

FINANCIAL HARDSHIP POLICY

1. Purpose

The purpose of the Financial Hardship Policy (the policy) is to provide Council with a policy framework setting out the process of providing financial relief to individuals and businesses requiring assistance in the payment of rates and charges on the grounds of financial hardship.

The policy aims to provide a clear understanding of the options and assistance available to property owners and ratepayers who are experiencing financial hardship and assist them in managing the payment of rates in a manner that is acceptable to both the City of Ballarat and the property owner.

2. Scope

This policy applies to property owners and ratepayers of City of Ballarat in accordance with sections 170, 171, and 171A of the *Local Government Act 1989* (the Act).

The scope of this policy extends an opportunity to all property owners and ratepayers who have been identified, either by themselves, City of Ballarat staff, or by an independent accredited financial counsellor, as having the intention to pay their rates but do not have the financial capacity to make the required payments, to make an application for financial hardship.

This policy will apply to revenue included on the rates notice, such as rates, waste charges, interest and other relevant charges. This policy does not apply to fines or infringements issued under City of Ballarat's Local Laws or any other Act.

Assistance can only be granted to individuals experiencing financial hardship for payment of rates on their principal place of residence or those liable to pay rates and charges on commercial and industrial properties. Applications for financial hardship on secondary properties will not be considered.

3. Policy Statement

3.1 Genuine financial hardship definition

Genuine financial hardship refers to a situation where a property owner is reasonably unable to discharge their financial obligations due to compassionate grounds or necessitous circumstances such as illness, unemployment, impacts of natural disaster, or other reasonable cause. Financial hardship involves an inability of the property owner to meet their financial commitments (including bills), rather than an unwillingness to do so. Customer hardship can arise from a variety of situations. Common causes of hardship may include:

- Loss of employment of the property owner or family member;
- Family violence;
- Family breakdown;
- Illness, including physical incapacity, hospitalisation, or mental illness, of the property owner or family member;
- A death in the family; or
- Other factors resulting in unforeseen change in the property owner's capacity to meet their payment obligations, whether through a reduction in income or through an increase in non-discretionary expenditure.

3.2 Application for financial hardship

In order to receive financial hardship assistance, an application must be made in writing to the City of Ballarat. A financial hardship application can be made following:

- External assessment by, for example, an independent accredited financial counsellor (preferred).
- Assessment by City of Ballarat staff.
- Self-assessment by the customer.

Financial hardship applications must be applied for by the ratepayer or property owner. Assessment of whether financial hardship is genuine will be objectively based on the information provided by the customer, who is required to submit a completed application for financial hardship form for their eligibility to be assessed. The customer must provide complete details of the circumstances preventing them from meeting their financial obligation to City of Ballarat. This form is available at the Customer Service Centres or City of Ballarat website. In exceptional circumstances, an application can be made without an application form or supporting documentation based on assessment by officers in consultation with the ratepayer.

An initial assessment will be performed by City of Ballarat staff to determine the customer's eligibility to financial hardship relief under this policy as well as the level of assistance that may be required. City of Ballarat may, at its discretion, seek relevant supporting information to be provided in the assessment of any application. This may include:

- Company records
- Bank statements
- Financial records or assessments
- Employment documentation
- Centrelink and/or taxation information.
- A statutory declaration from a person familiar with the property owner's circumstances (for example family doctor, bank officer).
- Financial counselling report (for example, certified statement of financial position from a qualified accountant or financial counsellor)

Pursuant to sections 170, 171 and 171A of the Act, customers may be eligible for the following:

- Deferral of rates and charges;
- Waiver of interest and legal charges invoiced to date; or
- Waiver of rates and charges.

City of Ballarat will advise the applicant of its decision in writing within 21 days of receiving the application and all supporting information.

