

COVID-19 SMALL BUSINESS QUICK LINKS TO GET HELP

If you don't have time to analyse the information, here's the summary and the direct links to get the best information and help quickly.

For more information ring the Federal Government Business Help Hotline 13 28 46 (open 7 days 7am to 11pm) or your Association.

Assistance is available for self-employed, small business people who:

- Are sole traders and don't employ anyone,
- Employ people

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[Help for the smallest businesses, sole traders and self employed](#)

Sole traders, self-employed can keep working and get extra cash, with a relaxation of Social Security Income Support criteria...

Sole traders/self-employed people now have access to the social security system, specifically the Job Seeker or Youth Allowance. You can receive a \$550 fortnightly Coronavirus supplement. You can earn up to \$1,000 a fortnight before the payment cuts out. Assets tests and other restrictions have been removed.

This is a change from existing rules. Currently if you are running a small business as a self-employed person but on low income you could not get social security. Now you can.

Examples are:

- An artist can do shows and receive a social security top up.
- An IT contractor can do phone support work and receive a social security top up.
- A café owner will be able to still serve coffee but receive social security support

[How can I help my staff if they must be stood down?](#)

Staff that are stood down or made redundant or must care for someone who has contracted Coronavirus, can access jobseeker or Youth allowances and can also access the \$550 a fortnight supplement.

Simple application process. Income testing still applies but asset testing has been waived for now. Waiting time is reduced to a week. The Liquid Asset test Waiting Period (LAWP) and the Seasonal Work Preclusion Period (SWPP) will also be waived for recipients eligible for the Coronavirus supplement. Many other conditions have been removed/waived to streamline applications.

If staff or self-employed or sole traders are accessing leave entitlements or Income Protection Insurance, they are excluded.

Access by a phone call or online application. Rent assistance and energy supplements may also be available. There are measures to detect fraud and penalties, including imprisonment may apply. These start on 27 April and the expected funding is \$14.1 b

[Detailed Information here](#)

[When Can staff be stood down without pay?](#)

The Fair Work Ombudsman has a page that clarifies the rules, being

- if there was an enforceable government direction requiring the business to close (which means there is no work at all for the employees to do, even from another location)
- if a large proportion of the workforce was required to self-quarantine with the result that the remaining employees/workforce cannot usefully be employed

- if there was a stoppage of work due to lack of supply for which the employer could not be held responsible.

There's a lot more to consider, and other options may also be

- seeking employees' agreement to take paid (or unpaid) leave for a period
- in limited circumstances, directing employees to take paid annual leave
- in limited circumstances, negotiating with employees to change regular rosters or hours of work
- terminating the employment of the employees, in which case the employer may have to provide redundancy pay. See [What if an employer needs to let employees go?](#)

[Access to Cash Flow when you employ people](#)

For businesses with less than \$50M turnover, prior year... Tax free subsidy from \$20,000 to \$100,000 where you have employees.

Applies for the period March to September this year (2020)

It works with your BAS when you lodge your normal PAYG statement (monthly/quarterly)

The ATO will apply a credit against your account up to 100% of your PAYG payments. It appears that this means you make your payment less the credit.

Or you will receive a subsidy payment from the ATO if you have low income employees who pay no tax.

The amount you receive will depend on the size of your business.

Minimum will be \$20,000. Maximum \$100,000.

Info [here](#).

[Access to \\$20K Super for those in difficulty](#)

\$10K this FY and \$10K next FY, meaning \$20K available over the next 4 months if you're unemployed, eligible for Job Seeker or Youth Allowance or several other benefits, and your working hours or turnover are reduced by 20% or more or you're made redundant. These amounts accessed will be tax free and will not affect other Centrelink payments. You have to apply through the ATO. Separate arrangements apply if you have a SMSF and guidance is available on the ATO website. These payments are available from mid-April.

[More information here](#)

[Help for Your Apprentices or Trainees](#)

50% wage subsidy on each apprentice or trainee up to \$7,000 per quarter (max \$21,000).

From January to September. If you still can't manage, the subsidy is available to the new employer and is only available for businesses with less than 20 FT employees.

