



DAVID MORRIS MP

Member for Mornington

Business Support during COVID-19 FACT SHEET

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This fact sheet provides information regarding the support available to businesses in response to the disruption caused by COVID-19. It is organised into the following sections:

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Section 2. Victorian Government Support - page 5

Section 3. Other Support - page 7

Section 4. Restrictions on Operations - page 8

Key Sources:

<https://treasury.gov.au/coronavirus/>

<https://www.business.vic.gov.au/disputes-disasters-and-succession-planning/illness-and-business-management-plan/coronavirus-business-support>

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Section 1. Federal Government Support



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HELPLINE FOR SMALL BUSINESSES IMPACTED BY COVID-19

The Federal Government's Business Hotline - 13 28 46 - has been expanded to provide specialist advisers and extended hours to support small and medium businesses impacted by the COVID-19 pandemic.

The hotline is available to provide businesses readily available access to advice so they can fully understand the assistance available to them and their employees.

This service is available to provide support seven days per week, and provide an additional two hours a day of support outside standard operating hours for the first month, answering calls from 7.00 am to 11.00pm AEST.



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SUPPORT FOR BUSINESS CASH FLOW

The Federal Government is providing up to \$100,000 over two quarters to eligible small and medium sized businesses, and not-for-profits (including charities) that employ people. These payments will help businesses and NFPs with their cash flow so they can keep operating, pay their rent, electricity and other bills and retain staff.

Who:

- Small and medium sized businesses, including not-for-profit organisations, that employ people and have an aggregated annual turnover up to \$50 million will be eligible

What:

- Employers will receive a first round payment equal to 100 per cent of their salary and wages withheld, with the maximum payment now set at \$50,000
- The minimum payment is now \$10,000
- A second round payment of the same value will be introduced for the July-October

2020 period for those who were eligible to receive the first round, provided the business or entity is still active

How:

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. The payments are tax-free and employers will not need to complete paperwork in addition to their normal activity statement.

- 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.



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ACCESS TO CREDIT

Guarantee Scheme

Participating lenders to small and medium-sized enterprises will have loans guaranteed by government. This guarantee is worth 50 per cent to SME lenders for new unsecured loans to be used for working capital. This will enhance these lenders' willingness and ability to provide credit, which will result in SMEs being able to access additional funding to help support them through the upcoming months. SMEs with a turnover of up to \$50 million will be eligible to receive these loans, and the size of the loan is a maximum of \$250,000.

Credit Enhancement

The Government is providing an exemption from responsible lending obligations for lenders providing credit to existing small business customers. This exemption is for six months, and applies to any credit for business purposes, including new credit, credit limit increases and

credit variations and restructures. By providing a temporary exemption from responsible lending obligations, this reform will help small businesses get access to credit quickly and efficiently.

For more information on access to credit measures, please [click here for the fact sheet](#).



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OTHER SUPPORT FOR BUSINESS

Changes to insolvency and bankruptcy

The Federal Government will implement changes to laws and regulations that govern business practices to ensure that businesses do not go under from being unable to meet their obligations due to complications arising from COVID-19. This includes changes to insolvency proceedings, changes to bankruptcy proceedings and changes to directors' personal liability. For more information, see [this](#) fact sheet from the Federal Government.

Land tax deferral

This is assistance provided by the Victorian Government. For more information, see section on Victorian Government Support on page 6.

Assets and depreciation changes

Your business may be eligible for other assistance to support business investment and business capacity. See sections pertaining to the Instant Asset Write-Off and accelerated depreciation on page 4.



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SUPPORT WITH AND FOR EMPLOYEES

Apprentices and trainees

The Federal Government is supporting small business to retain their apprentices and trainees.

Who:

- 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 also be eligible for the subsidy.

What:

- 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).

How:

- Employers will be able to access the subsidy after an eligibility assessment is undertaken by an Australian Apprenticeship Support Network (AASN) provider
- Employers can register for the subsidy from early April 2020. Final claims for payment must be lodged by 31 December 2020

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

Payroll tax rebates

This is assistance provided by the Victorian Government. For more information, see section on Victorian Government Support on page 5

Federal Government assistance payments and income support for workers

The Federal Government has announced a range of supplements, new payments and changes to eligibility requirement to reflect that employees who are stood down or have their work reduced require support with their income.

