

## Economic Response to the COVID-19 Summary (12, 22 & 30 March 2020)

Last updated 30<sup>th</sup> March 2020

12 March 2020 - Federal Government announces \$17.6 billion economic stimulus package

<https://www.pm.gov.au/media/economic-stimulus-package>

22 March 2020 - Federal Government announces its second economic stimulus package, bringing the total economic value to \$189 billion

<https://www.pm.gov.au/media/supporting-australian-workers-and-business>

**UPDATE:** 30 March 2020 – Federal Government announces its third economic stimulus package worth 130 billion – the Job Seeker Payment.

The Federal Government has prepared a summary of its economic stimulus package for individuals and businesses. The summary includes a useful table identifying the timing for the roll out of the assistance, and can be located here

[https://treasury.gov.au/sites/default/files/2020-03/Overview-Economic\\_Response\\_to\\_the\\_Coronavirus\\_0.pdf](https://treasury.gov.au/sites/default/files/2020-03/Overview-Economic_Response_to_the_Coronavirus_0.pdf)

[https://treasury.gov.au/sites/default/files/2020-03/Fact\\_sheet-Cash\\_flow\\_assistance\\_for\\_businesses\\_0.pdf](https://treasury.gov.au/sites/default/files/2020-03/Fact_sheet-Cash_flow_assistance_for_businesses_0.pdf)

[https://treasury.gov.au/sites/default/files/2020-03/Fact\\_sheet\\_Info\\_for\\_Employers\\_0.pdf](https://treasury.gov.au/sites/default/files/2020-03/Fact_sheet_Info_for_Employers_0.pdf)



## Boosting Cashflow for Employers

Eligibility	Measure	Timing	How to Access																	
<p>Small &amp; Medium Businesses with turnover less than \$50 million in the prior financial year.</p> <p>Not For Profits including charities with turnover less than \$50 million in the prior financial year.</p> <p><b>Must employ workers.</b></p>	<p>Employers will receive a payment equal to 100% of the PAYG withholding, with the maximum payment of \$50,000</p> <p>Eligible Business will receive the minimum payment of \$20,000, even if they are not required to withhold tax – if you are registered and paying wages, you will get this benefit. Payments will be structured over the March, June and Sept 2020 quarters.</p> <p><b>Payments will only be available for active eligible employers established prior to 12 March 2020.</b> This rule does not apply to charities which can register at any time and be eligible.</p> <p>The ATO will credit businesses upon lodgement of the activity statement. Where this places the business in a refund position, the refund will be paid within 14 days.</p> <p><b>Eligibility for additional payment</b></p> <p>To qualify for the additional payment, the entity must <b>continue to be active.</b></p> <ul style="list-style-type: none"> <li><b>Monthly Activity Statement Lodgers:</b> Delivered as an automatic credit in the activity statement system. This will be equal to a quarter (25%) of their initial payment in June, July, Aug &amp; Sep returns</li> <li><b>Quarterly Activity Statement Lodgers:</b> 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</li> </ul>	<p>Covers amounts withheld between <b>1 January 2020 to 30 September 2020</b></p> <table border="1" data-bbox="1312 512 1783 1023"> <thead> <tr> <th>Type of lodger</th> <th>Eligible period</th> <th>Lodgement due date</th> </tr> </thead> <tbody> <tr> <td rowspan="2"><b>Quarterly*</b></td> <td>Q3 (Jan, Feb and Mar 2020)</td> <td>28 April 2020</td> </tr> <tr> <td>Q4 (Apr, May and Jun 2020)</td> <td>28 July 2020</td> </tr> <tr> <td rowspan="4"><b>Monthly**</b></td> <td>Mar 2020</td> <td>21 April 2020</td> </tr> <tr> <td>Apr 2020</td> <td>21 May 2020</td> </tr> <tr> <td>May 2020</td> <td>22 June 2020</td> </tr> <tr> <td>Jun 2020</td> <td>21 July 2020</td> </tr> </tbody> </table> <p><i>**Note if you use a tax agent you will get the extension as usual</i></p>	Type of lodger	Eligible period	Lodgement due date	<b>Quarterly*</b>	Q3 (Jan, Feb and Mar 2020)	28 April 2020	Q4 (Apr, May and Jun 2020)	28 July 2020	<b>Monthly**</b>	Mar 2020	21 April 2020	Apr 2020	21 May 2020	May 2020	22 June 2020	Jun 2020	21 July 2020	<p>Automatically applied when you lodge your IAS / BAS with the ATO</p>
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**\*\*NEW\*\* Job Keeper Payment**

