

There have been a flurry of announcements, unveilings and media statements released in the past few weeks. With so much information to filter through, it can be hard to keep up with what our governments are doing to help support business in these uncertain times.

NIBA is committed to supporting our members through the coronavirus outbreak and the uncharted territory that lies on the other side. To help navigate the various stimulus packages, NIBA has put together this helpful guide of federal and state initiatives to support small and medium businesses around Australia.

## **Federal**

### **SME Guarantee Scheme**

The Government will establish the Coronavirus SME Guarantee Scheme which will support small and medium enterprises (SMEs) to gain access to working capital to help them get them through the impact of the coronavirus.

Under the Scheme, the Government will guarantee 50 per cent of new loans issued by eligible lenders to SMEs. The Government's support will enhance lenders' willingness and ability to provide credit to SMEs with the Scheme able to support \$40 billion of lending to SMEs.

The Scheme will be available for small and medium enterprises, including sole traders, with a turnover of up to \$50 million, and will operate for new loans made until 30 September 2020.

The Scheme will complement the announcement made by Australian banks to support SMEs by deferring loan repayments of affected small business for 6 months. This scheme will also complement measures taken by the Reserve Bank to increase the banking sectors appetite to provide loans to SMEs.

For more information [click here](#)

### **Boosting Cashflow for Employers**

The Federal Government is providing up to \$100,000 to eligible small and medium sized businesses, and not-for-profits (including charities) that employ people. Eligible employers will receive a payment equal to 100% of their salary and wages withheld up to a maximum of \$50,000 with a minimum payment of \$10, 000.

Small and medium business entities with aggregated annual turnover under \$50 million that employ workers are eligible. NFPs entities, including charities, with aggregated annual turnover under \$50 million and that employ workers will also be eligible.

The payment will be available from 28 April 2020. The payments are tax free and will flow automatically through the ATO.

An additional payment will also be made for the period of June- September. Eligible entities will receive an additional payment equal to the total of the Boosting Cash Flow for Employers payments received.

For more information [click here](#)

### **Increased Instant Asset Write-off**

The threshold for instant asset write off for businesses with an annual aggregated turnover of less than \$500 million has been increased from \$30,000 to \$150,000. The threshold will apply to assets that are either installed or ready for first use by 30 June 2020. Businesses with a turnover of \$500 million or more are not eligible to use instant asset write-off. From 1 July 2020, the instant asset write-off will only be available for small businesses with a turnover of less than \$10 million and the threshold will be \$1,000.

For more information [click here](#)

### **Backing Business Investment (BBI)**

Measures introduced in March 2020 will provide an incentive to businesses with an aggregated turnover of less than \$500 million for the 2019–20 and 2020–21 income years, to deduct the cost of depreciating assets at an accelerated rate.

For each new asset, the accelerated depreciation deduction applies in the income year that the asset is first used or installed ready for use for a taxable purpose. The usual depreciating asset arrangements apply in the subsequent income years that the asset is held.

To be eligible to apply the accelerated rate of deduction, the depreciating asset must:

- not be an asset to which an entity has applied depreciation deductions or the instant asset write-off rules
- be first held on or after 12 March 2020
- first used or first installed ready for use for a taxable purpose on or after 12 March 2020 until 30 June 2021.

Under the measures, different rules apply depending on whether or not an entity is using the simplified rules for capital allowances for small businesses.

For more information [click here](#)

### **Assistance to help retain apprentices and trainees**

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. The subsidy will be available to small business employing fewer than 20 full-time employees who retain an apprentice or trainee. Or employers of any size and Group Training Organisations that re-engage an eligible out-of trade apprentice or trainee. The apprentice or trainee must have been in training with a small business as at 1 March 2020.

Employers will be reimbursed up to a maximum of \$21,000 per eligible apprentice or trainee. - Employers can register for the subsidy from 2 April 2020. Final claims for payment must be lodged by 31 December 2020.

### **JobKeeper wage subsidies**

Under the JobKeeper Payment, businesses impacted by the Coronavirus will be able to access a subsidy from the Government to assist in paying employee wages. Affected employers will be able to claim a fortnightly payment of \$1,500 per eligible employee for a maximum period of 6 months.

Employers will be eligible for the subsidy if:

- Their business has a turnover of less than \$1 billion and their turnover will be reduced by more than 30 per cent; or
- Their business has a turnover of \$1 billion or more and their turnover will be reduced by more than 50 per cent; and
- The business is not subject to the Major Bank Levy.

