



**Information on fee relief during
emergencies under Part 7C of the
*Financial Management Act 1994***

What are the general fee relief powers?

- Part 7C of the *Financial Management Act 1994* allows fee and charge collectors to provide fee relief, during an emergency period, to address financial hardship or other special circumstances (referred to here as 'general fee relief powers').
- For the general fee relief powers to apply, the fee or charge must (at least in part) be payable within an emergency period.
- The general fee relief powers are **not** to be used if the proposed fee relief is available under other laws. Where other laws are used, any specific requirements under those laws must be met.

Threshold requirements

- The general fee relief powers should only be used where specific fee relief powers in other laws do not provide for the proposed relief.
- ‘Financial hardship’ and ‘special circumstances’ are not expected to be an onerous bar to meet as an emergency, by its nature, will often result in financial hardship or special circumstances.
- These threshold requirements exclude any persons or classes of persons who are largely unaffected by a particular emergency and who can practicably or feasibly be distinguished from those are affected.

Glossary

- Part 7C of the Financial Management Act uses these terms:
 - **fee relief**: fee refunds, waivers, deferrals, or reductions, whether in whole or in part
 - **fee and charge collector**: any person or entity who collects fees or charges under any Act, statutory rule or other subordinate instrument (regardless of whether fees or charges are payable into the Consolidated Fund or other fund established by an Act)
 - **emergency**: a state of disaster declaration under the *Emergency Management Act 1986*; a state or emergency, pandemic declaration or pandemic order under the *Public Health and Wellbeing Act 2008*; or a proclamation of emergency under the *Essential Services Act 1958*
 - **emergency period**: the period starting with an emergency and ending six months after the end of the emergency
 - **payable**: a fee or charge is 'payable' where an *obligation to pay (at least in part)* exists during an emergency period. The entire fee or charge does not need to fall due or be settled within the emergency period, nor does the right, good or service being paid for need to be provided within the emergency period.

Mandatory guidelines

- Regardless of whether general or specific powers are used, Victorian Government entities subject to the Standing Directions issued by the Assistant Treasurer under the *Financial Management Act 1994* must follow guidelines for fee relief during emergencies.
- The key principles are summarised on the next slide. The full version of the guidelines is published on the [DTF website](#).
- Other fee and charge collectors (not subject to the Standing Directions) are encouraged to consider the key principles when assessing their own fee relief proposals and budgetary impacts.

Consultation requirements

- Victorian Government entities subject to the Standing Directions under the *Financial Management Act 1994* should consult DTF during the development of fee relief proposals. The implications for cost recovery or self-funding arrangements may also need to be considered.
- Final approval of fee relief proposals should rest with the relevant portfolio Minister. Where the revenue impacts are significant, consultation with the Treasurer is required.
- The consultation threshold for 2021-22 is a revenue impact exceeding \$507,500 a year. This threshold is adjusted annually using the Treasurer's annual rate.

The guidelines in brief

No.	Guideline
1	Fee relief should have an appropriate legal basis.
2	Fee relief should be delivered in a timely manner.
3	Fee relief should be appropriately targeted .
4	Fee relief should be temporary .
5	Fee relief should complement other policy measures.
6	Fee relief should be affordable and beneficial .

Practical example 1

- Subject to the guidelines and any regulations, if an emergency applies from 1 January to 1 March in a given year, fee relief under new Part 7C may be granted to persons or classes of persons needing to renew an annual licence sometime between 1 January and 1 September of the same year.
- This is because the emergency period extends for 6 months after the end of the emergency. Regardless of whether final payment is due before or after 1 September.
- Regardless of whether final payment is due before or after 1 September, a fee or charge collector may (for example) waive an amount up to the full amount of the fee.

Practical example 2

- Subject to the guidelines and any regulations, if an emergency period applies from 1 January to 1 March in a given year, fee relief under new Part 7C may be granted to a business still owing part or all of a registration fee up until 1 September that year.
- This applies even where the business may have paid one or more instalments prior to 1 January (when no "emergency", as defined for the purposes of Part 7C, applied) so long as there is still an outstanding amount owed on or after 1 January that year.
- A fee or charge collector in this scenario may, for example, waive the amount still outstanding to the full amount outstanding, and additionally provide a refund for the instalment or instalments paid prior to 1 January that year.
- In contrast, a business that settled its registration fee in full prior to 1 January that year is not entitled to any fee.

Further information

Contact details

For further information about these guidelines, please contact the Department of Treasury and Finance:

- website: dtf.vic.gov.au
- email: pricing@dtf.vic.gov.au
- phone: 03 9651 5111.