Chief Minister
Question Time Briefs
September 2021

Ref No	Page number	Title	Status	Reason for Exemption
1	2	COVID-19 Support for Business and Households	Full	n/a

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QUESTION TIME BRIEF

CM21/56925

Portfolio/s: Economic Development

Assistant Minister for Economic Development

COVID-19 support for business and households

Talking points:

- The ACT Government has extended its financial support to help businesses and households impacted by the COVID-19 public health emergency.
- We know this is a challenging time for businesses. That is why we are implementing broad supports like the Business Support Grants and the Business Hardship Scheme.
- Tourism has been one of the hardest-hit sectors, and this is where we have targeted additional support through the Accommodation and Tourism Venue Operator Support Program, and the Small Tourism Operator COVID Recovery Payment.
- We are focusing much of our support on small and medium businesses to help them through this difficult period and ready to resume trade when it is safe to do so. By supporting businesses now, we are helping them keep people in jobs and readying them to drive our economic recovery when public health measures begin to ease.
- The ACT Government continues to work productively with the Commonwealth Government and has recently announced additional supports, including:
    - Extension of the Business Suppport Grants program. All businesses that have been approved for Business Support Grants in industries that are still significantly affected by the current public health measures will receive additional support.
    - Announcement of the COVID-19 Tourism, Accommodation Provider, Arts and Events and Hospitality Grant, which will target some of the hardest hit sectors of our economy.

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Cleared for public release by:	Deputy Director-General	Ext:75564
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Lead Directorate:	Chief Minister, Treasury and Economic Development	
TRIM Ref:	CM21/56925	

ACT Government

QUESTION TIME BRIEF

Key economic and household support measures	Estimated Cost
	$'000
Residential tenancy assistance (1 August to 31 December)	2,466
Commercial tenancy assistance (1 August to 31 December)	5,710
Business Rent Relief - Mediation support services for commercial lease negotiations under new commercial lease Declaration	250
COVID-19 business support grants (jointly funded with the Commonwealth; 13 August to 17 September)	152,215
Small Business Hardship Scheme (Q1 2021-22)	21,280
Accommodation and Tourism Venue Operator Support Program	2,615
Hire cars and chartered buses registration fee waiver (ends 31 March 2022)	142
Small Tourism Operator COVID Recovery Payment (closes 17 September 2021)	300
Tourism Cooperative Marketing Fund	500
COVID-Safe Tourism Co-Investment Program	750
Ride share licence rebate	290
Occupational registration fee waivers – building industry	800
Payroll tax exemption – apprentices or trainees	200
Jobs for Canberrans – extension of existing positions to 31 December 2021	6,222
Six-week extension of temporary contract positions	1,790
Utilities concession (increase by a further $200 to $1,000)	6,200
Funding measures to support vulnerable people in the multicultural community	400
Extension of the Canberra Relief Network	450
Crisis and emergency supports including emergency financial aid	200
Mental Health Support	260
Funding to Red Cross for emergency relief for refugee and asylum seeker community members during the COVID-19 lockdown	50

Figures unavailable for:

- **COVID-19 business support grants (18 September onwards)**
- **Business Rent Relief – Rental relief on ACT Government Properties**

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Key information

Business Support Grants

- On 15 September 2021, I announced an extension to the Business Support Grants program. Through this extension, all businesses in industries that are still significantly affected by the current public health measures will receive an additional extension payment.
- Eligible businesses will receive an additional payment of $10,000 for employing businesses and $3,750 for non-employing businesses.
- Businesses that have already applied will not need to reapply. The extension payments will be automatically applied if you are eligible.
- This support extends to the COVID-19 Business Support Grants whereby eligible employing businesses will receive $20,000, and eligible non-employing businesses will receive $7,500 to assist with business costs if their turnover has decreased as a direct result of the lockdown.
- Additional one-off top-up payments will also be made for larger businesses at the following rates:
    - $10,000 for employing businesses with a turnover greater than $2 million and less than $5 million
    - $20,000 for employing businesses with a turnover greater than $5 million and less than $10 million
    - $30,000 for employing businesses with a turnover greater than $10 million
- This program is jointly funded by the ACT and Commonwealth Governments, and is an important initiative to support our local businesses in this difficult time.
- Business Support Grant applications opened on 26 August 2021 and are currently open until 5pm, 7 October 2021.

<u>Figures as of 15 September:</u>

- We received 7,878 expressions of interest prior to applications opening.
- As of 15 September 2021, over $21.8 million has been approved for payment to 1,325 businesses.

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- 7,558 applications have been submitted.
- Of the applications that have been submitted:
    - Over 1,300 have been approved (1 in 7 applications);
    - Over 2,500 require further information (2 in 7 applications);
    - Nearly 2,200 have been partially assessed and are awaiting further financial assessment (2 in 7 applications); and
    - The remainder are in the early stages of the assessment process.

