

BUSINESS STIMULUS SNAPSHOT: WHAT IS IN IT FOR YOU?

The following information is a summary of the [*Australian Government's stimulus package to sustain small business*](#) through the challenge of COVID-19. Importantly, **get in touch with your accountant** to assess your eligibility to access these measures.

The Australian Government announced COVID-19 economic response measures on 12 March 2020 and 22 March 2020 to offset the impact, which includes packages to help keep business going in this unprecedented situation. Here's what's in it for eligible trade business owners.

CASH FLOW PAYMENT FOR EMPLOYERS

Eligible small businesses that withhold income tax from employee salaries and wages and pay it to the Australian Taxation Office (ATO) can receive a payment equal to 100 per cent of the amount withheld, up to a maximum payment of \$50,000. A minimum payment of \$10,000 may be available to businesses that pay wages but are not required to pay tax.

WHO'S ELIGIBLE?

A maximum payment of \$50,000. A minimum payment of \$10,000 may be available to businesses that pay wages but are not required to pay tax.

WHEN WILL YOU GET THE PAYMENT?

Eligible businesses will automatically receive payments of up to 100 per cent of the amount withheld via their business activity statements (BAS) or installment activity statement (for PAYG) from 28 April 2020, with refunds to be paid within 14 days after that date.

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WAGE SUBSIDY FOR APPRENTICES AND TRAINEES

Eligible employers can apply for a wage subsidy of 50 per cent of an apprentice's or trainee's wage for up to 9 months from 1 January 2020 to 30 September 2020. Businesses can be reimbursed up to a maximum of \$21,000 per eligible apprentice, (which is \$7,000 per quarter for the first three quarters of 2020).

WHO'S ELIGIBLE?

Small businesses with fewer than 20 full-time employees who retain an apprentice or trainee. The apprentice must have been in training with the small business as at 1 March 2020.

WHAT DO YOU HAVE TO DO?

You will be able to register for the subsidy from early April 2020. For application information, including eligibility criteria, visit [*Australian Apprenticeship Support Network \(AASN\)*](#)

INCREASING THE INSTANT ASSET WRITE-OFF

The instant asset write-off threshold will be increased from \$30,000 to \$150,000. The higher threshold is in place from 12 March until 30 June 2020 and applies to new or secondhand assets installed in businesses during these dates.

WHO'S ELIGIBLE?

Businesses with aggregated annual turnover of less than \$500 million (up from \$50 million).

WHEN WILL YOU GET THE PAYMENT?

The instant asset write-off is generally claimed back via your business tax return. At this stage, no specific details have been announced on how to access this incentive.

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ADDITIONAL PAYMENTS FOR EMPLOYERS TO RETAIN STAFF

Small businesses (and not-for-profits) with a turnover under \$50 million will receive a tax-free cash payment of from \$20,000 up to \$100,000 to help them retain staff and continue operating.

Eligible entities will receive an additional payment equal to the total of all of the 'boosting cash flow for employers' payments received. The payments are tax free, there will be no new forms and payments will flow automatically through the ATO.

WHO'S ELIGIBLE?

Small and medium business entities with aggregated annual turnover of less than \$50 million and that employ workers are eligible.

WHEN WILL YOU GET THE PAYMENT?

The payment will be available from 28 April 2020. An additional payment is also being made from 28 July 2020.

ACCELERATED DEPRECIATION FOR INVESTMENTS

Businesses will be able to deduct an additional 50 per cent of an asset cost in the year of purchase from 12 March 2020 until 30 June 2021. This is designed to support business investment and economic growth over the short term.

WHO'S ELIGIBLE?

Businesses with a turnover of less than \$500 million that are purchasing new depreciable assets. Eligible assets covered are new assets that can be depreciated under Division 40 of the Income Tax Assessment Act 1997.

Please note: Secondhand assets are not eligible for this initiative.

WHEN WILL YOU GET THE PAYMENT?

Depreciation is generally claimed back via your business tax return. At this stage, no specific details have been announced on how to access this incentive earlier.



TEMPORARY RELIEF FOR FINANCIALLY STRESSED BUSINESSES

The ATO will tailor solutions for owners or directors of businesses that are currently struggling due to COVID-19, including temporary reduction of payments or deferrals, or withholding enforcement actions including Director Penalty Notices and wind-ups.

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SME GUARANTEE SCHEME

The Government will provide a **guarantee of 50 per cent to small and medium enterprise (SME) lenders** for new unsecured loans to be used for working capital for small to medium businesses, to enable them to access additional funding to help support them through the upcoming months. Businesses with a turnover of up to \$50 million will be eligible to receive these loans, up to \$250,000 per borrower. The loans will be up to three years, with an initial six month repayment holiday and will be in the form of unsecured finance.

WHO'S ELIGIBLE?

Businesses with a turnover of up to \$50 million that pass the lenders' credit assessment processes. The scheme will commence by early April 2020 and be available for new loans made by participating lenders until 30 September 2020.

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WHAT'S NEXT?

- For more information on the Australian Government's economic response to COVID-19, including support for individuals and households, visit: <https://treasury.gov.au/coronavirus>
- See business entitlements, per state:
 - [NSW COVID-19 package](#)
 - [Economic Survival and Jobs Package \(Victoria\)](#)
 - [COVID-19 economic relief package \(Queensland\)](#)
 - [WA Government Stimulus](#)
 - [SA Government Response Package](#)
 - [Jobs Rescue and Recovery \(Northern Territory\)](#)
- Make an appointment with your accountant ASAP to leverage these incentives.

Sources:

<https://www.smallbusiness.wa.gov.au/blog/coronavirus-stimulus-package-small-business>