

ACT COVID-10 Stimulus Package (Stage 2)

May 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.

On May 12, The ACT Government finalised the framework to provide additional rental and rates relief for tenants and landlords across the Territory, at an estimated value of \$25 million over 6 months.



The Government will apply rebates to property owners' commercial general rates bills if they reduce rent for tenants significantly affected by COVID-19, backdated from 1 April 2020 for a period of six months.

A tiered category system will encourage landlords to apply for a waiver or rebate on their commercial rates, linked to the amount of rental relief passed on to tenants. The tiered categories also apply to affected owner operated business.

Under this scheme, a majority of landlords will potentially pay no commercial rates for 6 months, provided they are passing through rental relief to their tenants.

Commercial Leases Declaration

The ACT Government has implemented the National Cabinet's Mandatory National Code of Conduct, which requires landlords to negotiate in good faith with tenants financially impacted by COVID-19.

They may mandate aspects of the National Code should the proposed approach not drive a strong behavioural response.

The Commercial Leases Declaration will expire on 30 September 2020.

Mediation Services

The Local Business Commissioner will act as a Commercial Tenancy Mediator to assist landlords and tenants to negotiate amendments to their leasing agreements.

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 licensing, 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. (\$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).

On June 11, 2020 the ACT Government announced a \$10 million extension to the Fast Tracked suburban infrastructure program.

\$8 million being allocated to new projects and \$2 million of the program extension will be allocated to early planning and design work.

New projects will include more funding for upgrades to public buildings, maintenance works in our schools and urban renewal projects.

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).

New fast-tracked infrastructure and maintenance projects

The ACT Government has focused on 'screwdriver' ready works that can start immediately. It will support local businesses and keep workers employed now. The projects will include: \$9.75 million in

works to upgrade and build new footpaths, improve road safety, upgrade waste and transport facilities and undertake landscaping in open spaces.

Projects in the fast-track program will include:

- Upgrades and extensions to footpaths and cycleway networks
- Roads
- Building Improvements Packages Waste and Transport Facilities
- Open Space landscaping improvements

Health infrastructure works fast-tracked

The ACT Government is fast-tracking improvements and maintenance to health service facilities across Canberra as part of the Government's economic survival package.

Works recently commenced at the Tresillian Queen Elizabeth II (QEII) Family Centre. Other projects include:

- improvements to the heating, ventilation, and air conditioning system in Canberra Hospital Building 12
- improvements to the heating, ventilation, and air conditioning system in Centenary Hospital for Women and Children
- security upgrades at the Ngunnawal Bush Healing Farm
- building improvements to drug and alcohol service facilities
- electrical, hot water and fire system upgrades to youth mental health and drug and alcohol rehabilitation facilities.

Stamp duty cuts

The ACT will significantly reduce the stamp duty for eventual owner-occupiers on the purchase of:

- New land single residential blocks to zero
- Off-the-plan apartment and townhouse* purchases up to \$500,000 to zero
- Off-the-plan apartment and townhouse* purchases between \$500,000 and \$750,000 by \$11,400

This stamp duty concession will be in place for any purchase where contracts are exchanged in the ACT from 4 June 2020 until 30 June 2021.

The Government will also extend the Pensioner Duty Concession Scheme for one year.

Fees and Charges

Some fees and charges will be frozen at current 2019-20 levels, such as:

- * Birth, death and marriage registrations fees
- * Building fees
- * Domestic animal fees
- * Emergencies fees
- * Land title fees
- * Planning and development fees



- * Public health fees
- * Security industry fees
- * Vehicle registration fees

Several fees and charges were already frozen at 2019-20 levels or waived as part of the government's Economic Survival Package announced in March 2020. These fees will remain fixed at the 2019-20 level for 2020-21.

A full list of fees and charges that have been frozen at current 2019-20 levels are available [here](#)

COVID-19 Helpline

The ACT Government has established a new helpline to assist Canberrans through the challenges of COVID-19. The COVID-19 Helpline is now live and will operate on 02 6207 7244 between 8am and 8pm daily. It complements the [COVID-19 web page](#).

Further information

The ACT government's Economic Survival Package is available [here](#).

[Fact sheet, guidance notes & declaration](#)

[Application form for rates rebate](#)

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

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

Details of the ACT COVID-19 Relaxation and Path Ahead is available [here](#).

Details of Labor Government Policy can be found [here](#).

Details of Liberal Government Policy can be found [here](#).

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