



## COVID-19 HELP FOR BUSINESS

The coronavirus has been labelled the biggest global crisis for three generations and has stopped the economy in its tracks. Thousands of businesses have gone into hibernation and self-isolation rules have changed the way we live.

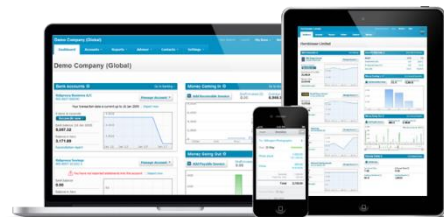
Every business has been impacted by COVID-19 and while a few industries have had 'wins' (like supermarkets, manufacturers and suppliers of cleaning products and toilet paper etc.), the majority of industries have suffered a decline in revenue. Basically, we are seeing businesses models:

- under strain for the long term (e.g. international air travel)
- under short term strain but are expected to recover quickly after the lockdown is over
- a business model that has not been affected much or that has been able to adapt quickly to the lockdown

This is obviously unprecedented and there's no instruction manual to help business owners but the Government Stimulus Packages and Job Keeper Scheme are designed to help businesses and their staff survive. At the foot of this page is a list of grants, subsidies and allowances your business might be able to access.

One of the most important things for anxious business owners is a strategy to navigate their way through the turbulence. Having a clear game plan provides a sense of direction and we have put together the following checklist to help our clients. If you need any help with these steps please don't hesitate to contact our office.

1. Update Your Financial Records - this will give you access to key figures including your wages and profitability. Up to date financials allow you to make informed decisions regarding eligibility for government assistance - see table below and some criteria includes a percentage decline in turnover. Current financials will also help with tax planning and make decisions around tax deferral options.
2. Prepare a Cash Flow Budget - it's never easy to forecast the future but there's never been a more important time to prepare a cash flow forecast particularly if your business has gone into hibernation or suffered a large drop in revenue. It's all about estimating the business' cash position over the next few months and you'll need to factor in any government grants including JobKeeper payments. It will help identify the need for finance including when you'll need it and how much.
3. Apply for Government Stimulus Incentives - Federal Government Cash Boost of between \$20k and \$100k for eligible businesses. See table below and if eligible, include them in your cash flow forecast.





4. Apply for State Government Subsidies & Grants - state by state it varies but for example, Victoria and NSW are offering \$10k payments for eligible businesses. These figures can be added to the cash flow forecast.
5. Job Keeper Entitlements - with updated payroll records you can assess any entitlements and those figures can also filter through to your cash flow forecast.
6. Understand the Loan Concessions provided by the banks if you need to apply.
7. Consider eligibility for Tax Office Deferral Options
8. Marketing Plan - this pandemic has changed the way we live, work, communicate and do business. Thanks to the isolation rules, people are glued to their computers and smartphones. The shift online then begs the question, what are you doing about your online presence? Could it be time for a website review or makeover? Is it time to ramp up your social media activities? What are your competitors doing in this environment? During an economic downturn, you'll find that some of your competitors will close down or slow down their marketing efforts. This presents an opportunity to increase your market share, but you need to have a post pandemic plan.



## COVID-19 RESOURCES AND ASSISTANCE FOR SMALL TO MEDIUM BUSINESSES

*The information in this table is general in nature and does not constitute advice. Every business is different and a number of these grants and subsidies are subject to qualifying conditions including a percentage decline in turnover as a result of COVID-19. Note that the ATO and Government (both state and federal) continue to issue updates so for advice regarding how these concessions might apply to your business and how to access the benefits, contact us today.*

### ASSISTANCE FOR BUSINESS OWNERS

Source	Type of Assistance	Qualifying Conditions and Dates	Action Required
<b>Federal Government</b>	Instant Asset Write Off Increased from \$30,000 to \$150,000 (GST Exclusive Amount)	<ul style="list-style-type: none"> <li>• Aggregated turnover less than \$500 million</li> <li>• First used or installed ready for use before 30 June 2020</li> </ul>	Talk to your accountant
Website Link	<a href="#">Delivering Support for Business Investment</a> (April 1, 2020)		
<b>Federal Government</b>	Accelerating Depreciation Deductions by allowing 50% deduction for eligible assets on installation, with existing	<ul style="list-style-type: none"> <li>• Aggregated turnover less than \$500 million</li> </ul>	Talk to your accountant



