



WA Government \$1b COVID-19 Economic & Health Relief Package

On Tuesday 31 March 2020, the McGowan Labor Government 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 \(EAP\)](#) 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 11 May 2020) and up to a further \$305 credited over the course of the next year. EAP boost payments for Western Australians, eligible as at 16 March 2020 have been brought forward to this financial year rather than being paid from 1 July 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 1 April 2020 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. Refer below for more information.
- ★ 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. Visit the [Keystart](#) website for more information.

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 credit 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 31 March 2020) and will be allocated from 1 May 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 1 March 2020 to 30 June 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. Refer below for more information.
- ★ \$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 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.

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. Refer below for more information.
- ★ 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 credit provided for groups on community service and charitable accommodation electricity tariffs with Synergy and Horizon Power. The credit will be allocated from 1 May 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 30 June 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 8 October 2020 in line with the rescheduling of the Commonwealth Budget (6 October 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.

COVID-19 Payroll Tax Relief

The Government has announced a range of payroll tax measures to support businesses impacted by the coronavirus.

Threshold Increase

The payroll tax threshold will be increased to \$1 million on 1 July 2020. This brings the increase forward from the planned date of 1 January 2021.

The threshold increase will be reflected in Revenue Online when it comes into effect.

The initial threshold increase to \$950,000 that came into effect on 1 January 2020 is already reflected in Revenue Online for employers lodging monthly and quarterly returns. Employers who cancel their registration as a result of the increase will need to wait until the annual reconciliation function is available in August 2020 for adjustments to be made to their tax liability

It will result in approximately an additional 300 businesses no longer being liable for payroll tax.

Payroll Tax Waiver

Payroll tax will be waived for March to June for employers, or groups of employers, whose Australian taxable wages are less than \$7.5 million at 30 June 2020. This waiver replaces the previously announced option to defer payment of payroll tax until July.

Employers must retain evidence of their Australian taxable wages at 29 February 2020 showing their entitlement to claim the waiver.

For group employers, the designated group employer (DGE) is responsible for determining the group's Australian taxable wages and for notifying group members if the group is eligible for the waiver. Group members must retain evidence to show the DGE notified them of their eligibility to claim the waiver.

The Treasurer encourages eligible businesses not negatively affected by COVID-19 to keep paying tax as normal so the funds allocated to this initiative can be used to assist other businesses that are not so fortunate.

Australian taxable wages less than \$5 million at 29 February 2020

Do not apply for the waiver. Your payroll tax for March to June will automatically be waived.

- ◆ Lodge and pay all returns up to and including your February return.
- ◆ If your Australian taxable wages (including WA taxable wages and interstate taxable wages) are less than \$5 million, lodge your returns for March to June, entering your WA taxable wages as normal. Then record your WA taxable wages in the 'exempt (other) wages' field to apply the waiver.

Australian taxable wages \$5 million or more at 29 February 2020 or new employers from 1 March 2020

Apply to defer lodging and paying returns if your Australian taxable wages were \$5 million or more at 29 February and you expect your wages to be less than \$7.5 million at 30 June, or if you are a new employer registered for payroll tax from 1 March 2020.

Payroll tax for March to June 2020 will be waived at annual reconciliation if Australian taxable wages are less than \$7.5 million at 30 June 2020.

- ◆ Complete the [Application Form](#) and submit it via a [web enquiry](#). If you are a member of a group for payroll tax purposes, the designated group employer (DGE) must submit the application.
- ◆ Lodge and pay all returns up to and including your February return.

If your application is approved, your due date for lodgement and payment will be extended to 21 July. Your approval advice will include instructions for completing annual reconciliation.

- ◆ If your 2019-20 annual Australian taxable wages are less than \$7.5 million, payroll tax for the March to June returns will be waived.
- ◆ If your 2019-20 annual Australian taxable wages are \$7.5 million or more, you will need to complete your returns and pay tax for the months that were deferred.

If you expect your annual Australian taxable wages will be \$7.5 million or more and you are concerned about meeting your payroll tax obligations, you can [apply online for an interest-free payment arrangement](#).

Grant Payment

You do not need to apply for the grant.

A one-off grant of \$17,500 will be given to employers, or groups of employers, whose annual Australian taxable wages for 2018-19 were more than \$1 million and less than \$4 million. Grants will automatically be paid by cheque from July.

- ◆ If you were not previously registered for payroll tax, your 2019-20 Australian taxable wages will be used to determine your eligibility for the grant. Your grant will automatically be paid by cheque at the completion of the annual reconciliation process.
- ◆ For a group of employers, a single grant will be payable to the designated group employer.

Eligible taxpayers should log in to [Revenue Online](#) to ensure their postal address is correct.

COVID-19 Relief - Penalty Tax & Payment Arrangements

Taxpayers whose financial circumstances are directly or indirectly impacted by COVID-19 can apply for:

- ★ late payment penalty tax to be remitted and
- ★ an interest-free payment arrangement.

Late Payment Penalty Tax

Taxpayers are liable for penalty tax if they do not pay tax by its due date. The Commissioner's usual practice is to remit penalty tax when exceptional circumstances prevent a taxpayer from paying tax on time.

From 23 March 2020, the Commissioner will remit late payment penalty tax in full for taxpayers who demonstrate that COVID-19 has directly or indirectly affected their financial circumstances. A request for the Commissioner to remit penalty tax must include relevant information about the taxpayer's circumstances.

Apply to have penalty tax remitted by completing the relevant web enquiry form for:

- ★ [payroll tax](#)
- ★ [transfer duty or landholder duty](#)
- ★ [land tax](#). Land tax customers can also call 9262 1200 to make an application.

For more information about penalty tax, see [Commissioner's Practice TAA 20 'Remission of Penalty Tax – Late Payment'](#).

Tax Payment Arrangements

Taxpayers can apply to extend the time for paying tax or to pay by instalments. Payment arrangements are usually subject to interest at the prescribed rate.

From 23 March 2020, new payment arrangements will be interest-free for taxpayers who demonstrate they are unable to pay their tax.

Apply for a payment arrangement for:

- ★ [payroll tax](#)
- ★ [land tax](#)
- ★ [transfer duty or landholder duty](#).

For more information about payment arrangements, see [Revenue Ruling TAA/FHOG 1 'Payment Arrangements'](#).