

## ACT COVID-10 Stimulus Package (Stage 2)

April 2020

On Thursday 2 April 2020 the Australian Capital Territory (ACT) Chief Minister and Treasurer, Andrew Barr MLA, delivered Stage 2 of the ACT Government Economic Support Package to counter the economic effects of COVID-19.

The Economic Survival plan totals \$214 million. It will prioritise the support of the healthcare system, households and business by way of taxation and fee relief.

The Treasurers media release is available [here](#).

Key areas the initiative covers are:

- Healthcare
- Supporting Households – Taxation and Fee Relief
- Supporting Businesses and Commercial Property Owners – Taxation and Fee Relief
- Community and Industry Support
- Education Digital Delivery
- Expediting development application and unit titling approvals
- Employment
- Investment in Government Services

### Healthcare

The ACT Government expects to spend an additional \$126 million combatting COVID-19 to June 30 2020.

This additional funding is for:

- Health facility infrastructure, including
  - Additional emergency department surge capacity of up to 50 beds,
  - Flexing the bed base in Canberra Health Services by an additional 131 beds, and
  - Supporting Calvary Hospital to deliver dedicated COVID-19 wards and expanded ICU capacity
- Personal protective equipment
- Establishment of respiratory clinics and additional equipment
- The Emergency operations centre
- Enhanced operational capacity for public health services including contact tracing and COVID-19 testing

This cost will be shared between the Commonwealth and the ACT.

### Supporting Households – Taxation and Fee Relief

The Government will provide a land tax and rates rebate to residential landlords who reduce rents by at least 25 per cent for up to six months, equal to 50 per cent of the rent reduction.



The Revenue Office will implement a new process for rates deferrals for owner occupiers experiencing hardship because of COVID-19. No interest will apply to the deferred amount. Household incomes must be less than \$160,000 to be eligible. Income must be reduced by at least 25 per cent.

The Government will defer the issuing of notices for 2019-20 quarter 4 residential general rates instalments and land tax assessments by four weeks.

The Government will contribute up to \$250,000 to a hardship fund to assist electricity retailers to enhance hardship assistance to customers (up to \$0.25 million). Electricity retailers will be asked to make a co-contribution in order to access the fund.

The Government will freeze the Utilities Network Facilities Tax (UNFT) at its 2019-20 level (\$2 million).

### **Supporting Businesses and Commercial Property Owners – Taxation and Fee Relief**

Assisting commercial landlords to provide rent relief to business tenants

- Category 1 - Those who have been partially or not affected;
  - Must continue to pay rent. As part of the Stimulus Package 1, the Government provided a fixed charge waiver (\$2,622 rebate), to commercial property owners with average unimproved values lower than \$2 million (\$16.2 million).
- Category 2 - Those who have been significantly affected (at least 30 per cent reduction in business income)
  - Apply for a waiver or rebate of commercial rates tied to the rental relief to be provided to tenants. The proportional cost-sharing arrangement would be on a 25/75 basis (cap to be announced).
- Category 3 - Those who have to shut-down operations due to COVID-19 health restrictions.
  - Apply for a waiver or rebate of commercial rates tied to the rental relief to be provided to tenants. The proportional sharing arrangement would be on a 50/50 basis (cap to be announced).

On a case by case basis, commercial properties experiencing significant cash flow problems or who have been forced to cease trading as a result of COVID-19 will additionally receive access to rates deferrals consistent with the expanded COVID-19 hardship arrangements detailed below.

Owner-operated commercial properties significantly impacted by COVID-19 will also have access to waiver and deferral arrangements consistent with the above principles but without the requisite rental relief.

Support will be limited to the Government commercial rates charges owed by the commercial property owner.

#### Expanding access to commercial general rates hardship deferral

The Revenue Office will allow the deferring of rates charges (interest free) for commercial property owners who have been significantly affected by COVID-19, up to October 2020.

#### Delaying the issuing of general rates notices

The Government will defer the issuing of notices for 2019-20 quarter 4 commercial general rates instalments by four weeks. Notices will be payable a month after the date of issue.

Businesses whose operations are directly affected by the 'prohibited activities list', for example gyms and indoor sporting venues, cinemas, beauty therapists and nail salons will be eligible to receive a six-month waiver of payroll tax from April to September 2020.

