

# APPENDIX A: COMMERCIAL ADDENDUM TO FINANCIAL HARDSHIP ASSISTANCE POLICY

## 1 INTRODUCTION

### 1.1 PURPOSE

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

### 1.2 SCOPE

This Addendum applies to commercial/business ratepayers within the Commercial Land Use Category and Sport & Recreation 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 are as outlined in the Hardship Policy with only one additional principle that 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.

## 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 CATEGORIES COVI-19 PANDEMIC

Targeting commercial and recreational rates relief to those rate classes which are most in need of support.

To assist those businesses most critically impacted by the economic slowdown caused by the Covid-19 pandemic, Council will provide a remission from the general rate equal to 33% (first instalment) for 2020/21 rates calculated to all commercial businesses (or part of their property being used for commercial purposes) with the exclusion of the following groups:

- Banks
- Bottle shops
- Butchers
- Chemists
- Churches

- Commercial properties used for residential purposes
- Doctor's surgeries (health providers)
- Funeral parlours
- Hardware stores
- Multi-national fast food establishments
- Offices
- Petrol stations
- Post Offices
- Rural supplies
- Saleyards
- Schools
- Shopping centres
- Showrooms/Storage Warehouses
- Supermarkets
- Storage sheds
- Telecommunications
- Workshops
- Vacant land/buildings.

In deciding to remit these rates, it is the clear intention that savings will be passed onto the business tenants to ease the pressure on small business as they recover from the impacts of the pandemic.

Council will approve deferral arrangements for a maximum period of 6 months for any ratepayer who meets the hardship requirements outlined in this policy.

As a state of emergency has been declared any interest normally accruing on late payments will be waived for a period of six months for all ratepayers after 1 April 2020.

Any business excluded in the above list who has suffered financial hardship as a result of the pandemic can make application to Council in line with the policy for consideration.

#### 2.2.2 *GENUINE HARDSHIP*

Providing assistance to commercial ratepayers who are able to supply evidence of genuine and serious 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);
- Other documentation demonstrating that your business is experiencing financial hardship.

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

### **3. APPLICATIONS**

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