

# Hawker Britton

*Government Relations Strategy*

## **McGowan Government announces Corona Virus Economic Recovery Package**

**June 2020**

Premier McGowan has announced a new \$154.5 million relief package to support tenants, landlords and the construction industry.

The new package complements the \$1.7 billion in relief measures previously announced.

Key initiatives to support those impacted by COVID-19:

- \$30 million in grants for residential tenants (up to \$2,000)
- \$100 million in land tax relief for commercial landlords who reduce rent
- \$24.5 million support package to assist the building and construction industry to maintain a skilled workforce and support apprentices and trainees

### **Land tax relief for commercial landlords**

The McGowan Government will provide \$100 million for land tax relief grants to be paid to commercial landlords.

Eligible commercial landlords will provide rent relief for a minimum of three months' rent and freeze outgoings to small businesses that have suffered at least a 30 per cent reduction in turnover.

Grants will be equivalent to 25 per cent of the land tax bill for 2019-20 of the property in which an eligible tenant is occupying. The grant will be paid to the landlords.

### **\$30 million for residential tenants**

The McGowan Government has committed \$30 million for grants of up to \$2,000 for residential tenants who have lost their job and are facing financial hardship. This assistance will help to preserve tenancies by helping eligible tenants continue to pay rent. It will reduce the risk of exposing landlords to financial hardship in meeting their mortgage obligations.

The scheme grants four weeks' rent (up to a maximum of \$2,000) to be paid directly to the tenant's landlord.

To be eligible the tenant will need to have lost their job, applied to Centrelink for income support, have less than \$10,000 in savings, and still pay at least 25 per cent of their income in rent.

To qualify for these commercial and residential grants, landlords must agree not to seek to recover this rent relief from tenants at the end of the period.



## **Building and construction industry support**

The McGowan Government has also announced \$24.5 million in support to assist the building and construction industry to maintain a skilled workforce. This includes a \$2,000 payment to eligible employers to maintain existing apprentices and trainees.

The package includes \$10 million to provide an immediate, one-off payment of \$2,000 to employers of existing apprentices and trainees currently receiving Construction Training Fund (CTF) grant payments.

A new grants scheme worth \$9.5 million will be introduced to assist employers to retain their existing apprentices, with payments beginning from June 1, 2020 backdated from April 1, 2020.

The package includes \$5 million to support more than 5,000 apprentices and trainees. They will be able to claim up to \$1,000 to assist with the costs of undertaking short courses.

On Sunday, 7 June 2020, The McGowan Labor Government announced a \$444 million housing stimulus package to deliver a major boost to Western Australia's COVID-19 economic recovery, and support the building and construction sectors.

Major housing package to support about 4,300 jobs across Western Australia

- \$319 million to build, buy, renovate and maintain social housing across the State
- \$117 million to provide homebuyers who build new houses with a \$20,000 grant
- New grant builds on the Federal Government's HomeBuilder scheme, giving some Western Australian homebuilders access to up to \$45,000
- The \$10,000 First Home Owner Grant and stamp duty concessions still apply, meaning some WA first homebuyers could qualify for up to a \$69,440 benefit
- \$8.2 million allocated to expand the existing 75 per cent off-the-plan transfer duty rebate, up to \$25,000, to purchases in multi-tiered developments under construction

## **Housing investment package brought forward**

The McGowan Government brought forward funds earmarked in a \$150 million housing investment package to help maintain a pipeline of work for local trades and building businesses.

The focus of the stimulus is on refurbishing 70 homes across the metropolitan and regional areas.

Construction of up to 500 social and affordable homes will come on line as the package unfolds.

## **State Government programs and projects across regional Western Australia**

On Friday, 22 May 2020, the McGowan Government announced \$111.6 million in funding to continue critical State Government programs and projects across regional Western Australia.

Funding for the next four years has been locked in ahead of this year's Budget, recognising the importance of more than a dozen regional State Government programs.

The funding package includes:

- \$25 million over the next four years for Healthy Estuaries WA
- \$18.5 million will be invested into Broome, Derby and Kalgoorlie Aboriginal Short Stay Accommodation
- \$15 million to extend mitigation efforts

### **Arts Community**

On Monday, 25 May 2020, the McGowan Government approved a \$1.5 million support package for Western Australian artists.

The initiative was developed by the Art Gallery of WA Board and the Art Gallery of WA Foundation

Aboriginal art centres and independent artists will share in up to \$525,000 towards a targeted acquisition program to purchase existing works for the State Art Collection

In addition, more than 350 WA artists will receive \$2,000 towards creating a State Art Collection archive

### **Further information**

The Small Business Development Corporation will administer the land tax relief grants, applications open May 1. <http://www.smallbusiness.wa.gov.au>

The Department of Mines, Industry Regulation and Safety (DMIRS) will administer the residential tenant grants, applications open May 1. <http://www.dmirs.wa.gov.au/covidrenting>

More information on the Building and Construction Industry Support: <http://www.ctf.wa.gov.au/>

More information on the West Australian Government Response Packages [here](#).

For more information, please contact your Hawker Britton consultant Simon Banks on +61 419 638 587.

For further coverage of Labor Government Response Packages to the COVID-19 Pandemic see Hawker Britton Occasional Papers [here](#).

For further coverage of Liberal Government Response Packages to the COVID-19 Pandemic see Barton Deakin Briefs [here](#).