Enabling businesses in the construction industry to access interest-free payroll tax deferral

The construction industry will be able to defer their payroll tax liability for the six months from April 2020. No interest will be charged on deferred amounts until 1 September 2020 (\$0.1 million)

Waiver of liquor licence for off-licence small business

Off-licenced venues with gross liquor purchase value of below \$3 million per annum will receive a 12-month waiver of their liquor licencing fees from 1 April 2020. This support will be applied automatically as part of the normal annual fee licencing process (\$1.2 million).

Waiver of other business fees

The Government will provide a fee waiver for 12 months for businesses that require licencing, including businesses such as beauty therapists, nail salons, tattoo parlours and dentists. This will be automatically implemented through the normal licencing process (\$0.1 million)

Extending taxi industry support to lessees of privately-owned plates

The Government will provide a one-off payment of up to \$5,000 to taxi drivers who lease their taxi plates from private owners. Taxi drivers will need to contact Access Canberra for these payments to be progressed. An application form will be available by 6 April 2020. In the interim, drivers are asked to commence their application by sending an email to [taxiservices@act.gov.au](mailto:taxiservices@act.gov.au). (\$0.8 million).

## **Community and Industry Support**

Supporting Community Clubs and the Casino Canberra

The Government will provide a further \$7.5 million in support to community clubs and Casino Canberra, including:

- Access a payment of \$15,000 per authorisation if they voluntarily surrender gaming machine authorisations; this higher payment is conditional on funding being directed towards retaining and supporting staff.
- A waiver or refund of gaming machine tax liabilities for clubs for March 2020 activity larger clubs or first quarter 2020 activity for smaller clubs
- A rebate of fixed water and fixed sewerage charges issued by Icon Water for the next 2 quarters; and
- A waiver or refund of the annual licence fee and gaming tax liabilities for March 2020 activity for Casino Canberra.

Additionally, amendments will be made to relevant legislation to allow payment of award wages to staff to be claimed as community contributions where an emergency declaration has been made and provide incentives for clubs to prepare food for the vulnerable.

Rental relief on ACT government properties

From 1 April 2020, the Government will not charge any rent, for a six-month period, to community groups occupying ACT Government owned properties. This proposal includes school facilities that are rented to the community and community housing providers (\$7.0 million).

Support is also available for commercial tenants of ACT Government owned properties where they have suffered a loss of revenue as a result of COVID-19. In these circumstances commercial tenants should contact the ACT Government.



Support up to \$500,000 in funding will be available to the head-licensees of arts facilities to enable the waiving of fees for sub-licensees for 6 months. It is anticipated that this will support 65 smaller arts organisations.

#### Expanding the community support package

The ACT Government will provide a further \$2 million to the not-for-profit sector to deliver mental health and community support.

This is in addition to the \$7 million package previously announced on 20 March 2020, bringing the total support for the not-for-profit sector to \$9 million.

#### **Education Digital Delivery**

The Government will provide Chromebooks or similar devices to all students in years 4-6 and will provide free WiFi in the homes of the most disadvantaged (\$0.5 million).

#### **Expediting development application and unit titling approvals**

The Government will continue to fast track development application and unit titling approvals to allow work to continue in the ACT's construction sector.

#### **Employment**

##### Jobs for Canberrans' Fund

The Government will establish the Jobs for Canberrans' Fund to allow the ACTPS to employ additional workers on short-term contracts to undertake specific tasks (\$20 million).

##### Access to Portable Long Service Leave

The Government will amend legislation to provide access to Long Service Leave to workers that suffer a loss of income. The legislation would allow the Minister to permit early access to leave payments accrued by workers impacted by the COVID 19 pandemic.

#### **Investment in Government Services**

##### More fast-tracked projects

The ACT Government will provide a further \$5 million to fast-track infrastructure projects and maintenance on government-owned community, school and other buildings as well as suburb maintenance. The program will focus on works that can start immediately, be undertaken using local suppliers and workers, and meet social distancing requirements (\$5 million).

##### CIT IT investment

The Government will fast track CIT's Study Work Anywhere Any Time IT project to enable CIT to move delivery of components of its teaching and learning online by July 2020 (\$1 million).

#### **Further information**

The Business Liaison Team phone line is: (02) 6205 0900

Details of the first stage of the ACT Stimulus Package is available [here](#).

For more information, please contact your Hawker Britton consultant [Simon Banks](#) on +61 419 638 587.