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# A WRAP OF RECENT STIMULUS MEASURES

- Federal Government, Reserve Bank and State & Territory Governments

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# INTRODUCTION

- Financial markets and economies are facing an unprecedented external shock from the coronavirus.
- These are challenging and extraordinary times.
- The Reserve Bank (RBA), the Federal government, State/territory governments and the banks have deployed stimulus measures to help soften the impact of the virus on households, businesses and the wider economy.
- Ultimately, the priority is businesses and trying to create a bridge from now until the economy recovers from the impact of the virus, which will come when the daily number of new infections around the world and in Australia subsides.
- The RBA is expecting a recovery once the virus passes. The stimulus measures will help boost the momentum in the recovery once it arrives, and help create a bridge from now until the start of the recovery.
- It is also about helping otherwise viable businesses survive, so as to limit the rise in the unemployment rate.
- This pack **summarises the key measures announced so far**, including the latest stimulus package from the Federal government.

- 1. Federal government - 1<sup>st</sup>, 2<sup>nd</sup> & 3<sup>rd</sup> stimulus packages** pages 3-18
- 2. Reserve Bank** pages 19-24
- 3. State & territory governments** pages 25-38

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# 1. FEDERAL GOVERNMENT

# FEDERAL GOVERNMENT

- The Federal government has announced 3 major stimulus packages.
- The first was announced on March 12 and worth \$17.6 billion.
- The second package was announced on March 22 and worth \$66 billion.
- And the third was launched yesterday on March 30 and worth \$130 billion.
- The following slides cover the key elements of each package. In some instances, subsequent stimulus packages enhance or override previous measures.

# FEDERAL GOVERNMENT – 1<sup>st</sup> stimulus package

- On March 12, the Federal Government unveiled a \$17.6 billion stimulus package to support the economy to counteract the impact of the coronavirus.
- Support was mostly geared towards businesses, including investment incentives and handouts for small and medium-sized businesses and some cash payments to households.
- Key features of the package included:
  1. **Cash payments to households** of \$4.76 billion in the June quarter of this year, representing 1% of quarterly GDP. This is a one-off \$750 payment to those on income support such as pensioners and Newstart recipients.
  2. **Business investment instant asset write-off** for expenditure until 30 June 2020. The government has expanded the existing scheme by lifting the threshold from \$30,000 to \$150,000 and to firms with turnover of up to \$500 million (previously was \$50 million).
  3. **Business investment accelerated depreciation** is available as an incentive for the 15 months to 30 June 2021 for businesses with a turnover up to \$500 million.
  4. **Boosting cash flows for small and medium-sized businesses that employ staff** for the period to 30 June 2020. The aim is to encourage firms to continue employing staff. The payment, up to \$25,000 per business, is in effect a partial refund on tax withheld by the ATO on income tax paid by firms for their employees. Businesses must have aggregate annual turnover of under \$50 million. This measure was enhanced in the second stimulus package announced 22 March.
  5. **Boosting cash flows for small businesses via a wage subsidy** for retaining apprentices and trainees.

# FEDERAL GOVERNMENT – 2<sup>nd</sup> Stimulus package

- The Federal government on March 22 announced further stimulus, adding \$66 billion in new measures in an effort to help businesses survive the crisis. This is on top of the initial \$17.6 billion package announced on 12 March. Support for small business has been ramped up. It also includes an income boost to welfare recipients and those who become unemployed due to the virus. Prime Minister Morrison flagged more stimulus will be needed over the next 6 months, but these first 2 packages are focussed “on those who are going to feel the first blows”.
- **For businesses:**
  1. Boosting cash flows for employers
  2. Supporting apprentices & trainees
  3. Coronavirus SME guarantee scheme
  4. Temporary relief for financially distressed businesses
- **For households:**
  1. A new coronavirus supplement
  2. An additional one-off \$750 payment to welfare recipients
  3. Superannuation changes
- **For sole traders and/or the self employed:**
  1. Access to the coronavirus supplement and jobseeker payment
  2. Access to superannuation changes

# BUSINESS – boosting cash flow for employers

## 1. Boosting cash flows for employers i.e. small and medium sized businesses that employ staff

- Up to \$100k to eligible small and medium sized businesses and not-for-profits, including charities, that employ people.
- The minimum payment is \$20k.
- This measure was announced on 12 March but initially provided \$25k with a minimum payment of \$2k.
- This second stimulus package is an enhancement of this measure – i.e. now giving up to \$100k and including the not-for-profit sector.
- Under the enhanced scheme, employers will receive a payment equal to 100% of their salary & wages withheld (up from 50%) with the maximum payment being raised from \$25k to \$50k. The minimum payment is also being raised from \$2k to \$10k.
- An additional payment is also being introduced in the July-October 2020 period. Eligible entities will receive an additional payment equal to the total of all of the “Boosting Cash Flow for Employers” payments they have received.
- This means that eligible entities will receive at least \$20k up to a total of \$100k under both payments.
- This cash flow boost is a tax-free payment to employers and is automatically calculated by the ATO. No new forms are needed.

