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Government response to COVID-19, 26 March 2020

Business Events Council Australia (BECA)



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Federal Government

National COVID-19 Commission

- The Commonwealth Government has established a new National COVID-19 Coordination Commission that will coordinate advice to the Government on actions to anticipate and mitigate the economic and social effects of the pandemic.
- Mr Neville Power has been appointed Chair. The other members of this board are Greg Combet; Jane Houlton, whose last role was as head of the Finance Department; Paul Little, former head of Toll; Katherine Tanner, head of Energy Australia and who sits on the Reserve Bank of Australia board. The deputy chair of the organisation will be Mr David Thodey, chair of the CSIRO. The board will be joined by Phil Gaetjens as the Secretary of Prime Minister and Cabinet, and the Secretary of the Home Affairs Department, Mike Pezullo. – **Prime Minister of Australia**, 25 March 2020

Coronavirus Economic Response package passes Federal Parliament

- The Coronavirus Economic Response Package Omnibus Act 2020 legislative package implementing the Government's economic response to the spread of the Coronavirus, which the

Government announced between 12 and 22 March 2020, received assent from the Governor-General on 24 March 2020. – **Federal Parliament**, 24 March 2020

Tourism, accommodation and short-term rentals

Tourism Australia webinar with Minister Birmingham

- On Friday 27 March, Minister Birmingham will talk about different government initiatives in response to COVID-19.
- This is the first of weekly webinars that Tourism Australia will be hosting to update the industry on the latest announcements and measures being made to support industry during this crisis -

Tourism Australia

Victorian Accommodation Inventory

- Victoria Tourism Industry Council (VTIC) has been approached to assist the Department of Jobs, Precincts and Regions to quickly secure inventory so that they can provide accommodation as a precautionary quarantine measure for the purposes of self-isolation, housing vulnerable people, and/or to support essential service workers.
- The government will support this initiative and will provide a financial contribution to secure these rooms for a period of time, initially up to a three-month period.
 - They are prepared to offer \$120 per room per night (inclusive of GST) for a committed period of 3 months, with potential for further activation depending on future need.
- They are working as quickly as possible to provide extra capacity and will need accommodation providers in both metropolitan Melbourne and regional communities to provide information on the inventory they are prepared to contribute to this effort quickly, so they can understand where there is available supply and the types of room available.
- In this initial phase, government will be seeking to secure 1000 rooms for this inventory pool, with the potential for more as demand dictates.
- At this stage it is only VTIC that has been requested to facilitate this offer.
- It's possible that this concept will be extended to other facilities such as convention centres, who are already part of emergency response plans for other critical events requiring evacuation and sheltering.

Accommodation Association of Australia offer to federal government

- On behalf of Quest Apartment Hotels, the Accommodation Association of Australia (AAA) made a formal offer to the federal government last week to turn up to 80 of its hotels into quarantine or isolation facilities as they require them.
- Western Australian Premier, Mark McGowan, on Sunday warned his state government was looking at acquiring hotels for the purpose of quarantining people.
- Again, this concept to be extended to include other facilities such as convention centres.
- **Australian Financial Review**, 23 March 2020

Postponement of September local government elections in NSW

- The NSW Government has made the decision to postpone the September local government elections for 12 months in the face of the COVID-19 pandemic.
- The NSW Electoral Commissioner has also requested that the Government postpone the council elections.
- **Minister for Local Government**, 25 March 2020

