Interim COVID-19 Financial Assistance Policy

**RECOMMENDATION**

That Council:

1. receive the report by the Chief Financial Officer on the Interim COVID-19 Financial Assistance Policy;

2. endorse the Interim COVID-19 Financial Assistance Policy;

3. allow this Program to be opened for application, simultaneously to the Policy being placed on Public Exhibition for 14 days;

4. request a report be brought back to Council in June to approve financial assistance under the Local Business Booster Program; and

5. note the Rating Deferral application process opened on the 7 May 2020, allowing rate payers to defer payment of their 4th quarter instalment for 2019/20 and 1st quarter instalment of 2020/21 to 30 September 2020.

**Executive summary**

At the Council Meeting 15 April 2020, a resolution was passed to allocate $720,000 to the 2019/2020 budget for the purpose of providing rate relief to those most impacted by COVID-19. A workshop with Councillors and staff was completed with the resultant Local Business Booster program being developed, the Policy for which is now presented to Council for endorsement.

**Disclosure of Interest**

Nil

**Detailed report**

At its meeting on the 15 April 2020, Council resolved the following:

That Council:

1. provide a streamlined process to allow rate payers having difficulty paying their rates to apply for an extension to pay up until 30 September 2020;

2. waive any interest charges that would normally accrue on outstanding payments, for any ratepayers that apply for the extension, for the period up until 30 September 2020;

3. cease formal debt recovery action, with no more missed instalment notices or recovery letters issued until after 31 August 2020;

4. request a report be brought back to Council at the August 2020 Council meeting, to assess whether the relief actions require extending;
5. and relevant staff hold a workshop to establish a process and the relevant criteria for assessing hardship applications, and providing rate deferrals and/or monetary relief to ratepayers who meet the criteria;

6. allocates $720,000 to the 2019/2020 budget for the purpose of providing rate relief to those most impacted by COVID-19, funded from unrestricted cash; and

7. consider a report to be brought back to Council following the workshop being held.

RATE RELIEF

Rate relief has been provided by approving the Rates Deferral program which allows ratepayers to defer payment of their 4th quarter instalment for 2019/20 and 1st quarter instalment of 2020/21 to 30 September 2020. This program has already been implemented, with applications opening on the 7 May 2020. A report will be brought back to the August Council Meeting detailing uptake and assessing whether extension is required or affordable for Council.

FINANCIAL ASSISTANCE

The Interim COVID-19 Financial Assistance Policy and Local Business Booster Program is designed to provide support and relief to those most impacted by the COVID-19 pandemic restrictions.

The details of the Financial Assistance program including requirements, process and eligibility criteria are detailed in the attached draft Policy.

Community Plan implications

<table>
<thead>
<tr>
<th>Theme</th>
<th>Building a Strong Local Economy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goal</td>
<td>A prosperous and diversified economy</td>
</tr>
<tr>
<td>Strategy</td>
<td>Support the attraction and retention of a diverse range of businesses and industries</td>
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</tbody>
</table>

Strategic implications

Council Strategies
Not Applicable

Council Policies
The development of a new Policy, with an interim period of application is recommended in this report. It is recommended that this Policy be rescinded after Council has completed the Financial Assistance program. A report will be brought back to Council at that time.

Legislation
Local Government Act 2015 – Section 356
Can a council financially assist others?

(1) A council may, in accordance with a resolution of the council, contribute money or otherwise grant financial assistance to persons for the purpose of exercising its functions.

(2) A proposed recipient who acts for private gain is not ineligible to be granted financial
assistance but must not receive any benefit under this section until at least 28 days’
public notice of the council’s proposal to pass the necessary resolution has been
given.

(3) However, public notice is not required if:
(a) the financial assistance is part of a specific program, and
(b) the program’s details have been included in the council’s draft operational
plan for the year in which the financial assistance is proposed to be given, and
(c) the program’s proposed budget for that year does not exceed 5 per cent of the
council’s proposed income from the ordinary rates levied for that year, and
(d) the program applies uniformly to all persons within the council’s area or to a
significant group of persons within the area.

(4) Public notice is also not required if the financial assistance is part of a program of
graffiti removal work.

Financial implications

An allocation of $720,000 was included in the 2019/20 Budget at the April Council Meeting, and no
further budget recommendations are required to implement the program.

The program allocation makes up 2.6% of the 2019/20 rating revenue and therefore meets the
requirement for a financial assistance program, as seen in Section 356 (3)(c) of the Local
Government Act, above.

Associated Risks

Fraud
The risk of fraudulent applications has been considered and clear controls have been included in
the application process to ensure fraud risks are heavily mitigated. Confirmation of business
registration, business location registration and application validity are among those checks.

LEONIE JOHNSON
CHIEF FINANCIAL OFFICER

8 May 2020

Attachments: Nil

APPROVED FOR SUBMISSION:

BRAD CAM
GENERAL MANAGER