## Eligibility:

- Based on prior year turnover. Payment will be delivered by the ATO as an automatic credit in the activity statement system from 28 April 2020 upon employers lodging eligible upcoming activity statements. Where this places the entity in a refund position, the ATO will deliver the refund within 14 days.
- Eligible employers that withhold tax to the ATO on their employees' salary and wages will receive a payment equal to 100% of the amount withheld, up to a maximum payment of \$50k.
- Eligible employers that pay salary & wages will receive a minimum payment of \$10k, even if they are not required to withhold tax.
- Payments will only be available to active eligible employers established prior to 12 March 2020. However, charities which are registered with the Australian Charities and Not-for-Profits Commission will be eligible regardless of when they were registered, subject to meeting other eligibility requirements.
- To qualify for the additional payment, the entity must remain active.
- For monthly activity statement lodgers, the additional payments will be delivered as an automatic credit in the activity statement system. This will equal to a quarter of their total initial Boosting Cash Flow For Employers payment following the lodgement of their Jun 2020, Jul 2020, Aug 2020 and Sep 2020 activity statements (up to a total of \$50k).
- For quarterly activity statement lodgers the additional payments will be delivered as an automatic credit in the activity statement system. This will be equal to half of their total initial Boosting Cash Flow For Employers payment following the lodgement of their Jun 2020, Jul 2020, Aug 2020 and Sep 2020 activity statements (up to a total of \$50k).



# BUSINESS - supporting apprentices & trainees

## 2. Supporting apprentices & trainees

- Eligible employers can apply for a wage subsidy of 50% of the apprentice's or trainee's wage paid during the 9 months from 1 January 2020 to 30 September 2020.
- Where a small business is not able to retain an apprentice, the subsidy will be available to a new employer.
- Employers will be reimbursed up to a maximum of \$21,000 per eligible apprentice or trainee (\$7,000 per quarter).
- Support will also be provided to the National Apprentice Employment Network, the peak national body representing Group Training Organisations, to co-ordinate re-employment of displaced workers.
- Eligibility:
  - The subsidy will be available to small businesses employing fewer than 20 full-time employees who retain an apprentice or trainee. The apprentice or trainee must have been training with a small business as at 1 March 2020.
  - Employers of any size and Group Training Organisations that re-engage an eligible out-of-trade apprentice or trainee will be eligible for the subsidy.
  - Employers will be able to access the subsidy after an eligibility assessment is undertaken by an Australian Apprenticeship Support Network (AASN) provider.
  - Employers can register for the subsidy from early April 2020. Final claims for payment must be lodged by 31 December 2020.

# BUSINESS – new coronavirus SME guarantee scheme

## 3. New coronavirus small and medium-sized business (SME) guarantee scheme

- The Federal Government has established a \$20 billion Coronavirus SME Guarantee Scheme.
- The scheme will provide a 50% government guarantee on new loans issued by eligible lenders to SMEs.
- \$40 billion of additional liquidity could be added if SMEs take up these loans.
- It will be available to all businesses with a turnover of less than \$50 million.
- The Federal government will guarantee 50% of an eligible loan through participating banks and non-bank lenders to businesses disrupted by the coronavirus.
- Loans will be used for working capital purposes and be unsecured and it will be for loans granted within 6 months starting 1 April 2020.
- Lenders will not be charged a fee for accessing the guarantee scheme.
- Loans will be repayment free for 6 months.
- The maximum that can be borrowed under the guarantee facility will be \$250k on terms of up to three years.
- These measures are on top of the \$90 billion capacity term funding arrangement set up for certain lenders designed to reduce the cost of lending on March 20. On the same day, the Australian Office of Financial Management (AOFM) was provided with \$15 billion to support lending by smaller lenders.