If asked about processing timeframes:

- In developing the program guidelines, we learned from the experiences of other jursidictions undertaking similar programs. This includes undertaking additional checks and assessments to reduce the risk of fraud.
- We are working to balance compliance with getting money to eligible businesses as quickly as possible.
- Applicants are being provided with updates as we progress their applications through our assessment teams.
- In many instances we have had to request further evidence from applicants to demonstrate their eligibility. We are working to deliver payments to businesses on average within 30 days of a correctly lodged application.
- The high percentage of applications requiring further evidence makes it difficult to predict exactly when we will complete all applications, however we are working 7 days a week and have recently expanded the capability of the assessment team and are now in a position to assess approximately 1,500 correctly-lodged applicaions per week.
- **In response to Lee:** If more information is required to prove eligibility, a business is contacted and once that information is required, it goes back to the assessment team. It does **not** go to the bottom of the pile. It should be noted though there have been more than 2,500 applications to-date processed that required further information, so it has taken some time to reassess these applications.

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- The government consulted with business and industry stakeholders, as well as the CPA and Chartered Accountants Australia, during the development of the program.
- The government supported business owners to submit quality applications by providing detailed guidelines and FAQs, hosting and participating in webinars, publishing e-newsletter articles, providing an online tutorial, and answering enquiries by phone and email.
- An advertising campaign is raising awareness of the financial supports being delivered by the ACT Government.
- We have also made a factsheet available in thirteen languages to assist our culturally and linguistically diverse business owners to understand the program and what is required.

If asked about eligibility requirements (including GST or applications per ABN):

- The eligibility criteria for this program were agreed in consultation with the Australian Government, which is co-funding this program on a 50/50 basis.
- As such, the eligibility criteria look quite similar to similar programs implemented in other jurisdictions, including the limitation of one application per ABN, and the requirement that businesses have annual turnover above the GST threshold of $75,000.

If asked about provision of bank statements:

- Businesses are required to upload bank statements as evidence as part of their application. Checking these statements is an important integrity measure, as it enables us to confirm that the account is connected to the applicant's business. In many instances, bank statements for the two seven-day comparison periods also provide good evidence that can be used to verify that a business has indeed had a 30% turnover decline as a result of the lockdown.
- After applications opened, we very quickly saw a lot of applications being submitted with no, or very little, evidence to support the turnover decline requirement. In many instances, bank statements would have helped verify turnover decline, but were not included in the application. As such, the FAQs were updated to request that bank statements be provided.

- Of course, we know this will not be the right evidence for all businesses. When our Guidelines and FAQs were first published, they offered businesses flexibility by offering a non-exhaustive list of example evidence types that they may wish to submit – and they still do.

Small Business Hardship Scheme

- The Small Business Hardship scheme will open in the coming weeks. Through this program, businesses that have experienced hardship because of the lockdown will be able to receive a credit of up to $10,000 on a range of Government fees and charges. These may include rates, utilities, licencing fees and more.

- To be eligible, applicants must demonstrate a 30 per cent loss of revenue and have a turnover between $30,000 and $10 million.

- More than 7,800 businesses have expressed interest in the scheme.

COVID-19 Tourism, Accommodation Provider, Arts and Events and Hospitality Grant

- The Tourism, Accommodation Provider, Arts and Events and Hospitality industries have been particularly hard hit by not only the current restrictions in the ACT but, before the lockdown in the ACT, the health restrictions in NSW and Victoria.

- As such, we will provide additional funding to businesses in these sectors, to the value of:

    - $1,000 for non-employing businesses

    - $3,000 for employing businesses with turnover less than $2 million

    - $10,000 for employing businesses with turnover greater than $2 million and less than $5 million

    - $20,000 for employing businesses with turnover greater than $5 million

- Further details about this program will be announced in the coming weeks.

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Accommodation and Tourism Venue Operator Support Program

- The Accommodation and Tourism Venue Operator Support Program assists accommodation providers and private tourism venue operators, who by their nature, rely heavily on interstate visitors as their primary source of income.

- Eligible businesses receive a full rebate on their fixed water and sewerage charges for the first two quarters of 2021-22. The rebate amount is based on the number of fixtures operating at their venues.

- Applications are open until 5pm Friday 17 September.

- As at 11am 16 September 2021, 45 applications have been received. Of these:
    - 28 were approved, worth over $1.18 million;
    - 15 are under assessment; and
    - 2 were assessed as ineligible.

Small Tourism Operator COVID Recovery Payment

- The Small Tourism Operators COVID Recovery Payment supports accommodation providers, events venues and tourism operators who rely heavily on interstate visitors as their primary source of income. Through this program, eligible businesses will receive up to $15,000 to cover expenses incurred in June and July 2021.

- This program is designed to target smaller businesses that may receive less than $15,000 through the Accommodation and Tourism Venue Operator Support Program

- As at 10am 16 September 2021, 29 applications had been received. Of those:
    - 16 were approved, worth $214,208.
        - Of this, $173,713 has been paid to businesses. The remainder are either awaiting invoices from applications, or the invoices are currently being processed.

