



GOVERNMENT SUPPORT FOR BUSINESSES AMID COVID-19

NIBA Policy Research Analyst, Allyssa Hextell, provides a helpful guide to the federal and state initiatives supporting small and medium businesses during these uncertain times.

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. NIBA is committed to supporting our members through the coronavirus outbreak and the uncharted territory that lies on the other side.

Here's a breakdown of the various stimulus packages and what they potentially mean for you or your clients.

WHO	WHAT	HOW	WHEN	WHERE	
FEDERAL					
Assistance to help retain apprentices and trainees	Small businesses (fewer than 20 full-time employees) who retain an apprentice or trainee, or employers and group training organisations that reengage an eligible out of trade apprentice or trainee	Eligible employers can apply for a wage subsidy of 50 per cent of the apprentice's or trainee's wage paid during the nine months from 1 January 2020 to 30 September 2020.	Employers can register for the subsidy now - visit the referenced website.	Final claims for payment must be lodged by 31 December 2020.	treasury.gov.au/sites/default/files/2020-04/fact_sheet-supporting_apprentices_and_trainees_o.pdf
Backing business investment (BBI)	Business with an aggregated turnover of less than \$500 million for the 2019-20 and 2020-21 income years	BBI provides an incentive for eligible entities to deduct the cost of depreciating assets at an accelerated rate.	To be eligible to apply the accelerated rate of deduction, the asset must not be an asset to which an entity has applied depreciation deductions or the instant asset write-off rules.	The depreciating asset must be held on or after 12 March 2020, and first used or first installed ready for use for a taxable purpose on or after 12 March 2020 until 30 June 2021.	ato.gov.au/business/depreciation-and-capital-expenses-and-allowances/backing-business-investment---accelerated-depreciation/
Boosting cashflow for employers	Small or medium sized business entities, including not-for-profits, with aggregated annual turnover under \$50 million	This initiative provides temporary cash flow support to eligible entities that employ staff during the economic downturn associated with COVID-19.	The Australian Taxation Office will provide tax-free cash flow boosts of between \$20,000 and \$100,000, delivered through credits in the activity statement system.	The payment became available on 28 April 2020.	ato.gov.au/business/business-activity-statements-(bas)/in-detail/boosting-cash-flow-for-employers/
Increased instant asset write-off	Businesses with an annual aggregated turnover of less than \$500 million (up from \$50 million)	The threshold for instant asset write off for eligible entities has been increased from \$30,000 to \$150,000.	Instant asset write-off can be used for both new and second-hand assets. Some exclusions and limits apply.	The threshold will apply to assets that are either installed or ready for first use by 30 June 2020.	ato.gov.au/business/depreciation-and-capital-expenses-and-allowances/simpler-depreciation-for-small-business/instant-asset-write-off/
SME guarantee scheme	Small and medium enterprises (SMEs)	This scheme provides access to working capital.	The Government will guarantee 50 per cent of new loans issued by eligible lenders to SMEs, with the scheme able to support \$40 billion of lending.	The scheme will be available until 30 September 2020.	treasury.gov.au/coronavirus/sme-guarantee-scheme
Rent relief code of conduct	Small-medium sized businesses with annual turnover of up to \$50 million, who have been affected by the COVID-19 pandemic	The federal and state governments will implement a set of good faith leasing principles for application to commercial tenancies between owners/operators/other landlords and tenants.	How this code is regulated will be determined by the state governments.	The National Cabinet Mandatory Code of Conduct for commercial leasing was released by the Prime Minister on 7 April 2020.	business.gov.au/risk-management/emergency-management/coronavirus-information-and-support-for-business/relief-for-commercial-tenancies
Jobkeeper wage subsidies	Businesses with a turnover of less than \$1 billion that has reduced by more than 30 per cent; or businesses with turnover of \$1 billion or more that has reduced by more than 50 per cent; and the business is not subject to the Major Bank Levy	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 six months.	The first payments by the ATO will be received by employers from the first week of May.	treasury.gov.au/coronavirus/jobkeeper