Key government announcements for business

Federal Government		
Support for individuals	<p>1. <u>Income support:</u> Temporarily expanding eligibility to income support payments and establishing a new, time-limited Coronavirus supplement of \$550 per fortnight for the next 6 months.</p> <p>2. <u>Households:</u> In addition to the \$750 stimulus payment announced on 12 March 2020, a further \$750 payment to social security and veteran income support recipients and eligible concession card holders, except for those who are receiving an income support payment that is eligible to receive the Coronavirus supplement, to be paid on 13 July 2020.</p> <p>3. <u>Early access to superannuation:</u> Individuals in financial stress as a result of the Coronavirus will be able to withdraw, tax free, up to \$10,000 of their superannuation in 2019-20 and a further \$10,000 in 2020-21. Strict eligibility rules will apply.</p>	<p><u>1 - Link</u></p> <p><u>2 - Link</u></p> <p><u>3 - Link</u></p>
Support for business	<p>1. <u>Cashflow for employers:</u> The Government is providing up to \$100,000 to eligible small and medium sized businesses, and not-for-profits (including charities) that employ people, with a minimum payment of \$20,000. Employers will receive a payment equal to 100 per cent of their salary and wages withheld with a maximum payment being increased from \$25,000 to \$50,000. In addition, the minimum payment is being increased from \$2,000 to \$10,000. 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 \$20,000 up to a total of \$100,000 under both payments.</p> <p>2. <u>Relief for financially distressed businesses:</u> A temporary increase to the threshold (from \$2,000 to \$20,000) at which creditors can issue a statutory demand on a company and the time companies have to respond to statutory demands they receive (thereby making it very hard for creditors to enforce collection for at least the next 6 months. In addition, temporary relief for directors from any personal liability for trading while insolvent, temporary flexibility in the Corporations Act 2001 to provide targeted relief for companies from provisions of the Act to deal with</p>	<p><u>1 - Link</u></p> <p><u>2 - Link</u></p> <p><u>3- Link</u></p> <p><u>4- Link</u></p>

	<p>unforeseen events that arise as a result of the Coronavirus health crisis. The ATO will tailor solutions for their circumstances, including temporary reduction of payments or deferrals, or withholding enforcement actions including Director Penalty Notices and wind-ups.</p> <p>3. <u>Increase to instant write-off:</u> The Government is increasing the instant asset write-off threshold from \$30,000 to \$150,000 and expanding access to include all businesses with aggregated annual turnover of less than \$500m (up from \$50m) until 30 June 2020.</p> <p>4. <u>Backing business investment:</u> The Government is introducing a time limited 15 month investment incentive to support business investment and economic growth over the short-term, by accelerating depreciation deductions (50 per cent of the cost of an eligible asset acquired after announcement and first used or installed by 30 June 2021 is deductible up front. Can be accessed by businesses with aggregated turnover below \$500m).</p> <p>5. <u>Supporting apprentices and trainees:</u> Eligible employers can apply for a wage subsidy of 50 per cent of the apprentice's or trainee's wage for 9 months from 1 January 2020 to 30 September 2020.</p>	
Supporting flow of credit	<p>1. <u>Coronavirus SME Guarantee Scheme:</u> As well as other measures to support the flow of credit, establishment of the Coronavirus SME Guarantee Scheme, under which the Government will provide a guarantee of 50 per cent for new unsecured loans to be used for working capital by SMEs with a turnover of up to \$50m (up to a maximum of \$250,000 per borrower). The loans will be up to three years, with an initial six-month repayment holiday. The loans will be in the form of unsecured finance, meaning that borrowers will not have to provide an asset as security for the loan.</p> <p>2. <u>Quick and simple access:</u> The Government is providing an exemption from responsible lending obligations for lenders providing credit to existing small business customers. This exemption is for six months, and applies to any credit for business purposes, including new credit, credit limit increases and credit variations and restructures.</p> <p>3. <u>Supporting lenders in the securitisation market:</u> \$15b to invest in structured finance markets used by smaller lenders, in particular direct investments in primary market securitisations by smaller lenders and in warehouse facilities.</p>	<u>Link</u>

	Temporary changes to APRA's expectations regarding bank capital ratios to support banks' lending to customers.	
NSW		
Health and Economic Stimulus Package	<p>\$2.3b health boost and economic stimulus package to protect the community and help protect jobs in the face of the COVID-19 outbreak over the next six months. Two key components: \$700m in extra health funding and \$1.6b in tax cuts to support jobs.</p> <ol style="list-style-type: none"> 1. Health boost: \$700m extra funding for NSW Health. This will assist in doubling ICU capacity, preparing for additional COVID-19 testing, purchasing additional ventilators and medical equipment, establishing acute respiratory clinics and bringing forward elective surgeries to private hospitals. 2. Business support and jobs <ul style="list-style-type: none"> • \$450m for the waiver of payroll tax for businesses with payrolls of up to \$10m for three months (the rest of 2019-20). This means these businesses will save a quarter of their annual payroll tax bill in 2019-20. • \$56m to bring forward the next round of payroll tax cuts by raising the threshold limit to \$1m in 2020-21 • \$80m to waive a range of fees and charges for small businesses including bars, cafes, restaurants and tradies • \$250m to employ additional cleaners of public infrastructure such as transport assets, schools and other public buildings • More than \$250m to bring forward maintenance on public assets including social housing and crown land fencing • \$500m to bring forward capital works and maintenance. 	<p><u>NSW Treasury</u> 17 March 2020</p>
QLD		
COVID-19 Jobs Support Loans	<p>The Queensland Government has announced a \$4b COVID-19 relief package.</p> <ol style="list-style-type: none"> 1. \$2.5b for workers and industry: up to \$500m to assist workers who lose their job or income with retraining, job-matching and other help to transition into jobs in the industries that are vital to get Queensland through this crisis – such as health care, agriculture, food production, transport, cleaning and mining 	<p>Essential information – COVID-19, <u>Queensland Government,</u> 26 March 2020 \$4b COVID-19 Relief Package, <u>Queensland</u></p>

