

Assistance for Businesses

Date: 23 March 2020

Package Release: 2

Source: <https://treasury.gov.au/coronavirus/businesses>

As it stands today assistance for business is in the following areas mainly concentrating around those with employees:

1. Cashflow support - Up to \$100,000 available to eligible employers of small – medium sized businesses with a minimum payment of \$20,000.
 - a. Who is eligible:
 - i. Business with a turnover of less than \$50 million
 - ii. Employ workers
 - b. What do they get:
 - i. A payment equal to 100% (which has increased from package 1 from 50%)
 - ii. Maximum payment is now \$50,000 (up from package 1 of \$25,000)
 - iii. The minimum payment is now \$10,000 (up from package 1 of \$2,000)
 - iv. An additional payment in July – October 2020 period is equal to the total payments received. Therefore, entities will receive at least \$20,000 up to a total of \$100,000 under both payments.
2. Temporary relief for financially distressed businesses – relief from creditor pressure and insolvent trading measures
 - a. What is offered:
 - i. Temporary increase in the threshold at which creditors can issue a statutory demand on a company and the time to respond to such demands.
 - ii. The ATO will tailor solutions for owners or directors of business that are currently struggling due to the Coronavirus, including temporary reduction of payments or deferrals, or withholding enforcement actions including Director Penalty Notices and wind-ups. → deferral of income tax and BAS payments up to 6 months if required.
3. Increasing Instant asset write-off
 - a. What is offered: Increasing the threshold from \$30,000 to \$150,000 and increase turn over threshold from \$50 million to \$500 million.
4. Backing Investment:
 - a. Time limited 15 month investment incentive (through to 30 June 2021) to support business investment and economic growth over the short term, by accelerating depreciation deductions. Businesses with a turnover of less than \$500 million will be able to deduct 50 per cent of the cost of an eligible asset on installation, with existing depreciation rules applying to the balance of the asset's cost.
5. Support for businesses with apprentices and trainees:
 - a. What is it: wage subsidy of 50% of the apprentice's or trainee's wage for 9 months from 1 January 2020 to 30 September 2020. Also, for a new employer who employs an apprentice or trainee.
 - b. What is offered: employers will be reimbursed up to a maximum of \$21,000 per eligible apprentice or trainee (\$7,000 per quarter).

ATO support if you are experiencing difficulties: 1800 806 218

Some of the support available for businesses from the ATO

Source: <https://www.ato.gov.au/Individuals/Dealing-with-disasters/In-detail/Specific-disasters/COVID-19/>

1. Payment deferrals – includes income tax, activity statements, PAYG instalments – up to six months
2. PAYG instalments – for quarterly installers you can vary the amount of your instalment for the March 2020 quarter (ATO won't apply penalties or charge interest to varied instalments for the 2019-20 financial year). If monthly contact the ATO on 13 72 26 to discuss.
3. Super Guarantee – by law business still need to meet these obligations – by law the ATO can't vary the contribution date or waive the super guarantee charge.
 - i. <https://www.ato.gov.au/business/super-for-employers/paying-super-contributions/missed-and-late-payments/employers-affected-by-disaster/>

From the Queensland Government

Source: <http://www.qrida.qld.gov.au/current-programs/covid-19-business-support>

What is offered: Loan facility of up to \$250,000 to assist Queensland businesses to retain staff with low interest loans up to \$250k over 10 years, for carry on finance with the first year being interest free.

Other sources of information:

<https://www.business.gov.au/Risk-management/Emergency-management/Coronavirus-information-and-support-for-business>