WHO	WHAT	HOW	WHEN	WHERE	
AUSTRALIAN CAPITAL TERRITORY					
Payroll tax deferral	ACT businesses with group Australia-wide payroll of less than \$10 million	Eligible businesses 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. They will still be required to complete 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 July 2022, no interest will be charged. Interest will be applied to any outstanding deferred amounts from 1 July 2022.	covid19.act.gov.au/economic-support/economic-survival-package/supporting-local-businesses-and-the-economy
NEW SOUTH WALES					
Payroll tax waiver	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 per cent, while those who lodge monthly will not be required to pay for the remainder of the 2019-20 financial year.	If your total grouped Australian wages are no more than \$10 million for the 2019/20 financial year, the discount will be automatically applied to your tax liability when you lodge your Annual Reconciliation.	The Annual Reconciliation is due on 28 July 2020.	revenue.nsw.gov.au/news-media-releases/covid-19-tax-relief-measures/covid-19-coronavirus-and-payroll-tax
Payroll tax deferral	Businesses with payrolls over \$10 million	Businesses 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.	More information on the deferral arrangement is coming – check the referenced website for updates.	These businesses will not need to make their payment for the March period, normally due on 7 April 2020.	revenue.nsw.gov.au/news-media-releases/covid-19-tax-relief-measures/covid-19-coronavirus-and-payroll-tax
NORTHERN TERRITORY					
Business improvement scheme	Northern Territory (NT) enterprises that hold valid Australian business numbers (ABNs) and operate in the NT, have a significant permanent presence in the NT and employ NT residents – this can be you if you are a sole trader.	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. If business owners can also contribute \$10,000 in capital, the NT government will provide an additional \$10,000.	Determine the job you want done, check the list of registered service providers, request a quote from a provider on the list, and apply online. Pay for the work using the unique voucher you receive upon application approval.	The scheme opened on 13 April 2020 and will close at 12:00 AM EST on 31 October 2020.	business.gov.au/grants-and-programs/business-improvement-grant-nt
TASMANIA					
Payroll tax relief	The Tasmanian Government will extend previously announced payroll tax waivers for the hospitality, tourism and seafood sectors, to other Tasmanian businesses with payrolls less than \$5 million who have been impacted by coronavirus.	These measures will ensure that affected businesses will not pay payroll tax for the 2019-20 financial year.	This measure will be delivered through a combination of payroll tax refunds and waivers.		coronavirus.tas.gov.au/stimulus-and-support
Registration freeze for business vehicles	Small businesses looking to suspend activity due to the COVID-19 business downturn and trading restrictions	Eligible businesses can apply to the Registrar of Motor Vehicles to freeze their business vehicle registrations for both light and heavy vehicles.	Registrations can be reactivated at no cost when the business restarts. Visit the referenced website to lodge an application.	The maximum period that a registration can be frozen is 12 months.	coronavirus.tas.gov.au/stimulus-and-support/businesses-and-industries/business-vehicle-registration-relief-package
Small business hardship grants	Small businesses, employing fewer than 50 full-time equivalent staff, who have been impacted by coronavirus	The Tasmanian Government is providing grants of \$15,000.	Businesses will need to meet the hardship test and be able to demonstrate an ability to continue to operate in the current environment and provide products and services necessary for the Tasmanian or Australian community, or may need to temporarily cease operation but can demonstrate strong prospects for future jobs sustainment or growth.	Details of the grants will be announced on the referenced website, in due course, along with the application process.	business.gov.au/Grants-and-Programs/Small-Business-Hardship-Grant-TAS



