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Council announces further COVID-19 financial relief package

In view of the evident material financial impacts from the COVID-19 pandemic on the local community, the Council has further extended financial relief measures to the local community following its initial immediate financial response of early April 2020.

"In early April 2020, when we were in the initial stages of the social distancing and lockdown constraints as a result of the pandemic, Council provided initial immediate financial relief to our community by allowing ratepayers/businesses adversely financially affected by the crisis to defer their rates payments for 6 months", Mayor Karen Redman said. "Given that the major financial impact of the current crises is now clearer, the Council will increase its financial relief measures to those in the community who need it", she further said.

The increased financial measures unanimously implemented at the 14 May 2020 Special Council meeting incorporates a financial relief / economic stimulus package of up to \$3.4m, which includes Rate remissions of \$250,000 towards businesses and ratepayers facing financial hardship as a direct result of the COVID-19 pandemic, and the allocation of \$2m of additional capital works programs that will, wherever possible, be designed towards local employment / local supplier outcomes. Council will also be targeting potential procurement efficiencies of up to \$1m towards the value of the financial relief package.

"In acknowledging that not every ratepayer or business has been adversely financially affected by the current crisis, indeed it is widely understood that some businesses have financially benefited from it, the Council is currently proposing to apply a nominal 2.4% increase in General Rate revenue for the 2020/21 financial year, with 50% (\$250,000) of the additional General Rate revenue immediately then allocated as targeted Rate remissions to those ratepayers / businesses who need it most", Mayor Redman said. "This will mean that the net increase in Council's General Rate revenue, would only be 1.2%", Mayor Redman noted.

"Whilst it is pleasing to see the recent gradual easing of some restrictions in response to a continuing trend of no new COVID-19 cases within the State, the financial impact of the current crisis will continue for some time yet", Mayor Redman acknowledged. "So that Council can further consider and analyse the ongoing financial impact, both on its own financial operations and that of our community, the Council is currently deferring the adoption of its 2020/21 Budget and Rates until August 2020", Mayor Redman further said.

Over coming weeks, the Council will consider and determine the parameters and criteria upon which the 2020/21 Rate remissions will be based. "The Council is particularly cognisant that it needs to target the financial relief to those in the community who need it most – whether it be families that have lost income as a result of job losses or businesses that have lost income due to having to close their doors", Mayor Redman said. "From a business perspective, the Council will be seeking the input and advice from such sources as the Gawler Business Development Group to ascertain as to how the rate remissions may be structured". The part Rates remissions will be provided, on an application basis, to those who have been adversely financially affected as a direct result of the COVID-19 pandemic.

The current crisis is also impacting various sporting and community groups, which comprise an integral and crucial part of Gawler's social fabric. "Council recognises the valued input and social contributions that sporting clubs and community groups bring to our Gawler community", noted Mayor Redman. "In recognition of the financial hardship these important elements of our community are experiencing, Council has decided to waive lease fees for all sporting clubs and community groups for a period of 6 months, which may be extended depending on how long the current crisis lasts", Mayor Redman further said. "In addition to this, the Council has also agreed that sporting clubs with Community Loans can defer their loan repayments for 12 months".

Council has expanded its financial relief / economic stimulus package in consideration of the impact it will likely have on its long term financial sustainability outcomes. "Local Government only collects 4% of the national tax intake, and every Council across the State has vastly different balance sheets, so there is no 'one size fits all' that can be arbitrarily applied across the Local Government sector in response to this crisis", Mayor Redman said. "In this regard, Council has considered an enhanced financial response, which will see the Council take on more debt to help our community through in this time of its financial need", Mayor Redman further said.

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