



Update on Economic Stimulus Impacting ILPA Members Invested in Portfolio Companies in Australia: April 22, 2020

Overview: As countries around the world have been dealing with the impact of COVID-19 on their economies, a variety of economic stimulus measures have been implemented to provide support for workers and businesses in those countries. These measures will have an indirect impact on Limited Partners by providing potential vital financial support for portfolio companies of venture capital and private equity funds. ILPA is committed to keeping you informed about the impact of these programs so you can be informed about the options for the investments in your portfolio.

If you have additional questions, please contact Connor Grady and Chris Hayes at cgrady@ilpa.org and chayes@ilpa.org, respectively.

Australia has taken the following contingency measure to provide economic stimulus to domestic companies:

Boosting Cash Flow for Employers Scheme (National)				
Eligibility	What it Does	Facility Terms	Loan Forgiveness	Participation
The Australian government has unveiled an initiative to provide temporary cash flow support to SMEs and not-for-profit organizations severely impacted by the pandemic.	Eligible businesses and not-for-profit organizations can receive between \$20,000 to \$100,000 in cash flow boost amounts by lodging all their activity statements up to the month or quarter of September 2020.	The cash flow boosts will be delivered as credits in the activity statement system starting in late-April. The amounts will generally be equivalent to the amount withheld from wages paid to employees in the March to June 2020 periods. An additional cash flow boost will be applied when activity statements are lodged for June to September 2020. These credits are equal to the total boosts credited for	N/A	For updates on this program, click here .

		<p>March to June 2020. They will be paid out in either two or four installments depending on an organization's reporting cycle. Organizations must lodge activity statement to receive the cash flow boosts.</p>		
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Coronavirus SME Guarantee Scheme (National)

Eligibility	What it Does	Facility Terms	Loan Forgiveness	Participation
<p>The Australian government, Reserve Bank of Australia, and the Australian Prudential Regulation Authority have taken coordinated action to support the flow of credit in the Australian economy, in particular for SMEs, through the Coronavirus SME Guarantee Scheme.</p>	<p>Under the Coronavirus SME Guarantee Scheme, the Australian government will provide a guarantee of 50% to 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.</p>	<p>SMEs with a turnover of up to \$50 million will be eligible to receive these loans. Eligible lenders can receive a guarantee for loans with a maximum total size of loans of \$250,000 per borrower. The loans will be up to 3 years, with an initial 6-month repayment holiday. The loans will be in the form of unsecured finance and are subject to lenders' credit assessment processes. The government will also encourage lenders to provide facilities to SMEs that only have to be drawn if needed by the SME. This will mean that the SME will only incur interest on the amount they draw down. If they do not draw down any funds from the facility, no interest will be charged, but they will retain the flexibility to draw down in the future.</p>	<p align="center">N/A</p>	<p>For updates on this program, click here.</p>

COVID-19 Early Release of Super Scheme (National)

Eligibility	What it Does	Facility Terms	Loan Forgiveness	Participation
The Australian government has announced that citizens and permanent residents of Australia and New Zealand who have been financially affected by the pandemic may withdraw part of their superannuation.	Unemployed individuals, individuals eligible for jobseeker payments, and other individuals severely impacted by the pandemic can access up to \$10,000 of their superannuation in 2019–20 and a further \$10,000 in 2020–21.	Qualified individuals can withdraw \$10,000 of their superannuation by June 30, 2020 and a further \$10,000 between July 1, 2020 and September 24, 2020. Individuals will not need to pay tax on amounts released and the money withdrawn will not be taken into account for any income or means tests.	N/A	For updates on this program, please click here .