# BUSINESS – temp relief for financially distressed businesses

## 4. Temporary relief for financially distressed businesses

- The economic impacts of the coronavirus and health measures to prevent its spread could see many otherwise profitable and viable businesses temporarily face financial distress. One element of a safety net is to lessen the threat of actions that could unnecessarily push them into insolvency.
- The government is temporarily increasing the threshold at which creditors can issue a statutory demand on a company and the time companies have to respond to statutory demands they receive.
- A creditor issuing a statutory demand on a company is a common way for a company to enter liquidation. The government is temporarily increasing the current minimum threshold for creditors issuing a statutory demand on a company under the Corporations Act 2001 from \$2,000 to \$20,000. This will apply for 6 months.
- Not responding to a demand within the specified time creates a presumption that the company is insolvent. The statutory time frame for a company to respond to a statutory demand will be extended temporarily from 21 days to 6 months.
- The package also includes temporary relief for directors from any personal liability for trading while insolvent and giving flexibility in the Corporations Act 2001 to provide temporary and targeted relief from provisions of the Act to deal with unforeseen events that arise as a result of the coronavirus crisis.
- The ATO will tailor solutions for owners or directors of business that are currently struggling due to the coronavirus, including temporary reduction of payments or deferrals, or withholding enforcement actions including Director Penalty Notices and wind-ups.

# HOUSEHOLDS - coronavirus & one-off \$750 payments

## 1. New coronavirus supplement payment

- A new coronavirus supplement to be paid at a rate of \$550 per fortnight for the next 6 months.
- Eligible income support recipients will receive the full amount of the \$550 coronavirus supplement on top of their payment each fortnight.
- It will be eligible to existing and new recipients of the jobseeker payment (previously called Newstart), youth allowance jobseeker, parenting payment, farm household allowance and special benefit.
- The government will also waive the asset test and waiting periods to access the payment.

## 2. An additional one-off \$750 payment to welfare recipients

- In the first stimulus package, the government announced a one-off \$750 payment to welfare recipients. Payments will be made from March 31 to people who have been on one of the eligible payments any time between 12 March and 13 April 2020.
- In this second package, there is an additional \$750 payment to welfare recipients. However, this second payment will not be available if you receive the \$550 a fortnight coronavirus supplement.
- This second payment is available to people who are eligible payment recipients and concession card holders on 10 July 2020 with the payment automatically made from 13 July 2020.
- A person can be eligible to receive both a 1st and 2nd support payment. But can only receive one \$750 payment in each round of payments, even if they qualify in each round of the payments in multiple ways.

# HOUSEHOLDS – superannuation changes

## 3. Superannuation changes

- The Federal government will allow individuals “in financial stress” as a result of the coronavirus downturn to have limited access to their superannuation savings.
- The amount you can access will be capped at up to \$10,000 in 2019-20.
- A further amount of up to \$10k can be accessed in 2020-21 for approximately 3 months (timing depends on the passage of relevant legislation).
- You will be able to access your superannuation if you are: unemployed; or eligible to receive a jobseeker payment, youth allowance for jobseekers, parenting payment, special benefit or the farm household allowance; on or after 1 January 2020 you were made redundant or your working hours were reduced by 20% or more or if you are a sole trader where your business was suspended or there was a reduction in your turnover of 20% or more.
- Eligible individuals will be able to access of up to \$10,000 of their superannuation before 1 July 2020. They will also be able to access up to a further \$10,000 from 1 July 2020 for another three months. Access can be obtained through MyGov online.
- No tax to pay on amounts released and money withdrawn will not affect welfare payments.
- The government is also announcing a temporary reduction in superannuation minimum drawdown rates for account-based pensions and similar products.
- This will be a 50% reduction in the rate for 2019-20 and 2020-21, which the government says will benefit retirees by providing them with more flexibility as to how they manage their superannuation assets.

# SOLE TRADERS AND THE SELF EMPLOYED

## 1. Coronavirus payment and jobseeker payment

- Sole traders and the self employed will be able to access the jobseeker payment and the coronavirus supplement.
- Applicants will be required to make a declaration to Centrelink that their business has been suspended or had turnover reduced significantly as a result of the downturn.
- Sole traders that become eligible for the jobseeker payment will automatically meet their mutual obligation requirements during this period by continuing to develop and sustain their business.

