



## FACT SHEET: BUSINESS - GENERAL

While the various State and Federal Government incentives have been focussed on employment, there are other measures to support (mainly) SME's remain viable and be ready to grow after the COVID19 crisis is mitigated. A lot of the programs announced to date are covered in more detail in other fact sheets (links provided), with the following being an overview for small / medium businesses.

**Employment (see detailed Employment fact sheet [here](#))**

### **PAYGW Cash Boost**

Businesses with turnover of less than \$50 million will be eligible for a rebate (or credit) on their PAYGW for the period March 2020 through to September 2020. The amount of the credit will be 100% of the PAYG withheld from employee wages and reported on the March through June 2020 activity statements, capped at \$50,000. A second series of credits will be applied from on the June – September activity statements, equal to ¼ of the credits applied on activity statements for March – June, so up to \$12,500 per month. The maximum cash flow boost under this program is \$100,000.

### **Trainees and Apprentices**

Small businesses (in this context, those with less than 20 employees) can access a 50% wage subsidy for trainees and apprentices that they retain, for the period 1 January 2020 to 30 September 2020, on wages up to \$42,000.

### **JobKeeper**

By far the biggest program announced by the Federal Government, JobKeeper seeks to maintain links between employers and employees. The program provides that where a business has had a decrease in their turnover (30% for SME's and 50% for businesses with more than \$1 billion in turnover) they may be eligible for a payment of \$1,500 per employee where they have retained a connection with that employee. The full payment amount must be passed on to the employee – which may be in the form of salary paid in the normal course of business or where the salary paid was less than \$1,500 per fortnight, the employee payment must be 'topped up' to \$1,500.

### **Payroll Tax Concessions**

All States have announced concessions concerning their payroll tax regimes. In Queensland, small employers will be eligible for refund of 2 months' payroll tax, a payroll tax 'holiday' for 3 months and a deferral of payroll tax payments for the rest of the 2020 calendar year.

**Property (see detailed Property fact sheet [here](#))**

### **National Code of Conduct**

Many tenants will need to approach their landlords concerning rental relief and in a move to make sure the parties negotiate openly and in good faith, the National Cabinet release a Code of Conduct that provides the basis for dealings between small business tenants and their landlords. Broadly, the code provides that landlords provide eligible tenants (small businesses that qualify for JobKeeper payments) rental relief that is proportionate to their reduction in turnover. At least half of that relief should be in the form of a rental waiver.





## **Land Tax Waivers / Deferrals for Landlords**

Several State Governments have recently released details concerning land tax relief. This relief is being provided with the main requirement being that the landlord pass on any benefit to their tenants, whether that's in the form of a waiver or a deferral. These concessions for the landlord ought to be considered in any negotiations for rental relief, even under the National Code of Conduct.

## **Asset Purchases**

The instant asset write off concession was expanded to apply to assets costing up to \$150,000 (up from \$30,000) acquired between 12 March and 30 June 2020 for businesses with turnover up to \$500 million (up from \$50 million).

Accelerated depreciation applies for new asset purchased after 12 March 2020 and before 30 June 2021. The acceleration refers to the ability to claim 50% of the asset value (57.5% for small businesses) in the year it was acquired, in addition to the standard depreciation rate for that item (as long as the total claim does not exceed 100% of the cost of the asset).

## **Relaxation of Some Laws Concerning Insolvent Trading**

In March the Federal Government announced that there would be a relaxation of rules concerning director personal liability that may arise in a situation of insolvent trading. Ordinarily, directors are obliged to prevent companies from continuing to trade while insolvent, however some of the laws in this area will be relaxed for six months, so that director personal assets are not at risk. Even so, directors of companies that are concerned about the viability of the business should urgently seek expert advice concerning their alternatives.

Other initiatives include:

- Increasing the threshold in which creditors can issue statutory demands from \$2,000 to \$20,000; and
- Increasing the threshold for a creditor to initiate bankruptcy proceedings from \$5,000 to \$20,000 and increasing the response time for notices from 21 days to six months;

## **Compliance**

While there are several initiatives to support businesses, a lot of usual compliance obligations remain and may be a requirement to access some schemes. These include:

- Employee superannuation contributions must be made by usual deadlines (28 April 2020 for the March 2020 quarter) or superannuation guarantee forms submitted by the due date;
- Activity statements (monthly or quarterly) remain due on the standard dates and are expected to be paid. If payment is not possible, the ATO should be contacted to put a payment arrangement in place;
- PAYG instalments may be varied where the taxpayer is impacted by COVID19 and refunds for the payment of previous instalments may be considered. In any case, the instalment statement ought to be lodged by the due date;





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### **Queensland Jobs Support Loans**

Queensland announced a \$500 million loan scheme, where applicants may borrow up to \$250,000 which would be interest free for one year, the following 2 years interest only (at 2.5%) and the balance repaid over the next 7 years (so a 10 year loan term).

The loan application is considered to be a competitive process – that is, applicants will be assessed on their ability to support employment and the program has a 'hard cap' – once committed the program will not issue further loans. Accordingly, applications should be completed in a thorough manner and submitted as soon as possible.

### **Next steps**

Contact us on 5504 5700 or email [info@cordner.com.au](mailto:info@cordner.com.au) to discuss your circumstances and how we can assist you.

