

# **COVID-19: ASSISTANCE FOR BUSINESSES**

## **(AUSTRALIA)**

Last updated: March 28, 2020

### **RELIEF/LOAN ASSISTANCE**

#### **BOOSTING CASH FLOW FOR EMPLOYERS**

- A. The Government is providing up to **\$100,000** to eligible small and medium sized businesses, with a **minimum payment of \$20,000**, and can be lodged monthly or quarterly
- B. The cash flow boost provides a **tax-free payment** to employers and is automatically calculated by the Australian Taxation Office (ATO).
- C. Small and medium business entities with aggregated annual turnover **under \$50m** will be eligible
- D. These payments will only be available to active eligible employers established prior to 12 March 2020
- E. To access the cash flow boost, you do not need to apply. If you are eligible, the cash flow boosts will be automatically applied to your account when you **lodge your activity statement** for the relevant periods. More information can be found at:  
[https://www.ato.gov.au/Business/Business-activity-statements-\(BAS\)/In-detail/Boosting-cash-flow-for-employers/#Accessingthecredit](https://www.ato.gov.au/Business/Business-activity-statements-(BAS)/In-detail/Boosting-cash-flow-for-employers/#Accessingthecredit)

#### **APPRENTICE AND TRAINEE WAGE SUBSIDY**

- A. The Government is supporting small businesses to retain their apprentices and trainees by providing wage subsidies for **50% of the apprentice's or trainee's wage paid** during the 9 months from 1 January 2020 to 30 September 2020.
- B. Employers will be reimbursed up to a maximum of **\$21,000 per eligible apprentice or trainee**

C. Eligibility requirements:

- a. Must be a small business employing **fewer than 20 full-time employees**
- b. The apprentice or trainee must have been in training with a small business as at 1 March 2020
- c. Employers will be able to access the subsidy after an eligibility assessment is undertaken by an Australian Apprenticeship Support Network (AASN) provider

D. For further information on how to apply for the subsidy, including more information on eligibility, contact an AASN provider at:

<https://www.australianapprenticeships.gov.au/search-aasn>

## **CORONAVIRUS SME GUARANTEE SCHEME**

A. Under the Coronavirus SME Guarantee Scheme, the Government will provide a guarantee of **50%** to small and medium enterprise lenders for new unsecured loans to be used for working capital, enhancing the lenders' willingness and ability to provide credit

B. SMEs with a turnover of **up to \$50m** will be eligible to receive these loans

C. The guarantee to eligible lenders will have the following terms for the loans:

- a. Maximum total size of loans of **\$250,000 per borrower**
- b. The loans will be up to **3 years**, with an initial **6-month repayment holiday**
- c. The loans will be in the form of unsecured finance, meaning that borrowers will not have to provide an asset as security for the loan

D. Loans will be subject to lenders' credit assessment processes

E. For the application process, visit your financial provider. Further information and an upcoming list of approved lenders will be added to:

<https://treasury.gov.au/coronavirus/sme-guarantee-scheme>

## **BUSINESS IMPROVEMENT GRANT (NT)**

A. The Business Improvement Grant provides **businesses in NT** with funding of up to **\$20,000** to purchase goods and services to make improvements to their premises (land and/or buildings)

- B. Any improvements made must help to improve business operations and customer experience
- C. Eligibility requirements:
  - a. The business must be a legal entity and holds a valid Australian Business Number as of the date the program is open
  - b. The business is operating in the NT in their owned or leased premises
  - c. The business has a significant permanent presence in the NT
  - d. The business employs NT residents

## **QUEENSLAND COVID-19 JOBS SUPPORT LOANS**

- A. Low interest loans of up to **\$250,000** at a **2.5% fixed interest rate** are available for Queensland businesses financially affected by COVID-19
- B. These loans are to assist with carry-on expenses such as employee wages, rest and rates and other rated expenditure.
- C. The loan term will be **10 years** with **no repayments for the first year**, followed by **2 years of interest only payments**. The following years will include principal and interest repayments
- D. For more information and access to the online application, visit:  
<http://www.qrida.qld.gov.au/current-programs/covid-19-business-support/queensland-covid19-jobs-support-scheme>

## **TAX ASSISTANCE/RELIEF**

### **INSTANT ASSET WRITE-OFF (IAWO)**

- A. Under the IAWO, eligible businesses can immediately write off the cost of each asset that cost less than the threshold and claim a tax deduction for the business portion of the purchase cost in the year the asset is first used or installed
- B. You may be eligible for the IAWO if the asset was first purchased, used, or installed on or after 12 March 2020
- C. Due to COVID-19, the threshold for the IAWO has now changed to **\$150,000** and eligible businesses include all those under **\$500m** turnover

D. For more information on how to access the IAWO, visit:

<https://www.ato.gov.au/Business/Depreciation-and-capital-expenses-and-allowances/Simpler-depreciation-for-small-business/Instant-asset-write-off/>

## COVID-19 TAX RELIEF MEASURES (NSW)

A. For NSW businesses with **grouped Australian wages of no more \$10m** you can benefit from:

- a. **25%** reduction in annual tax liability when annual reconciliations are lodged (due 28 July 2020)
- b. For businesses who lodge and pay monthly there is no payment required for the months of March, April, and May 2020

B. The tax-free threshold will increase from **\$900,000** to **\$1m** for the financial year commencing on 1 July 2020

## COVID-19 PAYROLL TAX RELIEF (QLD)

A. All small and medium businesses (payroll up to **\$6.5m**) directly or indirectly affected by COVID-19 will be eligible for:

- a. **2 -month refund of payroll tax**
- b. **3-month payroll tax holiday**
- c. **Deferment of all payroll tax payments for the rest of 2020**

B. Large businesses (payroll over **\$6.5m**) affected by COVID-19 are also eligible for a **2-month payroll tax refund and deferment of all payroll tax payments for the rest of 2020**

C. For more information on eligibility and the online application, visit:

<https://www.business.qld.gov.au/running-business/employing/payroll-tax/lodging/coronavirus-tax-relief>

## COVID-19 PAYROLL TAX RELIEF (VIC)

A. Victoria businesses with annual taxable wages up to **\$3m** will have their payroll tax waived for the 2019-20 financial year

- B. Eligible businesses must continue to lodge returns but do not need to make further payments for this financial year
- C. The State Revenue Office will directly contact eligible businesses in relation to reimbursement for payroll tax already paid in the financial year
- D. For more information, visit: <https://www.sro.vic.gov.au/coronavirus>

## **COVID-19 PAYROLL TAX MEASURES (WA)**

- A. Small and medium businesses (payroll up to **\$1m on July 2020**) in Western Australia can apply to extend the time to pay their 2019-20 payroll tax until 21 July 2020
- B. Additionally, a one-off grant of **\$17,500** will be available for employers whose annual Australian taxable wages are more than **\$1m and up to \$4m**
- C. The grant will be automatically paid by cheque from July but there may be delays for taxpayers whose tax status changed in 2018-19 or who became liable for payroll tax during the 2018-19 or 2019-20 assessment year.
- D. For more information, visit: <https://www.wa.gov.au/government/multi-step-guides/payroll-tax-employer-guide/covid-19-relief-payroll-tax-employer-guide>