

COVID-19 RENT RELIEF GUIDELINES FOR TENANTS OF COUNCIL PROPERTIES

1. PURPOSE

The purpose of these guidelines is to assist tenants of Council-owned properties who are suffering financial hardship as a result of the COVID-19 pandemic by offering the opportunity to seek the deferral or relaxation of rent during the COVID-19 crisis.

2. WHEN DO THESE GUIDELINES APPLY?

These guidelines apply during the period from 1 April 2020 until 30 June 2021 within both the 2019/20 and 2020/21 financial years.

Council voted to provide to tenants of Council-owned properties with assistance during the 2020-21 financial year ahead of its 2020/21 budget, with various community and business assistance measures to announced on **18 May 2020**.

3. WHAT ASSISTANCE IS AVAILABLE RIGHT NOW?

Council is currently providing the following assistance to tenants of Council owned properties:

For grassroots community and sporting clubs:

A full waiver of any rent payable until 30 June 2021 (see section 3, below)

For commercial and other tenants:

The option of:

- a 50/50 partial rent waiver and partial deferral, proportionate to the tenant's loss in turnover as a result of COVID-19, or
- a full deferral of all or some rental instalments for an agreed period, with the balance to be repaid over time.

(see section 4, below)

4. GRASSROOTS COMMUNITY AND SPORTING CLUBS

At the Council meeting on 18 May 2020, Council voted to waive rental instalments for grassroots community and sporting clubs for the entire 2020/21 financial year.

You do not need to do anything else to qualify for this waiver. If you are a grassroots community or sports club that pays rent to Council, you will receive a letter from us confirming that your rent has been waived in full from 1 July 2020 to 30 June 2021.

If you haven't received that confirmation, please let us know by contacting us on (03) 6216 6800.

5. COMMERCIAL TENANTS

If you are a commercial tenant of a Council property, and can show that your business has suffered a loss in turnover as a result of COVID-19, you may be eligible for:

- a proportionate partial rent waiver and partial deferral, relative to your loss in turnover as a result of COVID-19 (see below for more information), or
- a full deferral of rental instalments for an agreed period, with the balance to be repaid over time

How does the proportionate rent waiver/deferral work?

Eligible tenants would receive cash flow relief on the rent they pay to Council. This will be calculated based on the percentage loss of turnover that you have experienced.

For example:

If you can demonstrate that your turnover has dropped by 30%, Council would give you total rent relief of 30%, of which:

- half (15% of rent due) would be a waiver of rent, and
- the other half (15% of rent due) would be a rent deferral to be repaid over the balance of the lease term, or as otherwise agreed (and not less than 24 months).

This form of assistance is based on the Federal Government's *National Cabinet Mandatory Code of Conduct for SME Commercial Leasing Principles for COVID 19*. Legislation giving legal effect to the Code has recently been enacted in Tasmania. Council will apply these guidelines in a way that complies with that law.

Full rental deferral

Where it is not possible for the tenant to make any payments towards rent, but the tenant expects its financial position to improve once COVID-19 restrictions are over, Council can offer the tenant the full deferral of any commercial rent, provided an agreement is in place to repay any deferred payments.

Council will discuss an appropriate repayment term with applicants, which will not be less than 24 months.

6. WHAT IF NONE OF THE ABOVE APPLY TO ME?

If you are a tenant of a Council property experiencing financial hardship and:

- don't fall into any of the above categories, or
- don't believe that the relief available will provide adequate assistance.

We encourage you to complete the application form and tell us about your specific circumstances.

Council will consider exceptional situations on a case-by-case basis, guided by the Decision Principles set out in section 6 (below) and its Financial Hardship Policy.

7. WHAT SUPPORTING EVIDENCE IS REQUIRED?

To assess applications, Council requires sufficient evidence that the business is suffering financial stress due to COVID-19 restrictions and, if applicable, demonstrating a loss in turnover.

Council will make sure that decisions are made which best support tenants in genuine need, based on the minimum necessary evidence.

Evidence that Council may ask for might include one or more of the following:

- letters and supporting financial statements from the tenant's accountant demonstrating a loss in turnover or other financial stress
- bank statements which show the applicant is experiencing financial stress
- evidence that the tenant qualifies for Federal Government assistance in response to COVID-19
- Other documentation demonstrating that the applicant is experiencing financial hardship.

If applicants do not provide enough evidence with their applications, Council officers will contact them to discuss what additional evidence they can provide.

8. HOW DO I APPLY?

To apply, please submit the **Application for COVID-19 Rent Relief for Tenants of Council Properties** form and provide that and supporting evidence to Council.

The supporting evidence that is submitted with the application will help Council to assess the application faster.

The application form is available on Council's website (www.gcc.tas.gov.au). Alternatively, you can call Council on **6216 6800** and ask that a form be posted or emailed to you.

Application forms can be:

emailed to gccmail@gcc.tas.gov.au (use Rent Relief Application as the subject), or
posted to **Glenorchy City Council, PO Box 103, GLENORCHY TAS 7010.**

Council staff will contact you when we receive it and will give you advice about the assessment process and whether you need to give us any more information.

9. DECISION PRINCIPLES

When applying these guidelines, Council will be guided by the following principles:

- compliance with any statutory requirements
- flexibility in providing payment options and processes that meet local needs and the special circumstances of tenants facing hardship
- the fair, equitable and respectful treatment of all applicants facing financial hardship
- consistency in the granting of relief under these guidelines
- a 'stop the clock' approach to suspend debt recovery and/or legal action while a ratepayer's hardship application is being considered and if it is approved
- respecting confidentiality so that information provided by applicants is treated as private and confidential and can only be used by Council to assess the hardship application and not be made available to third parties (with the exception of referral to Council's debt collection agency)
- timely assessment generally within 10 working days except where Council has asked for more information and is waiting to receive it.

Council is not required to grant the type of assistance that the applicant has asked for and may instead offer an alternative type of assistance or negotiate the terms. Council will make these decisions taking all the circumstances into account and following the above principles.

10. WHAT OTHER ASSISTANCE IS AVAILABLE FROM COUNCIL?

Council also offers various options for the deferral or waiver of certain other fees and Council charges, where applicants can demonstrate genuine financial hardship.

Please refer to our COVID-19 Financial Hardship Guidelines (available at www.gcc.tas.gov.au) for information and to see if you might also be eligible for further assistance with rates and charges or other fees payable to Council.

Applications seeking relief under both these rental relief guidelines and Financial Hardship Guidelines will be considered together, and applicants are encouraged to submit both applications at the same time.

11. WHAT HAPPENS WHEN AN APPLICATION IS APPROVED?

Once Council has assessed each application it will advise the applicant of its decision.

For each approved application, Council staff will put in place the necessary arrangements and send a letter to the tenant confirming what these are. Applicants may be required to enter into a formal agreement with Council, but we will discuss this with you if that is the case.