

New \$154.5 million relief package to support tenants, landlords and construction industry

Thursday, 23 April 2020

Support for tenants facing financial difficulty due to COVID-19

\$30 million for grants of up to \$2,000 for residential tenants who have lost their job and face financial hardship due to COVID-19

\$100 million in land tax relief grants available for commercial landlords who reduce rent for small business tenants impacted by COVID-19

\$24.5 million support package to assist the building and construction industry to maintain a skilled workforce and support apprentices and trainees

New package complements the \$1.7 billion in relief measures already announced

The McGowan Government has announced a new package to support tenants, landlords and the construction industry in the COVID-19 pandemic.

The package adds to the McGowan Government's \$1.7 billion stimulus and relief package for businesses and households impacted by the COVID-19 pandemic.

It complements the introduction of a six-month freeze on rent increases, the moratorium on evictions from March 30, 2020, and the \$25 million small business rent relief package announced last month.

The McGowan Government has set aside \$100 million of the new package for land tax relief grants to be paid to commercial landlords.

To be eligible, commercial landlords must provide rent relief that equates to a minimum of three months' rent and freeze outgoings to small businesses that have suffered at least a 30 per cent reduction in turnover due to COVID-19.

Grants equivalent to 25 per cent of the landlord's land tax bill for 2019 20 for the property in which an eligible tenant is provided relief will be paid to landlords.

The commercial rent relief grants will be administered through the Small Business Development Corporation, with applications opening May 1, 2020. For more information on eligibility criteria and how to apply, visit <http://www.smallbusiness.wa.gov.au>

The McGowan Government has also committed \$30 million for grants of up to \$2,000 for residential tenants who have lost their job and are facing financial hardship. This assistance will help to preserve tenancies by helping eligible tenants continue to pay rent, and will reduce the risk of exposing landlords to financial hardship in meeting their mortgage obligations.

Under the scheme, grants equivalent to four-weeks' rent up to a maximum of \$2,000 will be paid directly to the tenant's landlord, to contribute to the tenant's rental payments. The grants will be provided in addition to rental reductions negotiated between tenants and landlords.

The residential rent relief grants will be administered through the Department of Mines, Industry Regulation and Safety (DMIRS), with applications opening from May 1, 2020.

The scheme will be available to tenants or sub-tenants who have lost their job, applied to Centrelink for income support, have less than \$10,000 in savings, and are still paying at least 25 per cent of their income in rent. For more information on eligibility criteria and how to apply, visit <http://www.dmirs.wa.gov.au/covidrenting>

To qualify for these commercial and residential grants, landlords must agree not to seek to recover this rent relief from tenants at the end of the period.

The McGowan Government has also announced \$24.5 million in support to assist the building and construction industry to maintain a skilled workforce during the COVID-19 crisis. This includes a \$2,000 payment to eligible employers to maintain existing apprentices and trainees.

Comments attributed to Premier Mark McGowan:

"The hard work and sacrifice by all Western Australians to adhere to the social distancing restrictions is paying dividends, with very low numbers of confirmed cases in WA.

"However, we know the strict social distancing measures have forced many businesses into hibernation, which has made life extremely tough for those businesses and their employees.

"It's been heartbreaking to see, and I feel deeply for all those who have suffered during these extremely difficult times.

"As a government, we are doing everything we can to help those people to get through the COVID-19 situation.

"This substantial relief package complements other significant measures already announced to help businesses and households bounce back post-pandemic."

Comments attributed to Treasurer Ben Wyatt:

"Grants will be available on a first come, first served basis to encourage landlords to negotiate early with tenants who are doing it tough as a result of COVID-19.

"We've opted to provide targeted assistance that supports both tenants and landlords of commercial and residential properties.

"In most cases, the one-off grant of up to \$2,000 will provide greater assistance for residential tenants and landlords in comparison to the residential land tax reductions other States have recently introduced."

Comments attributed to Commerce Minister John Quigley:

"These are unprecedented times and we recognise the very real challenges that landlords and tenants are facing.

"The State Government has moved swiftly to implement the National Cabinet's decision on residential and commercial tenancies, including a moratorium on evictions for commercial and residential tenants.

"The new laws provide a framework for landlords and tenants to negotiate in good faith during this pandemic."

Comments attributed to Small Business Minister Paul Papalia:

"This package will provide targeted financial assistance to encourage landlords to negotiate reductions in rent for small businesses that are doing it tough.

"The initiative will provide a potential minimum three months' rent relief and freeze outgoings at an exceptionally difficult time for thousands of small business owners around the State.

"I commend the Small Business Development Corporation for providing yet another service to the sector at this difficult time, on top of their important ongoing work helping WA businesses to navigate the current environment through the COVID-19 Small Business Assistance Centre."

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