People who do not already receive a payment from the federal government may receive one of the following: Youth Allowance as a job seeker, JobSeeker Payment and Parenting Payment. The usual waiting periods and mutual obligation requirements may not apply. For further information, please visit [Services Australia](#).

People who already receive a payment from the federal government may experience additional supplements or higher rates of the payments they already receive. For further information, please visit [Services Australia](#).

Those who are eligible for payments through either of the above categories, or who can show they are otherwise employed but currently experiencing reduced income due to the nature of their work, may also be able to apply for up to \$20,000 from their superannuation accounts over two years. Applications are made to the ATO. For more information, please see this [Fact Sheet from the Federal Government](#).



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SUPPORT FOR SOLE TRADERS

Early access to superannuation

As sole traders may be experiencing reduced income to their business as a result of COVID-19, they may require access to an additional income stream. Sole traders are able to self-certify that their turnover has reduced by 20 per cent or more and apply to access a fixed amount of the superannuation, as above. This is only optional, not compulsory. For more information, please see this [Fact Sheet from the Federal Government](#).

Instant asset-write off

Who:

The Federal Government is expanding access to the Instant Asset Write-Off (IAWO) to include all businesses with aggregated annual turnover of less than \$500 million, up from \$50 million.

What:

The IAWO threshold will be increased from \$30,000 to \$150,000. This allows businesses to immediately deduct purchases of eligible assets each costing less than \$150,000. The threshold applies on a per asset basis, so eligible businesses can immediately write-off multiple assets.

Note: These arrangements apply until 30 June 2020. The IAWO is due to revert to \$1,000 for small businesses (turnover less than \$10 million) from 1 July 2020.

How:

This benefit can be claimed through ordinary reporting to the Tax Office for corporate taxation purposes.

Enhanced depreciation measures

Who:

Eligibility applies to businesses with aggregated turnover below \$500 million purchasing certain new depreciable assets.

What:

A deduction of 50 per cent of the cost of an eligible asset on installation, with existing depreciation rules applying to the balance of the asset's cost. This applies to new assets that can be depreciated under Division 40 of the Income Tax Assessment Act 1997 (i.e. plant,

equipment and specified intangible assets, such as patents) acquired after announcement and first used or installed by 30 June 2021. Does not apply to second-hand Division 40 assets, or buildings and other capital works depreciable under Division 43.

Note: Applies to eligible assets acquired from 12 March 2020 and first used or installed by 30 June 2021

How:

This benefit can be claimed through ordinary reporting to the Tax Office for corporate taxation purposes.

Section 2. Victorian Government Support

Business Hotline – 13 22 15

The Victorian Government has launched a hotline for businesses dealing with the significant challenges posed by the COVID-19 outbreak.

Businesses across the state can now access information on dealing with COVID-19 by calling the Business Victoria hotline on 13 22 15.

Operators calling the hotline will be able to get information about support services, including those available through Business Victoria, which offers mentoring to help operators develop business continuity and recovery plans.

Payroll Tax Relief

The Victorian Government will provide full payroll tax refunds for the 2019-20 financial year to small and medium-sized businesses with a payroll of less than \$3 million.

The Victorian Government has indicated that these payments will start flowing immediately.

The assistance is a refund, not a loan.

Eligible businesses will also be able to defer any payroll tax for the first three months of the 2020/21 financial year until 1 January 2021.

More information about the administration of these relief measures will be sent directly to eligible businesses by the State Revenue Office.

Rent relief for tenants of Victorian Government buildings

Commercial tenants in Victorian Government buildings can apply for rent relief.

Land tax payments

Land tax payments for 2020 will be deferred for eligible small businesses. Land owners due to pay 2020 land tax that have at least one non-residential property and total taxable landholdings below \$1 million have the option of deferring their 2020 land tax payment until after 31 December 2020.

If an eligible land owner has already paid their 2020 land tax they can request a return of the tax paid.

The State Revenue Office will contact all taxpayers who are eligible for this deferral.

Outstanding invoice payments by the Victorian Government

The Victorian Government will pay all outstanding supplier invoices within five business days. The private sector is being urged to do the same where possible.