WHO	WHAT	HOW	WHEN	WHERE	
QUEENSLAND					
Payroll tax deferral	Employers who pays more than \$6.5 million in Australian taxable wages and have been negatively affected (directly or indirectly) by the COVID-19 pandemic	Eligible businesses can apply for a deferral of payroll tax for the 2020 calendar year. If you have already applied for a deferral, you do not need to reapply – it will be extended.	In order to take advantage of these measures business must apply online.	Once your application has been processed, you won't need to pay payroll tax returns for the 2020 calendar year.	business.qld.gov.au/running-business/employing/payroll-tax/lodging/coronavirus-tax-relief
SOUTH AUSTRALIA					
Deferral of land tax	Businesses and individuals paying land tax quarterly in 2019-20	Eligible businesses will be able to defer payment of their third and fourth quarter instalments for up to six months.	Businesses and individuals will be sent their land tax notices of assessment as usual, with information provided on how the deferral will be administered.		revenuesa.sa.gov.au/taxes-and-duties/land-tax/covid-19-relief
Emergency cash grants for small businesses	Small businesses and not-for-profit entities that employ South Australians who have been highly impacted by the COVID-19 pandemic	Eligible entities will receive a \$10,000 grant to support the operation of their business.	The grant is being funded from the State Government's \$650 million Jobs Rescue Package.	Applications for the grant will open shortly and be available until 1 June 2020.	treasury.sa.gov.au/growing-south-australia/stimulus-measures-to-support-businesses-and-the-community-impacted-by-covid-19
Payroll tax waiver	Businesses with annual wages of less than \$4 million	Eligible businesses will receive a six month payroll tax waiver, and will be notified by RevenueSA through RevenueSA online.	Monthly payroll tax returns must still be lodged to capture wages for the month, with no payment to be made.	For these eligible business groups, payroll tax payments that were due to be paid from April to September will now be due from October 2020.	revenuesa.sa.gov.au/taxes-and-duties/payroll-tax/covid-19-relief
Payroll tax deferral	Businesses with annual Australian grouped wages above \$4 million that can demonstrate they have been significantly impacted by COVID-19	Eligible businesses will, upon application, be able to defer payroll tax payments for the six months from April to September 2020.	Businesses will need to complete the Applications for waiver or deferral of payroll tax (COVID-19) form.	For those eligible businesses, payroll tax payments that were due to be paid from April to September will now be due in October 2020.	revenuesa.sa.gov.au/taxes-and-duties/payroll-tax/covid-19-relief
VICTORIA					
Business support fund	Small businesses that have been highly impacted by shutdown restrictions	Eligible businesses can now apply for a one-off \$10,000 grant from the Victorian Government's Business Support Fund.	Small businesses can apply online at the referenced website.	Applications are open until 1 June 2020.	business.vic.gov.au/support-for-your-business/grants-and-assistance/business-support-fund
Land tax relief	Commercial and residential landlords who provide tenants, impacted by COVID-19, with rent relief. This relief is also available to land owners who are unable to secure a tenant because of COVID-19. NB: For commercial landlords to be eligible, the property must be rented to a tenant with an annual turnover of up to \$50 million, and the tenant must be eligible for the Commonwealth Government's JobKeeper Payment.	Those eligible will receive a 25 per cent reduction on their property's 2020 land tax. These landlords can also defer the remainder of their 2020 land tax to 31 March 2021.	Instructions on applying for this reduction will be published on the referenced website in the coming weeks.	Emergency legislation was put to the Victorian Parliament on Thursday 23 April to reform residential and commercial tenancy laws.	sro.vic.gov.au/coronavirus
Payroll tax refunds and deferral	Businesses with annual taxable wages of up to \$3 million	Eligible entities will receive a full refund of payroll tax for the 2019-2020 financial year. Small business may also apply to defer payroll tax payments for the first quarter of the 2020-21 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.	The government began making reimbursements from 27 March 2020.	sro.vic.gov.au/coronavirus
WESTERN AUSTRALIA					
Payroll tax deferral	Businesses with annual wages of \$5 million or more at 29 February 2020, or new employers from 1 March	Eligible entities will be able to apply to defer lodging and paying returns.	Your approval advice will include instructions for completing annual reconciliation.	If your application is approved, your due date for lodgement and payment will be extended to 21 July 2020.	wa.gov.au/government/multi-step-guides/payroll-tax-employer-guide/covid-19-relief-payroll-tax-employer-guide
Payroll tax waiver	Small-to-medium sized businesses with annual wages of less than \$7.5 million at 30 June 2020	Eligible entities will have payroll taxes waived until the end of the financial year.	Employers must retain evidence of their Australian taxable wages at 29 February 2020 showing their entitlement to claim the waiver, but do not need to apply.	Your payroll tax for March to June will automatically be waived.	wa.gov.au/government/multi-step-guides/payroll-tax-employer-guide/covid-19-relief-payroll-tax-employer-guide