Not-for-profit entities, charities and sole traders that meet the turnover tests are eligible to apply for JobKeeper Payments

For more information [click here](#)

## **New South Wales**

### **Payroll tax waiver & Deferral**

The NSW State government has announced it will waive payroll taxes for businesses whose total grouped Australian wages for the 2019/20 financial year are less than \$10 million. Eligible businesses who lodge and pay annually will have their tax liability reduced by 25%, while those who lodge monthly will not be required to pay for the remainder of the 2019-20 financial year. The government also announced they would bring forward the scheduled payroll tax cuts by raising payroll tax threshold to \$1 million in 2020-21.

Businesses with payrolls over \$10 million will be able to defer their payroll tax payments for six months. Businesses with payrolls of \$10 million or less will also receive a three month deferral in addition to the three month waiver.

For more information [click here](#)

## **Victoria**

### **Payroll tax refunds and deferrals**

Businesses with annual taxable wages of up to \$3 million will be eligible for a full refund of payroll tax for the 2019-2020 financial year.

Eligible business must continue to lodge returns but do not need to make further payments for the 2019-20 financial year.

Eligible businesses will be contacted by the State Revenue Office in relation to the reimbursement of paid payroll tax. Small business may also apply to defer payroll tax payments for the first quarter of the 2020-21 financial year.

For more information [click here](#)

## **Queensland**

### **Payroll tax relief**

Businesses with less than \$6.5 million in Australian taxable wages may be eligible for a number of payroll tax relief measures from the Queensland government.

These measures include;

- refunds of payroll tax for 2 months
- a payroll tax holiday for 3 months
- deferral of payroll tax for the 2020 calendar year.

Businesses that pay more than \$6.5 million in wages and have been directly or indirectly affected by the coronavirus, can also apply for the refund and deferral. In order to take advantage of these measures business must apply online.

For more information [click here](#)

### **Interest-free loans**

The Queensland state government is also offering low-interest loans of up to \$250,000 to help small businesses retain employees and maintain operations during the coronavirus outbreak. The loans, which will be administered by the Queensland Rural and Industry Development Authority will be interest-free for the first 12 months.

To apply business must first register their interest with the authority.

For more information [click here](#)

## **Western Australia**

### **Payroll tax grants and deferrals**

The Western Australia state government is providing small businesses with a payroll of between \$1 million and \$4 million a one-off grant of \$17,000. The grants will be paid automatically by cheque and are expected to start being distributed by July.

Like NSW, Western Australia has also brought forward scheduled payroll tax cuts, increasing the payroll tax threshold to \$1 million from 1<sup>st</sup> July 2020.

Businesses affected by the coronavirus outbreak may also be eligible to defer their payroll tax payments until July 21, 2020. Deferral is available to employers with a less than \$7.5 million in taxable wages, who have been directly or indirectly affected by the COVID-19 outbreak.

A business is 'affected' if turnover, profit, customer numbers, bookings, retail sales, supply contracts, or other factors have seen a negative impact.

Businesses must apply for this deferral online.

For more information [click here](#)

## **Northern Territory**

### **Business improvement scheme**

The Northern Territory government has unveiled \$20 million business improvement scheme.

Under the scheme, \$10,000 grants will be made available for businesses to purchase goods and services to make permanent physical improvements to their premises. Any improvements made must help to improve business operations or customer experience.

If business owners can also contribute \$10,000 in capital, the Northern Territory government will provide an additional \$10,000.

For more information [click here](#)

## **Australian Capital Territory**

### **Payroll tax deferral**

All ACT businesses with group Australia-wide payroll of less than \$10 million can apply to defer their 2020-21 payroll tax, interest free until 1 July 2022. Businesses will need to complete an online application form to confirm their eligibility.

Eligible businesses will still be required to their payroll tax returns as normal but will not be required to make the associated payment at the usual time. If the deferred amount is paid prior to 1<sup>st</sup> July 2022, no interest will be charged. Interest will be applied to any outstanding deferred amounts from 1 July 2022.

For more information [click here](#)

## **Commercial Property Rates Rebate**

ACT Commercial property owners with an Average Unimproved Value below \$2 million are eligible for a rebate on their commercial rates fixed charge.

Commercial rate payers will receive a credit of \$2,622 (equivalent to the annual fixed charge) to their 2019-20 general rates, in quarter four. **This will be applied automatically.**

Where rate payers have paid in full or have a quarter bill less than the credit, they will be eligible for a refund. Businesses eligible for the refund will need to apply online. Commercial property owners will also not receive an increase on their 2020-21 Fire and Emergency Services Levy.

For more information [click here](#)