

Intro:

Welcome to CPA Australia's COVID Chat, a weekly podcast to answer your questions about the latest news and developments impacting business.

Dr Jane Rennie:

Hello, I'm Dr Jane Rennie, general manager, external affairs at CPA Australia.

Gavan Ord:

And I'm Gavan Ord, senior manager, business investment policy, also at CPA Australia.

Dr Jane Rennie:

It's Monday the 11th of October, and you're listening to COVID Chat, bringing you this week's need to know information for businesses and accounting professionals. In today's episode, we're going to outline what we know so far about the employment and workplace issues involved in reopening. But first we'll do a quick around the grounds of the latest grants, announcements, changes and dates in different states and territories.

Dr Jane Rennie:

In New South Wales, a new hardship review panel has been established to consider financial support for businesses experiencing financial hardship that don't qualify for any of the existing COVID-19 business support measures.

Dr Jane Rennie:

Gavan, what can you tell us about this and what should businesses and their accountants do, if it sounds like this applies to them?

Gavan Ord:

Yeah. Thanks Jane. So the New South Wales government has set up, I would call a catch-all. So, it's only for businesses that are not eligible for JobSaver or the micro-business grant or the COVID business support grant, or have failed in their applications. So it's a catch-all. But they have to demonstrate that they have experienced financial distress. And that includes, they have to demonstrate to this hardship review panel that their business is at imminent risk of closure. They're unable to pay for operating costs, such as rent or employment costs. They're forced to reduce employee head count. So they need to show those things. If you're a sole trader with no employees, you are also eligible, but you also must demonstrate that you can no longer meet a minimum standard of living. So what it does is, if you do apply for this payment, you may then still receive JobSaver without necessarily meeting the eligibility requirements.

Gavan Ord:

Some of the things you've got to show include evidence of business expenses, evidence of revenue, including the decline in revenue, evidence of the impact that the public health orders is having on your New South Wales businesses, copies of lease agreements, the business owner's insights about the hardship. There's a whole series of things you have to show, and it goes to this panel and they will make the decision on whether you can still receive JobSaver.

Gavan Ord:

So look, I think it's quite a good idea, this catch-all. Quite often, government grants, if you don't meet the set requirement you're out. So I think this degree of flexibility is good, but I think as you can imagine, if you do apply or your clients do apply, there will be more evidence required to try and convince this hardship panel that your business is a suitable recipient, even though they don't meet the eligibility requirements.

Dr Jane Rennie:

Gavan, just on this, it strikes me that if you can convince the hardship review panel that you meet the criteria for this assistance, you'd have to be sailing awfully close to the winds of insolvent trading.

Gavan Ord:

Well, that's a good observation. Yes, you would have to be very close to being trading while insolvent, and maybe this grant is the only way to actually get out of that situation.

Dr Jane Rennie:

Well, it sounds very much like a good one to seek advice from your accountant.

Dr Jane Rennie:

Moving to Victoria, the construction grant will open for applications this week. This, if I understand it, is a retrospective grant, so what's on offer and what's it actually for?

Gavan Ord:

So, it's for the construction industry. So, if you're a business and your ANZSIC code, your code in your tax return, your Australian business register matches up with the construction industry. And it covers that two week shut down period in Victoria. And the grant is basically for a very small business, \$2,800 for those two weeks or up to 8,400. So it's not per week. It's for those two weeks and it's not per week because the money for this is only coming from the state government, not the federal government.

Dr Jane Rennie:

Is that why it's such a very small amount of money? Because really, that's a drop in the ocean, even for a very small construction business, for what they might've lost during that two week lockdown.

Gavan Ord:

Look, it's never meant to replace the full lost income. The state government and federal government's been quite clear that it's only meant to help meet their expenses. So, it's never been designed to meet all the costs associated with a lockdown. So, I think you just have to keep that in mind, that this is not meant to cover every single cost, but it is meant to help meet some of those fixed costs like rent and utilities bills and employee salaries, that you continue to pay your employees during that time.

Dr Jane Rennie:

Moving now to the ACT, the territory government handed down it's 2021-22 budget last Wednesday and business supports, as we know it, are coming to an end very soon in Canberra. Was there anything additional on the menu in the way of grants for them, to assist them in the post-lockdown period?

Gavan Ord:

Well, in short, no. It's pretty bare beyond lockdown and that's disappointing. Jane, you pointed out in a media release that there's some money for the creative industries and some extra money for tourism, but we're talking \$10 million, \$13 million respectively. But for businesses in general, once ACT gets to re-opening, which is next week, the support is turned off. So for the general businesses, that's it. You won't get any further money at this point in time unless the government changes its mind. But no, it was pretty bare for government assistance beyond the lockdown.