## 2. Superannuation changes

- Sole traders that have their business suspended or have a reduction in turnover of 20% or more are eligible to have limited access to their superannuation savings.
- The amount you can access will be capped at up to \$10,000 in 2019-20.
- A further amount of up to \$10,000 can be accessed in 2020-21.
- Eligible individuals will be able online through MyGov for access of up to \$10,000 of their superannuation before 1 July 2020. They will also be able to access up to a further \$10,000 from 1 July 2020 for another three months.
- They will not need to pay tax on amounts released.

# FEDERAL GOVERNMENT – 3<sup>rd</sup> stimulus package

- The Federal government on March 30 announced its third major stimulus package. It is worth \$130 billion.
- This third stimulus package is on top of the first \$17.6 billion package announced on March 12 and on top of the second \$66 billion package announced on March 22.
- The dominant part of this third package is the JobKeeper payment, explained in detail in the following slides.
- On Sunday 29 March, there were also media reports that the Federal Treasurer and the State treasurers have finalised rental relief for commercial tenancies over the course of the pandemic. They have agreed on a set of principles including that commercial tenants cannot be evicted during the period of the crisis and that certain states may look to ways to provide financial support for landlords so they can in turn reduce rents for their tenants in cases of financial hardship. The individual states will finalise their own policies and announce them.

# BUSINESS - JobKeeper payment

- Under the JobKeeper payment, businesses significantly impacted by the coronavirus outbreak will be able to access a subsidy from the government to continue paying their employees.
- This assistance will help businesses to keep employees employed and/or on their books and re-start when the crisis is over.
- The JobKeeper Payment is a temporary scheme open to businesses impacted by the coronavirus.
- The JobKeeper Payment will also be available to the self-employed.
- The government will provide \$1,500 per fortnight per employee for up to 6 months.
- The JobKeeper Payment will support employers to maintain their connection to their employees. These connections will enable business to reactivate their operations quickly – without having to rehire staff – when the crisis is over.
- The subsidy will start on 30 March 2020. The first payments to be received by employers in the first week of May.
- Businesses will be able to register their interest in participating in the payment from 30 March 2020 on the ATO website.



# BUSINESS - JobKeeper payment eligibility

## Eligibility:

- Employers (including non-for-profits) will be eligible for the subsidy if:
  - their business has a turnover of less than \$1 billion and their turnover will be reduced by more than 30% relative to a comparable period a year ago (of at least a month); or
  - their business has a turnover of \$1 billion or more and their turnover will be reduced by more than 50% relative to a comparable period a year ago (of at least a month); and
  - the business is not subject to the major bank levy.
- Employers must elect to participate in the scheme.
- They will need to make an application to the ATO and provide supporting information demonstrating a downturn in their business.
- In addition, employers must report the number of eligible employees employed by the business on a monthly basis.
- Eligible employers will receive the payment for each eligible employee that was on their books on 1 March 2020 and continues to be engaged by that employer – including full-time, part-time, long-term casuals and stood down employees. Casual employees eligible for the JobKeeper payment are those employees who have been with their employer on a regular basis for at least the previous 12 months as at 1 March 2020.

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# SELF-EMPLOYED

- The self-employed can also access the JobKeeper payment. Please refer to pages 15-16 of this pack for more detail around this payment.
- Self-employed individuals will be eligible to receive the JobKeeper payment where they have suffered or expect to suffer a 30% decline in turnover relative to a comparable prior period (of at least a month).

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## **2. RESERVE BANK OF AUSTRALIA (RBA)**

# RBA - monetary policy

- The RBA cut the cash rate by 25 basis points to a new record low of 0.25% on March 19.
- This new cash rate of 0.25% represents the effective lower bound for the cash rate. That is, the cash rate cannot fall any further.
- The RBA issued explicit forward guidance to say the cash rate will not be raised “until progress is being made towards full employment and it is confident that inflation will be sustainably within the 2-3 per cent target band”.
- Indeed, the RBA Governor in a speech after this announcement said it is “quite likely” the cash rate could be at this level for “some years” and later referred to at least “3 years”.
- Further, the RBA plans to remove quantitative easing before the cash rate is increased.

# RBA – unconventional monetary policy

- The RBA launched a quantitative easing (QE) program for the first time ever.
- The RBA will target the Australian 3-year bond yield at “around” 0.25% by buying Commonwealth government and semi-government bonds in the secondary market.
- This is also known as “yield-curve control” and started on Friday 19 March.
- There is no limit on the volume of bonds the RBA will buy. It has signalled it will buy or sell however many bonds it takes across the yield curve to keep the interest rate on the 3-year government bond at around its target level.
- The 3-year bond was chosen because it is an important benchmark in the Australian financial market.
- It is essentially an extension of and complimentary to cash-rate targeting.
- QE helps put downward pressure on lending / borrowing rates in the economy.
- It can also place downward pressure on the currency.