Apply from April to December. More info available from an [Australian Apprenticeship Support Network \(AASN\) provider](#).

And generalised Government Info [here](#).

[Defer Loan Payments](#)

Some banks and lenders are deferring loan repayments for 6 months for small businesses and home-owners needing help. Each bank will have different arrangements.

Generalised Info [here](#) and [here](#) for best phone contacts.

Reducing the cost of Credit

The Reserve Bank of Australia (RBA) announced a package on 19 March 2020 that will put downward pressure on borrowing costs for households and businesses. This will help mitigate the adverse consequences of the Coronavirus on businesses and support their day-to-day trading operations. The RBA is supporting small businesses as a particular priority. The RBA has announced a term funding facility for the banking system. Banks will have access to at least \$90 billion in funding at a fixed interest rate of 0.25 per cent. This will reinforce the benefits of a low cash rate by reducing funding costs for banks, which in turn will help reduce interest rates for borrowers. To encourage lending to businesses, the facility offers additional low-cost funding to banks if they expand their business lending, with particular incentives applying to new loans to SMEs. In addition, the RBA announced a further easing in monetary policy by reducing the cash rate to 0.25 per cent. It is also extending and complementing the interest rate cut by taking active steps to target a 0.25 per cent yield on 3-year Australian Government Securities

Government-backed Small Business Loans

The Commonwealth is supplying a 50% guarantee on **new** small business loans up to \$250,000 for terms up to 3 years. Loans are available through your bank from 1 April 2020 for 6 months. You don't need to provide security and will not need to make repayments for the first 6 months.

Info [here](#).

Instant Tax Asset Write-off

Any business assets you buy can be instantly written off against your tax. Now applies to purchases up to \$150,000 (increased from \$30,000).

Info [here](#).

You're impacted because of your region or Industry

The Government has made \$1B available to support regions, industries and communities that suffer significantly. This will see some Government fees waived and recovery plans developed. This includes additional support for the aviation industry of \$175M. The ATO will administer this assistance.

[For more information](#)

Tax relief

The ATO has said it will offer tax relief to small businesses affected by the outbreak. Last week, commissioner of taxation Chris Jordan called on businesses to contact the ATO, in order to access a tailored support plan.

Options include deferrals of payments, income tax assessments, temporary reduction of payments, and withholding of enforcement actions such as director penalty notices and wind-ups. Phone 1800 806 218 or [visit their website here....](#)

If Going Broke is looking likely

Temporary relief from creditors' demands against you plus temporary relief for your personal liability as a director while trading insolvent.

The federal government has temporarily raised the threshold for creditors to issue a statutory demand on a company from \$2,000 to \$20,000, for six months.

It has also increased the time allowed for a company to respond to statutory demands from 21 days to six months. This also applies for six months.

For individuals, the threshold for initiating bankruptcy proceedings has increased from \$5,000 to \$20,000, and the time allowed for an individual to respond has increased from 21 days to six months. Again, this applies for six months.

The government is also offering temporary relief for directors from personal liability for trading while insolvent, for six months.

Info [here](#).

[If you're feeling it badly](#)

There are many resources to help you look after your mental health. Reach out to others if you're not coping and ask for help.

The My Business Health website is designed for the needs of small business owners and supported widely by industry and health providers and the Government. [More information here](#).

[Continuing your business](#)

The devastating impact on small business has been recognised and positive steps and help is available. [More information here](#)

[Links to Support from State Governments](#)

Info [here](#).

[Business Tips During Coronavirus](#)

Info [here](#).

[Low-income Households Support](#)

Info [here](#).

[Cancellations and Refunds](#)

The Australian Competition and Consumer Commission has provided official advice on legal obligations and rights of businesses and consumers.

Info [here](#).

[Watch out for Coronavirus scams.](#)

Info can be found at: <https://www.accc.gov.au/media-release/warning-on-covid-19-scams>

[Resources for Employers](#)

Can staff go to work, what should you tell your staff, what cleaning precautions should you take and can food and water spread coronavirus and how can you help prevent the spread of corona virus.... [Info here](#)