

Local Government Better Practice Guide

Revenue and Rating Plan

Book 4: Public Guide

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A Guide for the Public

The service choices that a council makes directly affects the setting of fees, charges, and rates. It is one of the most sensitive issues on which a Council makes decisions, as it affects every ratepayer in their municipality.

A coherent and well-presented Revenue and Rating Plan can help the public better understand the issues, choices and trade-offs that have been considered when determining a Council's strategic documents (such as the Annual Budget).

This Book's goal is to assist public understanding of rates and charges, the responsibilities of Council in setting them, and engaging with the public during periods of consultation. It is also intended that material in this Book be used by councils for their own communications to ratepayers.

What to Expect

To better understand fees, rates and charges, you may wish to read other Books within this Guide (though this is not necessary). Each Book is not provided exclusively for its specific audience, and readers are encouraged to read the Best Practice Guide as a whole in order to have a greater understanding of the provision of a system of local government taxation.

Recommended Reading

Book 1: Introduction to This Guide is recommended reading for you, as it discusses the history of council rates and charges, provides a general overview of local government service provision, and discusses the status of rates and charges as a form of property taxation in Victoria.

Appendix Three: Supporting Documents explains the various tools and mechanisms that Councils may use when raising rates and charges. This appendix also discusses how rate capping is applied, the annual valuation process and why Councils charge the Fire Services Property Levy.

Optional Reading

Book 2: Councillors Guide covers high-level principles that Councillors should be considering when presented with revenue models from council employees, and how they may affect the public. This Book targets how Councillors make considered decisions, as well as how the public assists them during consultation periods.

Book 3: Council Employee Guide targets what information should ideally be provided to Councillors in order to assist in making considered decisions, as well as what ratepayers should be provided to assist them in engaging with their council.

Council Budgets and Expenditures

Victorian councils are subject to a legislative framework for setting their budget and rates. Budget processes must be open and transparent, seeking community discussion and input before a budget is adopted.

The budget process involves a council setting its priorities, identifying measures and allocating funds that will show how the key strategic objectives outlined in its Council Plan are to be achieved in the coming year.

Through the budget, a council also specifies the annual maintenance, upgrade and renewal needs of its assets and infrastructure, as well as the cost of community services it will provide.

Councils deliver dozens of different services. They build and maintain roads, bridges and community facilities valued at over \$110 billion across Victoria. To fund these activities, councils use rates and other revenue including borrowings; fees, fines and charges, asset sales, interest earned on investments and government grants.

By using these estimates, a council can determine the amount it needs to collect in rates to meet its financial commitments for the coming year. Rate revenue must not exceed the State Government's rate cap. In summary:

- Each council adopts a budget, which is advertised and open to public comment as detailed in their Community Engagement Policy;
- All councils must adopt their budget by 30 June each year (or another date fixed by the Minister);
- Each council must submit a copy of their budget to the Minister within 28 days after adopting their budget¹; and
- Total increases to general rates and municipal charges cannot exceed the rate cap as set by the Minister for Local Government.

¹ <https://www.viccouncils.asn.au/what-councils-do/council-responsibilities/key-council-documents>

On average, around 60 per cent of total council revenue is raised through rates. Local government depends substantially on the Commonwealth and the State Government to meet its additional funding needs. Smaller rural councils collect less in rates revenue and are more reliant on these government grants.

For 2022-23, Victorian local governments budgeted a revenue of \$12.5 billion, which included approximately:

- \$7.1 billion in rates and charges (57%);
- \$2.2 billion in tied and untied grants from Commonwealth and State Government (17%);
- \$1.5 billion from contributions (12%);
- \$478 million in fees and fines (4%); and
- \$252 million from other sources (2%).

Paying for Council Services

Decisions about funding council services can be challenging. Councils face decisions such as relying on funding directly through user fees and charges, government grants, or using revenue generated from rates and other sources. Adding to the complexity is where services are funded from a mix of these revenue sources.

Councils must both plan for and review services to ensure they are financially sustainable and meet community needs. During service planning and review exercises councils should ensure that services:

- Meet quality and cost standards;
- Respond to community need;
- Demonstrate continuous improvement; and
- Be accessible to relevant members of a community.

