

Summary - Government Economic Response to COVID-19

IMPORTANT NOTE:

- Not all schools will be eligible for all measures.
- Each school should refer to their own circumstances to determine their eligibility.
- Information correct as at 6 April 2020

FEDERAL GOVERNMENT SUPPORT

JobKeeper Payment - UPDATED

A JobKeeper Payment is available to provide businesses impacted by the Coronavirus access to a wage subsidy from the Government to continue paying their employees. More related to this scheme can be found on this [fact sheet](#).

Who:

Employers 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 per cent 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 per cent relative to a comparable period a year ago (of at least a month); and
- the business is not subject to the Major Bank Levy.

The employer must have been in an employment relationship with eligible employees as at 1 March 2020, and confirm that each eligible employee is currently engaged in order to receive JobKeeper Payments.

UPDATE:

Not-for-profit entities that meet the turnover tests that apply for businesses are eligible to apply for JobKeeper Payments.

For charities registered with the Australian Charities and Not-For-Profit Commission (ACNC), they will be eligible for the subsidy if they estimate their turnover has or will likely fall by 15 per cent or more relative to a comparable period.

Non-government schools and private vocational education providers are eligible.

What:

- Affected employers will be able to claim a fortnightly payment of \$1,500 per eligible employee from 30 March 2020, for a maximum of 6 months. Eligible employees will receive a minimum of \$1,500 per fortnight, before tax.

How:

- To register interest in JobKeeper Payments employers should submit an online form at: <https://www.ato.gov.au/Job-keeper-payment/>.

Boosting cash-flow for employers

The Federal Government is providing up to \$100,000 over two quarters to eligible small and medium sized businesses, and not-for-profits (NFPs) that employ people. These payments will help businesses and NFPs with their cash flow so they can keep operating, pay their rent, electricity and other bills and retain staff.

Who:

- Small and medium sized businesses, including not-for-profit organisations, that employ people and have an aggregated annual turnover up to \$50 million will be eligible.

What:

- Employers will receive a first round payment equal to 100 per cent of their salary and wages withheld, with the maximum payment now set at \$50,000.
- The minimum payment is now \$10,000.
- A second round payment of the same value will be introduced for the July - October 2020 period for those who were eligible to receive a payment in the first round, provided the business or entity is still active.

How:

- The 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.
- The payments are tax-free and employers will not need to complete paperwork in addition to their normal activity statement.
- Eligible employers that withhold tax to the ATO on their employees' salary and wages will receive a payment equal to 100 per cent of the amount withheld, up to a maximum payment of \$50,000.

Eligible employers that pay salary and wages will receive a minimum payment of \$10,000, even if they are not required to withhold tax.

More details can be found on this [factsheet](#).

Temporary relief for financially distressed businesses

The elements of the package are:

- Temporary increase in 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 temporary increase in the threshold for a creditor to initiate bankruptcy proceedings, an increase in the time period for debtors to respond to a bankruptcy notice, and extending the period of protection a debtor receives after making a declaration of intention to present a debtor's petition;

- Temporary relief for directors from any personal liability for trading while insolvent; and
- Providing temporary flexibility in the Corporations Act 2001 to provide targeted relief for companies from provisions of the Act to deal with unforeseen events that arise as a result of the Coronavirus health crisis

The following [factsheet](#) provides more detail and case studies illustrating these measures.

Delivering support for business investment

Increasing the instant asset write-off

- The Government is increasing the instant asset write-off threshold from \$30,000 to \$150,000 and expanding access to include businesses with aggregated annual turnover of less than \$500 million (up from \$50 million) until 30 June 2020.

Backing business investment

- The Government is introducing a time limited 15 month investment incentive (through to 30 June 2021) to support business investment and economic growth over the short term, by accelerating depreciation deductions.
- Businesses with a turnover of less than \$500 million will be able to deduct 50 per cent of the cost of an eligible asset on installation, with existing depreciation rules applying to the balance of the asset's cost.

More detail can be found on this [factsheet](#).

Support for Coronavirus-affected regions and communities

- The Government will set aside \$1 billion to support regions most significantly affected by the Coronavirus outbreak. These funds will be available to assist during the outbreak and the recovery.

N.B. This will depend on government assessment of regions, communities and industries most affected by the current crisis.

More detail can be found [here](#).

