



Hon **Barnaby Joyce** MP

FEDERAL MEMBER FOR NEW ENGLAND

27 March 2020

SUPPORT FOR CORONAVIRUS-IMPACTED WORKERS AND BUSINESS IN NEW ENGLAND

Federal Member for New England, Barnaby Joyce, voted yes in Federal Parliament this week to help workers and business in the New England Electorate who have been impacted by the coronavirus.

“\$189 billion is being injected into the economy to keep people in work, and businesses in business in Aberdeen and Scone in the south, up through Tamworth and Armidale, north to Tenterfield and Urbenville and all locations in between,” Mr Joyce said.

Our economic support package includes:

- Support for households including casuals, sole-traders, retirees and those on income support;
- Assistance for businesses to keep people in a job; and
- Regulatory protection and financial support for businesses to stay in business

Mr Joyce said the Coalition Federal Government is cushioning the blow from the coronavirus for businesses and households to help them get through to the other side of this crisis.

“We want to help businesses keep going as best they can and for as long as they can, or to pause instead of winding up their business. We want to ensure that when this crisis has passed Australian businesses can bounce back.

“We know this will be temporary in New England and across Australia. That’s why all of our actions are geared towards building a bridge, keeping more people in work, enhancing the safety net for those that aren’t and keeping businesses alive so they can get to the other side and stand up their workforce as quickly as possible,” Mr Joyce said.

Support for workers and households

Coronavirus supplement

The Government is temporarily expanding eligibility to income support payments and establishing a new, time-limited Coronavirus supplement to be paid at a rate of \$550 per fortnight. This will be paid to both existing and new recipients of the JobSeeker Payment, Youth Allowance jobseeker, Parenting Payment, Farm Household Allowance and Special Benefit. The Coronavirus supplement will be paid for the next 6 months. Eligible income support recipients will receive the full amount of the \$550 Coronavirus supplement on top of their payment each fortnight.

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Payments to support households

In addition to the \$750 stimulus payment announced on 12 March, 2020 the Coalition Government will provide a further \$750 payment to social security and veteran income support recipients and eligible concession card holders, except for those who are receiving an income support payment that is eligible to receive the Coronavirus supplement.

The first payment will be made from 31 March, 2020 to people who will have been on one of the eligible payments any time between 12 March, 2020 and 13 April, 2020.

This second payment will be made automatically from 13 July, 2020.

Early release of superannuation

The Government will allow individuals in financial stress as a result of the Coronavirus to access up to \$10,000 of their superannuation in 2019-20 and a further \$10,000 in 2020-21.

Eligible individuals will be able to apply online through myGov for access of up to \$10,000 of their superannuation before 1 July, 2020. They will also be able to access up to a further \$10,000 from 1 July, 2020 for another three months. They will not need to pay tax on amounts released and the money they withdraw will not affect Centrelink or Veterans' Affairs payments.

Temporarily reduce superannuation minimum drawdown rates

The Government is temporarily reducing superannuation minimum drawdown requirements for account based pensions and similar products by 50 per cent for 2019-20 and 2020-21. This measure will benefit retirees by providing them with more flexibility as to how they manage their superannuation assets.

Reducing social security deeming rates

On top of the deeming rate changes made at the time of the first package, the Government is reducing the deeming rates by a further 0.25 percentage points to reflect the latest rate reductions by the RBA.

As of 1 May, 2020 the lower deeming rate will be 0.25 per cent and the upper deeming rate will be 2.25 per cent.

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Assistance to business to keep people in a job

Boosting Cash Flow for Employers

The Coalition Government is providing up to \$100,000 to eligible small and medium sized businesses, and not-for-profits (NFPs), including charities that employ people, with a minimum payment of \$20,000. These payments will help businesses' and not-for-profits' cash flow so they can keep operating, pay their rent, electricity and other bills and retain staff.

Under the enhanced scheme from the first package, employers will receive a payment equal to 100 per cent of their salary and wages withheld (up from 50 per cent), with the maximum payment being increased from \$25,000 to \$50,000. In addition, the minimum payment is being increased from \$2,000 to \$10,000. The payment will be available from 28 April, 2020.

By linking the payments to business to staff wage tax withholdings, businesses will be incentivised to hold on to more of their workers. The payments are tax free, there will be no new forms and payments will flow automatically through the Australian Taxation Office (ATO).

Small and medium business entities with aggregated annual turnover under \$50 million and that employ workers are eligible. NFPs entities, including charities, with aggregated annual turnover under \$50 million and that employ workers will now also be eligible. This will support employment at a time where NFPs are facing increasing demand for services.

An additional payment is also being made from 28 July, 2020. Eligible entities will receive an additional payment equal to the total of all of the Boosting Cash Flow for Employers payments received.

Regulatory protection and financial support for businesses to stay in business

Coronavirus SME Guarantee Scheme

The Coalition Government will establish the Coronavirus SME Guarantee Scheme which will support small and medium enterprises (SMEs) to get access to working capital to help them get them through the impact of the coronavirus.

Under the Scheme, the Government will guarantee 50 per cent of new loans issued by eligible lenders to SMEs.

The Government's support will enhance lenders' willingness and ability to provide credit to SMEs with the Scheme able to support \$40 billion of lending to SMEs.

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The Scheme will complement the announcement the Government has made to cut red-tape to allow SMEs to get access to credit faster. It also complements announcements made by Australian banks to support small businesses with their existing loans.

Mr Joyce said the measures the Government has announced, along with the previous announcements, will deliver a total of \$125 billion to support Australians get through the impact of the coronavirus.

Providing 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. The *Corporations Act 2001* will be amended to provide temporary and targeted relief for companies to deal with unforeseen events that arise as a result of the Coronavirus.

- This builds on the support for business and business investment provided in our first economic support package, which included:
- increasing the instant asset write off
- backing business investment by providing accelerated depreciation deductions
- supporting apprentices and trainees
- targeted support for Coronavirus-affected regions and communities

More information is available at: aus.gov.au

“While these are challenging times, individuals and business in the New England can rest assured the Coalition Government will do all that is necessary to support them and build a bridge to ensure we get to the other side of this crisis,” Mr Joyce said.

(ENDS)

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