While councils need to review service provision to ensure they are meeting their intended objectives, they should also understand the full cost of the services they provide to accurately and consistently allocate their overheads.

Without a comprehensive understanding of costs, councils cannot make wise decisions about service levels, which limits their ability to provide good services to their municipality.

A Council should consider this process in the following steps to ensure transparency and integrity in their decision-making process:

Step One: Determine Operating Costs

Step Two: Budget for Non-Rate Revenue

Step Three: Determine Rates and Charges

If Step 3 has resulted in a model of Rates and Charges that exceeds the Rate Cap set by the Minister, then consideration should be given to either:

- Consultation with the community on a Higher Rate Cap application through the Essential Services Commission; or
- Revisiting the process to identify cost savings and/or increased revenue from other sources.

Why do Councils Charge Differently?

Councils as democratically elected representatives of their communities are responsible for the setting of financial policies in their municipality. They are required to consult with their communities through council planning and budget setting processes.

Each council delivers its own services and has its own assets to maintain, which are not uniform across all municipalities in the same way that services and infrastructure (and taxes) differ between Australian states. There are a number of variables that may impact fees and charges set by councils, including but not limited to the:

- Size of the municipality;
- Population of the municipality;
- Number and level of services delivered by council;
- Length of roads in the municipality;
- Repayment of any borrowings; and
- Level of grants received from Federal and State Government.

Comparing your Council's Performance

The Local Government Performance Reporting Framework is a State Government initiative to improve the transparency and accountability of council performance to ratepayers and to provide a more meaningful set of information to the public. The framework is made up of 58 measures and a governance and management checklist of 24 items which together build a comprehensive picture of council performance.

Performance information for a range of indicator sets is available for all Victorian councils at: <https://www.localgovernment.vic.gov.au/strengthening-councils/performance-reporting>

Understanding Rates and Charges

Councils as democratically elected representatives are responsible for the setting of council rates and rating policies in their municipality. They are required to consult with their communities through council planning and budget setting processes in making decisions about rating levels in accordance with the *Local Government Act 1989*.

Rate Capping

The rate cap mechanism was introduced in the 2016-17 financial year. It caps rate revenue increases to ensure council rates remain sustainable and that ratepayers receive maximum value for money.

This system was designed to strike a balance between councils being able to raise the revenue they need to provide the services and infrastructure and the interests of ratepayers. It also recognises that in some circumstances it may be appropriate for Councils to seek to raise additional funds through rates.

A number of oversight and reporting mechanisms are built into this framework. This includes a role for the Essential Services Commission to verify compliance annually.²

This system applies a 'rate cap' to the average rate assessment from general rates and the municipal charge.

While the Rate Cap applies to the revenue raised by council from rates and municipal charges, other components (such as service and special rates and charges) remain uncapped.

² <https://www.esc.vic.gov.au/local-government/annual-council-rate-caps>

To comply with the rate cap, councils:

1. *Determine the Average Property's Rates for the previous year.*

This is done by dividing the total annualised³ general rates by the number of rateable properties for the previous year, like so:

$$\frac{\text{Total Annualised General Rates}}{\text{Number of Rateable Properties}} = \text{Previous Year's Average Rates}$$

2. *Determine the Average Property's Rates for the coming year.*

This is done by dividing the total general rates for the coming year by the number of rateable properties, like so:

$$\frac{\text{Total Proposed General Rates}}{\text{Number of Rateable Properties}} = \text{Coming Year's Average Rates}$$

3. *Compare these two figures to ensure the difference is not greater than the Rate Cap.*

The rate increase between the previous year and the coming year cannot be more than the rate cap that has been set for the year.

Effects on Individual Properties

The rate cap amount is not applied to individual properties. A property may find that their rates have increased by more than the limitation set by the rate cap. This can be for a number of reasons:

1. *Property Valuations*

Councils use property valuations to apportion council rates payable for each individual property and annual revaluations assist in delivering rating equity by redistributing the rates within a municipality according to property value movements (see above).