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- 13 were declined due to ineligibility
- 6 were undergoing assessment

Background information: Commonwealth support

- Income support for individuals is also available through the Commonwealth's COVID-19 Disaster Recovery Payments.
- For sole traders and business owners, receipt of ACT business support measures may impact on their eligibility for Disaster Recovery Payments. Prospective applicants should consider which option is best for them.
- The Commonwealth's co-contribution to the Business Support Grants was dependent on the Commonwealth Chief Health Officer declaration of the ACT as a COVID Hotspot. It is anticipated that any further Commonwealth contribution towards support measures would be contingent on this declaration being continued.

Commercial tenancy support measures

- A commercial rates credit is available for landlords who reduce rent for significantly impacted Small-to-Medium Enterprise tenants for at least one month between 1 August to 31 December.
    - The credit will be 50% of the rent reduction offered by the landlord, capped at $10,000 (increased from the previously announced cap of $5,000).
- The ACT Government will waiver rent payments until 31 December 2021 for any business and community sector tenants of government-owned properties that have been significantly affected by the COVID-19 lockdown.
- From 12 August 2021, commercial landlords are required to negotiate in good faith before taking action for certain breaches of the lease against tenants suffering from the financial impact of COVID-19.

- Mr Brendan Smyth has been re-instated as Covid-19 Local Business Commissioner to connect businesses with information about the declaration, financial asistance and mental health support.

- The ACT Government has allocated $250,000 for free professional mediation for commercial tenants and landlords to support in-good-faith negotiations.

Residential tenancy support measures

- The Government has established a 12-week moratorium on evictions for rental arrears for impacted households commencing on 2 September 2021.
- This will be followed by a 12-week transitional period which prevents eviction based on debt accrued during the moratorium period in certain circumstances.
- These measures do not mean that tenants that fall into arrears because of the impact of COVID-19 no longer owe this money to their landlord, but they will give tenants more time to repay their debt.
- New measures have also been introduced to prevent people being required to leave a rental property while they are subject to a quarantine direction to remain at the premises.
- Residential landlords providing rent relief will be eligible for a credit on their residential land tax of up to $100 per week to share the cost of passing rent relief on to tenants who have lost income due to COVID-19. This has been extended out to 31 December 2021.
- This rebate will operate in the same way as the land tax credit that was offered by the Government last year – which last year provided rental relief to almost 1,000 households impacted by COVID-19.
- The extension of these measures announced on 14 September takes ACT Government financial support for residential and commercial tenancies and landlords from $5.25m up to $8.4 million.

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Application process for rates credits

- An online application process is being developed for residential land tax and commercial rates credits.
- Applicants should check the ACT Revenue Office website for details.

$1,000 Utilities Concession for 2021-22

- The ACT Government will provide an additional one-off $200 increase in the utilities concession to bring it to $1,000 for 2021-22 – helping the most vulnerable in our community with a significant expense throughout the year.
- In addition to the $100 increase already announced in June, this will mean that the utilities concession for 31,000 eligible households in Canberra will increase from $700 to $1000 from last financial year to this financial year.

Jobs for Canberrans

- The ACT Government will extend the contracts for over 110 staff in the Jobs for Canberrans program.
- This highly successful program has supported our COVID response and provided employment opportunities to over 500 people to work within the
- ACT Public Service in areas like City Services, Access Canberra, Health and Education.
- The ACT Government has also extended all other ACT Public Sector temporary employment contracts due to expire for a further six weeks.

Key information:

- Each measure has eligibility criteria and these will be different to last year's measures.

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- It is important that applicants, tenants and landlords refer to the relevant websites to obtain information on eligibility and how the measures might apply to them:
    - For commercial tenancy support measures, the COVID-19 business support website (via the Business Hub) has relevant information
    - The ACT Government COVID-19 website under the 'Access Help' section links to further information about the residential tenancy response measures.
    - For accessing information about utilities and rates credits, see the ACT Revenue Office website.

Background information

- On 2 September 2021 $5.25 million in emergency measures was announced to support residential and commercial tenants and their landlords impacted by the COVID-19 public health emergency.
    - With the extension to these measures announced on 14 September 2021, $8.4 million has now been committed to support residential and commercial tenants and their landlords.
- The measures that have been extended as announced on 14 September include:
    - $1,000 utilities concession for 2021-22;
    - Extension of residential and commercial tenancy relief measures to 31 December 2021, and increasing the capped value of commercial rates credit from $5,000 to $10,000;
    - Extension of waiver of rent for any business and community sector tenants of government-owned properties that have been significantly affected by the COVID-19 lockdown to 31 December 2021; and
    - Extension of existing Jobs for Canberrans positions to 31 December 2021 and temporary ACTPS employment contracts for six weeks.
- Key economic and household support measures agreed as at 15 September 2021 are outlined below, noting further measures will likely be in included in the 2021-22 Budget.