Subject to the findings of the initial assessment, City of Ballarat staff may:

- Recommend referral to a financial counsellor for a full assessment and report (see 3.3 below);
- Recommend other internal and/or external professional support services that would be of assistance to the debtor's circumstances (see 3.3 below);
- Establish a repayment arrangement that is mutually acceptable (see 3.4 below);
- Recommend a deferral of the payment of the rates and/or charges (see 3.5 below);
- Recommend assistance in the form of a waiver of the rates and/or charges, and/or interest charges (see 3.6 below);

3.3 Financial counselling

City of Ballarat may recommend support services from the National Debt Helpline or other providers. The National Debt Helpline is a not-for-profit service that helps people in Australia tackle their debt problems. This is a government service providing free, confidential counselling for people

experiencing financial difficulty.

A number of local financial counsellors provide a free service.

3.4 Payment arrangements

City of Ballarat may allow for payment arrangements where they consider that paying rates and charges on the prescribed dates on the Valuation and Rates Notice would create financial hardship for the applicant in the short to medium term (one to two years). Payment arrangements are available to all ratepayers and property owners who satisfy the financial hardship eligibility conditions under this policy and will be granted based on the following conditions:

- Payment arrangements are calculated to include any arrears and make an estimate for future rates and charges that occur through the duration of the arrangement.
- The property owner and/or ratepayer and City of Ballarat agree upon a mutually acceptable amount to be paid at regular intervals that suit the requirements of the ratepayer (for example, weekly, fortnightly or monthly);
- The arrangement ceases and the rates and charges are immediately payable if the ratepayer ceases to own or occupy the property on which the rates are imposed; and
- The arrangement will be reviewed bi-annually for compliance and suitability.

Where a property owner or ratepayer enters into a mutually acceptable payment arrangement with City of Ballarat and maintains that arrangement, City of Ballarat will waive any interest and previous legal charges charged at the bi-annual review.

3.5 Deferment of rates and charges

Under section 170 of the Act, City of Ballarat may allow partial or full deferral of rates where they consider that paying rates and charges would create financial hardship for the applicant. Deferral of rates and charges is made available to all property owners and ratepayers who satisfy the financial hardship eligibility criteria under this policy and will be granted based on the following conditions:

- The deferral ceases and the deferred rates and accrued interest rate are immediately payable if the property owners or ratepayer ceases to own or occupy the property on which the rates are imposed; and
- The deferral will be reviewed each year within one month of the issue of the annual Valuation and Rate Notice; and
- An increase in the valuation of a property and a subsequent increase in rates cannot be considered grounds for a deferred payment of rates of their own accord.

3.6 Waiver of rates and charges

Under section 171 of the Act, property owners and ratepayers may apply for a full or partial waiver of rates and charges, subject to City of Ballarat confirmation of the following conditions:

- Waiver of rates and charges is only available to individuals experiencing financial hardship with regard to the rates on their primary or principal place of residence. Waivers of rates and charges are only available on a property being used as the primary place of residence for the property owner;
- The applicant demonstrates an intention to pay future rates and charges;
- The applicant is able to substantiate they are experiencing financial hardship and able to provide verifiable information to prove hardship on a needs basis, for example certified statement of financial position from a qualified accountant or financial counsellor; and
- Waivers (excluding interest) must be recommended by an independent financial counsellor and applicant is able to provide documented support for a waiver from the financial counsellor or a welfare agency or government agency.

City of Ballarat staff will consider an application for a waiver or partial waiver of rates and charges where genuine financial hardship can be demonstrated. If granted, the waiver will apply only for the

rating year in which the application was made and the previous financial year.

Retrospective applications for a waiver of unpaid rates and charges greater than two years will be presented to Council for resolution. The application will be assessed by City of Ballarat staff on the grounds of genuine financial hardship only and approved by Council resolution.

3.6.2 Waiver of interest and legal charges

Under section 171A of the Act, property owners and ratepayers may have interest charges and legal charges or part thereof, waived where they have demonstrated financial hardship, subject to compliance with the following conditions and approval by City of Ballarat staff. Waiver will be granted only to:

- Property owners and ratepayers whose property is the sole or principal place of residence and is used exclusively for residential purposes;
- Farm land which is the sole or principal place of residence of the applicant; or
- Commercial/industrial land owned and operated by the applicant.