As property valuations change across the municipality, the amount of rates charged to individual properties is redistributed accordingly. This means that some ratepayers will pay more, and some will pay less than the average increase cap, depending on the new value of their property and relative to the new values of other properties in their municipality.

³ It is common that new properties are altered, created, and ended through supplementary valuations. Annualising general rates ensures that these changes are included in the calculation.

2. Charges not subject to the Rate Cap

Some charges on your rate notice may not be subject to the Rate Cap and may increase more than this figure. While the Municipal Charge is subject to the Rate Cap, the following charges are not:

- Service Rates and Charges;
- The Fire Services Property Levy; and
- Special Rates and Charges.

Higher Rate Cap Applications

While Councils are required to apply with the Rate Cap, they may seek a higher Rate Cap⁴ from the Minister through the Essential Services Commission. Councils are expected to have sought financial efficiencies as well as their communities' views through consultation, prior to applying for a higher Rate Cap.

⁴ <https://www.esc.vic.gov.au/local-government/higher-rate-cap-applications>



Spotlight On: Rate Capping



Jenny has received her annual notice and after comparing the increase from the previous year feels that she used to pay a little for her rates, while now she feels that she pays a lot.

She has compared her notice with neighbours on her block. After seeing that the Rate Cap for the year is 2 per cent, she queries the change with rate officers at the City of Pleasantville

Jenny's property details for 1 Bronx Avenue, Pleasantville are:

	2019/2020	2020/2021
Property Valuation	\$500,000	\$600,000
Rate in the Dollar	0.0027	0.0025
Total Rates	\$1,350.00	\$1,500.00

Jenny has noticed that her rates have increased by approximately 11 per cent, which is over the 2 per cent increase that is set by the rate cap.

Rate officers explain to Jenny that the rate cap does not apply to her property directly and explains that it has been applied correctly.

The Average Annualised Rate for 2019/2020 was \$980.81 ($\$48,550,000 / 49,500$) while the Annual Rate for 2020/2021 is \$1,000 ($\$50,000,000 / 50,000$), an increase of 1.96 per cent.

The City of Pleasantville increased rates by an amount less than the 2 per cent.

So why did Jenny's property increase more than 2 per cent?

Rate Officers note that the valuations of properties in Bronx Avenue have increased between the years due to increased popularity of homes in the area. In addition, Jenny herself increased the valuation of her home by completing a renovation and received a Supplementary Rates and Charges Notice to reflect the rates and valuation changes.

Property Valuations

Rating valuations (also known as statutory valuations) reflect the fair market value of a property on the 1st of January each year.

Council valuations are completed by the Valuer-General Victoria. Councils are not responsible for the determination of property valuations.

Valuations are used by councils to apportion rates. the State Revenue Office for land tax and the Fire Services Property Levy. Councils collect the Fire Services Property Levy on behalf of the State Revenue Office, which is why it is present on rate notices.

If you disagree with the valuation given to your property you may lodge an objection either directly with your council, or through the Valuer-General Victoria's website: <https://www.land.vic.gov.au/valuations>

More information regarding property valuations can be found in *Appendix Three: Supporting Documents*.

Fire Services Property Levy

Council rate notices also include the Fire Services Property Levy, a State Government charge to fund fire and emergency services. Councils are required to collect this levy on behalf of the State Government.

Holders of pensioner concession cards and Department of Veterans' Affairs Gold Cards (Totally and Permanently Incapacitated and War Widows) receive a concession on their home (principal place of residence). Only one concession applies per property per annum.

The Fire Services Property Levy is not subject to rate capping.

More information regarding the Fire Services Property Levy can be found in the Guide's Supporting Documents, or at: <https://www.sro.vic.gov.au/fire-services-property-levy>.

Uniform Rates vs Differential Rates

The main portion of your rates and charges comes from the application of either Uniform Rates or Differential Rates, a choice made directly by your council. While Councils can also raise fixed charges (detailed below), their main source of rates are raised by one of the following options:

Uniform Rates

The simplest to apply and understand, uniform rates are raised by multiplying every ratepayer's property valuation by the same rate-in-the-dollar. So, a property valued at \$800,000 will pay twice the amount in rates as a \$400,000 property. The valuation of your property solely determines the level of rates you pay to council.