	<p>2. Industry Support Package: will assist large businesses through this period to ensure they will be able to scale up and service the community when economic activity improves. For further detail on the Industry Support Package email COVID19ISP@treasury.qld.gov.au.</p> <p>3. Queensland COVID-19 Jobs Support Loans: new \$500m loan facility, interest free for the first 12 months, to support Queensland businesses impacted by COVID-19 retain employees and maintain their operations. The \$500m concessional loan facility will comprise low interest loans of up to \$250,000 for carry on finance with an initial 12-month interest free period for businesses to retain staff</p> <p>4. Payroll Tax Arrangements: The new payroll tax initiative enables eligible businesses with an annual Australian wage bill of up to \$6.5m to self-assess whether their economic indicators like turnover, bookings, contracts or profit have been impacted by business conditions associated with coronavirus. Small and medium Queensland businesses impacted by the coronavirus outbreak will be able to defer their payroll tax payment for six months under a new relief measure announced.</p> <p>5. Agricultural industry loans scheme: The Queensland Government has approved a \$30m extension to a crucial agricultural industry loans scheme.</p>	<p><u>Government</u>, 24 March 2020</p> <p>Payroll relief, <u>Queensland Government</u>, 24 March 2020</p> <p>Interest free loans, <u>Queensland Government</u>, 17 March 2020</p> <p>Agricultural jobs – loan scheme, <u>Queensland Government</u>, 18 March 2020</p>
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Victoria		
Economic Survival and Jobs Package	<p>\$1.7b to assist Victorian businesses struggling amid the coronavirus pandemic.</p> <ul style="list-style-type: none"> • Payroll Tax Refund: Businesses with annual taxable wages up to \$3m will have their payroll tax for the 2019-20 financial year waived. This will support 24,000 businesses and up to 400,000 workers. • SMEs: \$550m which would go to 24,000 small and medium-sized enterprises with a payroll of less than \$3m as a payroll tax refund. • Business Support Fund: The \$500m Business Support Fund will support the hardest hit sectors, including hospitality, tourism, accommodation, arts and entertainment, and retail. The Government will work with the Victorian Chamber, Australian Hotels Association and Australian Industry Group to deliver 	<p><u>Economic Survival Program</u>, Victorian Government</p>

	<p>the Fund, which will help these businesses – which may not be eligible for payroll tax refunds due to their size – survive and keep people in work.</p> <ul style="list-style-type: none"> • Working for Victoria Fund: Under the \$500m Working for Victoria Fund, displaced workers will be eligible to apply for different types of work. This presents opportunities for paid work and an opportunity to contribute to Victoria’s ability to manage this event and support the community. • Land tax deferral: Landowners that have at least one nonresidential property and total taxable landholdings below \$1m have the option of deferring their 2020 land tax payment until after 31 December 2020. 	
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Tasmania

