

\$1 billion COVID-19 economic and health relief package unveiled

Tuesday, 31 March 2020

Further relief for households experiencing financial hardship due to COVID-19, including extension of the Energy Assistance Payment, no disconnections for power and water and additional support for Keystart customers
\$502 million for small businesses including a reduction in electricity bills, licences fees waived, and additional payroll tax relief
New initiatives to apply until September 30, 2020
An additional \$500 million allocated to health and other frontline service delivery, and capacity for additional industry support
Budget deferred until October 8, 2020 for Government to focus on COVID-19

The McGowan Labor Government has unveiled a \$1 billion economic and health relief package to support Western Australian businesses, households and community groups, and to boost the response by health and frontline services to the COVID-19 pandemic.

The package builds on the \$25 million rent relief package for businesses operating on government-owned premises and \$159 million Lotterywest funding package to assist community services impacted by COVID-19, announced earlier this week.

It also comes on top of the \$607 million in relief and stimulus measures announced earlier in March, and the Government continues to roll out the \$760 million in economic stimulus measures announced in late 2019.

Household assistance

Eligibility for the previously announced Energy Assistance Payment boost has been expanded to include new eligible applicants until September 30, 2020. This doubles the amount of the EAP per year to \$610 and provides a boost to Western Australians affected by COVID-19. This ensures that any person unemployed due to COVID-19 who becomes eligible for a concession card will receive an upfront \$305 credited against their electricity bill (from May 11, 2020) and up to a further \$305 credited over the course of the next year. EAP boost payments for Western Australians, eligible as at March 16, 2020 have been brought forward to this financial year rather than being paid from July 1, 2020 providing relief sooner to WA households. The extension of eligibility of the EAP boost is expected to increase the cost by \$24.4 million to \$115.8 million.

No households in Western Australia experiencing financial hardship as a result of COVID-19 will have their power or water disconnected. In addition, as of tomorrow no interest will be charged on deferred bill payments for those experiencing COVID-19-related financial hardship. This applies to Synergy and Horizon Power customers.

Households that are directly or indirectly impacted by COVID-19 may also apply for an interest-free payment arrangement and for late payment penalties to be waived for transfer duty, landholder duty, vehicle licence duty or land tax.

Keystart customers facing financial hardship due to COVID-19 can apply to defer principal repayments and waive interest costs by up to six months. Assistance will be assessed on a case-by-case basis in line with Keystart's Hardship Assessment policy. This will mean, for example, a customer borrowing \$350,000 over a 30-year loan can defer estimated repayments of \$10,690 over six months, or \$1,781 per month. The interest saving over a six-month period would be around \$7,000 for newly established loans.

These initiatives will be in place until September 30, 2020 and will be reviewed when necessary.

Small and medium-sized business assistance

Electricity bills for around 95,000 small businesses will be reduced, with a one-off \$2,500 WA Small Business Tariff Offset available for Synergy and Horizon Power customers that consume less than 50 megawatt hours (MWh) per annum. The credit is available for current customers (as of March 31, 2020) and will be allocated from May 1, 2020 to reduce current and future electricity bills. The measure will provide some \$236.8 million in relief to businesses such as cafes, delis, restaurants, beauticians and small retail stores that have been heavily impacted by recent trading restrictions to contain COVID-19.

Payroll tax will be waived for a four-month period between March 1, 2020 to June 30, 2020 for small-to-medium sized businesses with Australia-wide annual wages of less than \$7.5 million in 2019-20. This will deliver around \$165 million in relief to around 10,700 businesses that will not be required to pay payroll tax for this period. The payroll tax waiver announced today replaces the payroll tax deferral already announced for particular small-to-medium sized businesses.

\$100.4 million has been allocated to waive a wide range of licence fees for small and medium-sized businesses in COVID-19 impacted industries for the next 12 months. This includes licences for building services, plumbers and electricians; tourism businesses operating in national and marine parks; boat pen fees and mooring fees for tourism operators and commercial fishers; commercial fisheries licences; taxi booking service authorisation fees; settlement agent licence fees; and other statutory planning fees. Liquor licence renewal fees for 2020 will be waived and refunds provided for businesses that have already paid, benefitting around 5,500 businesses with a liquor licence.

Businesses impacted by COVID-19 can also apply for an interest-free payment arrangement and for late payment penalties to be waived for payroll tax, transfer duty, landholder duty, vehicle licence duty or land tax.

No small businesses facing financial difficulty due to COVID-19 will face power or water disconnections due to late payments. In addition, no interest will be charged on deferred bill payments. For electricity, this will apply to Synergy and Horizon Power customers who consume 50MWh or less.

Community services assistance

Electricity bills for around 2,800 charities will be reduced, with a one-off \$2,500 WA Small Business Tariff Offset provided for groups on community service and charitable accommodation electricity tariffs with Synergy and Horizon Power. The offset will be allocated from May 1, 2020 to reduce current and future bills and is expected to provide an estimated \$6.9 million in assistance.

Funding certainty has been provided to community service providers, with government agencies to continue to pay contracts with the sector until at least June 30, 2020, even if providers are unable to deliver services due to impacts caused by COVID-19.

This follows the announcement earlier this week that \$159 million has been directed from Lotterywest to establish the COVID-19 Crisis Relief Fund to support not-for-profit sport, arts and community groups in dealing with the coronavirus.

A further \$500 million has also been allocated to health and other frontline service delivery, as well as boosting capacity for additional industry support to ensure the Government can continue to provide a strong response to COVID-19. This funding will go towards increasing supplies of personal protective equipment, ventilators, additional staff and hospital beds to cope with a surge in demand in the health system, and increasing cleaning of public transport and schools and any additional measures required by frontline services.

The Government will continue to make further announcements to support Western Australians throughout the COVID-19 pandemic.

The 2020-21 Budget has been deferred until October 8, 2020 in line with the rescheduling of the Commonwealth Budget (October 6, 2020). This will allow governments to focus on measures to respond to COVID-19 and to develop a clearer understanding of the financial and economic impacts as a result of the pandemic.

For more information visit: <https://www.wa.gov.au/government/covid-19-coronavirus>

Comments attributed to Premier Mark McGowan:

"These are unprecedented times for our community and our economy.

"My Government is doing everything it possibly can to support Western Australian businesses who are clearly facing enormous hardship as a result of strict social distancing measures introduced across the nation.

"My heart goes out to those who've been forced to close down, as well as Western Australians who've found themselves without a job.

"These additional support measures will assist thousands of businesses and households.

"The situation is evolving rapidly and the State Government will continue to monitor the situation and support Western Australians during this crisis."

Comments attributed to Treasurer Ben Wyatt:

"We have now invested a total of \$1.7 billion to assist businesses and households to cope with the severe impacts of COVID-19.

"The reduction in electricity bills will provide some relief to thousands of businesses and we expect the deferral of loan repayments for Keystart customers will give many homeowners some breathing space during these difficult times.

"There are some businesses that have not been impacted by COVID-19. In fact, some businesses have actually seen an increase in profitability due to the virus.

"I ask those businesses that are doing well at this time, and would otherwise benefit from this initiative, to keep paying tax as normal, so these funds can be used to assist other businesses.

"The McGowan Government will continue to look at ways it can provide relief to Western Australian businesses and households, as well as initiatives to assist the State's economy in the recovery phase, post the peak of the coronavirus pandemic."

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