Supporting the flow of credit

Guarantee Scheme

- Participating lenders to small and medium-sized enterprises (SMEs) will have loans guaranteed by government.
- This guarantee is worth 50 per cent to SME lenders for new unsecured loans to be used for working capital.
- This will enhance these lenders' willingness and ability to provide credit, which will result in SMEs being able to access additional funding to help support them through the upcoming months.
- SMEs with a turnover of up to \$50 million will be eligible to receive these loans and the size of the loan is a maximum of \$250,000.

Credit Enhancement

- 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.
- By providing a temporary exemption from responsible lending obligations, this reform will help small businesses get access to credit quickly and efficiently.

For more information on access to credit measures, please [click here for the fact sheet](#).

Assistance for Early Learning and Child Care Operators

Who:

- All early childhood education and care providers and services on Early Childhood Education and Care
- All services that remain open, and have children enrolled, will receive a weekly payment to ensure they can deliver early childhood education and care to families who need it.

What:

- From Monday 6 April 2020 weekly payments will be made directly to early childhood education and care services in lieu of the Child Care Subsidy and the Additional Child Care Subsidy, to help them keep their doors open and employees in their jobs.
- Payments will be made until the end of the 2019-20 financial year and families will not be charged fees during this time.
- In addition, up to and including 5 April 2020, services can now waive gap fees for families due to the impact of COVID-19. This can go back as far as 23 March 2020 and is in addition to changes already announced that allow services to waive gap fees for families where they have been directed to close on public health advice.
- Payments will be based on 50 per cent of services' fee revenue or 50 per cent of the existing hourly rate cap, whichever is lower, based on the fortnight before 2 March 2020.
- National Cabinet is also considering short-term intervention for commercial tenancy arrangements.

How:

- Early childhood education and child care services do not need to apply for the payments, they will be paid automatically.

For more information on this measure please see the following two fact sheets:

- [Up to and including 5 April 2020](#)
- [From 6 April 2020 onwards](#)

VICTORIAN STATE GOVERNMENT SUPPORT

Payroll tax relief

- The Victorian Government will provide full payroll tax refunds for the 2019-20 financial year to small and medium-sized businesses with a payroll of less than \$3 million.
- The Victorian Government has indicated that these payments will start flowing immediately. The assistance is a refund, not a loan.
- Eligible businesses will also be able to defer any payroll tax for the first three months of the 2020/21 financial year until 1 January 2021.

Land tax payments

- Land tax payments for 2020 will be deferred for eligible small businesses. Land owners due to pay 2020 land tax that have at least one non-residential property and total taxable landholdings below \$1 million have the option of deferring their 2020 land tax payment until after 31 December 2020.
- If an eligible land owner has already paid their 2020 land tax they can request a return of the tax paid.
- The State Revenue Office will contact all taxpayers who are eligible for this deferral.

Rent relief for tenants of Victorian Government buildings

- Commercial tenants in Victorian Government buildings can apply for rent relief.

Outstanding invoice payments by the Victorian Government

- The Victorian Government will pay all outstanding supplier invoices within five business days. The private sector is being urged to do the same where possible.

Liquor licensing fees

- The Victorian Government will waive liquor licensing fees for 2020 for affected venues and small businesses.
- The State Revenue Office will administer the reimbursement, regardless of whether the license fee was paid to it or the Victorian Commission for Gaming and Liquor Regulation.

For more information on state government measures, please see [here](#).

Please note, schools may already be exempt from some of the above measures. For further information on exemptions, please see the relevant section of ISV's [Compliance Framework](#).

OTHER SUPPORT

Support for business from banks

- Australian banks, through the Australian Banking Association, have announced its member banks – which include ANZ, Commonwealth Bank, NAB and Westpac – will defer loan repayments for businesses affected by the coronavirus.
- This applies to businesses who have business loans with a member bank, where the value of the loan is up to \$10 million. This threshold covers around 98% of businesses.

In addition to deferral of loan repayments, other measures which business may be eligible for include:

- Waiving fees and charges
- Interest free periods or no interest rate increases
- Debt consolidation to help make repayments more manageable.

For more information about the ABA's announcement, click [here](#).

Schools should contact their banks directly to discuss their circumstances and access support.

Energy Network Relief Package

Energy networks across New South Wales, Victoria and South Australia have announced a suite of measures to provide support to customers enduring hardship as a result of the COVID-19 pandemic.

Further details can be found in this [factsheet](#).