



Second Stimulus/Survival package Announced

Support For Individuals including Sole Traders

The Government is temporarily expanding eligibility to income support payments and establishing a new, time-limited Coronavirus supplement to be paid at a rate of \$550 per fortnight. This then being a total of \$1,100 (including the Jobseeker payment)

This supplement will be paid to both existing and new recipients of the eligible payment categories. These changes will apply for the next six months.

For the period of the Coronavirus supplement, there will be expanded access to the income support payments listed above there is expanded access to Jobseeker Payment and the criteria will provide payment access for permanent employees who are stood down or lose their employment; **sole traders; the self-employed**; casual workers; and **contract workers** who meet the income tests as a result of the economic downturn due to the Corona virus. This could also include a person required to care for someone who is affected by the Corona virus.

Income Support for Individuals: https://treasury.gov.au/sites/default/files/2020-03/Fact_sheet-Income_Support_for_Individuals.pdf

Boosting Cashflow for employers

The Government announced the Boosting Cash Flow for Employers measure. The measure initially provided up to \$25,000 to business, with a minimum payment of \$2,000 for eligible businesses. Small and medium sized business entities with aggregated annual turnover under \$50 million and that employ workers are eligible.

The Government has enhanced this measure as part of the second economic response package. Not-for-profit entities (NFPs), including charities, with aggregated annual turnover under \$50 million and that employ workers will now also be eligible. This will support employment activities at a time where NFPs are facing increasing demand for services.

Under the enhanced scheme, employers will receive a payment equal to 100 per cent of their salary and wages withheld (up from 50 per cent), with the maximum payment being increased from \$25,000 to \$50,000. In addition, the **minimum** payment is being **increased from \$2,000 to \$10,000**.

An additional payment is also being introduced in the July – October 2020 period. Eligible entities will receive an additional payment equal to the total of all of the *Boosting Cash Flow for Employers* payments they have received.

This means that eligible entities will receive at least \$20,000 up to a total of \$100,000 under both payments. This additional payment continues cash flow support over a longer period, increasing confidence, helping employers to retain staff and helping entities to keep operating.

Eligibility

Small and medium sized business entities and NFPs with aggregated annual turnover under \$50 million and that employ workers will be eligible. Eligibility will generally be based on prior year turnover.

- The payment will be delivered by the ATO as an automatic credit in the activity statement system from 28 April 2020 upon employers lodging eligible upcoming activity statements.
- Eligible employers that withhold tax to the ATO on their employees' salary and wages will receive a payment equal to 100 per cent of the amount withheld, up to a maximum payment of \$50,000.
- Eligible employers that pay salary and wages will receive **a minimum payment of \$10,000**, even if they are not required to withhold tax.
- The payments will only be available to active eligible **employers established prior to 12 March 2020**.

Eligibility – Additional Payment

To qualify for the additional payment, the entity must continue to be active.

For monthly activity statement lodgers, the additional payments will be delivered as an automatic credit in the activity statement system. This will be equal to a quarter of their total initial Boosting Cash Flow for Employers payment following the lodgement of their June 2020, July 2020, August 2020 and September 2020 activity statements (up to a total of \$50,000).

For quarterly activity statement lodgers, the additional payments will be delivered as an automatic credit in the activity statement system. This will be equal to half of their total initial Boosting Cash Flow for Employers payment following the lodgement of their June 2020 and September 2020 activity statements (up to a total of \$50,000).

Timing of payments

The payment will be applied to activity statement lodgements. It will be paid as a credit upon lodgement of the BAS. Where receive a refund, that will be paid to the taxpayer within 14 days.

Quarterly Lodgers – Receive payments for the March & June BAS

Monthly – March, April, May & June BAS

Timing of the additional Payment will be as above, but relate to the June & Sept 2020 and for monthly June, July, Aug, Sept BAS

Each additional payment will be equal to half of their total initial *Boosting Cash Flow for Employers* payment (up to a total of \$50,000).

Examples

Sarah's Construction Business

Sarah owns and runs a building business in South Australia and employs 8 construction workers on average full-time weekly earnings, who each earn \$89,730 per year. Sarah reports withholding of \$15,008 for her employees on each of her monthly Business Activity Statements (BAS).

Under the Government's changes, Sarah will be eligible to receive the payment on lodgement of her BAS. Sarah's business receives:

- A credit of \$45,024 for the March period, equal to 300 per cent of her total withholding.
- A credit of \$4,976 for the April period, before she reaches the \$50,000 cap.
- No payment for the May period, as she has now reached the \$50,000 cap.
- An additional payment of \$12,500 for the June period, equal to 25 per cent of her total *Boosting Cash Flow for Employers* payments.
- An additional payment of \$12,500 for the July period, equal to 25 per cent of her total *Boosting Cash Flow for Employers* payments.
- An additional payment of \$12,500 for the August period, equal to 25 per cent of her total *Boosting Cash Flow for Employers* payments.
- An additional payment of \$12,500 for the September period, equal to 25 per cent of her total *Boosting Cash Flow for Employers* payments.

