GLENORCHY CITY COUNCIL
ATTACHMENTS
MONDAY, 18 MAY 2020

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COVID-19
FINANCIAL HARDSHIP GUIDELINES

1. PURPOSE

The purpose of these guidelines is to help members of the community who are suffering genuine financial hardship as a result of the COVID-19 pandemic to access relief under Council's Financial Hardship Policy.

These guidelines apply with effect from 30 March 2020.

2. WHO CAN APPLY FOR ASSISTANCE?

A person or business who is responsible for the payment to Council of rates and charges or Council fees may be eligible for the financial hardship assistance set out in these guidelines.

To be eligible to receive assistance under this these guidelines, an applicant must be able to show that they are in **genuine financial hardship** caused by the COVID-19 crisis.

3. WHAT ASSISTANCE IS AVAILABLE?

A person or business who believes they are suffering genuine financial hardship can apply to Council for any of the following types of assistance:

Delayed payment of rates and charges

Deferral of the payment of Rates and Charges (i.e. paying charges after they would normally be due) for up to 24 months.

Removal of interest and penalties on overdue rates and charges

This is a waiver of any interest, penalties and any legal charges incurred for overdue Rates and Charges, either in-part or in-full.

Council has already resolved to waive all penalties and interest incurred for overdue rates from the fourth rates instalment of the 2019-20 financial year, meaning that these will be waived automatically. However, a person or business can still apply under this policy for the waiver or deferral of penalties and interest incurred in other time periods.

Waiver or deferral of other Council fees

Either a waiver or a deferral of other Council fees, such as dog registration fees, for up to 12 months from their due date.

Delaying payment of infringement notices (fines)

A deferral of the requirement to pay infringement amounts (such as parking fines) for up to 12 months from their due date.

A person or business can apply for one or more of the above types of assistance when making an application and are encouraged to apply if they think they are in genuine financial hardship.

Got a Question? Call us on 6216 6800 or visit www.gcc.tas.gov.au

GLENORCHY CITY COUNCIL

COVID-19 **FINANCIAL HARDSHIP GUIDELINES**

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4. HOW DO I APPLY?

Applicants are required to submit the application form and provide any supporting evidence to Council.

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

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

Application forms and evidence can be:

- emailed to **gccmail@gcc.tas.gov.au**, or
- posted to **Glenorchy City Council, PO Box 103, GLENORCHY TAS 7010**

Council staff will contact the applicant once the application is received and provide advice about the assessment process and whether any other information needs to be provided.

5. WHAT SUPPORTING EVIDENCE IS REQUIRED?

If a person or business applies for COVID-19 financial assistance, Council will ask for evidence that they are in genuine financial hardship.

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

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

- a Statutory Declaration from someone familiar with the applicant's circumstances (e.g. family doctor, accountant, bank officer, welfare officer, Government agency)
- bank statements which show the applicant is experiencing financial hardship
- medical certificates or other evidence demonstrating the circumstances that have resulted in financial hardship being experienced
- evidence that the applicant or a close family member has lost their job or had their hours or salary significantly reduced (e.g. a letter from an employer or a separation certificate)
- evidence that the applicant or a close family member has lost another main source(s) of your income or that it has been significantly reduced
- evidence that the applicant qualifies for Federal Government assistance in response to COVID-19
- evidence showing that the applicant has sought financial counselling
- 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.

COVID-19 **FINANCIAL HARDSHIP GUIDELINES**

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6. 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 those facing hardship
- the fair, equitable and respectful treatment of all applicants facing financial hardship
- consistency in the granting of relief under this policy
- 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. Council will make these decisions taking all the circumstances into account and following the above principles.

7. 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 necessary arrangements and send a letter to the applicant confirming what these are.

The applicant can rely on the written advice provided by Council if it receives any further requests for payment that it thinks are inconsistent with the agreement reached with Council.

8. DEFINITIONS

The following definitions apply to these guidelines:

Applicant means a person or business who is applying for financial hardship assistance under this policy. Applicants will be eligible if they:

- pay rates on a property in the Glenorchy municipality (this may be the owner of the property or could also be the person/business renting the property if the rental agreement requires that person to pay rates), or
- are liable to pay some other Council fees, or
- have been issued with a Council infringement notice.

Council fees means other fees charged by Council for providing services. Examples include dog registration charges or fees for conducting property inspections. Council fees do not include town planning application fees or fees charged under the *Building Act 2016*.

COVID-19 **FINANCIAL HARDSHIP GUIDELINES**

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Genuine financial hardship is when a ratepayer is genuinely unable to pay the rates and charges or other fees or infringement amounts owed to Council and is also unable to meet their other financial obligations due to circumstances related to the COVID-19 pandemic.

Genuine financial hardship does not mean that it is inconvenient to pay the amount of rates or charges owed. Genuine financial hardship because of COVID-19 may occur in the following circumstances:

- where the applicant has lost their main source of income (or has had it significantly reduced) because of job loss, reduced hours or business closure (or more than one of these), due to the COVID-19 pandemic
- because the applicant or a family member has contracted COVID-19 or is suffering a serious illness that results in them self-isolating and unable to work in order to keep safe
- due to a death in the family that has caused a loss of income or other serious financial impacts
- due to another reason that has led to the applicant being unable to meet their financial obligations which is directly related to the COVID-19 pandemic.

Rates and charges means the following Council rates and charges that appear on a rates notice:

- General rates
- Waste services charges
- Stormwater charges
- Any interest or penalties that Council can charge if the rates and charges are not paid on time (including any costs that Council would charge for the recovery of overdue rates and charges).

9. BACKGROUND

At the Council meeting on 30 March 2020, Council approved an Interim Community Assistance Package. As part of that package, Council management was directed to develop and apply amended guidelines under Council's Financial Hardship Policy to ensure relevant and timely consideration of applications from people seeking relief as a result of the COVID-19 pandemic.

These guidelines set out how applications from people who are suffering from genuine financial hardship caused by the COVID-19 pandemic will be assessed, and what types of assistance Council can provide to help ease the financial burden.

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 to 30 June 2020 within the 2019/20 financial year.

Council will consider the assistance that it will provide to tenants of Council-owned properties during the 2020-21 financial year as part of its forthcoming budget, with community and business assistance measures to be 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 2020 (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 30 March 2020, Council voted to waive rental instalments for grassroots community and sporting clubs for the rest of 2019/20.

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 should already have received a letter from us confirming that your rent has been waived in full, from 1 April to 30 June 2020.

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

COVID-19 RENT RELIEF GUIDELINES FOR TENANTS OF COUNCIL PROPERTIES

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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.

COVID-19 RENT RELIEF GUIDELINES
FOR TENANTS OF COUNCIL PROPERTIES

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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.

COVID-19 RENT RELIEF GUIDELINES FOR TENANTS OF COUNCIL PROPERTIES

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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.

12. BACKGROUND

At its meeting on 30 March 2020, Council approved an interim community assistance package to assist community members, organisations and businesses adversely affected by COVID-19. The package included a resolution that Council would consider applications from commercial tenants for a deferral or relaxation of rent instalments on a case-by-case basis.

These guidelines give effect to that resolution by setting out the relief that Council can immediately offer tenants of Council properties.

Further assistance measures will be announced on 18 May 2020 and will be incorporated into Council's 2020/21 budget.