

COVID-19: Financial Support Measures for General Practices

There is a variety of support measures in place for general practices affected by the impact of COVID-19. These include support measures recently announced by the Australian Government, the Western Australian Government, tax relief initiatives via the Australian Taxation Office and support packages from Australian banks.

Support Measures from the Australian Government

In March 2020, the Australian Government announced two major economic rescue packages worth \$83.6bn to support businesses and households affected by the outbreak of COVID-19. These economic rescue packages (outlined below) are in addition to over \$100bn in emergency banking measures.

Cash payments for small and medium-sized businesses

- The *Boosting Cash Flow for Employers* payment is available to eligible small and medium-sized businesses, and non-profits (including charities).
- Businesses can receive up to \$100,000 to cover the cost of rent, bills and employee wages and salaries. Payments will be automatic.
- A fact sheet for this payment is available [here](#).

Backing Business Investment (BBI)

The government has provided incentives to encourage businesses with a turnover of less than \$500m to spend by:

- Increasing instant asset write-offs by lifting the threshold to \$150,000 (from \$30,000) until June 2020.
- Introducing a time-limited 15-month incentive to invest by accelerating depreciation deductions. Businesses will be able to deduct 50 per cent of the cost of an eligible asset on installation, with existing depreciation rules applying to the balance of the asset cost.
- More information is available [here](#).

Temporary relief for financially distressed businesses

- The Government is temporarily increasing the threshold at which creditors can issue a statutory demand on a company and the time companies have to respond to statutory demands they receive.
- The package also includes temporary relief for Directors from any personal liability for trading while insolvent.
- More information is available [here](#).

Support for lending to small and medium-sized businesses

- The Coronavirus SME guarantee scheme will support lending to small and medium-sized businesses with a turnover of less than \$50m.
- The Commonwealth will guarantee 50 per cent of an eligible loan through participating banks and non-bank lenders to businesses disrupted by the coronavirus.
- The maximum that can be borrowed under the guarantee facility will be \$250,000 on terms up to three years.

- A fact sheet for this measure is available [here](#).

Job Keeper payment

- The Job Keeper payment is a new wage subsidy. Eligible businesses will receive a payment for retaining employees, from the Australian Taxation Office (ATO). Each business will then pay each eligible employee the flat payment.
- The JobKeeper payment has been extended to 28 March 2021 and some changes have been made to payment amounts and eligibility criteria.
- More information is available [here](#) and you can apply for the payment online via www.ato.gov.au/.

Practice Incentive Program Quality Improvement (PIP QI) incentive

- The Australian Government has advised that there will be temporary increases to the PIP QI incentive payments for general practices. GP Practices that open for face-to-face services for a minimum of four hours a day (or for part time practices for an average of 50% of their normal practice opening hours) will have their next two PIPQI payments doubled. These payments will be made on 1 May 2020 and 1 August 2020.
- A factsheet is available [here](#).

Australian Taxation Office – tax relief

- Businesses impacted by COVID-19 are being encouraged to contact the ATO to discuss relief options tailored to their needs and circumstances.
- Options available to assist eligible businesses impacted by COVID-19 include deferral of payments for up to six months, the remitting of interest and penalties and the establishment of low interest payment plans.
- Call the ATO Emergency Support Infoline 1800 806 218 to discuss COVID-19 support options.

Free NBN upgrade for GP clinics

- In response to the rapid expansion of telehealth services, the National Broadband Network announced it is upgrading Australian GP clinics to 50Mbps download and 20Mbps upload connections at no extra cost for a period of six months.
- To access the upgrade, contact your internet provider.
- A media release regarding this announcement can be found [here](#).

Support measures from the Western Australian Government

- Small businesses which pay less than \$7.5 million in taxable wages each year can apply to defer their payroll tax payment to July 21, 2020.
- Small to medium businesses with a payroll of between \$1 million and \$4 million will receive a one-off grant of \$17,500.
- Changes to the payroll tax exemption threshold are being brought forward; The threshold will increase to \$1 million on July 1, 2020, 6 months earlier than planned.