Under the previously announced *Boosting Cash Flow for Employers* measure, Sarah's business would have received a maximum payment of \$25,000. Under the Government's enhanced *Boosting Cash Flow for Employers* measure, Sarah's business will receive \$100,000. This is an additional \$75,000 to support her business and help her retain her staff.

Tim's Courier Run

Tim owns and runs a small paper delivery business in Melbourne, and employs two casual employees who each earn \$10,000 per year. In his quarterly BAS, Tim reports withholding of \$0 for his employees as they are under the tax-free threshold.

Under the Government's changes, Tim will be eligible to receive the payment on lodgement of his BAS.

Tim's business will receive:

- A credit of \$10,000 for the March quarter, as he pays salary and wages but is not required to withhold tax.
- An additional payment of \$5,000 for the June quarter, equal to 50 per cent of his total *Boosting Cash Flow for Employers* payments.
- An additional payment of \$5,000 for the September quarter, equal to 50 per cent of his total *Boosting Cash Flow for Employers* payments.

Under the Government's enhanced *Boosting Cash Flow for Employers* measure, Tim's business will receive \$20,000.

STIMULUS PACKAGE INFO -

Income Support for Individuals: https://treasury.gov.au/sites/default/files/2020-03/Fact_sheet-Income_Support_for_Individuals.pdf

Payments to Support Households https://treasury.gov.au/sites/default/files/2020-03/Fact_sheet-Payments_to_support_households.pdf

Early Access to Superannuation: https://treasury.gov.au/sites/default/files/2020-03/Fact_sheet-Early_Access_to_Super_1.pdf

Individual States Offering Support

With particular focus on maintaining employment by reducing state payroll taxes, a lot of State Governments are joining in with assisting businesses through these uncertain times.

Queensland

The QLD government announced the establishment of a fund to assist businesses to enable those businesses to keep staff employed and pay for operational expenses. The main piece of the announcement was 12 month interest free loans of up to \$250,000.

At time of writing, the fund is open for expression of interest, but there's not available detail on eligibility. Email contact_us@qrida.qld.gov.au or call 1800 623 946 for more information and register your interest.

There's also mentoring sessions and financial workshops for small businesses, payroll tax relief (deferral to Jul2020) and industry specific support for commercial fishers, tourism operators and liquor licence holders.

<https://www.qld.gov.au/about/industry-recovery/about-this-package>

New South Wales

NSW package is aimed more at larger businesses and those in severely affected areas of tourism and entertainment.

- \$450 million for the waiver of payroll tax for businesses with payrolls of up to \$10 million for three months (the rest of 2019-20). This means these businesses will save a quarter of their annual payroll tax bill in 2019-20
- \$56 million to bring forward the next round of payroll tax cuts by raising the threshold limit to \$1 million in 2020-21
- \$80 million to waive a range of fees and charges for small businesses including bars, cafes, restaurants and tradies

- \$250 million to employ additional cleaners of public infrastructure such as transport assets, schools and other public buildings
- more than \$250 million to bring forward maintenance on public assets including social housing and crown land fencing
- \$500 million to bring forward capital works and maintenance.

<https://www.nsw.gov.au/news-and-events/news/health-boost-and-economic-stimulus/>

Western Australia

WA has also looked at how they can help households, freezing many fees and charges that were due to be increased. It should be noted that households will still need to pay these fees, they will be less than previously announced however.

Business measures include:

- \$114 million in additional measures to support small businesses
- Small businesses that pay payroll tax will receive a one-off grant of \$17,500
- \$1 million payroll tax threshold brought forward by six months to July 1, 2020
- Businesses impacted by COVID-19 can defer payroll tax payments until July 21, 2020

<https://www.wa.gov.au/organisation/departments/departments-of-the-premier-and-cabinet/coronavirus-covid-19-western-australian-government-response>

Northern Territory

A \$60 Million Stimulus package had been announced by the Northern Territory government with the key points being

- Homeowners will get a \$6,000 grant for renovations if they spend \$2,000
- Businesses will receive \$20,000 if they spend \$10,000 of their own

The NT Government said it will prioritise stimulus funding towards the hospitality sector after the Federal Government placed a ban on non-essential indoor gatherings of more than 100 people.

In response to the ban, which is now in place in the Territory, NT businesses will be given \$5 million to physically adjust venue spaces to abide by the 100-person rule.

The money can also be used to help businesses establish or upgrade their online presence to adjust to changes in public consumption patterns, which the Government suggests will mean more takeaway and delivery activity from venues.

