



COVID-19 Fact Sheet

State Government support for small businesses in response to COVID-19

Due to the unprecedented economic implications of COVID-19, the State Government has introduced a range of measures to support small and medium-sized businesses.

Thousands of Western Australian businesses will benefit from these measures, which will be automatically applied to all eligible businesses.

Electricity bill assistance

Small businesses will receive a one-off \$2,500 credit on their electricity bill from May 2020 to reduce current and future electricity bills.

The credit will be provided to around 95,000 small and medium-sized businesses, and represents two-thirds of the average annual electricity bill for customers on an eligible tariff.

The credit is available for current Synergy and Horizon Power customers (as at 31 March 2020) on an eligible small business electricity tariff and consuming less than 50 megawatt hours of electricity a year.

The credit provides some \$237 million in relief to businesses such as cafes, delis, restaurants, beauticians and small retail stores.

Waiver of licence fees

A wide range of business and licence fees for small and medium-sized businesses in industries such as hospitality, tourism, retail and building trades will be waived for the next 12 months.

This initiative will provide around \$100 million in immediate relief for these businesses, helping them maintain the currency of business-critical licences.

This initiative includes licences for:

- building services, plumbers and electricians;
- tourism businesses operating in national and marine parks;
- boat registration 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.

Additionally, liquor licence renewal fees for 2020 will be waived and refunds provided to businesses that have already paid, benefiting around 5,500 businesses with a liquor licence.

Payroll tax relief

The State Government has announced a number of payroll tax relief measures including:

The **payroll tax exemption threshold will be increased** to \$1 million from 1 July 2020. This brings the increase forward from the planned date of 1 January 2021. The increase in the payroll tax exemption threshold will result in approximately 300 Western Australian businesses no longer being liable for payroll tax, and a reduction in the payroll tax payable by a further 11,000 businesses with Australia-wide payrolls below \$7.5 million.

A **one-off grant of \$17,500** will be provided to Western Australian businesses with a reconciled 2018-19 Australia-wide payroll of between \$1 million and \$4 million to assist them to manage the impacts of COVID-19. It is expected some 7,400 Western Australian businesses will benefit from the grant. Eligible businesses will be automatically paid the grant via cheque from July 2020.

For Western Australian businesses with an Australia-wide payroll of less than \$7.5 million, payroll tax liabilities will be **waived for the four months** from 1 March to 30 June 2020. This will benefit approximately 11,000 employers, and replaces the previously announced option to defer payment of payroll tax until 21 July 2020.

Australia-wide payroll in 2019-20 (\$)	Waiver for the 4 months (\$)	Grant value for small business (\$)	Total benefit to business (\$)
1,000,001	1,050	17,500	18,550
1,500,000	11,546	17,500	29,046
2,000,000	22,042	17,500	39,542
2,500,000	32,538	17,500	50,038
3,000,000	43,034	17,500	60,534
3,500,000	53,531	17,500	71,031
4,000,000	64,027	17,500	81,527
4,500,000	74,523	0	74,523
5,000,000	85,019	0	85,019
5,500,000	95,515	0	95,515
6,000,000	106,011	0	106,011
6,500,000	116,508	0	116,508
7,000,000	127,004	0	127,004
7,499,999	137,500	0	137,500
7,500,000	0	0	0

Total payroll tax assistance by the State Government to eligible WA businesses is worth \$279 million.

Additionally, wage subsidies under the Australian Government's JobKeeper Payment scheme will be made specifically exempt from payroll tax.

For more information, refer to the Department of Finance website www.wa.gov.au/organisation/departments-of-finance.

Rent relief on Government-owned buildings

From 30 March 2020, a waiver on rent for small businesses in State Government-owned buildings will apply until 30 September 2020. Rent outstanding prior to 30 March 2020 will not be waived.

The Government has allocated \$25 million to fund the estimated cost of the six-month waiver and help these leaseholders respond to the impacts of COVID-19.

This will benefit businesses such as convenience stores in train stations, cafés in government buildings, and restaurants in tourism precincts, such as Elizabeth Quay and Yagan Square. It will also benefit eligible small businesses leasing land from the State, such as caravan park and eco-tourism operators.

Under this measure, small businesses include those owned and operated by an individual, partnership or proprietary company with a relatively small market share and that are not a subsidiary of a larger business, as defined by the *Small Business Development Corporation Act 1983*.

Where rent has been paid in advance, State Government agencies will negotiate with the lessee to ensure that the lessee does not suffer a financial disadvantage.

The waiver will be provided where the lessee is otherwise in compliance with the terms and conditions of the lease (exemptions may be granted on a case by case basis); and the lessee remains in compliance for the duration of the waiver.

Other taxes and duties

No utility disconnections

The State Government has also announced that no small business facing financial difficulty due to COVID-19 will have their electricity or water services disconnected due to late payments. No interest will be charged on deferred electricity bill payments.

Alternative tax payment arrangements

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.