	depreciation rules applying to balance of the asset's cost	<ul style="list-style-type: none"> <li>• First used or installed ready for use before 30 June 2021</li> </ul>	
Website Link	<a href="#">Backing Business Investment</a> (1/4)		
<b>Federal Government</b>	2 Tax Free Rebates/Credits of between \$10,000 and \$50,000 each for PAYG withheld for small and medium sized businesses and NFPs (increased from original amounts of between \$2,000 and \$25,000)	<ul style="list-style-type: none"> <li>• Aggregated turnover less than \$50 Million that is based on prior financial year turnover)</li> <li>• Certain lodgement requirements (see weblink below)</li> <li>• Payment 1 - 100% of PAYG Withholding from 1 January to 30 June 2020 (min \$10k, max \$50k)</li> <li>• Payment 2 - 100% of Payment 1 if still an active employer (max \$50,000, min \$10,000). Need W1 in June BAS/IAS</li> <li>• NFPs also eligible</li> <li>• Available only to active eligible employers established prior to 12 March 2020</li> <li>• ATO indicating generally if a refund is due because of this mechanism they will not offset the refund against existing debt</li> </ul>	Automatic credit on BAS' and IAS' from March 2020 onwards  Talk to your accountant about the specific timing of payments
Weblink	<a href="#">Cashflow Assistance for Business</a> (April 2, 2020)		
<b>Federal Government</b>	Eligible employers apply for 50% of apprentices wage for 9 months	<ul style="list-style-type: none"> <li>• Aggregated turnover less than \$50 Million</li> <li>• 9 months (1 Jan 2020 to 30 Sept 2020)</li> <li>• Maximum \$7,000 per apprentice per quarter</li> <li>• Less than 20 employees</li> </ul>	First contact for subsidy is at <a href="#">AASN</a> but application generally through the entity used to employ the



		<ul style="list-style-type: none"> <li>• Apprentice in-training or employed as at 1 March 2020</li> <li>• Register from early April 2020, latest December 2020</li> <li>• By reimbursement mechanism</li> <li>• Not available to employers receiving the Job Keeper Payment</li> </ul>	apprentice (e.g.: MEGT)
Weblink	<a href="#">Supporting Apprentices and Trainees</a> (April 3, 2020)		
<b>Federal Government</b>	<p>Temporarily Increasing threshold at which creditors can issue a statutory demand against a company and to initiate bankruptcy proceedings against an individual. Additional time to respond to statutory demands.</p> <p>Temporary relief from directors from any personal liability for trading while insolvent</p> <p>ATO will tailor solutions for owners or directors of business</p>	<ul style="list-style-type: none"> <li>• All</li> </ul>	Talk to your accountant
Weblink	<a href="#">Temporary relief for Business</a> (1/4)		
<b>Federal Government</b>	The government will provide a 50% guarantee to eligible lenders to support new short-term unsecured loans to SMEs	<ul style="list-style-type: none"> <li>• \$20 billion worth of guarantee on loans (so \$40 billion of loans)</li> <li>• Starting in early April 2020</li> <li>• Include upfront 6 month freeze on repayments</li> <li>• unsecured loans for working capital only</li> <li>• Up to \$250,000 over three years</li> </ul>	Talk to your accountant
Weblink	<a href="#">Supporting the Flow of Credit</a>		
<b>Federal Government</b>	Providing temporary exemption from Responsible Lending obligations for lenders providing	<ul style="list-style-type: none"> <li>• case by case</li> </ul>	Talk to your accountant and your lender



	credit to existing small business customers		
Weblink	<a href="#">Department of Treasury and Finance</a>		
<b>Federal Government</b>	Mandating rent relief under certain circumstances for businesses affected financially by the Corona Virus	<p>States and Territories to implement mandatory Code of Conduct (incl legislation) to impose a set of good faith leasing principles to commercial tenancies where the tenant:</p> <ul style="list-style-type: none"> <li>• is a small-medium sized business (annual turnover less than \$50 million)</li> <li>• is an eligible business for the Job Keeper program</li> </ul> <p>Proportional rent reductions based on tenants decline in turnover to ensure that the burden is shared between landlords and tenants.          Combination of deferral and waiver of rent with deferrals to be less than 50% of reductions</p>	
Weblink	<a href="#">Commercial Rent Relief Principles</a>		
<a href="#">Reserve Bank</a>	<p>The Reserve Bank is establishing a \$90 billion facility to offer 3-year funding to authorised Deposit Taking Institutions (ADIs) to:</p> <ul style="list-style-type: none"> <li>• reduce interest rates for borrowers</li> <li>• to encourage financial support for borrowers</li> </ul>	<ul style="list-style-type: none"> <li>• mainly small to medium enterprises</li> </ul>	Talk to your accountant and your bank
Weblink	<a href="#">Department of Treasury and Finance</a>		
<b>ATO</b>	Deferral by up to 6 months the payment of amounts due for BAS, income tax assessments, FBT and Excise	<ul style="list-style-type: none"> <li>• Case by case but not automatic</li> </ul>	Talk to your Accountant