An application for a waiver of interest charges will be considered where genuine financial hardship can be demonstrated. If granted, the waiver will be reassessed by officers bi-annually.

The Revenue Coordinator will review applications in accordance with this policy and approve within financial delegations. The property owners and ratepayer will be advised in writing of the outcome of the application.

3.7 Conflict of interests

All decisions, recommendations and approvals in this policy are subject to the conflict of interest provisions in the Employee Code of Conduct.

3.8 Appeal

If an applicant for financial hardship is dissatisfied with the outcome of their application, they may request a review of the decision subject to the process in the Complaints Handling Policy.

3.9 Discontinuation of hardship financial assistance

Under section 170(3) of the Act, a Council can require repayments of deferred amounts if they consider that payment would no longer cause hardship or if the land changes hands. Despite any payment agreement in place, outstanding rates and charges become immediately payable in the following circumstances:

- In the case of a person, the property owner and/or ratepayer ceases to occupy the property applicable to the agreement.
- In the case of a business, the property owner and/or ratepayer enters into administration or liquidation.
- The applicable property is sold or transferred to another person or entity.
- There is a material alteration to the ratepayer's circumstances and making the payment would no longer cause financial hardship to the person.

Section 171A(4) of the Act states that a person who gives false or misleading information in respect of an application being made under section 171A, or who fails to notify Council of a change in their circumstances that may be relevant to an application or waiver under that section is guilty of an offence.

4. Supporting documents and references

4.1 Legislation

- *Local Government Act 1989*
- *Local Government Act 2020*
- *Emergency Services and Volunteers Fund Act 2012*

4.2 Associated Documents

- *Application for financial hardship form*

4.3 Definitions

Staff	A staff member includes employees, labour hire, agency staff, volunteers and work experience students engaged by the City of Ballarat.
Property owner	The registered proprietor of rated property within the municipality, who is legally responsible to pay rates under section 156 of the <i>Local Government Act 1989</i> .
City of Ballarat	Means the body corporate constituted in accordance with the <i>Local Government Act 2020</i> .
Council	Means the group of Councillors who are democratically elected to represent the Ballarat municipality in accordance with the <i>Local Government Act 2020</i> .
Ratepayer	<p>The occupier of any rateable property who is liable to pay rates. This may be the property owner or a tenant who, under the lease agreement, is liable to pay rates.</p> <p>Applications for financial hardship applied for by the property owner and/or ratepayer must be communicated with the property owner if they are not the same party.</p>
Compassionate grounds	Short-term circumstances of a compassionate nature that, if deferment of payment is not granted, would lead to financial hardship.
Exceptional Circumstances	Refers to a situation where an applicant is reasonably unable to acquire the required documentation, for example natural disaster or significant family violence.
Deferment	A postponement of payment, in whole or in part, and can be for a specified period and subject to any conditions determined by City of Ballarat. Deferred rates are a charge on the property and will continue to accrue interest until the account is paid in full. A deferment of rates is for a maximum of three years and cannot be applied more than once.
Independent Financial Counsellor	A consultant providing financial counselling service to property owner and/or ratepayers in financial difficulty and is independent of the City of Ballarat.
Necessitous circumstances	Circumstances beyond the control of the property owner and/or ratepayer that makes the payment of rates and charges impracticable on a short-term basis only.

Primary residence	The property, which is considered to be the main or principal place of residence.
Rates and charges	Any charge made under Part 8 of the <i>Local Government Act 1989</i> or the <i>Emergency Services Volunteers Fund Act 2012</i> , including general rates, waste charges, emergency services and volunteers fund charges.
Waiver	The relinquishment or removal of the liability to pay and may include the whole or part of any interest or, where applicable, part of rates and charges.

5.0 Administrative Updates

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

6.0 Policy owner

Executive Manager Business Services

7.0 Authorisation

Adopted by Ballarat City Council on 10 December 2025 (R257/25).