Differential Rates

A more complex method of raising rates, differential rates allow councils to charge different rates for different categories of land use (such as Residential, Commercial, Industrial, Farm, etc.). Councils may set a different rate-in-the-dollar for each of these categories, however:

- Councils cannot collect more rates in total than if they were using a Uniform Rate; and
- The highest differential rate must be no more than four times higher than the lowest differential rate.

For example, if a Council lowers the rate-in-the-dollar for a specific category and intends to collect the same amount of rates, then other differential rates will rise. Where one group of properties will pay less in rates, other properties will pay more to compensate.

When a council decides to apply a differential rate, they must follow the requirements of the *Local Government Act 1989*⁵ as well as having regard to the Ministerial Guidelines for Differential Rating.⁶ When declaring a differential rate, councils must clearly and transparently state:

- The definition of the type or class of land subject to the differential rate;
- The reasons for the use and level of the differential rate;
- Identify the types or classes of the land subject to the differential rate; and
- The characteristics of the land (the criteria for declaring the differential rate).

A decision to apply a particular rating structure is entirely a matter for a council to determine. An owner or occupier of land who is affected by the classification of their land for differential rating purposes may apply to VCAT for a review of that decision.⁷ An application for review must be made within 60 days of receiving written notice of the decision.

Municipal Charges

Councils may choose to declare a municipal charge on rateable land to cover "*...some of the administrative costs of the council.*" While legislation does not specify what administrative costs may be covered, councils should make it clear in their Revenue and Rating Plan what costs their municipal charge are paying for.

Councils can opt to use a municipal charge which applies equally to all properties regardless of their value. Because a municipal charge is a fixed dollar amount, the value of the property has no relationship to the amount charged.

If a council declared that it wanted to raise \$10 million (out of \$50 million in general rates) in municipal charges across 50,000 properties, then:

- Each property would be levied a fixed amount of \$200 in municipal charges; and
- The uniform rate in the dollar would be 0.002 cents in the dollar (as the amount to be raised lowers to \$40 million).

⁵ s161, *Local Government Act 1989*

⁶https://www.localgovernment.vic.gov.au/_data/assets/pdf_file/0026/165554/Ministerial_Guidelines_for_Differential_Rating_April_2013-PDF.pdf

⁷ s183, *Local Government Act 1989*

The greater the municipal charge, the less the property's value determines the total amount levied in general rates and charges. This results in properties with lower valuations paying more in rates and charges, than those with a higher valuation. Comparing this to raising a uniform rate without a municipal charge, ratepayers would pay the following total:

Uniform Rate with no Municipal Charge

Property Valuation	Rate in the Dollar	Uniform Rate	Municipal Charge	Total Due
\$350,000	0.0025	\$875.00	\$0.00	\$875.00
\$500,000	0.0025	\$1,250.00	\$0.00	\$1,250.00
\$750,000	0.0025	\$1,875.00	\$0.00	\$1,875.00
\$1,000,000	0.0025	\$2,500.00	\$0.00	\$2,500.00

Uniform Rate with a Municipal Charge

Property Valuation	Rate in the Dollar	Uniform Rate	Municipal Charge	Total Due
\$350,000	0.0020	\$700.00	\$200.00	\$900.00
\$500,000	0.0020	\$1,000.00	\$200.00	\$1,200.00
\$750,000	0.0020	\$1,500.00	\$200.00	\$1,700.00
\$1,000,000	0.0020	\$2,000.00	\$200.00	\$2,200.00

Municipal charges can be used when levying differential rates as well as a uniform rate. The Act also allows an exemption from multiple municipal charges for the same ratepayer if they can show that they are operating a single farm business across multiple properties.⁸

Your council can set the amount of their municipal charge as high as 20 per cent of the sum total⁹ of the council's rate revenue.

⁸ s169(3), *Local Government Act 1989*

⁹ The total of general rates and municipal charge.

Service Rates and Charges

Councils have a statutory responsibility to provide certain services to their communities. One of them is waste collection and recycling.

To pay for these services, Councils can lawfully declare a service rate or charge which appear on rate and charge notices. These charges may be raised on a pro-rata basis¹⁰ if the service is not used for the full year.