<b>ATO</b>	Businesses can swap from quarterly to monthly BAS in order to get quicker access to GST refunds	<ul style="list-style-type: none"> <li>• Case by case but not automatic</li> </ul>	Talk to your Accountant
<b>ATO</b>	Businesses can vary PAYG instalments to zero for the March 2020 quarter. Those that do this can also claim a refund for PAYG instalments made on September 2019 and December 2019 BAS	<ul style="list-style-type: none"> <li>• Case by case but not automatic</li> </ul>	Talk to your Accountant
<b>ATO</b>	Remitting interest and penalties incurred after 23 January 2020 and that have been applied to tax liabilities	<ul style="list-style-type: none"> <li>• Case by case but not automatic</li> </ul>	Talk to your Accountant
<b>ATO</b>	Low interest payment plans for existing ATO debt	<ul style="list-style-type: none"> <li>• Case by case but not automatic</li> </ul>	Speak to your Advisor
<b>Weblink</b>	<a href="#">Australian Taxation Office</a>		
<b>Victorian State Government</b>	Full payroll tax <i>refunds</i> for the 2019/2020 financial year to small and medium business and no further payments for the balance of the 2019/2020 financial year	<ul style="list-style-type: none"> <li>• Payroll less than \$3 million annual taxable wages (not aggregated)</li> <li>• Must continue to lodge Payroll Tax Returns</li> <li>• Make sure your bank details are updated on the SRO website</li> </ul>	SRO will contact employers directly from 27 March onwards  Talk to your Accountant
<b>Victorian State Government</b>	Defer payments for first 3 months of the 2020/2021 financial year until 1 January 2021	<ul style="list-style-type: none"> <li>• Payroll less than \$3 million annual (not aggregated) taxable wages</li> </ul>	Talk to your Accountant
<b>Victorian State Government</b>	\$10,000 Grant - Money in your Business Bank Account	<ul style="list-style-type: none"> <li>• Small business with less than \$650,000 annual taxable wages (under the payroll tax threshold)</li> <li>• Turnover more than \$75,000</li> <li>• Business has been subject to closure or is highly impacted by Non-Essential Activity Directions</li> </ul>	Register your interest <a href="#">here</a>  FAQs <a href="#">here</a>



		<ul style="list-style-type: none"> <li>\$10,000 grants available for 30,000 Victorian Businesses</li> </ul>	
<b>Victorian State Government</b>	Commercial tenants in government buildings can apply for rent relief	<ul style="list-style-type: none"> <li>not stated</li> </ul>	Speak to your landlord
<b>Victorian State Government</b>	Land tax payments for 2020 will be deferred	<ul style="list-style-type: none"> <li>Eligible landowners that have at least one taxable non-residential property <b>and</b> total taxable landholdings below \$1 million</li> <li>Deferred until after January 2021</li> </ul>	Automatic (SRO will contact you)
<b>Victorian State Government</b>	Government will pay all outstanding invoices by 28th March	<ul style="list-style-type: none"> <li>all</li> </ul>	Automatic
<b>Victorian State Government</b>	Waiving all liquor licensing fees for 2020	<ul style="list-style-type: none"> <li>for affected businesses</li> </ul>	Automatic
<b>Victorian State Government</b>	A fresh start in Agriculture	<p>Giving workers who have lost their job in agriculture and ensuring primary producers have the workers they need</p> <p>\$50 million Agriculture Workforce Plan (part of \$500 million Working for Victoria Fund)</p>	Individuals, farmers and businesses register <a href="#">here</a>
<b>Victorian State Government</b>	The Government will facilitate job matching to help Victorians find short term or casual roles	<ul style="list-style-type: none"> <li>all</li> </ul>	Not Applicable
<b>Weblink</b>	<a href="#">Victorian State Government</a>		
<b>Banks</b>	<p>All major banks are currently offering different support packages for business customers, including:</p> <ul style="list-style-type: none"> <li>pausing loan payments</li> <li>significant rate cuts</li> <li>increased deposit rates</li> </ul> <p>APRA will lower banks capital ratios to allow further lending</p>	<ul style="list-style-type: none"> <li>Different offerings from different banks</li> <li>Mostly for small businesses</li> </ul>	Register with bank and speak to your LBW advisor
<b>Weblink</b>	<a href="#">Australian Banking Industry</a>		