

# Hobsons Bay COVID-19 Financial Assistance Policy 2020

2020 Version 1.0



# 1. Purpose

This policy aims to provide direction to Council's Officers when collecting and providing for debts owed to Council and to ensure Council takes into consideration the financial hardship of debtors caused by COVID-19.

Council will provide assistance to those local businesses in financial hardship in accordance with the *Local Government Act 1989* (the Act), while ensuring it does not jeopardise its ability to continue to carry out its core functions.

The policy will be guided by the principles of transparency, efficiency, capacity to pay and equity by treating all debtors consistently and in a fair manner.

# 2. Scope

This policy applies to ratepayers of Hobsons Bay City Council in accordance with Sections 170, 171 and 171A of the Act.

# 3. Definitions

Word/Term	Definition
Financial hardship (COVID-19)	Financial suffering or privation which could be brought on by unemployment, sickness, family breakdown, death of spouse, lower income, loss of income, or other significant disadvantaging life event brought about by the emergence and control of COVID-19.
Payment plan and interest hold	The total deferral of all financial responsibilities due to COVID-19 can cause a secondary bout of financial stress when the event has concluded, and bills are owed.

# 4. Policy

Council may charge interest on unpaid rates and charges in accordance with the Act.

The total deferral of financial responsibilities due to an event can cause a secondary bout of financial stress when the event has concluded, and bills are owed. Council aims to provide assistance to applicants that have been most impacted by government Coronavirus measures without creating additional financial stress when measures are lifted.

In accordance with the COVID-19 Support package announcements outlined by Council in 2020, Council will not charge interest on debt accumulated during the COVID-19 pandemic for small businesses where a Financial Hardship payment plan is approved.

Council will encourage applicants to apply for and establish, in the first instance, a payment plan with Council tailored specifically to their needs, to reduce the amount of debt owing after the pandemic.

Council will defer the interest debt (interest hold) accumulated during the COVID-19 pandemic for approved applicants and will not charge interest on this debt from 1 March until 31 October 2020 (or such other later date as determined by the Council), to allow ample time for the debt to be paid without interest.

This policy is to address temporary financial hardship due to impacts of COVID-19 and is considered a provision in addition to Council's existing Financial Hardship Policy and will be eligible to all local business rateable properties in Hobsons Bay City Council.

From 1 November 2020 (or such other later date as determined by the Council) accrual of interest on the residual debt owing at this time will resume and should further hardship support be required Council's Financial Hardship policy will apply.

Council will make reasonable attempts to contact a customer about their overdue account. This may include a reminder letter, account statement, rate notice, email, SMS or phone call.

During the COVID-19 pandemic, Council will also suspend all legal action for the collection of rates and charges.

## 5. Additional Support Measures

Council has also undertaken to provide a number of specific financial assistance provision target towards:

**5.1** Hobson Bay local business community. These include:

- a) Full rental rebate until 30 June 2020 for eligible business tenants paying rent in a Council-owned building
- b) Refund of food premises registration fees already paid in the 2019/20 financial year
- c) Refund of outdoor trading permit fees already paid in the 2019/20 financial year
- d) Interest free deferral of the next two quarterly rates payments (May and September 2020) for eligible local business (via the Financial Hardship Policy)
- e) Waiver of planning application fees for 2020 for new start-up businesses or businesses requiring a planning permit to modify their operations in response to the impacts of COVID-19

**5.2** Hobsons Bay sporting Clubs & Community Groups

- a) Full rental rebate until at least 30 June 2020 for eligible sporting groups, community groups and not for profit organisations paying rent in a Council-owned building
- b) Waiver of winter ground allocation fees for 2020
- c) Financial assistance towards sporting club utility fees, (via the Financial Hardship Policy)

## 6. Responsibility /Accountability

<b>6.1</b>	<b>Chief Financial Officer</b>
	<ul style="list-style-type: none"> <li>• For ensuring the policy is applied consistently.</li> <li>• Determining deferrals of rates and charges under Section 170 of the Act</li> <li>• Determining the waiving of interest under Section 171A of the Act</li> </ul>
<b>6.2</b>	<b>Debt Recovery Officer</b>
	<ul style="list-style-type: none"> <li>• For the collection of Council's overdue rates and charges.</li> </ul>
<b>6.3</b>	<b>Director, Corporate Services</b>
	<ul style="list-style-type: none"> <li>• Determining deferrals of rates and charges under Section 170 of the Act</li> <li>• Determining the waiving of interest under Section 171A of the Act</li> </ul>
<b>6.4</b>	<b>Council</b>
	<ul style="list-style-type: none"> <li>• Determining the waiving of rates under Section 171 of the Act</li> </ul>

## 7. References and links to legislation and other documents

Name	Location
Sections 170,171,171A of the <i>Local Government Act 1989</i>	<a href="http://www.legislation.vic.gov.au/">http://www.legislation.vic.gov.au/</a>

## 8. Document Control

Policy Name	Hobsons Bay COVID-19 Financial Assistance Policy 2020
Object ID	POLA3349210
Responsible Directorate	Corporate Services
Responsible Officer	Chief Financial Officer
Date Adopted by Council	23 June 2020
Review Date	June 2023

## 9. Version History

Version Number	Date	Authorised by
1.0	23 June 2020	Adopted by Council