JobKeeper Payment Scheme (National)

Eligibility	What it Does	Facility Terms	Loan Forgiveness	Participation
<p>The Australian government has announced the JobKeeper Payment Scheme to support businesses significantly affected by the pandemic.</p>	<p>The \$130 billion JobKeeper Payment Scheme enables employers to pay their eligible employee's salary or wages of at least \$1,500 (before tax) per fortnight.</p>	<p>Qualified employers are those that have experienced at least a 30% fall in GST turnover (for an aggregated turnover of \$1 billion or less), 50% fall in goods and services tax (GST) turnover (for an aggregated turnover of more than \$1 billion), or a 15% fall in GST turnover (for ACNC-registered charities other than universities and schools). Eligible employers will be reimbursed a fixed amount of \$1,500 per fortnight for each eligible employee. Employers will need to pay eligible employees a minimum of \$1,500 (before tax) per fortnight to claim the JobKeeper payment. This will be paid to the employer in arrears each month by the Australian government. Payments can be made for the period beginning March 30,</p>	<p>N/A</p>	<p>For updates on this program, please click here.</p>

		2020, and the first payments to eligible employers will roll-out in early May.		
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Support for Employers of Apprentices and Trainees (National)

Eligibility	What it Does	Facility Terms	Loan Forgiveness	Participation
The Australian government has unveiled a national program to support small business to retain their apprentices and trainees.	The \$1.3 billion scheme allows small businesses with fewer than 20 employees who retain an apprentice or trainee to apply for a wage subsidy of 50% of the apprentice's or trainee's wage paid during the 9 months from 1 January 2020 to 30 September 2020.	Where a small business is not able to retain an apprentice, the subsidy will be available to a new employer. Employers will be reimbursed up to a maximum of \$21,000, per eligible apprentice or trainee (\$7,000 per quarter).	N/A	For updates on this program, click here .

Additionally, several Australian state and territorial governments have similarly taken contingency measures to provide economic stimulus to local companies. These measures include:

Business Improvement Grant Scheme (Northern Territory)				
Eligibility	What it Does	Facility Terms	Loan Forgiveness	Participation
The Northern Territory government has announced a \$20 million Business Improvement Grant program to support Territory businesses.	All Northern Territory businesses will be able to access a \$10,000 grant.	For work valued at more than \$10,000, the co-contribution by the Territory Government is limited to \$10,000 on a dollar-for-dollar basis up to a maximum grant of \$20,000. Each business can use its grant to complete one or two different jobs on the premises. The upgrades and purchases have to be from another Territory business, and the program operates through a voucher system.	N/A	For updates on this program, please click here .

Business Support Fund (Victoria)

Eligibility	What it Does	Facility Terms	Loan Forgiveness	Participation
The Victorian government has launched a \$500 million Business Support Fund to support small businesses in Victoria.	Funding of \$10,000 per business is available and will be allocated through a grant process.	Eligible businesses have a GST turnover of more than \$75,000 and a payroll of less than \$650,000.	N/A	For updates on this program, please click here .

Business Support Loan Scheme (Tasmania)

Eligibility	What it Does	Facility Terms	Loan Forgiveness	Participation
<p>The Tasmania government has implemented a Business Support Loan Scheme to aid local Tasmanian businesses and ensure their continued viability.</p>	<p>Loans from \$20,000 up to \$250,000 are available to eligible businesses.</p>	<p>Loans will be provided on an unsecured basis. Loans will be available to businesses with a turnover of \$10 million or less as per the applicant's most recent financial statements. Businesses with turnover in excess of \$10 million per year that operate in multiple locations will be considered by exception. Loans will be interest free for the first three years then payable at State Growth's commercial loan interest rate from year four onwards. Loan terms will be a maximum of five years.</p>	<p align="center">N/A</p>	<p>For updates on this program, please click here.</p>

COVID-19 Jobs Support Loan Scheme (Queensland)

Eligibility	What it Does	Facility Terms	Loan Forgiveness	Participation
<p>The Queensland government has unveiled a \$500 million COVID-19 Jobs Support Loan scheme for Queensland businesses and non-profit organizations to retain employees and maintain their operations.</p>	<p>Low interest loans of up to \$250,000 are available to assist with carry-on expenses such as employee wages, rent and rates, and other related expenditures.</p>	<p>Eligible business types include sole traders, partnerships, private and public companies, and Trusts. All loans will be provided for a term of 10 years, with no repayments or interest charged for the first year, followed by two years of interest only payments. Principal and interest repayments will commence after the third year for the remainder of the loan term.</p>	<p>N/A</p>	<p>For updates on this program, please click here.</p>

