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Gawler leads the way with COVID-19 Rates relief proposal as part of 2020/21 Draft Budget

The Town of Gawler has recently endorsed its draft 2020/21 financial year budget for the purposes of public consultation, with one of its core principles being its sector-leading financial relief and support measures proposed for the community in response to the COVID-19 pandemic.

“The Council has gone to considerable lengths to investigate, develop, and review the series of financial relief and support measures that we are proposing in our draft budget”, Mayor Redman said. “The Council is aware that there are both businesses and individuals who are experiencing significant financial hardship as a result of the pandemic, and we have developed a series of financial measures to help those ratepayers in most need during these challenging and difficult times”.

The primary financial relief and support measures proposed are a funding pool of \$530,000 for targeted rate remissions (reductions) to those ratepayers, both business and residential, who have been significantly adversely financially impacted by the COVID-19 pandemic and a \$2 million Economic Stimulus package which includes projects and initiatives designed towards local employment/local supplier outcomes.

“The targeted rate remissions, provided upon application and subject to certain eligibility criteria being met, would be to a value of up to 25% of the 2020/21 General rates for the property”, Mayor Redman noted. “The one-page application form to be completed has been designed to be as simple and straightforward to complete, but nonetheless each applicant will be required to provide certain independent data in support of their application. For example, a business will need to provide an independent statement from a registered accountant demonstrating that they have had reduced profitability by greater than 30% for the three months of April to June 2020, and they must be eligible to receive, or receiving, Job Keeper payments from the Federal Government or they must have had to close their doors to trade as a result of the Commissioner of Police COVID-19 Direction of 22 March 2020”, Mayor Redman also said.

“For residential ratepayers, if they have been made unemployed or under employed as a direct result of COVID-19, and their income has reduced by greater than 30% for the three month period April to June 2020, or they are a ratepayer who is receiving the Job Keeper payment, they will meet the eligibility criteria”, Mayor Redman said.

The Rates relief proposal, with targeted rates reductions to those who have been materially financially hurt from the COVID-19 pandemic, certainly exceeds the relief mechanisms being provided by the vast majority of other Councils. “Some other Councils’ are simply electing to not increase their total amount of General Rates collected, or are proposing to simply ‘freeze’ their Rate-in-the-\$ determined by Council, the latter of which provides no relief at all if property valuations have increased”, Mayor Redman noted. “Council’s net total increase in General rate revenue from existing ratepayers is proposed to be 0%, as the 2.4% increase proposed to be applied will be offset by the value of the General Rate remissions provided”.

The \$2m Economic Stimulus package includes a series of projects and initiatives, designed towards local employment / local supplier outcomes, to help kick-start the local economic recovery. “One of the initiatives Council is particularly excited about is a proposed \$200,000 grants scheme to local sporting clubs, incorporating a \$40,000 grant to each of the four major sporting precincts”, Mayor Redman said. “Each Club will need to provide Council with a list of projects it wishes to undertake, with the expectation that such projects will be able to facilitate local employment / local suppliers’ utilisation – we believe this scheme will assist sporting clubs who have also been impacted by the COVID-19 pandemic”, Mayor Redman also said.

For the average residential ratepayer, who is not entitled to a rate reduction due to COVID-19, a 2.4% increase in their General rates will translate to an extra \$0.75 per week. Council is proposing that the \$2.5m cost of its important



COVID-19 relief measures will be predominantly funded by additional debt, noting that borrowing rates are at all-time lows. "Due to our ongoing prudent treasury management, Council is in a position where we can borrow this additional amount without severely compromising our longer term financial sustainability or our longer term financial aspirations", Mayor Redman said. "We also recognise that our current borrowing rate is only 2.2%, and indeed some of our borrowings for the next three years will only attract an interest rate of 1.45%".

Council welcomes feedback on their draft 2020/21 Budget, with submissions closing at 5pm on Wednesday 5 August 2020.

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