

# VACC COVID-19 UPDATE

**Tuesday, 24 March 2020**  
**Issue 2.0**



Today VACC publicly distributed its firm position on the classification of 'essential services' to politicians and the media.

VACC has adopted the position of its national body, The Motor Trades Association of Australia (MTAA) in regard to the classification of 'essential services'. VACC and MTAA's position is automotive retail, repair, service and parts roles are critical in supporting the transportation of essential goods and services during any potential shut-down, dictated by government. The absence of this valuable supply and service chain will likely leave the national and state vehicle fleets unable to provide essential services, and this extends to the provision of food and medical supplies desperately needed by the broader community.

A copy of the factsheet is [HERE](#).

VACC will continue to keep members updated.

## **1. Tax and business relief in response to COVID-19**

Professional services firm Deloitte has produced a comprehensive [factsheet](#) that provides an excellent overview of the government's stimulus and economic support measures to date.

Whilst the document is quite lengthy, members are encouraged to seek consider areas of particular interest.

The document covers:

- Current legislation
- The federal response (stages 1 & 2), including timings of assistance
- Budget implications
- Cash flow assistance for SMEs
- Enhancement to the Instant Asset Write-off
- Backing business investment
- Assistance for employers with apprentices/trainees
- Cash flow assistance for individuals
- Other business considerations
- The ATO's response
- State government measures

Please note that an automotive specific document will be released tomorrow, but for members' benefit we have released the broad version today.

## 2. Helpline for businesses impacted by COVID-19 (FED)

Last night, the Federal Government's business hotline will give more support to small and medium businesses impacted by the COVID-19 pandemic. Operations at the business.gov.au 13 28 46 Contact Centre will increase from **five days per week to seven days per week**, and provide additional hours of support outside standard operating hours for the first month, answering calls from 7am to 11pm AEST.

Contact Centre services are being expanded to provide specialist advisers and extended support hours.

### Video from the Small Business and Family Enterprise Ombudsman, Kate Carnell

Watch the video below from Ombudsman Kate Carnell for clarity around the latest support packages announced by the Federal Government.



## 3. Bank Support

VACC advises members that now all four of the major banks have released their small business response to COVID-19.

The full details can be accessed [HERE](#)

## 4. Income support for individuals

The Federal 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 supplement will be paid to both existing and new recipients of the eligible payment categories. These changes will apply for the next six months.

A factsheet outlining the details can be accessed [HERE](#).

## 5. Australian Financial Complaints Authority's (AFCA) modified approach to dispute resolution

The Australian Financial Complaints Authority (AFCA) will modify its approach to dispute resolution to take into account all regulatory and legislative changes announced as part of Australia's COVID-19 response.

AFCA yesterday published a media release detailing their approach.

**They have established a support hotline (1800 337 444)** that will be open from today.

Complaints about COVID-19 will be prioritised and fast-tracked to ensure those impacted have their issues resolved as quickly as possible.

Read the full media release [HERE](#).

## 6. Coronavirus: SME Guarantee Scheme

Under the Scheme, the Federal Government will provide a guarantee of 50 per cent to small and medium enterprise (SME) lenders for new unsecured loans to be used for working capital. This will enhance these lenders' willingness and ability to provide credit, which will result in SMEs being able to access additional funding to help support them through the upcoming months.

SMEs with a turnover of up to \$50 million will be eligible to receive these loans.

Read more about the scheme [HERE](#).

Members will be updated as further details are released on how this Scheme can be accessed. In the meantime, VACC recommends members contact their banks to discuss their situation.

## 7. Financial relief for distressed businesses

The Federal Government is temporarily increasing the threshold at which banks and other lenders can issue a statutory demand on a company, as well as the time companies have to respond to statutory demands received.

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.

Read the Government's Factsheet [HERE](#).

## 8. Carsales.com.au announce measures to assist dealers during COVID-19 crisis

In a move to assist reducing LMCTs' short-term operating costs, and to support LMCTs through this challenging period, carsales.com.au has announced a raft of measures to support its LMCT client base by introducing the following measures:

1. Effective for the month of April 2020, carsales will waive all dealer fees\*. This includes both fixed fee services and sales lead charges.
2. In addition to the above, carsales will allow all of its dealer customers to defer payment of their March advertising costs by 30 days.
3. carsales will also will also provide dealers with enhanced customer insights during the period

Carsales has advised that members refer to other measures they are taking by referring to the link [HERE](#).

The LMCT divisions of VACC thank carsales for reacting so quickly.

**Disclaimer:** *The information gathered has been drawn from a number of sources and VACC strongly recommends that members revert to the primary source of information for any clarification.*