Jobs Rescue Package (South Australia)

Eligibility	What it Does	Facility Terms	Loan Forgiveness	Participation
<p>The South Australian government has announced a second economic stimulus package – the Jobs Rescue Package, worth \$650 million – that will provide immediate financial support to South Australians most affected by the pandemic.</p>	<p>Small businesses and not-for-profit entities that employ South Australians may be eligible to receive a \$10,000 grant to support the operation of their business.</p>	<p>Qualified businesses have annual GST turnover of more than \$75,000, an annual payroll of less than \$1.5 million, and are not entitled to a payroll tax waiver under COVID-19 support measures introduced by the South Australian Government. If the business has received any South Australian government grants provided to address COVID-19 related business impacts, the value of these payment(s) will be deducted from the \$10,000 grant.</p>	<p align="center">N/A</p>	<p>For updates on this program, please click here.</p>

Small Business COVID-19 Support Grant Scheme (New South Wales)

Eligibility	What it Does	Facility Terms	Loan Forgiveness	Participation
<p>Through the Small Business COVID-19 Support Grant scheme, the New South Wales government is providing financial support to ease the pressures on New South Wales small businesses.</p>	<p>Small business support grants of up to \$10,000 are available to support the ongoing operations of small businesses.</p>	<p>Qualified businesses have annual GST turnover of more than \$75,000, employ fewer than 20 employees, have a payroll below the New South Wales government 2019-20 payroll tax threshold of \$900,000, and have experienced at least a 75% decline in turnover compared to the same two-week period in 2019 as a result of COVID-19.</p>	<p align="center">N/A</p>	<p>For updates on this program, please click here.</p>

Small Business Emergency Grant Scheme (Tasmania)

Eligibility	What it Does	Facility Terms	Loan Forgiveness	Participation
The Tasmanian government has announced the second round of its Small Business Emergency Support Grant program available to Tasmanian businesses.	Grants of \$2,500 are available to those qualified businesses who have not yet received funding under the first round.	Eligible businesses have been employing fewer than 25 full time employees on or before January 31, 2019 or are a non-employing business. Eligible businesses have suffered a loss in revenue greater than 30%.	N/A	For updates on this program, please click here .

Small Business Hardship Grant Scheme (Tasmania)

Eligibility	What it Does	Facility Terms	Loan Forgiveness	Participation
The Tasmanian government has established a \$20 million Small Business Hardship Grant scheme to provide grants to support the operations of local Tasmanian businesses.	Grants of \$15,000 will be available to eligible businesses.	Qualified businesses employ fewer than 50 full time employees and have suffered a loss in revenue greater than 30% as a result of the pandemic.	N/A	For updates on this program, please click here .

Small Business Stimulus and Relief Package (Western Australia)

Eligibility	What it Does	Facility Terms	Loan Forgiveness	Participation
Through a small business stimulus and relief package , the Western Australia government is investing \$114 million in measures to support Western Australian small and medium businesses.	One-off grants of \$17,500 to qualified small and medium businesses to assist them in managing the impacts of the pandemic.	Eligible businesses have annual Australian Taxable Wages between \$1 million and \$4 million. No applications are required and grants will automatically be paid starting in July.	N/A	For updates on this program, please click here .

Small Business Survival Fund (Northern Territory)

Eligibility	What it Does	Facility Terms	Loan Forgiveness	Participation
<p>The Northern Territory government has created a \$50 million Small Business Survival Fund to help local Territory businesses survive.</p>	<p>This fund is specifically targeted at supporting industries such as retail, hospitality, tourism, and entertainment businesses.</p>	<p>Eligible businesses will be able to apply for two payments: an immediate survival payment of between \$2,000 and \$50,000 to help offset the immediate cost pressures on businesses, or a rapid adaption payment of between \$1,000 and \$5,000 to help businesses make the necessary changes they need to help adapt to the new operating environment.</p>	<p>N/A</p>	<p>For updates on this program, please click here.</p>