SHIRE POLICY 2.8
Financial Hardship – Collection of Rates and Service Charges

Responsible Department:	Corporate Services
Responsible Business Unit:	Chief Executive Officer
Date of Adoption:	18 March 2026
Council Resolution:	210326

1. OBJECTIVE

The objective of this Policy is to allow flexibility for payment of overdue rates and charges to find an appropriate payment solution that is effective and sustainable. This policy ensures all ratepayers are treated with respect, dignity, fairness, equity and confidentiality.

2. SCOPE

This Policy applies to ratepayers experiencing financial hardship in relation to rates and service charges levied by the Shire of Chittering.

This policy governs the assessment of hardship applications, payment arrangements and suspension of debt recovery processes in accordance with the *Local Government Act 1995* and associated regulations.

3. DEFINITIONS

Debt Recovery Action means action taken by the Shire to recover unpaid rates and service charges in accordance with the *Local Government Act 1995*, including referral to a debt collection agency, legal proceedings, lodging of a caveat, or action under s6.64 of the *Act*.

Financial Hardship means a situation where a ratepayer is unable to meet their rate and service charge obligations due to genuine financial difficulty beyond their reasonable control.

Service Charges means a charge imposed under the *Local Government Act 1995* or the provision of a prescribed service to land.

Payment Arrangement means an agreed schedule of payments entered into under s6.49 of the *Local Government Act 1995* to enable a ratepayer to pay outstanding rates and service charges over time.

4. POLICY STATEMENT

4.1. Financial Hardship Criteria

While evidence of hardship will be required, we recognise that not all circumstances are alike. We will take a flexible approach to a range of individual circumstances including, but not limited to, the following situations:

- Recent unemployment of under-employment
- Sickness or recovery from sickness
- Low income or loss of income
- Unanticipated circumstances such as caring for and supporting extended family

Ratepayers are encouraged to provide any information about their individual circumstances that may be relevant for assessment. This may include demonstrating a capacity to make some payment and where possible, entering into a payment proposal. We will consider all circumstances, applying the principles of fairness, integrity and confidentiality whilst complying out statutory responsibilities.

4.2. Payment Arrangements

Payment arrangements facilitate in accordance with s6.49 of the *Act* are of an agreed frequency and amount. These arrangements will consider the following:

- That a ratepayer has made genuine effort to meet rate and service charge obligations in the past;
- The payment arrangement will establish a known end date that is realistic and achievable;
- The ratepayer will be responsible for informing the Shire of any change in circumstance that jeopardises the agreed payment schedule.

4.3. Debt Recovery

We will suspend our debt recovery processes once a suitable payment arrangement has been approved with a debtor. Where a debtor is unable to make payments in accordance with the agreed payment plan and the debtor advises us and makes an alternative plan before defaulting on the third due payment, then we will continue to suspend debt recovery processes.

Where a ratepayer has not reasonably adhered to the agreed payment plan, then for any Rates and Service Charge debts that remain outstanding, we will offer the ratepayer one further opportunity of adhering to a payment plan that will clear the total debt.

Rates and service charge debts that remain outstanding, will then be subject to the rates debt recovery procedures prescribed in the *Local Government Act 1995*.

4.4. Financial Counselling

Financial counselling is a free service that assists people in financial difficulty. It helps people work through any problems they may be having with money – this may include managing a household budget and/or negotiating outstanding bills.

Financial counsellors provide information, support and advocacy and offer sound advice and support to anyone struggling to make ends meet. They have extensive knowledge of law and policy, including consumer credit law, debt enforcement practices, the bankruptcy regime, industry hardship policies and government concession frameworks.

Anyone can contact the Financial Counselling Helpline (1800 007 007). This is a free confidential service for all Western Australians with financial issues. It provides information, strategies and guidance to assist those experiencing financial difficulties.

More information can be found on the Financial Counsellors website.

The Moneysmart website also offers helpful advice, tools and information to assist in making sensible financial decisions.

4.4.1. Financial Counselling Contact Numbers

- Financial Counselling Australia – 1800 007 007
- The Spiers Centre – 9405 9507
- Anglicare Joondalup Financial Counselling – 1300 11 44 46

4.5. Implications (Strategic, Financial, Human Resources)

Consideration is to be given to the following for all requests: -

- Financial Implications to be considered with each case.
- Local Government (Financial Management) Regulations 1996
- s6.51 of the Local Government Act 1995 (the Act)
- s6.12 of the *Act*
- Delegated Authority Register

4.6. Dispute Resolution

All disputes in regard to this policy will be referred to the Deputy Chief Executive Officer in the first instance. In the event that an agreement cannot be reached, the matter will be submitted to the CEO for a ruling.

5. ROLES AND RESPONSIBILITIES

Council is responsible for adopting this Policy and determining any fees, interest and charges through the Annual Budget in accordance with the *Local Government Act 1995*.

The Chief Executive Officer is responsible for ensuring the implementation of this Policy and for exercising delegated authority to approve, vary or refuse financial hardship arrangements in accordance with legislative requirements.

The Deputy Chief Executive Officer is responsible for overseeing the assessment of hardship applications, ensuring consistency and fairness in decision-making, and monitoring compliance with agreed payment arrangements.

The Rates Officer is responsible for administering payment arrangements, maintaining accurate records, suspending and recommencing debt recovery action as required, and ensuring documentation is retained in accordance with legislative and record keeping requirements.

Ratepayers seeking assistance are responsible for providing accurate and timely information relevant to their financial circumstances and for complying with agreed payment arrangements.

6. COMPLIANCE

Legislation	*Local Government Act 1995* *Local Government (Financial Management) Regulations 1996* *Rates and Charges (Rebates and Deferments) Act 1992* *Transfer of Land Act 1893* *State Records Act 2000*
Industry	Western Australian Local Government Association Rating and Debt Recovery Guidance
Organisational Documents	Delegations Register Policy 2.2 – Rating Long Term Financial Plan Annual Budget Policy 1.5 – Record Keeping
Strategic Alignment	

7. ADMINISTRATION

Review Cycle	Every 3 years	**Next Review Due**	March 2029
Policy Owner	Chief Executive Officer		

Version	Decision Ref	Date	Change
1.0	060420	15/04/2020	Initial adoption
2.0	170623	21/06/2023	Amendment
3.0	210326	18/03/2026	Review