



## Australian Airline Financial Relief Package

The Australian Airline Financial Relief Package (the program) will run over six months from 1 April 2020 to 30 September 2020. The program was announced as part of the Australian Government's response to the economic impact of COVID-19 and in response to its unprecedented and likely sustained impact on the Australian domestic airline industry.

The package of measures includes the refunding and ongoing waiving of a range of Government charges on the industry including aviation fuel excise, Airservices Australia charges on domestic airline operations and domestic and regional aviation security charges.

The objective of the program is to reduce the cost base faced by commercial airlines, improving the financial viability of scheduled and commercial flights.

The Australian Government has committed up to \$285 million to these measures across 2019-2020 and 2020-21. Applicable charges applying to flights between 1 February 2020 and 30 September 2020 are eligible for consideration in accordance with the eligibility criteria and related information set out in the grant opportunity guidelines.

The program will be administered according to the [Commonwealth Grants Rules and Guidelines \(CGRGs\)](#).

### FAQs

#### Am I eligible?

To be eligible for the Australian Airline Financial Relief Package you must:

- have an Australian Business Number (ABN)
- be registered for the purposes of GST
- have an account with an Australian financial institution
- be one of the following entity types:
  - a company incorporated in Australia
  - a company incorporated by guarantee
  - an incorporated trustee on behalf of a trust
  - a partnership
  - a joint application
  - a registered charity or not-for-profit organisation
  - an individual
  - an Aboriginal and/or Torres Strait Islander Corporation registered under the [Corporations \(Aboriginal and/or Torres Strait Islander\) Act 2006](#); or

You must have an Air Operator's Certificate authorising the services, and provide a copy of this with your application.

The grant guidelines provide additional information for you to consider prior to applying. The guidelines are available at GrantConnect at [www.grants.gov.au](http://www.grants.gov.au)

### **Who is not eligible?**

You are not eligible to apply if you are:

- a Commonwealth, state, territory or local government agency or body (including government business enterprises)
- unincorporated association
- overseas resident
- any organisation not included in the eligibility list above.

### **What can the grant funding be used for?**

Grant payments can be used for:

- offsetting fuel excise
- offsetting the costs of security screening activity
- offsetting any increased operation costs from the enhanced security screening measures scheduled to be introduced in 2020.

### **What is the grant agreement?**

You must enter into a legally binding grant agreement with the Commonwealth. This grant agreement will govern the handling and payment claims you can then make under each of the program measures.

### **How long will the program run for?**

The Australian Government has announced a total of \$285 million across the 2019-20 and 2020-21 financial years for the Airline Financial Relief Measures.

### **How long will it take to receive funding?**

You can submit an application at any time over the duration of the grant opportunity, (1 April 2020 to 30 September 2020).

We will acknowledge receipt of your application within two business days. Your application will then be assessed for eligibility within one week. During that time, you may be asked to provide additional information. You will then be notified of the outcome within a further three business days.

If successful a draft funding agreement will then be provided. Claims can be lodged once a funding agreement has been executed.

### **When can I submit my grant application?**

Applications opened on the 1 April 2020 and will close on 30 September 2020.

### **How do I apply?**

Go to <https://www.grants.gov.au/?event=public.GO.show&GOUUID=382AACD9-CF93-6F1C-4B3429A713793320> and select 'GO Documents' to register.

Once registered, you can view the application form. When complete, email or post your application to the Australian Airline Financial Relief Package team at [COVIDaafpr@infrastructure.gov.au](mailto:COVIDaafpr@infrastructure.gov.au) or GPO Box 594, Canberra ACT 2601 by the closing date shown on page 1 of the grant opportunities guidelines.

**Who can I contact if I am having difficulties accessing the application form?**

Please email your questions to [COVIDaafpr@infrastructure.gov.au](mailto:COVIDaafpr@infrastructure.gov.au)

**Is GST included in the grant payment?**

All grant figures are GST exclusive.

**Will I have to provide milestones of the grant payment?**

We will expect you to report on the impact of the grant funding on your delivery of flight services to communities.

We will provide sample templates for these reports in the grant agreement.

**Is there an evaluation process of the grant payment?**

We will evaluate the grant opportunity Australian Airline Financial Relief Package to measure how well the outcomes and objectives have been achieved.

We may contact you up to a year after you finish your grant for more information to assist with this evaluation.