Mr Gunner said while all businesses could apply for funding, priority would be given to the hospitality sector.

Victoria

A three-stage assistance package was announced by the Victorian Premier as follows:

The first stage of the business survival package would consist of \$550 million which would go to 24,000 small and medium-sized enterprises with a payroll of less than \$3 million as a payroll tax refund.

Another \$500 million would be put into a fund for hardship payments, small grants and tailored support which would be distributed in consultation with the Victorian Chamber of Commerce and Industry, the Australian Hotels Association, the Australian Industry Group and other industry representatives.

This money will go towards sectors that "really are doing it tough" who may not pay payroll tax and require more tailored support to survive.

The third component of the package, worth more than \$600 million, included a range of measures such as the waiving of 12,5000 venues' liquor licence fees due this month and worth a total of \$30 million

South Australia

Premier Stephen Marshall came out with a **\$350 million stimulus package**, highlighting in his statement that it was there to combat the issues brought on by coronavirus, bushfires and droughts in the region.

While the Premier did not release much detail about the breakdown of this offering, he said that the fund would allow the state to invest in "road and hospital upgrades", "significant tourism infrastructure" and additional funding for SA's "Economic and Business Growth Fund to support industry sectors".

<https://www.premier.sa.gov.au/news/media-releases/news/unprecedented-response-and-economic-stimulus-to-drive-sa-jobs,-economy-in-wake-of-bushfires,-coronavirus2>

How Will the ATO Help Us During this Time?

Reversed Interest and Penalties. Flexible Payments. PAYG I Refunds, and PAYG W Credits.

The string of measures will include up to a four-month deferral of the payment date of amounts due through the business activity statement, including PAYG instalments, income tax assessments, fringe benefits tax assessments and excise.

Monthly BAS Option for Quarterly BAS Lodgers

This is helpful if you usually get refunds when lodging your BAS. The ATO will also allow quarterly GST reporting businesses to opt into monthly GST reporting in order to get quicker access to GST refunds.

March 2020 PAYG Instalments Varied to Zero

Businesses will be allowed to vary pay-as-you-go (PAYG) instalment amounts to zero for the March 2020 quarter. This isn't erasing tax debt, but instead is deferring payment. So keep in mind, you will still owe money to the ATO, but they will allow you to pay it to them later – after you lodge your tax return.

Refund September & December 2019 PAYG Instalments

Businesses that vary their PAYG instalment to zero will also be allowed to claim a refund for any instalments made for the September 2019 and December 2019 quarters. Money in the bank, shorty what you drank.

Interest and Penalties Remitted

The ATO will also look to remit any interest and penalties, incurred on or after 23 January 2020, that have been applied to tax liabilities, and allow affected businesses to pay their existing and ongoing tax liabilities by allowing them to enter into low-interest payment plans.

Unlike the bushfire relief measures, which applied automatically to particular geographic areas, assistance measures for those impacted by COVID-19 will not be automatically implemented.

Supporting Apprentices and Trainees

Summary

The Government is supporting small business to retain their apprentices and trainees. Eligible employers can apply for a wage subsidy of 50 per cent 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). Support will also be provided to the National Apprentice Employment Network, the peak national body representing Group Training Organisations, to co-ordinate the re-employment of displaced apprentices and trainees throughout their network of host employers across Australia.

Eligibility

The subsidy will be available to small businesses employing fewer than 20 full-time employees who retain an apprentice or trainee. The apprentice or trainee must have been in training with a small business as at 1 March 2020.

Employers of any size and Group Training Organisations that re-engage an eligible out-of-trade apprentice or trainee will be eligible for the subsidy.

Employers will be able to access the subsidy after an eligibility assessment is undertaken by an Australian Apprenticeship Support Network (AASN) provider.

Timing

Employers can register for the subsidy from early April 2020. Final claims for payment must be lodged by 31 December 2020. Further information is available at:

- The Department of Education, Skills and Employment website at: www.dese.gov.au
- Australian Apprenticeships website at: www.australianapprenticeships.gov.au

For further information on how to apply for the subsidy, including information on eligibility, contact an Australian Apprenticeship Support Network (AASN) provider.

Banks

On March 20, the Australian Banking Association (ABA) announced that banks will offer businesses who have been impacted by the outbreak, a six-month deferral for business loan repayments. All Banks will be working to get in contact with clients to convey this information. It was also indicated that this deferral could extend to residential loans if needed and on a case-by-case basis.

The big banks have also outlined the following measures to help their customers.

ANZ

ANZ is offering financial support to its business customers who have been affected by COVID-19. This includes:

- Suspending interest repayments.
- Providing early access to term deposits without incurring break fees.
- Providing access to additional credit (subject to approval).
- Business customers are advised to contact ANZ or their relationship manager if they have been affected by COVID-19.

