



Glamorgan Spring Bay Council

Commercial to Financial Hardship Assistance Model Policy

Version 1.0

Adopted:
26 May 2020

1. Introduction

1.1 Purpose

The Financial Hardship Assistance Policy ('Hardship Policy') enables Council to assist community members who are suffering financial hardship by providing an appropriate level of relief from Local Government rates.

An Addendum to the Hardship Policy has been provided to achieve a consistent approach to rates assistance for commercial operators across the Glamorgan Spring Bay Council.

This Addendum is intended to be supplementary to any other public benefit concessions policy or any other economic relief measure that Council may implement.

1.2 Scope

This Addendum applies to commercial/business ratepayers within the Commercial Land Use Category who are experiencing hardship due to the loss of operating revenue or reduced disposable income.

It is not intended to be used to maintain financial positions for those who do not need it and are not genuinely impacted by serious financial hardship.

1.3 Principles

The principles, as outlined in the Hardship Policy are:

- (1) Consistent, equitable and respectful treatment of all residents and ratepayers that is sensitive to their specific circumstances.
- (2) Maintaining Council's ability to provide essential services to our community through appropriately applied rating.
- (3) Assisting ratepayers who are suffering serious financial hardship, so that they may overcome these circumstances and return to financial stability and contributing equitably to local services.
- (4) Ensuring that those able to contribute to local services, continue to do so.
- (5) Minimising the opportunity for misuse, exploitation or fraud by ensuring decisions made to provide special relief or assistance are supported by sufficient evidence.
- (6) Maintaining confidentiality and privacy of applicants and ratepayers, their applications and any information provided.

One additional principle applies to this Commercial Addendum. That is, the principle of proportionality – namely, that any agreed arrangements will take into account both individual and community wide circumstances (such as the COVID-19 pandemic) on commercial ratepayers, with specific regard to their revenue, expenses, and profitability.

1.4 Related Policies and Legislation

This Addendum relates to and depends on other Council policies, as well as Tasmanian Government legislation, including:

- *Local Government Act 1993*, Part 9 – Rates and Charges¹, particularly:
 - Section 86A – General principles in relation to making or varying rates
 - Sections 125-127 – Postponement of payment
 - Section 128 – Late payments
 - Section 129 – Remission of rates

¹ See: <https://www.legislation.tas.gov.au/view/html/inforce/current/act-1993-095#HP9@HD9@EN>

- *COVID-19 Disease Emergency (Miscellaneous Provisions) Act 2020*²
- *COVID-19 Disease Emergency (Commercial Leases Code) Act 2020*
- Rates and Charges Policy (pursuant to section 86B of the *Local Government Act 1993*).

2. Addendum

2.1 How Council Can Help

The *Local Government Act 1993* provides Council with three methods of rate relief:

- (1) Postponing rate payments (sections 125-127);
- (2) Remission of late payment penalties or interest (section 128); and
- (3) Remission of rates (section 129).

Remission of any rates is reserved only for the most serious and exceptional of financial hardship cases. Even in these cases, deferral of rate payments must be applied for and granted first, before an application for rates remission can be considered – see the Hardship Policy for further information.

2.2 Implementation

The Hardship Policy and Addendum were developed and implemented in response to the 2020 COVID-19 pandemic. The circumstances surrounding the pandemic were unprecedented. However, serious hardship can occur at any time.

2.2.1 Relief by Rates Category

Targeting commercial rates relief to those rate classes which are most in need of support. This addendum applies to non-vacant, Commercial Properties only, vacant Commercial Properties are not eligible to apply.

2.2.2 Hardship Lens to All

Providing assistance to commercial ratepayers who are able to supply evidence of financial hardship.

Evidence may include, for example, one or more of the following:

- Details of closure - including Government enforced closure as a requirement of COVID-19;
- Tenant correspondence requesting relief (if applicable);
- Accountant Statement;
- Statutory Declaration; and
- Other documentation demonstrating that your business is experiencing financial hardship.

All arrangements to support businesses will be proportionate to the evidence of hardship provided.

Businesses eligible for the JobKeeper Program will automatically be treated as experiencing genuine financial hardship.

2.2.3 Scale of Rates Relief

The following sets out an eligibility scale of rates relief measures based on a business's loss of revenue due to COVID-19.

² See: <https://www.legislation.tas.gov.au/view/whole/html/inforce/current/act-2020-011>

Council may apply the following to businesses experiencing loss of revenue (compared to the same period in the previous year):

- Between 75-100% - a rates waiver;
- Between 50-75% - a rates deferral, negotiated payment terms and/or waiver of penalty and interest charges;
- Between 30-50% - negotiated payment terms and/or waiver of penalty and interest charges;
- Between 0-30% - would prima facie receive no benefit unless they show individual cause³.

The value of any waiver will be capped at 50% of the rates or \$1000 whichever is the lesser amount.

3. Applications

To seek financial hardship assistance from Council, an application must be made in writing, addressed to the General Manager, and submitted as follows:

- Emailed to rates@freycinet.tas.gov.au; or
- Mailed to PO Box 9, Triabunna TAS 7190.

Applications must:

- Demonstrate and provide evidence for financial hardship and circumstances;
- Describe the type of assistance sought, being:
 - Postponing rate payments (a deferral arrangement);
 - Remission of late payment penalties or interest; and/or
 - Remission of rates (in the most serious and exceptional of financial hardship cases);
- Address the requirements of the relevant subsections of the Hardship Policy (e.g. How Council Can Help – deferral with the intention of remission).

See the Hardship Policy for information on the assessment of applications.

³ Aligned with the JobKeeper Program