Fact Sheet

Version 5 / Up to date as of 23 September 2020

- New legislation has been passed in WA to ensure that WA businesses that claim the Australian Government's JobKeeper payment are exempt from payroll tax on that payment.
- New legislation has been passed to offer greater protection for small commercial tenants who are in financial distress resulting from restrictions imposed to combat the COVID-19 pandemic. The legislation aims to help to protect small business tenants from a range of prohibited actions, while they try to negotiate rent relief with their landlords. A media statement on this can be found [here](#). This legislation was extended to 28 March 2021. A media statement on this extension can be found [here](#).

Support packages from Australian banks

- The Australian Banking Association (ABA) has announced a small business relief package to support small business during COVID-19. All ABA member banks can participate.
- Broadly, the package includes a deferral of principal and interest repayment for all term loans and retail loans for 6 months, for small businesses with less than \$3 million in total debt owed to credit providers. At the end of the deferral period businesses will not be required to pay the deferred interest in a lump sum. Either the term of the loan will be extended, or the level of loan repayments will be increased.
- As this 6 month Information about Phase 2 of this relief package is available [here](#).
- All small businesses have been encouraged to contact their banks about the small business relief package.
- Individual major banks have also announced measures, which can be viewed on their websites:
 - Commonwealth Bank of Australia: <https://www.commbank.com.au/latest/coronavirus/faqs.html>
 - Westpac: <https://www.westpac.com.au/business-banking/small-business-relief.html>
 - NAB: <https://www.nab.com.au/personal/customer-support/covid19-help/business-support>
 - ANZ: <https://www.anz.com.au/promo/covid-19/>

Other support links

In addition to the information provided above, the following links provide further generic information that may be of use to general practices:

- Australian General Practice Accreditation Limited – information on financial assistance: <https://www.agpal.com.au/practice-resources/novel-coronavirus-covid-19/financial-information-practices/>.
- Australian Banking Association - support available for financial hardship: <https://www.ausbanking.org.au/campaigns/financial-hardship/>
- Australian Government - support available for business: <https://www.business.gov.au/risk-management/emergency-management/coronavirus-information-and-support-for-business>
- Business Australia - crisis response plans & risk assessment templates: <https://www.businessaustralia.com/resources/guides>
- Fair Work Australia – Coronavirus and Australian Workplace Laws: <https://coronavirus.fairwork.gov.au/>

- Health Pathways WA:
<https://wa.healthpathways.org.au/LoginFiles/Logon.aspx?ReturnUrl=%2findex.htm>
- Mental Health:
 - Ahead for business (Everymind) - tools and information for business
<https://aheadforbusiness.org.au/>
 - Ahead for business (Everymind) - support for business in adverse events:
<https://aheadforbusiness.org.au/about/support-in-adverse-events>
 - Head to Health – COVID-19 Support <https://headtohealth.gov.au/covid-19-support/covid-19>.
 - Life in Mind – Coronavirus (COVID-19) Mental Health Support [resources and links]:
https://www.lifeinmindaustralia.com.au/support-for-those-impacted-by-adverse-events/mental-health-support-for-covid-19?fbclid=IwAR3c5zgPg4WeiMCJvG7pFaffv-E_dk5_Anamb6nuVAkoXUoy4JTdLbQiS8k
 - Lifeline - mental health support and information during the COVID-19 outbreak
<https://www.lifeline.org.au/get-help/topics/mental-health-and-wellbeing-during-the-coronavirus-covid-19-outbreak>
- MoneySmart - financial support options: <https://moneysmart.gov.au/covid-19-be-moneysmart>
- Royal Australian College of General Practitioners - information on financial assistance for general practices: <https://www.racgp.org.au/running-a-practice/practice-resources/practice-tools/financial-assistance-for-practices>
- Services Australia – Affected by coronavirus (COVID-19) [Centrelink and financial assistance]: <https://www.servicesaustralia.gov.au/individuals/subjects/affected-coronavirus-covid-19>
- Western Australian Small Business Development Corporation
<https://www.smallbusiness.wa.gov.au/coronavirus>