The legislation currently permits councils to levy charges on a property for:

- Waste, recycling, or resource recovery services; and
- Any other prescribed service.¹¹

How councils operate waste collection services, including the types of kerbside collections, scheduling of collections and enforcement action, are matters for each council to determine individually.

Waste charges (waste, recycling or resource recovery services) for providing kerbside waste and recycling services, are in widespread use in Victoria. In comparing charges for these services, keep in mind that the cost of providing a comparable service may differ from council to council, leading to different costs to ratepayers in different councils.

¹⁰ Meaning “proportionate allocation”, for the time the service was used.

¹¹ There are currently no services prescribed by the Minister.



Spotlight On: Waste Charges



Jenny has recently moved to Pleasantville from a southside municipality and is learning about the difference in services. Her previous council had one charge, the 'Waste Management Charge' covering:

- One 240 litre waste bin (collected weekly); and
- One 240 litre recycling bin (collected fortnightly).

In moving to the City of Pleasantville Jenny has found that the council provides their waste recovery services in a different way. By default, all ratepayers receive:

- One 120 litre waste bin (collected weekly); and
- One 240 litre recycling bin (collected fortnightly)

In her new council, Jenny may also request additional services including:

- One 120 litre green waste bin (collected fortnightly);
- A waste reduction to an 80 litre waste bin (collected weekly); and
- A waste increase to a 240 litre waste bin (collected weekly).

These services may be charged differently on Jenny's rate notice compared to her house in her last council. This is due to the difference in costs between the two councils in providing these services to their communities.

Special Rates and Charges

Councils may use special rate or charge schemes to pay for services and infrastructure that provides a “special benefit” to particular ratepayers. Ratepayers may request council to provide the construction of a footpath or the sealing of a road, or commercial retailers may request support for their trading association in a designated area.

Declaring a special rate or charge may only be made for the purpose of either defraying expenses, or repaying debts or loans (including interest), in relation to these specific services.

Before declaring a special rate or charge, councils must give public notice of the declaration and consult with their community. This must include an outline of the special rate or charge, and at which Council meeting they will be making the declaration.

The manner in which councils conduct community consultation and raise special rates and charges, are matters for each council to determine.

Councils can choose to declare a special rate or charge to fund a project that only affects a limited number of ratepayers. This ensures that the ratepayers that benefit from the project contribute to funding it.

Examples of a special rate or charge scheme include:

- Street beautification works;
- Raising funds for commercial marketing, development and promotion via Business/Trader Associations;
- Creation of car parking to support commercial businesses; and
- Infrastructure improvements (such as roads, stormwater drainage, and water and sewer mains) in a limited access street.

Each Special Rate and Charge is calculated and apportioned differently depending on the funding required and number of ratepayers responsible for payment. This information must be provided by Council during consultation with the community, in addition to being made public information after the special rate or charge is declared and charged to the affected members of the community.

Rebates and Concessions

A rate concession is a direct reduction in rates and a rebate is a refund of payments made by a person. Councils may provide rate rebates and concessions for the purpose of:

- assisting the proper development of the whole or part of the municipal district;
- preserving buildings or places in the municipal district which are of historical or environmental interest;
- restoring or maintaining buildings or places of historical, environmental, architectural or scientific importance in the municipal district;
- supporting the provision of affordable housing, to a registered agency; and
- public benefit land use.

The application of rebates and concessions are at the discretion of individual councils. For more information regarding how these are applied, you may need to contact your local council directly.

Public Benefit Land Use

A council may offer rate rebates or concessions on the basis of a land used for the purpose of providing a 'public benefit' that the council may wish to encourage.

The term 'public benefit' is used widely to denote an act, good or service that is beneficial to society or a sub-set of society, typically without generating a profit. While acts of public benefit are also often correlated with acts of charity, these acts do not always correlate with rate exemptions.

When considering 'public benefit', a council is obligated to determine some form of value to the public that is equivalent to the cost of the rate rebate or concession being considered.

As noted above, the application of this form of rebate/concession is at the discretion of individual councils.

