

Policy 4.15 Finance

Financial Hardship

Reference/s

Local Government Act 1995 – Local Government
(Financial Management Regulations 1996)
Shire of Cranbrook Corporate Business Plan 2021-2025
Shire of Cranbrook Strategic Community Plan 2021-2031
Shire of Cranbrook Strategic Resource Plan 2017-2032

Date Proposed/Adopted

20 May 2020 **Motion Number** 09052020

Reviewed	19 March 2025
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This policy supports the delivery of the Shire of Cranbrook Vision

That the Shire of Cranbrook is a proactive, sustainable, safe, friendly and prosperous place to be

PURPOSE

The purpose of this policy is to ensure that the Shire of Cranbrook provides fair, equitable, consistent and dignified support to ratepayers and community groups suffering hardship, while treating all members of the community with respect and understanding at what is a difficult time.

SCOPE

This policy is intended to apply to all ratepayers and community groups experiencing financial hardship regardless of their status, be they a property owner, tenant, business owner, lessee etc and is applicable to all rates and service charges levied.

OBJECTIVE

To provide consistent methodology and outline the principles applied for determining financial hardship.

The Shire will advise ratepayers and community groups at the time their account falls into arrears, to advise them of the terms of this policy and encourage eligible persons to apply for hardship consideration.

PRINCIPLES

Overarching Principle

Overdue rates must be paid, nonetheless, fair, reasonable and flexible approaches to payment are beneficial. All ratepayers have a responsibility to pay overdue rates. This policy in no way overrides, detracts from, or diminishes, the responsibility of ratepayers to pay overdue rates, consistent with the *Local Government Act*.

Research demonstrates that a fair, reasonable and flexible approach leads to better repayment outcomes and fewer resources expended in the collection of payments. Greater efficiency and predictability in the collection of rates thereby assists Council to plan and fund service delivery priorities. Furthermore, addressing overdue rates through an early intervention approach without resorting to court recovery processes minimises legal and court costs to individual ratepayers.

Financial Hardship Criteria

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

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

Ratepayers and community groups will be encouraged to provide any information about their individual circumstances that may be relevant for assessment. This may include demonstrating a capacity to make some payments and wherever possible, entering into a payment arrangement.

Application Process

Each person wishing to apply under this financial hardship policy will be required to complete the application form that is attached to this policy.

The Shire's Chief Executive Officer and Manager of Finance will assess each application on a case by case basis. All circumstances will be considered and the principles of fairness, integrity and confidentiality will be applied in all instances, whilst complying with statutory responsibilities at all times.

Payment Arrangements

Payment arrangements will be facilitated in accordance with Section 6.49 of the Local Government Act 1995 and will be of an agreed frequency and amount. These arrangements will consider the following:

- If the ratepayer or community group has made a genuine effort to meet rate and service charge obligations in the past;
- If the payment arrangement will establish a known end date that is realistic and achievable.

Ratepayers and community groups will be responsible for informing the Shire of any change in circumstances that may jeopardise the agreed payment schedule.

Deferment of Rates

Deferment of rates may apply for ratepayers who have a Pensioner Card, State Concession Card or Seniors Card and Commonwealth Seniors Health Care Card registered on their property. The deferred rates balance:

- remains as a debt on the property until paid;
- becomes payable in full upon the passing of the pensioner or if the property is sold or if the pensioner ceases to reside in the property;
- may be paid at any time, BUT the concession will not apply when the rates debt is subsequently paid (deferral forfeits the right to any concession entitlement); and
- does not incur penalty interest charges.

Debt Recovery

- The Shire will suspend its debt recovery processes while negotiating a suitable payment arrangement and whilst the agreed payment arrangement is adhered to.
- Where ratepayers or community groups are unable to make payments in accordance with the agreed payment arrangement an alternative payment arrangement will be considered and if agreed upon, the Shire will continue to suspend all debt recovery processes.
- Where ratepayers or community groups do not reasonably adhere to the agreed payment arrangement, the Shire will offer one further opportunity to enter into a payment arrangement that will clear the debt by the end of the financial year that the debt is relevant to.
- Rates and service charge debts that remain outstanding at the beginning of the following financial year will be subject to normal debt recovery procedures as prescribed in the Act.
- If no contact is made by the ratepayer or community group in relation to the outstanding debt then normal debt recovery procedures will apply.
- Subdivision 6 of the *Local Government Act 1995* details requirements to be met and the processes to be undertaken for actions against land where rates or services charges are unpaid.

Communication and Confidentiality

- The Shire will maintain confidential communications at all times and undertake to communicate with a nominated support person or other third party at the ratepayers request.
- The Shire will advise ratepayers and community groups of this policy and its application when communicating with a ratepayer or community group with an outstanding rate or service charge debt.

PROCEDURE ASSOCIATED WITH THIS POLICY

Application for Financial Hardship form

ROLES AND RESPONSIBILITIES

Chief Executive Officer

- Consider applications for financial hardship in accordance with this policy

Manager of Finance

- Consider applications for financial hardship in accordance with this policy



APPLICATION FOR SHIRE OF CRANBROOK FINANCIAL HARDSHIP ASSESSMENT

The Shire of Cranbrook recognises that some members of our community will experience financial hardship from time to time. Council has adopted a financial hardship policy which means that for those who are experiencing difficulties, Council has agreed on some measures to assist in the payment of rates and service charges.

Please complete this application in full

Shire of Cranbrook Financial Hardship Policy 4.15 is applicable to this assessment

Applicants Details

Full Name/s: _____

Applicants mailing address: _____

Applicants preferred contact phone number: _____

Applicants email address: _____

Is this application being lodged on behalf of a Corporate / Community Organisation / Group / Club / Business?

YES / NO

If yes, what is the name of that Corporate / Community Organisation / Group / Club / Business? _____

Financial Hardship Details

Property addresses this application applies to:

1. _____
2. _____
3. _____
4. _____
5. _____

I am seeking financial hardship assistance for the following:

- Property Rates
- Property Lease
- Rent of Shire Premises
- Community Association Loan
- Other

If you have chosen 'Other' please provide specific information on what assistance is being sought

Which of the following are you in relation to the properties in this application?

(Please note if you rent a property from a private owner, please contact them directly)

- I am the property owner
- I am the lessee of a Shire of Cranbrook property
- Other (please specify) _____

Please confirm under which capacity you are seeking financial hardship assistance.

- Recent unemployment or under employment
- Sickness or recovery from sickness associated with COVID-19 or other declared public health emergency or pandemic
- Other sickness or recovery from other sickness
- Low income or loss of income
- Unanticipated circumstances (ie caring for a family member)
- Other circumstances

Please provide additional information to substantiate your claim. Attach separate evidence if applicable.

Please either email or post this completed application form together with evidence to substantiate your claim to:

admin@cranbrook.wa.gov.au

or

PO Box 21, CRANBROOK WA 6321

Acknowledgement

I declare that the information I have provided in this application is correct and I am the authorised person by all owners or lessees of the organisation/body/group/club/business to lodge this application. I understand that should these statements and answers be untrue that the Shire of Cranbrook reserves the right to retrospectively revoke all waivers, discounts and assistance provided.

Signature of Applicant: _____

Date: _____

Privacy

The personal information collected on this form will only be used by the Shire of Cranbrook for the sole purpose of providing requested and related services. Information will be stored securely by the Shire and will not be disclosed to any third parties without your express written consent.