## RBA – term funding

- Term funding has been made available for banks to access cheaper credit from the RBA in order to support small and medium-sized businesses.
- Under this new facility, authorised deposit-taking institutions (ADIs) in total will have access to at least \$90 billion in funding.
- ADIs will be able to borrow from the RBA an amount equivalent to 3% of their existing outstanding credit to Australian businesses and households.
- ADIs will be able to draw on these funds up until the end of September this year.
- ADIs will also have access to additional funding if they increase lending to business.
- For every extra dollar lent to large business, lenders will have access to an additional \$1 of funding from the RBA. For every extra dollar of loans to small and medium-sized businesses they will have access to an extra \$5.
- These funds can be drawn upon up until the end of March next year.
- The funding from the RBA will be for 3 years at a fixed interest rate of 0.25%, which is substantially below lenders' current funding costs. Institutions accessing this scheme will need to provide the usual collateral to the RBA, with haircuts applying. The first drawings under this facility will be possible no later than 4 weeks from 18 March 2020.
- ADIs will still be required to take on the credit risk associated with these facilities, but may consider switching more expensive facilities for existing borrowers into these facilities, providing a cash flow boost to small and medium sized businesses.

# RBA – exchange settlement accounts

- Term funding has been made available for banks to access cheaper credit from the RBA in order to support small and medium-sized businesses.
- Exchange settlement balances at the RBA will be remunerated at 10 basis points, rather than zero as would have been the case under previous arrangements.
- This is in recognition that exchange settlement balances are likely to increase significantly as a result of the RBA's policy package.

## RBA – liquidity measures

- The RBA will also continue to provide liquidity to Australian financial markets by conducting 1-month and 3-month repo operations in its daily market operations until further notice.
- In addition, the RBA will conduct longer-term repo operations of 6-month maturity or longer at least weekly, as long as market conditions warrant.

### **Support for non banks:**

- In addition to these initiatives announced by the RBA, the Treasurer's Office announced a program of support for the non-bank financial sector, small lenders and the securitisation market, which will be implemented by the Australian Office of Financial Management (AOFM).
- The AOFM will have a capacity of \$15 billion to invest in wholesale funding markets used by small ADIs and non-ADI lenders.
- This initiative parallels a similar initiative by the AOFM during the GFC.
- It will be of particular support to issuers of mortgage-backed securities (MBS).



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## **3. STATE & TERRITORY GOVERNMENTS**

### **– BUSINESS MEASURES**

# NSW STATE GOVERNMENT – 1st stimulus package

- The NSW government announced its first stimulus package worth \$2.3 billion on March 17.
- The key measures for businesses are noted below.

## **Payroll tax waiver**

- Waiver of payroll tax for businesses with payrolls of up to \$10 million for the rest of 2019-20 financial year.
- The \$10 million is likely to be determined based on the payroll of the overall payroll tax group, however, the specific detail of the measure has not been released yet.

## **Bring forward of payroll tax cuts**

- Bringing forward the next round of payroll tax cuts by raising the threshold limit to \$1 million in 2020-21.

## **Waiving of fees & charges**

- Waiving a range of fees & charges for small businesses, including cafes, bars and restaurants.

## **Infrastructure related**

- \$500 million to be allocated to bring forward capital works and maintenance.
- Additional maintenance on public assets including social housing and crown land fencing has also been announced together with funding of over \$250 million.

# NSW STATE GOVERNMENT – 2nd stimulus package

- The NSW government on March 27 unveiled a second stimulus package worth \$750 million in additional support for the NSW economy.
- Key measures for businesses are noted below.

## **Working for NSW fund**

- A new \$1 billion “Working for NSW” fund is to be created, which is focussed on trying to sustain businesses and retain and create jobs. The details around the scope and nature of this fund are yet to be released.

## **Rent deferral**

- Rent deferral for 6 months for commercial tenants with less than 20 employees in government-owned properties.

## **Payroll tax**

- Payroll tax deferrals have also been extended to large businesses with more than \$10 million in turnover for 6 months, following measures to exempt small and medium-sized enterprises in the first package.