Dr Jane Rennie:

In Tasmania, applications have closed for the COVID-19 micro and small business border closure critical support grant, but there will be a further round in November. And on top of this, the COVID-19 small business advice and financial guidance programme opened up late last month. What do businesses and accountants in Tasmania need to know about these ones?

Gavan Ord:

So, for the first one, which is the major grant, which I think was grants of up to \$110,000, I think we just have to wait to see what comes out in November with the second round or this particular grant. And we're not certain whether the government will have the same conditions or will have stricter conditions, because, they were I would say, fairly open, so they might tighten up the conditions next time around. The other grant to talk about is the grant to encourage small businesses, to seek professional advice. And that's a grant of \$750 or \$1,500 to go out and get professional advice for their business. That's a competitive grant. So that's a very limited amount of money available. So if you've got a client or if you're a small business and you're looking for advice, get in early, collect your receipts, collect your invoice, documented invoice around the types of professional services that are offered and you can apply for the grant. So it's not about money to do a tax return. It's about money for strategic advice, pricing advice, marketing advice, that sort of stuff.

Dr Jane Rennie:

And that's it for our grant updates for this week, but Gavan after grants, the next most common question I know that you get asked these days is what are the re-opening requirements for businesses? And the situation facing in-person workplaces is one that's very much front of mind for accounting professionals. There is a huge amount of uncertainty. Last week, CPA Australia conducted a LinkedIn poll, and over 2,700 people responded. And the question of that poll was about what people's intentions were in terms of returning to the workplace once restrictions eased. 45% of people said they only intend to return to the office one to two days a week. 27% said three to four days a week. 17% said full-time. But 11% of people said they intend to work from home permanently. And I think in part, these results are very much to do with the point in time, but they do show just how unsettling the uncertainty around current lockdowns is and suggest that people are very much tired of disruptions.

Dr Jane Rennie:

I wouldn't be surprised if the results change in the new year when things do settle down and there is more clarity around attending the office. But what can we actually tell people about businesses' reopening requirements at this stage? I'd like to start with a general question, Gavan, by getting you to explain the intersection between the Commonwealth and state or territory based requirements, because this seems to be at the root of a great deal of the complexity and uncertainty that businesses

now face. So what can you tell us about the key rules and the requirements and whether they are state or territory, or even federal?

Gavan Ord:

Yeah, Jane, look, that's a really interesting question. And the intersection of all these different laws is actually really confusing. So for example, obviously there's the fair work legislation, which is federal. But there's also the public health orders, which is obviously state. There's also equal opportunity laws, anti-discrimination laws, which is both federal and state. There's also workplace health and safety laws, which is also state. In some states there's industrial manslaughter laws, which potentially could apply, which is state. And there's common law as well, which is court based law. So there's intersection of different laws, which creates a lot of confusion as to which one applies and which one doesn't apply, and what happens where there is a conflict between different laws. So I think we can safely say that, you mentioned uncertainty, uncertainly is the word at this point in time.

Gavan Ord:

And actually as governments strive to add certainly, like Victoria went down the path of making it compulsory for authorised workers to have a vaccination, that then led to actually further series of questions as well. So I can see why employers are confused. And I also see why the employees answered that poll we did. A lot of them are just saying, "You know what? I'm comfortable working from home, most days of the week." And I think employers are probably comfortable with that at this point in time. Obviously that has consequences for particularly CBDs and the dry cleaners and the cafes in CBDs who will struggle for a lot longer than other businesses.

Dr Jane Rennie:

So in a nutshell, anyone who's looking for a one size fits all approach to these workplace rules is going to be sorely disappointed. In that case then, let's tackle it on a state by state or territory basis. If you could give us some of the key workplace announcements that the governments have made public in each case, let's start at the top of the east coast with Queensland, where we haven't had a major outbreak, but that doesn't mean there aren't restrictions. What can you tell us about these?

Gavan Ord:

Yeah. So Queensland itself is also broken down into Southeast Queensland and Townsville, have a limited range of restrictions, particularly around masks. There are also density requirements, but outside those regions, there's no real large-scale restrictions, just minor restrictions. So the only real impact on the workplace is things around masks and density requirements.

Dr Jane Rennie:

In New South Wales, face masks will no longer be required in office buildings when the state passes the 80% double vaccination rate. And we know that's a key deterrent to people returning to the office. What else do we know about New South Wales?