**Will a grant affect my tax?**

Yes. Grants are assessable income for taxation purposes, unless exempted by taxation law. We recommend you seek independent professional advice on your taxation obligations or seek assistance from the Australian Taxation Office. We are unable to provide taxation advice.

**What other assistance is available for the aviation industry?**

The Government has implemented a number of other measures to support airlines and airports through this unprecedented period of disruption.

The following measures will remain in place from 1 February 2020 to 30 September 2020:

- Financial assistance to airlines providing essential services to regional and remote locations across Australia
- Rebates for Domestic Aviation Security for commercial and aeromedical aircraft operators

You may also be eligible for the Regional Airline Network Support program. This program intends to assist domestic commercial airlines operating services at the Regular Public Transport (RPT) aviation safety standard to regional locations to maintain a basic level of connectivity across their network of regional routes. This will support critical air services to connect regional Australia to freight, medical testing, supplies and essential personnel.

Further information is available at

<https://www.grants.gov.au/?event=public.advancedsearch.keyword&keyword=Regional+Airline+Network+Support+program>

## Broader assistance

The Australian Taxation Office (ATO) will provide administrative relief on a case-by-case basis, for certain tax obligations for taxpayers affected by the Coronavirus outbreak. This could include deferring payment of certain taxes for up to six months, and allowing businesses to vary their pay-as-you-go instalment amounts to zero for the March 2020 quarter. You can contact the ATO on 1800 806 218 or visit the ATO website [www.ato.gov.au](http://www.ato.gov.au) for further information.

Other Australian Government support programs include the following, although some may yet to be legislated at the time of publication of these FAQs:

- **JobKeeper payment:** The JobKeeper payment allows eligible business, not-for profits and sole traders to access a wage subsidy from the Government to continue paying their employees. The Government will provide \$1,500 per fortnight towards each eligible employee for up to six months. More information is available at <https://treasury.gov.au/coronavirus/jobkeeper>
- **Boosting cash flow for employers:** The Government is providing temporary cash flow support of up to \$100,000 to eligible small to medium business, sole traders and not-for profits that employ staff during the COVID-19 economic downturn. More information is available at <https://treasury.gov.au/coronavirus/businesses#cashflow>
- **Temporary relief for financially distressed business:** The Australian Government will work with eligible business, not for profits and sole traders to try and reduce the risk of insolvency through a tailor a solution to their particular circumstances. This could include, a temporary increase in the threshold at which creditors can issue demand on a company; temporary relief for trading while insolvent; an increase in the threshold for a creditor to commence bankruptcy proceedings. More information is available at <https://treasury.gov.au/coronavirus/businesses#financialdistress>
- **Increasing the instant asset write-off:** The Australian Government is increasing the instant asset write-off threshold from \$30,000 to \$150,000 and expanding to include all business with aggregated annual turnover of less than \$500 million. The IAWO can apply to new or second-hand assets first used or installed by June 30 2020. More information is available at <https://treasury.gov.au/coronavirus/businesses#assetwriteoff>
- **Backing business investment:** The Australian Government is introducing a time limited 15-month investment incentive that will allow business to accelerate depreciation deductions. More information is available at <https://treasury.gov.au/coronavirus/businesses#businessinvestment>
- **Supporting apprentices and trainees:** Eligible employers can apply for a wage subsidy of 50 per cent of an apprentice's or trainee's wage paid during the 9 months from 1 January 2020 to 30 September 2020. This is also open to

employers who take on an apprentice or trainee during this time. The subsidy is available to business employing fewer than 20 employees or a Group Training Organisation that re-engages an eligible out of trade apprentice. More information is available at

<https://treasury.gov.au/coronavirus/businesses#apprentices>

- **Administrative relief for some tax obligations:** The Australian Government is offering administrative relief for certain tax obligations, including deferring tax payments for up to four months. More information is available at <https://www.ato.gov.au/General/COVID-19/Additional-support-during-COVID-19/>
- **Small and Medium Enterprises Guarantee Scheme:** The Australian Government will support will guarantee 50 per cent of new loans issued by eligible lenders to SMEs. The scheme is eligible for small to medium business that have an annual turnover of \$50 million or less. More information is available at <https://treasury.gov.au/coronavirus/sme-guarantee-scheme>

#### Additional information

For more information please refer to the grant guidelines available via the GrantConnect website: [www.grants.gov.au](http://www.grants.gov.au)