

# Media Release

**The Hon Shaun Leane MLC**  
Minister for Local Government  
Minister for Suburban Development  
Minister for Veterans



Wednesday, 8 June 2022

## GIVING RATEPAYERS A FAIR GO

The Andrews Labor Government is ensuring people struggling to pay their rates are not being driven further into debt or out of their homes.

Minister for Local Government Shaun Leane will today introduce legislation into Parliament which will support Victorian property owners by ensuring councils implement fairer financial hardship policies.

The Local Government Amendment (Rating Reform and Other Matters) Bill 2022 will explicitly define financial hardship and require early engagement from councils with ratepayers.

Councils will also no longer be able to use debt collectors or pursue legal action - which can result in homes being sold to pay back debts to council - unless ratepayers refuse to engage and all other options have been exhausted.

During the pandemic many councils expanded their hardship policies to provide relief to those doing it tough and started engaging earlier with ratepayers who fall into debt – this Bill ensures councils do not revert to past practices.

It comes following the release of the Local Government Rating System Review and the Ombudsman's 'Investigation into how local councils respond to ratepayers in financial hardship' report, with recommendations relating to greater support for ratepayers in financial hardship.

The Ombudsman's report found that people who were struggling to pay their rates were often meet with debt collectors, high penalty interest and in some cases costly litigation.

This creates more stress and fear for those who are already struggling financially and or dealing with a range of compounding issues, including family violence and mental health.

The Bill will allow the Minister, in consultation with the Essential Services Commission, to set a maximum amount of interest levied on unpaid rates and charges, and Ministerial Guidelines to assist ratepayers experiencing financial hardship will be developed for councils to follow.

Councils will also be limited in using Magistrate's Court orders for recovering unpaid rates in situations where rates or charges have not been paid for two years or more.

For more information on the Local Government Rating System Review visit [localgovernment.vic.gov.au](https://localgovernment.vic.gov.au).

To view the 'Investigation into how local councils respond to ratepayers in financial hardship' report visit [ombudsman.vic.gov.au/our-impact/investigation-reports](https://ombudsman.vic.gov.au/our-impact/investigation-reports).

### Quotes attributable to Minister for Local Government Shaun Leane

*"We know that many Victorians are doing it tough and that's why we are working to reform the rating system."*

*"Good hardship relief schemes strike a balance where the rate burden is shared while ensuring people in hardship are not driven further into debt or out of their homes."*

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