Gavan Ord:

To your first part of your question, Jane, the face masks in office, so we're expecting New South Wales to reach the 80% target somewhere around 25th, 26th of October. We don't know exactly when, but we'll soon see. In terms of what's the requirements at the moment, well, today is what some people are calling freedom day and this is in New South Wales, it's really only for those that are fully vaccinated.

But even then, there still remain density restrictions. So there are still limits on the number of people that can go to certain businesses. And also you're still asked to work from home if you can. So for those people who are working in an office environment, you're still asked to work from home if you can.

Gavan Ord:

But yeah, I think an important consideration today is that you're only allowed to go to certain premises if you're fully vaccinated. Now that's going to be a bit of a struggle for some businesses. This is new for them. They're going to have to check the vaccination status of their patrons as they enter. Now, it's going to be a little bit complicated because the Service New South Wales check in, that is not yet linked to your federal immunisation record. So, it's going to be a little bit of a struggle for businesses to check both your federal immunisation record on, I think it's Medicare Express or your MyGov account, and also your check in app. So I think the call out to listeners today is just be patient in New South Wales, as businesses work through some of these teething problems. Businesses will get through them. We know that the governments are working on linking the federal immunisation records with these check in apps. But I think just be patient as businesses put in place processes, so they can only allow vaccinated people to enter their premises.

Dr Jane Rennie:

And in Victoria, we know Victoria is a couple of weeks behind New South Wales in terms of reaching its vaccination targets. So what's the situation with workplace restrictions in Victoria?

Gavan Ord:

So the workplace restrictions remain as they have been now for quite some time. You cannot go to work unless you're an authorised worker and have a permit to do so. Now, we expect that to start to come off at around about October 26th, gradually come off from that date when Victoria hits 70%, and then come off even further around about the 5th of November, when Victoria hits the 80% fully vaccinated target. Again like New South Wales, the ability to move around is only given to those that are fully vaccinated. And Victoria is, like New South Wales, working on linking their check in app to the federal immunisation record.

Dr Jane Rennie:

ACT workers can return to the office from the 18th of October, but there are some lingering restrictions. What can you tell us about these?

Gavan Ord:

Yeah, so like with New South Wales and Victoria, the restrictions are around density requirements and also mask wearing requirements. ACT move, or continue to move through the restrictions quicker than New South Wales and Victoria. And I think their next date is around about the 29th of October, where restrictions will be eased further. Unlike Victoria and New South Wales, ACT is not making a difference between vaccinated and unvaccinated workers or patrons. So that's the key difference in ACT, compared to Victoria and New South Wales.

Dr Jane Rennie:

And for our Tasmanian listeners?

Gavan Ord:

I think for the rest of the states, there's not really anything to add at this stage. Tasmania, South Australia, West Australia, Northern territory, there's not really any restrictions at this point in time, beyond what's already there. But it is something we are monitoring and we'd hope to see what those states are putting in place as the economy reaches 80% fully vaccinated target, because we do know, looking at other countries overseas, that once we start to reopen the economy, COVID cases will spike and they'll most likely spread to those states as well.

Dr Jane Rennie:

And Gavan, if businesses need a few quick answers on this topic, on the topic of workplace arrangements, where would you suggest they take a quick look?

Gavan Ord:

I think that the best place to look is at the Fair Work Ombudsman website, and they've got a specific page on COVID and they've got quite a lot of questions and answers. So it won't cover everyone's questions, but they've got questions and answers to questions around, can an employer require an employee to be vaccinated? What happens if an employee refuses to be vaccinated? Can an employer require prospective employees to be vaccinated? Can an employer require an employee to provide evidence that they've been vaccinated? So there's a whole series of questions and answers on the Fair Work Ombudsman's website. And if you are a small business, you can actually call them up and get access to their independent legal advice for free. The Fair Work Ombudsman has access to a range of partner law firms, which provides free legal advice to small businesses.

Dr Jane Rennie:

That's all we've got time for today. If you've got a question about any of the topics we've discussed or any of the CPA Australia's policy and advocacy work, please email policy.advocacy@cpaaustralia.com.au. And if you've enjoyed what you've heard, please tune in again next week and tell your friends.

Dr Jane Rennie:

From all of us here at CPA Australia, thanks for listening.

Outro:

And that's our episode for this week. Thanks for listening. To ensure you don't miss an episode, subscribe to the CPA Australia podcast channel on your favourite app. And for more COVID resources, guides and information, visit cpaaustralia.com.au/covid.