Fact Sheet
Version 1 / 3 April 2020

COVID-19: Financial Support Measures for General Practices

There are a variety of support measures in place for general practices affected by the impact of COVID-19. These include measures recently announced by the 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 at:
https://treasury.gov.au/sites/default/files/2020-04/fact_sheet-boosting_cash_flow_for_employers.pdf

Support for business asset investment

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.

A fact sheet for this payment is available at:
https://treasury.gov.au/sites/default/files/2020-03/Fact_Sheet-Delivering_support_for_business_investment.pdf

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.

www.nbmphn.com.au/Coronavirus

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 at:
https://treasury.gov.au/sites/default/files/2020-03/Fact_sheet-Supporting_the_flow_of_credit_1.pdf

Job Keeper payment

- The Job Keeper payment is a new wage subsidy. Eligible businesses will receive $1500 per fortnight, per employee, from the Australian Taxation Office (ATO). Each business will then pay each eligible employee the flat payment.
- The subsidy will apply to both full-time and part-time workers. Sole-traders and casuals who have been with their employer for 12 months will also be eligible, as will workers from New Zealand on 444 visas and migrants who are currently eligible for JobSeeker (formerly NewStart) payments or Youth Allowance.
- It will be paid to businesses from 1 May 2020 but will be backdated to the end of March.
- Apply for the payment online via **www.ato.gov.au**

A factsheet for employers is available at:
www.ato.gov.au/general/gen/JobKeeper-payment

Practice Incentive Program Quality Improvement (PIP QI) incentive

- There will be temporary increases to the PIP QI incentive payments for general practices that will increase support for bulk billed services and ensure patients keep access to essential face-to-face care. 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 Practice Incentive Program Quality Improvement (PIPQI) payments doubled. These payments will be made on 1 May 2020 and 1 August 2020.

A factsheet is available at:
https://www.health.gov.au/resources/publications/coronavirus-covid-19-primary-care-package-practice-incentive-payments

Bulk-billing Incentive payment

- The bulk-billing incentive payment for pensioners, under-16s and concession card holders will be doubled for face-to-face and telehealth services during the course of the COVID-19 response.

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 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.

www.nbmphn.com.au/Coronavirus

Support measures from the 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.

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.
- 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: **www.agpal.com.au/practice-resources/novel-coronavirus-covid-19/financial-information-practices**
- **Australian Banking Association** – support available for financial hardship: **www.ausbanking.org.au/campaigns/financial-hardship**
- **Australian Banking Association** – contact list of financial institutions and support available: **www.ausbanking.org.au/for-customers/hardship-contact-details**
- **Australian Government** – support available for business: **www.business.gov.au/risk-management/emergency-management/coronavirus-information-and-support-for-business**
- **Business Australia** – crisis response plans & risk assessment templates: **www.businessaustralia.com/resources/guides**
- **Fair Work Australia** – Coronavirus and Australian Workplace Laws: **www.coronavirus.fairwork.gov.au**
- **Health Pathways** – **https://nbm.communityhealthpathways.org**

www.nbmphn.com.au/Coronavirus

- Mental Health:
  - **Ahead for Business** (Everymind) – tools and information for business: **www.aheadforbusiness.org.au**
  - **Ahead for Business** (Everymind) – support for business in adverse events: **www.aheadforbusiness.org.au/about/support-in-adverse-events**
  - **Head to Health** – COVID-19 Support **www.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**
  - **Lifeline** - mental health support and information during the COVID-19 outbreak **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: **www.racgp.org.au/running-a-practice/practice-resources/practice-tools/financial-assistance-for-practices**
- **Services Australia** – Centrelink and financial assistance: **www.servicesaustralia.gov.au/individuals/subjects/affected-coronavirus-covid-19**

Sources

Australian Medical Association, 2020, *What support is available for medical practices during the Covid-19 outbreak?* viewed on 30 March 2020 <https://ama.com.au/article/latest-information-covid-19#D9>

Hunter New England and Central Coast Primary Health Network, 2020, *Primary Care Business Resources*, viewed 30 March 2020, <https://peoplebank.hneccphn.com.au/primary-care-business-resources>

Royal College of General Practitioners, 2020, *Financial Assistance to Practices*, viewed 31 March 2020 <https://www.racgp.org.au/running-a-practice/practice-resources/practice-tools/financial-assistance-for-practices>

For assistance with navigating the various financial support schemes that general practices can access, please contact

Rakesh Patel

P: **4708 8194** E: **workforce@nbmphn.com.au**

www.nbmphn.com.au/Coronavirus

This information had been reproduced with permission from WA Primary Health Alliance.
While the Australian Government helped fund this material, it has not reviewed the content and is not responsible for any injury, loss or damage however arising from the use of or reliance on the information provided herein. Wentworth Healthcare Limited (ABN 88 155 904 975) as Nepean Blue Mountains PHN. 421_0420 **April 2020**