Eligibility	Measure	Timing	How to Access
<p><b>EMPLOYERS</b></p> <p>Businesses with aggregated annual turnover of less than \$1 billion and turnover reduced by more than 30% compared to a comparable period</p> <p>Businesses with aggregated annual turnover of more than \$1 billion and turnover reduced by more than 50% compared to a comparable period</p> <p>Business not subject to major Bank Levy</p> <p><b>EMPLOYEES</b></p> <p>Employees as at 1 March 2020</p> <p>Full time, Part time or Casuals employed for more than 12 months</p> <p>Australian permanent resident</p> <p>Not for Profit &amp; Sole Traders that meet turnover tests</p>	<p>Affected employers will be able to claim a fortnightly payment of \$1,500 per eligible employee from 30 March 2020, for a maximum period of 6 months.</p> <p>The payment needs to be paid to each eligible employee, if the employee is currently paid less than \$1,500 per fortnight then they will need to be paid</p>	<p>Can apply from 30th March 2020 for payments to employees from 30th March 2020 for a maximum of 6</p>	<p>Register your interest here <a href="https://www.ato.gov.au/Job-keeper-payment/">https://www.ato.gov.au/Job-keeper-payment/</a></p>

## Increasing the instant asset write-off

Eligibility	Measure	Timing	How to Access
Small, Medium & Large Businesses with aggregated annual turnover of less than \$500 million	<p>Increase of the instant asset write off threshold from \$30,000 to <b>\$150,000</b> until 30 June 2020.</p> <p>Threshold applies on per asset basis and is available for new and/or second hand assets first used or installed ready to use in this timeframe.</p> <p>This measure <b>starts for assets bought from 12 March 2020 onwards</b></p>	<b>Immediately until 30 June 2020</b>	<b>Self Assessed</b>

## Backing Business Investment

Eligibility	Measure	Timing	How to Access
Small, Medium & Large Businesses with aggregated annual turnover of less than \$500 million	<p>Businesses are able to deduct 50% of the cost of an eligible asset on installation, with the balance being subject to existing depreciation rules.</p> <p>This incentive only applies to new assets such as plants and equipment – second hand assets are not eligible, nor are structural improvements which are subject to capital works depreciation. The assets must be first used or installed by 30 June 2021. <b>(No change from 12 March 2020).</b></p>	<b>Immediately until 30 June 2021</b>	<b>Self Assessed</b>



## Temporary relief for financially distressed businesses

Eligibility	Measure	Timing	How to Access
All businesses	<p>Temporarily increasing the threshold (from \$2,000 to \$20,000) at which creditors can issue a statutory demand on a company and the time companies have to respond to statutory demands they receive;</p> <p>The package also includes temporary relief for directors from any personal liability for trading while insolvent; and;</p> <p>Providing temporary flexibility in the Corporations Act 2001 to provide temporary and targeted relief from provisions of the Act to deal with unforeseen events that arise as a result of the Coronavirus health crisis.</p> <p><b>Note: Debt will still be payable unless forgiven by creditor.</b></p>	<b>Applies for six months from 12 March 2020</b>	<b>Self Assessed</b>

## Supporting apprentices and trainees

Eligibility	Measure	Timing	How to Access
<p>Small businesses with less than 20 full time employees.</p> <p>Must have apprentices and/or trainees.</p> <p>Apprentices or trainees must have been <b>employed as at 1 March 2020.</b></p>	<p>Eligible employers can apply for a wage subsidy of 50% of the apprentice's or trainee's wage for up to 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 that employs that apprentice. <b>(No change from 12 March 2020).</b></p> <p>Employers will be reimbursed up to a maximum of \$21,000 per eligible apprentice or trainee (\$7,000 per quarter).</p>	Employers can register for the subsidy from early <b>April 2020</b> and final claimed for payment must be lodged by <b>31 December 2020.</b>	Liaise with Australian Apprenticeship Support Network (AASN) provider

## \$10,000 business grants for NSW & VIC Covid19 impacted businesses

Eligibility	Measure	Timing	How to Access
<p>Have between 1-19 employees and a turnover of more than \$75,000</p> <p>A payroll below the NSW &amp; VIC Government 2019-20 payroll tax threshold of \$900,000</p> <p>Have an Australian Business Number as at 1 March 2020, be based in NSW &amp; VIC and employ staff as at 1 March 2020</p> <p>Be highly impacted by the Public Health (COVID-19 Restrictions on Gathering and Movement) Order 2020 issued on 30 March 2020</p> <p>Use the funding for unavoidable business costs such as utilities, overheads, legal costs and financial advice</p> <p>Provide appropriate documentation upon application</p>	<p>Small businesses \$10,00 grant which will help small businesses severely affected by coronavirus with fixed costs, utilities and rent.</p>	<p>Applications for the grants will open by April 17 and will remain open until June 1.</p>	<p>Through Service NSW &amp; VIC</p>

<https://www.nsw.gov.au/your-government/the-premier/media-releases-from-the-premier/10000-grants-to-provide-fast-relief-for-nsw-small-businesses-battling-covid-19/>

<https://www.business.vic.gov.au/support-for-your-business/grants-and-assistance/business-support-fund/business-support-fund-guidelines>

### APPLICATIONS NOW OPEN

NSW: <https://www.service.nsw.gov.au/transaction/apply-small-business-covid-19-support-grant>

VIC: <https://www.business.vic.gov.au/support-for-your-business/grants-and-assistance/business-support-fund>