Pension Card Holders

A State-wide concession on rates is provided by the State Government for eligible pensioners, which increases annually in line with inflation.

The rate rebate in 2022-23 for eligible pensioners is 50 per cent of the General Rates up to a maximum of \$253.20 and \$50 for the Fire Services Property Levy (a total of \$303.20).

In order to be eligible for this concession the applicant must hold a Pensioner Concession Card or a DVA Gold Card and be a homeowner making an application for their principal place of residency. For more information about the Municipal Rates Concession, please visit:

<https://services.dffh.vic.gov.au/municipal-rates-concession>

Some Victorian councils provide an additional rebate on rates for eligible pensioners on top of the State Government rebate.

Rate Notices and Payment Options

Councils are required to issue rates notices which contain details about the ratepayer's property and the dates when payments are due. These details include the property's legal descriptions, the valuation, rates and charges, payment options, and methods of objection.¹²

Councils are required to allow ratepayers to make payment of the amount due in four instalments and may also choose (but are not required) to offer the ability to pay in full by a specific date.

The due dates for these options were set by the Minister for Local Government in 1998¹³ and are:

Four Instalments

- 30 September;
- 30 November;
- 28 February; and
- 31 May.

Payment in Full (Optional)

- 15 February.

Where this date falls on a weekend or public holiday, some Councils allow payment on the next business day.

Councils are required to send an annual notice at least 14 days before the due date of the first payment is due, and if rates are being paid by four instalments, reminder notices must also be sent 14 days before the dues dates of the second, third and last instalment.

Other instalments may be adopted by councils, and many provide additional instalments via direct debit directly from a bank account or via credit card. Ratepayers may contact their council to inquire about the different options for payment.

¹² Regulation 10, *Local Government (General) Regulations 2015*

¹³ <http://www.gazette.vic.gov.au/gazette/Gazettes1998/GG1998G012.pdf>

Payment in Full

Where an option to make payment in full is provided by council, the due date of 15 February must be applied as this date fixed by the Minister.

While ratepayers can choose to make payments before the listed due dates, Councils may only offer an earlier payment in full date if they also offer an incentive for this payment (such as a discount).¹⁴

When a ratepayer makes payment prior to the date a payment falls due (such as paying in full months before the due date) or pays more than the amount due, they may write to the Council to request a refund.

Supplementary Rates and Charges

If a property's valuation changes outside the annual revaluation process, councils issue amended notices updating the rates payable.

These valuation changes can occur for a variety of reasons. These include:

- Changes making the land rateable (or exempt from rates) per the rules of the Act;
- The land is subdivided or consolidated;
- A new building is constructed on the land; and
- There is an alteration made to an existing construction (such as a renovation, demolition, or destruction via natural disaster).

When the new valuation is determined, councils then issue revised rates notices to the owner showing the change in valuation and the updated rates and charges.

The charges will be applied on a pro-rata basis. A council determines your rates payable per day, and charges you accordingly.

¹⁴ Section 168, *Local Government Act 1989*



Spotlight On: Supplementary Rates and Charges



On 1 July 2021 Jenny's house was valued at \$600,000, however she has decided to demolish the building on 1 January 2022, to build a new home in the future. How will this affect Jenny's rates?

Jenny's original bill was for \$1,500, but from 1 January 2022 her property's valuation lowers to \$100,000, and so Council will lower Jenny's rates from this day as well.

	Between 01/07/2021 and 31/12/2021 (184 days)	Between 01/01/2022 and 31/06/2022 (181 days)
Property Valuation	\$600,000	\$100,000
Rate in the Dollar	0.0025	0.0025
Annual Rates	\$1,500.00	\$250.00
Rates per day (approx.)	\$4.11	\$0.68
Total Rates for Period	\$756.24	\$123.08

Due to the reduction of the property's valuation, the total rates payable for the year lowers from \$1,500.00 to \$879.32 (\$756.24 + \$123.08).

Engaging with Council

Councils are required to have a Community Engagement Policy¹⁵ in order to assist them in Council decision making. The community should also be able to access and understand the policies that also influence decision making. Community engagement strategies aim to strengthen relationships between councils and their communities in order to make informed and transparent decisions.

