manner. These ratepayers will need to manage their own payments.

4. Hardship and Financial Hardship

Council is committed to determining the type of assistance that is best suited to each ratepayer's individual circumstance and value the need to observe compassion, respect, and transparency in the application of hardship.

4.1 What is hardship?

Hardship is a broad term used to indicate that a person has a reduced or limited capacity to pay their rates and charges.

Unlike 'financial hardship' (detailed below) 'hardship' may be present when a ratepayer is still able to afford the necessities of life.

Mere inconvenience or difficulty in making a payment is not financial hardship. An inconvenience or difficulty may require the reorganising of finances, prioritising of other payments, or reducing expenditure on social activities and discretionary goods and services, in order to make a timely payment.

4.2 What is Financial Hardship?

Financial hardship is a category within the broader concept of hardship described above. Many situations can contribute to financial hardship, including (but not limited to):

- bereavement
- financial misfortune such as fraud or electronic scamming
- illness; or
- the impacts of natural disaster.

Financial hardship denotes more serious circumstances and requires that a person:

- Cannot afford the necessities of life for themselves and/or dependants; or
- are in such a circumstance that paying rates and charges means that they would be unable to afford necessities of life for themselves and/or dependants.

Necessities of life that would be impacted if making a payment of all or part of any rates, charges and any interest would:

- Prevent the ratepayer (or a dependant) from seeking essential medical treatments or supplies.
- Prevent the ratepayer from payment of essential utility services (including water and energy)
- Prevent the ratepayer (or a dependent) from access to basic living needs, such as:
 - Food
 - Accommodation
 - Clothing
 - Education for dependent children; or

- Place the ratepayer (or dependant) in any form of harm or danger, including (but not limited to):
 - Family violence; or
 - Economic abuse.

In contrast, financial hardship is not present where a ratepayer is able to afford goods and services such as (but not limited to):

- Restaurant and takeaway meals;
- Services such as hairstyling, beauty treatments, sport and recreational activities, and holidays;
- Entertainment such as streaming services, movies, concerts, and theatre;
- Alcohol and tobacco; and
- Private schooling fees (including for dependents) or fee paying education services.

4.3 Applying for Hardship Relief

Council strongly recommends that ratepayers seek financial advice. Many free services are available. Council will work with a financial advisor directly with the ratepayer's authorisation.

Ratepayers should contact council if they are having any difficulty paying the rates and charges. Starting a payment plan and working together can significantly reduce stress and stop additional costs being incurred.

Applications can be made in writing to Council and will be treated with the utmost confidentiality and discretion.

Ratepayers will generally not meet the definition of financial hardship for the payment of the rates or special charge scheme costs on properties that are not their primary place of residence, unless the property provides the principal source of income or the application is due to a natural disaster/emergency event.

Ratepayers who own secondary properties, residential investment, commercial or industrial properties where the income generated from the property is not the ratepayer's principal source of income will generally not meet the definition of hardship.

If required, ratepayers may re-apply for continued financial hardship relief after the timeframe has ended by completing a new application. Ratepayers will be notified of the application outcome.

4.4 Reporting

A report will be presented annually, near the end of the financial year, to Council outlining the nature of the rates debts and the properties affected.

4.5 Waiver of Rates and Charges

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 or provide payment arrangements that span many years.

Council may waive interest or legal fees where either hardship or financial hardship has been approved.

5. Unpaid Rates

Council will try to contact ratepayers by their postal address provided to council. Council may use SMS or direct calls to ensure ratepayers are aware of their rates and charges. Where ratepayers do not pay their rates, do not enter into a payment plan, or default on a payment plan, Council has extensive powers for the recovery of unpaid rates under the *Local Government Act 1989*.

Section 180 of the *Local Government Act 1989* gives Council the power to take debt recovery action to recover any rate or charge that remains unpaid after it is due and payable, including any instalment or any part of a rate and charge.

Section 181 of the *Local Government Act 1989* gives Council the power to sell land for unpaid rates and charges.

5.1 Debt Recovery Action

Actions which may be taken include, but are not limited to the following:

- Letters, SMS's and/or telephone calls
- Field call
- Default Summons/Complaint
- Judgement in Magistrates Court
- Arrears may affect your credit rating
- Summons for oral examination
- Earnings order
- Seizure of property by Sheriff.