Retail customers can get help with the following:

- Customers can access their accounts 24 hours a day through the ANZ app and online banking if they're unable to visit a branch.
- You are advised to contact ANZ if you are experiencing financial hardship

These responses are being continuously reviewed as the situation evolves.

Commonwealth Bank

CommBank has implemented initiatives to support their business customers affected by the COVID-19 outbreak in the following ways:

- Deferring repayments on business loans and overdraft products for 90 days, as well as repayments and fee waivers for some products.
- Additional resourcing and extended hours are being added to ensure quicker commercial lending decision time.
- Merchant terminal fees for impacted customers will be waived for 90 days.
- Deferring repayments some finance loans e.g. vehicle and equipment.
- Early redraw fees on business term deposit accounts are being waived (including Farm Management Deposit accounts).
- Establishment fees and excess interest on Temporary Excess products are being waived.

CommBank is supporting personal customers by:

- Keeping branches open and ensuring that their staff are fit and well to serve you.
- Providing 24 hour account access through the CommBank app and NetBank so you can manage your money at any time.
- Providing a Financial Assistance Team to talk to over the phone from 8am - 9pm Monday to Friday and 9am - 2pm on Saturday.

Westpac

Westpac has introduced several initiatives to help business customers financially impacted by COVID-19. These include:

- Fee free redraws.
- Business Loan deferred repayments by up to three months.
- The option to extend Business Loan terms by up to three months.
- Restructuring and consolidating loans.
- Access to term deposit funds without reduction in interest rate.
- Deferred payments for Business Credit Cards.
- Business Financial Counselling access.
- Merchant terminal rental fee waivers for up to 3 months.

NAB

NAB has announced that they will offer a six-month hold on mortgage repayments to those customers who have been impacted by the COVID-19 outbreak.

NAB is also offering support services including the suspension of repayments of interest in some cases, a reduction of the loan amount or waiving fees. It's business customers can help with the following initiatives:

- Deferral of business loan repayments for up to 3 months, assessed on a case by case basis.
- Extension of a business loan term by a period of up to 3 months, where individual circumstances warrant.
- Support to restructure existing business loans, including equipment finance.
- Business credit card deferred repayments.

NAB also advises any customer experiencing hardship to get in touch with their banking manager so they can discuss their situation.

Suncorp

Suncorp Bank is offering customers and businesses the following relief assistance options:

- The opportunity to defer scheduled loan repayments on a case by case basis, including interest only.
- Existing loan rearranging with the waiver of establishment fees.
- Waiving early withdrawal fees for customers who want to withdraw from term deposits, including Farm Management Deposits.
- Working capital assistance.
- No interest rate increases.

St George Bank

As with the other Banks, St George Bank Announced as per their website:

- Reduced Fixed Home Loan Rates
- Repayment relief for home loan customers
- \$4 Billion in home lending commitment
- Support for small businesses
 - 200 basis point reduction on overdrafts for new and existing customers
 - 100 basis points interest rate reduction for small business cash-based loans
 - Repayment relief for small business customers: St.George small business customers who need help to manage their cash flow can defer principal and interest repayments of business term loans for six months
 - Merchant terminal rental fee waivers for up to three months.
 - Helping small and medium businesses take advantage of the increased instant asset write-off and accelerated depreciation provisions in the Federal Government stimulus package with no establishment fees for equipment finance loans until the end of June 2020.

Insurers

Many of Australia's insurers have financial hardship options. They are always in operation and would apply if you needed to temporarily stop payments. Some of your options include:

- Freezing your premiums

- Temporarily suspending your cover
- Reducing costs in other ways e.g. switching insurers

We can only encourage you to contact your Insurer as soon as possible in order to set everything in place before you need it

Energy providers

Below are some of the energy companies doing their bit for customers and businesses impacted by the virus.

AGL

Responding to the Federal Government's call for big businesses to help during this crisis, AGL will accelerate payments to small business suppliers for the next six months, with invoices to be paid within 14 days. This is down from 30 days.

The CEO issued a statement, saying that, "For any small supplier who isn't getting paid within the 14 days, we urge you to get in touch." AGL will be implementing the changes within two weeks from 11 March.

Origin Energy

Origin Energy are currently putting in place to support customers as summarised of all the actions:

- Encouraging customers, where possible, to use Origin's website or mobile app to manage their enquiries due to longer than usual wait times on phone lines.
- Prioritising assistance for the most vulnerable customers, including those with life support needs, and those who need their energy supply reconnected.
- Customers who are experiencing difficulty paying their bills can request a payment extension online.
- Origin's hardship program will continue to provide support to customers who are experiencing payment difficulty through services like tailored payment plans.
- They have also temporarily suspended disconnections for customers for non-payment.