## **Gaming tax**

- Gaming-tax deferral for independent hotels, pubs & clubs for 6 months, but is conditional on the extra cash flow allowing staff to be retained.

# VICTORIAN STATE GOVERNMENT

## **Payroll tax refunds**

- Full payroll tax refunds for the financial year 2019-20 for small and medium-sized businesses with payroll of less than \$3 million.

## **Business Support Fund**

- \$500 million to establish a Business Support Fund to support the hardest hit sectors, including hospitality tourism, accommodation, arts, entertainment and retail.

## **Hardship payments, grants & tailored support**

- Another \$500 million for a fund for hardship payments, small grants and tailored support, which would be distributed in consultation with the Victorian Chamber of Commerce and Industry, the Australian Hotels Association, the Australian Industry Group and other industry representatives.

## **Fees waived**

- More than \$600 million for a range of measures such as the waiving of liquor licence fees due in March.

## **Rent relief**

- Commercial tenants in government buildings will be able to apply for rent relief, a measure which the Victorian government is encouraging private landlords to offer as well.

# QLD STATE GOVERNMENT

## **Payroll tax relief**

- All small and medium-sized businesses that pay less than \$6.5 million in Australian taxable wages will be eligible for a two-month payroll tax refund, a three-month payroll tax holiday, and deferral of all payroll tax payments for the rest of 2020.
- Larger businesses (annual payrolls of over \$6.5 million), affected by COVID-19, will be eligible for a 2-month payroll tax refund and have their deferral extended for all of 2020. A business affected by COVID-19 means the business will have seen a negative effect on turnover, profit, customers, bookings, sales or supply contracts, compared to normal conditions.

## **Low-interest loan facility**

- QLD businesses will also have access to a new \$500 million loan facility, offering low-interest loans of up to \$250,000.
- The will be interest-free for the first 12 months.
- The QLD Rural and Industry Development Authority is currently accepting expressions of interest for the loans. Businesses that are interested should contact this authority.

# QLD STATE GOVERNMENT continued

## Industry support package worth \$1 billion

- To support large businesses to ensure they can scale up and service the community when economic activity improves.
- The package is aimed at supporting businesses that make a significant contribution to QLD, that employ people in QLD at scale, which are significant in a regional context and which are significantly impacted as a result of COVID-19.

## Electricity bill relief

- Sole traders, small and medium-sized businesses will receive a \$500 rebate on their power bill. Any business consuming less than 100,000 kilowatt hours will receive the rebate. This rebate will be automatically applied on business electricity bills.

## Diversification grants

- Launching a \$500,000 grants package for small businesses in the agriculture, food and fish exporting industries, as well as supply chain partners. To help these businesses diversify and access new markets.
- Priority will be given to businesses that can demonstrate they have been affected or likely to be affected by the coronavirus. Grant program open for applications in April.
- Grants between \$2,500 and \$50,000 will be issued to help businesses conduct market evaluation studies, to visit potential new markets, or to purchase new equipment required for diversification.

# QLD STATE GOVERNMENT continued

## Fees waived

- The government is also waiving various fees relating to small business in the state, including for some variations of liquor licences, registration for inbound tour operators, commercial activity permits, marina charges and tourism rental payments.
- Rebates are also available for commercial operators and tenants in marinas.

## Other measures

- Small business mentoring.
- A \$1.1 million 'market-ready' initiative, offering tailored advice for small businesses on leveraging opportunities in the Chinese online market.
- It's also implementing a series of workshops and forums designed to help current and potential exporters to reach further afield, and to offer mentoring and support in areas like financial management and business planning.

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# SA STATE GOVERNMENT

## **Payroll tax relief**

- A 6- month waiver, from April to September, for all businesses with an annual payroll up to \$4 million.
- Employers with wages above \$4 million can defer payroll tax for 6 months when demonstrating significant impacts on cash flow from coronavirus.

## **Land tax relief**

- Individuals and businesses with outstanding quarterly bills for 2019-20 can defer payments for 6 months.

## **Fee waivers**

- Waiver of liquor license fees for 2020-21 for those hotels, restaurants, cafes and clubs forced to close as a result of new social distancing restrictions.

## **\$300 million Business and Jobs Support Fund**

- To directly assist individual businesses and industry sectors directly affected by coronavirus and face potential collapse.

## **\$250 million Community and Jobs Fund**

- To assist community organisations including sporting, arts and recreational bodies to assist with training of South Australians seeking new skills and employment.