Legal costs incurred by Council as a result of legal action may be recovered from the ratepayer.

5.2 Referral to Council

If a debt is considered unrecoverable under normal circumstances, then the matter will be referred to Council for one of the following actions:

- hold as debt against property
- allow to accrue with/without interest; or
- sell or acquire the property as per section 181 of the *Local Government Act 1989*.

6. Inappropriate Subdivisions – Ninety Mile Beach

Council adopted the Wellington Coast Subdivision Strategy in September 2005, which outlined the way forward to resolving the issues of the inappropriate subdivisions, including a rating review.

Recommendations implemented included the removal of the Municipal Charge, and a review of the policy on charging penalty interest on unpaid rates, commencing with the 2006/07 rating year.

Council adopted the Wellington Coast Subdivisions Implementation Package in April 2009, followed by the adoption and commencement of the Ninety Mile Beach Plan Voluntary Assistance Scheme in June 2011 for the 'between settlements' rural conservation areas.

Council ceased levying rates and the Waste Infrastructure Charge on undeveloped Ninety Mile Beach subdivided lots from 1 July 2019 in response to consideration of recommendations from the Victorian Ombudsman.

The following table provides a framework for the various precincts and Council's policy with regard to debt collection procedures.

The precincts are consistent with the terms used in the Wellington Planning Scheme zones and overlays and the Ninety Mile Beach Policy at Clause 22.08 (now revoked).

Description of land/precinct	Charge rates	Charge interest	Debt collection action
1. Urban Nodes - within the settlement boundaries of Golden Beach, Paradise Beach and The Honeysuckles	Yes	Yes	Yes
2. Rural Conservation (Between settlements) - vacant land in the between settlements area in Restructure Plan Stages R7-R18 between Firefly Road, Golden Beach and Acrux Way, Glomar Beach	Yes	No	No
3. Subject to Inundation (Vacant Land only)	Yes	No	No
4. Rural Conservation (Glomar Beach) - vacant completed restructure lots in Restructure Plan Stages R19-R22 between Acrux Way and Vegas Way - vacant single lots in Restructure Plan Stages R19-R22 between Acrux Way and Vegas Way	Yes Yes	Yes No	Yes No
All other restructure areas i.e. Rural Conservation, Coastal Dunes (former Beach Dune Buy Back)	Yes	No	No
All lots with existing dwellings	Yes	Yes	Yes

7. Seacombe and Hollands Landing

In addition, Council has the following policy on properties in Hollands Landing and Seacombe:

Description of land/precinct	Charge rates	Charge interest	Debt collection action
Seacombe/Hollands Landing – Vacant Land	Yes	No	No
All lots with existing dwellings	Yes	Yes	Yes

8. Wongungarra

In addition, Council has the following policy regarding assessment in the mining town of Grant, located within the Wongungarra locality.

Description of land/precinct	Charge rates	Charge interest	Debt collection action
Wongungarra – former township of Grant	Yes	No	No

9. Emergency Services and Volunteers Fund Act (ESVF) Charges and Interest

This policy applies equally to all Emergency Services and Volunteers Fund charges and any interest raised according to the provisions of the *Emergency Services and Volunteers Fund Act 2012*.

REVISION HISTORY

VERSION	DATE	SUMMARY OF CHANGES
1.0	December 2022	Inclusion of <i>Local Government Act 2020</i> .
1.1	December 2023	Date of Next Review updated to: August 2024. Next review will incorporate any necessary changes required due to the issuing of the Ministerial Guidelines Relating to Payment of Rates and Charges. Minor formatting changes. Approved by: updated from CEO to Council.
1.2	December 2024	Date of Next Review update to September 2025. Title updated from 'Debt Collection and Interest Charging – Rates Charges and Fire Services Property Levy Policy' to 'Rates Hardship and Debt Recovery Policy'. General updates to reflect Ministerial guidelines relating to rates and charges, including added detail on payment methods and financial hardship.
1.3	December 2025	Date of Next Review updated to September 2026. The policy updates the Fire Services Property Levy to the Emergency Services and Volunteer Fund Act. Additional clarity is provided for hardship definitions. Wongungarra is added to the properties excluded from interest and debt recovery action as the blocks are undevelopable.