

VACC COVID-19 UPDATE

Monday, 30 March 2020

Issue 6.0

The Prime Minister has just announced an additional \$130 billion '[Job Keeper](#)' package. This is no doubt welcome news to many VACC members – both large and small. The package will see a payment of \$1,500 flat payment per fortnight.

The payment is available to all full-time and part-time part employees and casuals (if they have been employed for 12 months or more) who have been stood down since 1 March 2020.

The payment will be backdated to 1 March and has been costed for 6 months', applying to sole traders, small and medium businesses who can demonstrate a fall of 30% or more in revenue. Large businesses with a turnover of over \$1 billion will have to demonstrate a 50% drop in revenue.

Businesses are advised to contact the [Australian Taxation Office](#) (ATO) to register for the scheme as the payment will be administered by the ATO who will make the payment directly to the employer.

Members considering shutting their workshops should consider holding on while the fine print on this new package is released given employees may be able to access this new funding.

Please note the legislation will take at least a week to draft and should be passed within the next two weeks.

Further details will be made available once they are released.

I have also written an OpEd over the weekend espousing the importance to providing relief to businesses that turn over more than \$50 million per year, have more than 20 staff and have a payroll over \$3million. VACC's new car dealers are prime examples of these types of businesses.

VACC research shows that approximately 70 per cent of new car dealers will not benefit from any relief package and are suffering with a sales downturn this week of 53.4 per cent, a 30 per cent slide in parts sales and are averaging nearly eight car services a day being cancelled or no-show at each site. Dealerships employ thousands of workers and support the training of many apprentices needed in the automotive industry.

We have been in constant contact with both the Federal and State Governments on this very issue. Members are invited to read my full OpEd [HERE](#).

1. INDUSTRIAL RELATIONS

Stand down Q&A and tools for members assistance

VACC has been inundated with calls from members inquiring as to whether they can stand down staff due to the impact of current Coronavirus outbreak on their businesses. After hearing that airlines and major employers stood down their workforce, there is general confusion across industries regarding the ability of businesses to stand down staff. VACC sought legal advice from Legal counsel last week regarding standing down related issues.

A VACC Bulletin was issued at 11.41am today detailing the legal counsel's advice to a variety of questions.

This can be accessed [HERE](#)

Payment for public holidays where a business stand down employees

Fair Work Ombudsman advice is an employee that has been stood down under s 524(1) is entitled to be paid for a public holiday that occurs during the period that they are stood down.

S525b of the Fair Work Act provides that an employee is not taken to be stood down when they are otherwise authorised to be absent from work and a public holiday would fall into that category.

Variations to the Clerks Award to address COVID-19 challenges

On Saturday, 28 March 2020, the Fair Work Commission granted a variation to the ***Clerks Award that provides more flexibility to work at home, take leave and reduce hours***. The variation, sought by the Ai Group and the Australian Chamber of Commerce and Industry with the support of the Australian Services Union, inserts Schedule 1 into the Award in response to the crisis generated by COVID-19.

The variation to the award applies to about 1.56 million people or 14.3% of employees. Schedule 1 commenced on 28 March 2020 and will operate until 30 June 2020. It will take effect from the beginning of the employee's first full pay period that starts on or after 28 March 2020. The variations include:

- Operational flexibility
- Part-time and casual employees working from home
- Span of ordinary hours
- Agreed temporary reduction in ordinary hours
- Annual leave
- Close down

VACC has prepared a full summary of the changes that can be accessed [HERE](#).

2. FEDERAL GOVERNMENT SUPPORT

Wage subsidy for workers to survive coronavirus

The Federal Government is poised to announce it will pay a generous wage subsidy to closed businesses that retain their employees during the coronavirus recession. The wage subsidy, being worked on by Treasury, will be similar to wage subsidies of 75 per cent to 80 per cent enacted by Canada, Denmark and the United Kingdom.

VACC will continue to keep members updated.

Prime Minister Morrison's 'business hibernation plan'

Australian Prime Minister, Scott Morrison has announced a plan to "hibernate Australian business" during the Coronavirus (COVID-19) situation.

The aim is to allow small business owners to 'hit the pause button', so that they can re-open later down the line and play their part when the time comes to kick-start the economy. The Federal Government initiative appears to recognise the stresses many small business owners are currently under and has taken this action to avoid permanent closures in the face of constant financial obligation – **such as rental payments, payroll, and other liabilities** – without the cash-flow coming in from customers.

The Federal Government is preparing the final details which are expected to be announced soon. For more information click [HERE](#).

Scott Morrison announces \$1.1bn coronavirus package to help society's vulnerable

Australia's most vulnerable citizens will benefit from a new \$1.1 billion COVID-19 package, boosting mental health services, Medicare assistance for people at home, domestic violence support and emergency food relief. As the country grapples with health and economic uncertainties fanned by the coronavirus outbreak, Scott Morrison said the assistance package was "focused on saving lives and saving livelihoods".

Business wins more loan relief in dramatic bailout expansion

A multibillion-dollar bailout of corporate Australia — including loan extensions and partial government takeovers — is expected as part of a third stimulus package to keep tens of thousands of people employed.

The banks have already agreed to extend the six-month deferral of loan repayments to 30,000 businesses, taking the overall value of loans for coronavirus support to \$250bn.

3. NATIONAL HEAVY VEHICLE REGULATOR

NHVR Portal

The NHVR Portal is continuing to provide a range of services for customers and road managers and is a place to manage your business for **Accreditation, Vehicle Standards, Registration services and Access Permits**. It is also being used by road managers to assess permit applications.

You can use the NHVR Portal to prepare, lodge and track your applications or requests, and there is an Information Request feature to ask questions or raise issues.

NHVR extends supplementary record use to 30 days

The NHVR has announced an extension to the time limit drivers may use a supplementary work diary record as part of its ongoing efforts to assist industry through the coronavirus pandemic.

NHVR CEO Sal Petrocchio said that from Wednesday April 1, drivers can use supplementary records for up to 30 driver business days, compared to the current seven day limit.

4. Previous Update Issues

- [Monday, 23 March 2020 - Issue 1](#)
- [Tuesday, 24 March 2020 - Issue 2](#)
- [Wednesday, 25 March 2020 - Issue 3](#)
- [Thursday, 26 March 2020 - Issue 4](#)
- [Friday, 27 March 2020 - Issue 5](#)

Geoff Gwilym

Chief Executive Officer