<p>Tasmanian Support & Stimulus Package</p>	<p>A \$420m support package was announced by the Gutwein government.</p> <ul style="list-style-type: none"> • Interest-free loans: \$20m for the provision of interest free loans to businesses in the hospitality, tourism, seafood and exports sectors that have a turnover of less than \$5m. \$50m in interest free loans to local governments to upgrade and improve local tourist facilities around the state such as rest areas, rest and change rooms, toilets and visitor centres. • Waiver of payroll tax: for the last four months of this financial year for hospitality, tourism and seafood industry businesses, saving businesses around \$7m. Other small to medium businesses who may be affected by coronavirus can apply to have their payroll tax payments waived from March to June 2020, saving them up to \$9m. • Reducing the normal terms of trade for payments by government agencies from 30 days to 14 days, thereby putting cash back into businesses more quickly. • Hiring apprentices or trainees: \$2.1m for one-off \$5,000 grants for businesses that hire an apprenticeship or trainee, complementing the Federal Government’s apprenticeship package. • Government Maintenance Program: \$50m allocated to fast track maintenance on public buildings over the next 12 months. This will provide 	<p><u>Tasmanian Government,</u> 18 March 2020</p> <p>Comprehensive information, <u>Tasmanian Government</u></p>
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	<p>an injection into local trades around the state and continue to support confidence in local communities.</p> <ul style="list-style-type: none"> • Youth Employment Scheme: The Scheme provides a payroll tax rebate for one year, to businesses that employ a young person aged 24 and under, between April and December 2020. 	
Australian Capital Territory		
COVID-19 Economic Survival Package	<p>\$137m economic survival package announced.</p> <ul style="list-style-type: none"> • Deferral of payroll tax: All ACT businesses with Group Australia-wide wages of up to \$10m can defer their 2020-21 payroll tax, interest free until 1 July 2022 • Waiver of payroll tax: Hospitality (cafes, pubs, hotels, clubs and restaurants), creative arts and entertainment industries will receive a one-off, six-month waiver of payroll tax from April to September 2020. • Power bills: Small business owners with electricity usage below 100 megawatts per year will see rebates of \$750 automatically applied to their next electricity bill in around June or July 2020. • Waiver of licensing fees: Licenced venues will receive a 12-month waiver of their food business registration and on-licence liquor licencing fees from 1 April 2020 and outdoor dining fees for 2020-2021 will be waived. • Commercial rates rebate: Commercial property owners with an Average Unimproved Value of \$2m or less on their property are eligible for a rebate on their commercial rates fixed charge. 	COVID-19 Economic Survival Package, <u>ACT Government.</u>
South Australia		
Jobs Rescue Package	<p>Details to come, but the package will allocate about \$650m to saving South Australian jobs and supporting key industries and local businesses survive throughout an unprecedented economic emergency.</p>	<u>SA Government,</u> 26 March 2020
Initial economic stimulus package	<p>\$350m were announced on a range of measures – from major road and hospital upgrades to significant tourism infrastructure and increased funding for the state’s Economic and Business Growth Fund to support industry sectors.</p>	<u>SA Government,</u> 11 March 2020
Western Australia		

<p>COVID-19 Economic response</p>	<p>\$607m were announced as part of WA's COVID-19 economic response to provide relief for businesses and households:</p> <p>The Business-related package, focused on SMEs, includes \$114m in measures to support Western Australian small and medium businesses. This includes:</p> <ul style="list-style-type: none"> • Payroll tax paying businesses with a payroll between \$1m and \$4m will receive a one-off grant of \$17,500 to assist them to manage the impacts of COVID-19 • Fast-tracking additional payroll tax relief for small businesses, with the payroll tax threshold increasing to \$1m from July 1, 2020, six months earlier than planned. <p>In addition, small and medium sized businesses affected by COVID-19 can now apply to defer payment of their 2019-20 payroll tax until July 21, 2020 for business with \$7.5m or less in Australian Taxable Wages and have been directly or indirectly impacted by COVID-19</p>	<p><u>WA Government,</u> 16 March 2020.</p>
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Northern Territory

<p>Jobs Rescue and Recovery Plan</p>	<p>The Northern Territory (NT) Government is delivering a \$65m Jobs Rescue and Recovery plan to help stimulate the economy and keep Territorians in jobs.</p> <ul style="list-style-type: none"> • Business Improvement Scheme: \$20m Business Improvement Scheme. Up to \$20k for business improvements (if sourced from local territory suppliers). • Business Structural Adjustment Package: \$5m allocated for businesses who need to physically adjust to the 100-person rule or to establish or upgrade their online presence. • Immediate Works Grants Package: \$5m for incorporated not-for-profit and community organisations. Grants of up to \$100,000 will be given to these organisations to engage local business to do repairs, renovations and upgrades to their facilities. • Freezing government fees and charges and electricity prices: All Government fees and charges – including electricity, water and car registration will be frozen (no increase due to indexation) until 1 July 2021. • Home Improvement Scheme: \$30m 	<p><u>Northern Territory Government,</u> 26 March 2020</p>
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	<ul style="list-style-type: none">• Payroll tax exemption: for hiring Territory employees has been extended to 30 June 2021. <p>Small Business Survival Fund: \$50m, the fund will deliver grants to help keep small businesses alive, even if shut.</p>	
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