Liquor licensing fees

The Victorian Government will waive liquor licensing fees for 2020 for affected venues and small businesses.

The State Revenue Office will administer the reimbursement, regardless of whether the license fee was paid to it or the Victorian Commission for Gaming and Liquor Regulation.

Business Support Fund

The Victorian Government will establish a Business Support Fund.

The fund will support the hardest hit sectors, including hospitality, tourism, accommodation, arts and entertainment, and retail.

The Victorian Government will work with the Victorian Chamber of Commerce and Industry, Australian Hotels Association and Ai Group to administer the fund.

The fund is targeted at help businesses survive and keep people in work that may not be eligible for payroll tax refunds due to their size.

Businesses can register interest in the fund online at:

<https://fs2.formsite.com/diirdwebteam3/u3qeftcfc/index.html>

Working for Victoria Fund

The Victorian Government will establish a Working for Victoria Fund in consultation with the Victorian Council of Social Services and Victorian Trades Hall Council.

The fund will help workers who have lost their jobs find new opportunities, including work cleaning public infrastructure or delivering food – providing vital contributions to our state’s response to the pandemic and affording those Victorians security when its needed most.

Individuals can register interest in the applying for work under the Working for Victoria Fund at: <https://www.vic.gov.au/workingforvictoria>

Job matching services

The Victorian Government will facilitate job matching to help Victorians find short-term or casual roles.

Section 3. Other Support

Support for small business from banks

Australian banks including the ANZ, Commonwealth Bank, NAB, Westpac have announced that they will defer loan repayments for small businesses affected by the coronavirus.

Businesses should contact their banks directly on the numbers below to discuss their circumstances and access support.

ANZ: 1800 351 548

Commonwealth Bank: 132 607

NAB: 1300 769 650

Westpac: 132 142

Business continuity and recovery plans

Best practice for businesses is to have a [continuity plan](#). Business Victoria has information to help your business [evaluate risk](#) and [prepare a risk management plan](#).

Once the initial damage assessment has been done on your business, you need to think about what you'll do long term and how you might [respond and recover](#).

Small Business Victoria provides low cost mentoring services to help you work through or develop a recovery plan. You can [book an appointment with a mentor here](#).

CPA Australia has developed some [high-level tips to help businesses respond to COVID-19](#), including staying up-to-date with information, considering the potential impacts on your business, putting a contingency plan in place and seeking professional advice if required.

You can access a detailed summary of potential actions and more resources for business at <https://www.cpaustralia.com.au/training-and-events/coronavirus-impact>

The Federal Government’s **Coronavirus Business Liaison Unit** is now operating out of the federal Treasury coronavirusbusinessliaison@treasury.gov.au

Mental health support

While it is reasonable for people to be concerned about the outbreak of coronavirus, try to remember that medical, scientific and public health experts around the world are working hard to contain the virus, treat those affected and develop a vaccine as quickly as possible.

The mental health of employees and workers and employers is critical during this period of significant disruption by coronavirus, and support is available.

Beyond Blue has coronavirus resources to help at <https://www.beyondblue.org.au>

[Lifeline](http://www.lifeline.org.au/) is a national charity open to all Australians in personal crisis. They have 24 hour crisis support and suicide prevention services. <http://www.lifeline.org.au/>

[Headspace](http://www.headspace.org.au/) is the national youth mental health foundation. They can help young people who are going through a tough time. <http://www.headspace.org.au/>

Section 4. Restrictions on operations

All businesses should continue to monitor government advice to ensure they are up to date with rules related to mass gathering and social distancing.

Stage 1 of a shutdown of non-essential activity active from midday on 23 March 2020 includes:

- Pubs, clubs, nightclubs,
- Crown Casino,
- Licensed venues in hotels and pubs.
- Gyms and indoor sporting venues,
- Places of worship,
- Cinemas and entertainment venues.
- Restaurants and cafes (will only be allowed to provide home delivery or takeaway services).

Further information about non-essential business closures can be found at:

<https://www.dhhs.vic.gov.au/sites/default/files/documents/202003/Directions-Non-Essential-Business-Closure.pdf>

Updated information about mass gathering and social distancing rules can be accessed at:

<http://coronavirus.vic.gov.au/>

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