# SA STATE GOVERNMENT continued

## **Infrastructure spending**

- The \$350 billion stimulus package included the bringing forward of infrastructure projects.

## **Specific sector support**

- The package will also include extra funding to the State's economic and business growth fund to support specific industry sectors.
- Projects must meet certain criteria to be eligible for funding, including the ability to start works within a short period of time, be labour-intensive or require significant local purchasing of materials, services and supplies.

# WA STATE GOVERNMENT

## **One-off grant**

- Payroll tax paying businesses with a payroll between \$1 million and \$4 million will receive a one-off grant of \$17,500.

## **Payroll tax changes**

- \$1 million payroll tax threshold brought forward by six months to 1 July, 2020.
- Small and medium sized businesses affected by the coronavirus can now apply to defer payment of their 2019-20 payroll tax until 21 July, 2020.

## **Rent waivers**

- The WA government will waive rental payments for small businesses and not-for-profit groups in State government-owned buildings for six months.
- The plan includes businesses such as convenience stores in train stations, cafés in government buildings, and restaurants in tourism precincts, such as Elizabeth Quay and Yagan Square. It will also benefit eligible small businesses leasing land from the State, such as caravan park and eco-tourism operators.

# TASMANIA STATE GOVERNMENT

## **For Small Business**

- \$20 million in interest-free loans to small businesses in hospitality, tourism, seafood production and export sectors. It will be for businesses with turnover less than \$5 million and will be interest free for three years.
- Payment terms by Government agencies will be reduced from 30 days to 14 days to improve business cash flow.
- A Small Business Grants Program has been brought forward to provide a \$5,000 grant for businesses that hire an apprentice or trainee in tourism, hospitality, building & construction and manufacturing industries.

## **Payroll tax waivers**

- Payroll tax liabilities to be waived for hospitality, tourism and seafood industry businesses for the last four months of 2019-20.
- Other businesses impacted by the coronavirus with payrolls of up to \$5 million can also apply to have their payroll tax waived for April to June 2020.

## **Waivers on fees**

- Fees on lease, license and parks will be waived.
- A 50% discount will be applied on liquor licensing fees and a waiver of all application fees for 2020.

# NT GOVERNMENT

## **Business improvement scheme**

- Launched a Business Improvement Scheme where all eligible businesses will receive \$10,000 and can receive a further \$10,000 if they spend \$10,000 of their own cash on business upgrades. This could include new equipment spending and new shop fit outs.

## **Immediate works grants**

- \$5 million for an 'Immediate Works Grants' package which will provide grants of up to \$50,000 to not-for-profits and community organisations for repairs and renovations.
- The NT government also said it would match dollar for dollar any further money put into renovation works from local organisations.

## **Structural adjustment package**

- Grants available to assist businesses who need to adjust to the new movement restrictions or to establish or upgrade their online presence. All businesses can apply, but the focus is on the hospitality sector.

## **Fees and charges freezing**

- Freezing of government fees and charge, most notably, regulated tariffs on electricity will be frozen for businesses until July 2021.

# NT GOVERNMENT continued

## **Small business survival fund**

- Businesses in the retail, hospitality, tourism or entertainment industries can apply for a payment between \$2,000 and \$50,000 to offset immediate cost pressures caused by the coronavirus containment measures.

## **Territory jobs hub**

- The NT government has set up a jobs hub to connect businesses with employees who have lost their jobs due to the coronavirus outbreak.

# ACT GOVERNMENT

## **Payroll tax deferral**

- Interest-free deferrals of payroll tax commencing 1 July 2020 for all businesses up to a payroll threshold of \$10 million to significantly ease the cashflow pressures for medium-sized businesses.

## **Rebates on commercial rates**

- A rebate on the fixed charge for 2019-20 on commercial rates for properties with an AUV below \$2 million will be provided, which particularly targets businesses who own their own premises.

## **Other tax and fee waivers**

- There will be a six-month waiver on payroll tax for hospitality, creative arts and entertainment industries, the waiving of fees for food business registration and liquor licencing fees (excluding off-license) and outdoor dining fees and a \$750 rebate for small business owners to help with power bills.

## **Infrastructure**

- \$20 million to be immediately spent on infrastructure projects and maintenance on local schools, roads, and public transport.

## **Additional funding**

- \$7 million for non-government org. partners to meet increased service demand for emergency relief.
- A \$500,000 round of grants for the arts sector.

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