Financial Hardship and Support

Councils have ways to support residents experiencing financial hardship, which include specific legislation regarding unpaid rates and charges. The Minister for Local Government sets guidelines for councils on practices.

Within these policies councils provide details of the financial hardship assessment process, along with how they process requests for:

- Deferral of payments¹⁶ (short and long term 'extensions' past due dates);
- Payment plans¹⁷; and
- Waivers of rates, charges, or interest.¹⁸

Councils may negotiate different payment arrangements for people experiencing financial hardship or would suffer financial hardship if they were forced to make the payment.

If you are experiencing (or would experience) financial hardship you should immediately contact your council to request information regarding their financial hardship policies.

If a council is unaware of your circumstances, they may proceed with debt recovery in the Magistrate's Court. This is a costly procedure in which you may be liable to pay all associated costs.

If you are (or may be) experiencing financial hardship, immediately contact your council to discuss your options.

¹⁵ Section 55, *Local Government Act 2020*

¹⁶ Section 170, *Local Government Act 1989*

¹⁷ Section 181AA, *Local Government Act 1989*

¹⁸ Section 171 & 171A, *Local Government Act 1989*



Spotlight On: Financial Hardship



Jenny has been feeling anxious regarding her financial situation. After Jenny's recent divorce, she decided to demolish her home to start a new life. Obtaining a loan from the bank, Jenny has financed the construction of a new home.

Unfortunately, Jenny has just been made redundant.

With mounting bills regarding demolition fees, loan repayments and coupled with the stress of renting while her new home is being built, Jenny has resulted to selling personal possessions (such as her jewellery) to pay her mounting bills.

Without an income, Jenny's savings will be depleted soon.

Approaching the City of Pleasantville early, Jenny explains her situation and provides evidence of her unemployment. She requests extra time to meet her commitments, a few months to find a new job and sort out her many debts.

The City of Pleasantville has a robust Financial Hardship Policy and given Jenny's situation, their Rating Officers organise a payment plan that includes:

- A three month deferral of payments;
- Reduced interest charges for three months; and
- A fortnightly payment plan after the deferral period is complete.

The Rating Officers also explain to Jenny that if she is still having trouble finding employment before the end of the three month deferral period, that she should return and update her current financial position. This will allow the officers to reassess her position.

Complaints and Further Escalation

Councils are required to have a Complaints Policy that includes processes for:

- dealing with complaints made to (or about) the Council;
- reviewing any action, decision, or service in respect of the complaint;
- exercising the lawful discretion to refuse to deal with a complaint which is otherwise subject to statutory review; and
- internal reviews of complaints made.

These processes must provide for a review that is independent of:

- the person who took the action;
- the person who made the decision; and
- the person who provided the service.

Councils should also provide you with information regarding how to escalate complaints outside of their organisation. The following links may assist you in escalating complaints where you are not satisfied with council's responses:

Victorian Ombudsman - The Victorian Ombudsman deals with complains about actions or decisions made by Victorian public organisations, such as councils.
<https://www.ombudsman.vic.gov.au/>

State Revenue Office - The State Revenue Office monitors the performance of councils as they collect the levy on behalf of the State Government.
<https://www.sro.vic.gov.au/fire-services-property-levy>

Local Government Inspectorate - The Local Government Inspectorate are an independent agency that ensures councils follow the *Local Government Act 2020*.
<https://www.lgi.vic.gov.au/>

County Court of Victoria - Anyone aggrieved by a rate or charge imposed by a Council may appeal to the County Court for a review of the rate or charge.¹⁹
<https://www.countycourt.vic.gov.au/>

Valuer General Victoria - Valuations for council rates, fire services property levy and land tax are made annually and are undertaken, or overseen, by the Valuer-General Victoria. <https://www.land.vic.gov.au/valuations>

Victorian Civil and Administrative Tribunal - A person may apply to VCAT for a review of a council decision regarding the imposition of a differential rate or special rate or charge.²⁰ <https://www.vcat.vic.gov.au/>

¹⁹ Section 183 and 185, *Local Government Act 1989*

²⁰ Section 184, *Local Government Act 1989*