

JobKeeper Payment

You may be eligible to receive the JobKeeper Payment if your turnover has been reduced because of the coronavirus. Following registration by the eligible business, the Government will provide \$1,500 per fortnight per eligible employee until 27 September 2020.

The JobKeeper Payment is available to eligible employers, businesses including companies, partnerships, trusts and sole traders, not-for-profits and charities.

Employers are eligible for the JobKeeper payment if all of the following apply:

- On 1 March 2020, you carried on a business in Australia or were a not-for-profit organisation that pursued your objectives principally in Australia.
- You employed at least one eligible employee on 1 March 2020.
- Your eligible employees are currently employed by your business for the fortnights you claim for (including those who are stood down or re-hired).
- Your business has faced either a:
 - 30% fall in turnover (for an aggregated turnover of \$1 billion or less)
 - 50% fall in turnover (for an aggregated turnover of more than \$1 billion), or
 - 15% fall in turnover (for ACNC-registered charities other than universities and schools)
- Your business is not in one of the **ineligible** categories.

More information: <https://www.ato.gov.au/general/JobKeeper-Payment/>

Apprentices and trainees

Employers can apply for a 50 per cent subsidy on apprentice and trainee wages paid between 1 January 2020 and 30 September 2020. If eligible your business could be reimbursed up to \$21,000 per apprentice or trainee.

Eligible businesses employ fewer than 20 full-time workers and retained an apprentice or trainee on 1 March 2020. You will only be eligible for the apprentice and trainee wage subsidy if you are not claiming JobKeeper.

More information: <https://www.employment.gov.au/supporting-apprentices-and-trainees>

Boosting cash flow for employers

The Government will provide tax-free cash flow boosts of between \$20,000 and \$100,000 to eligible businesses, delivered through credits in the activity statement system, when eligible businesses lodge their activity statements.

Eligible businesses do not need to apply with a separate form. Upon lodgment of their activity statement, the first amount will automatically be credited to the business' account, but no earlier than 28 April 2020. A business that lodges early will not receive the cash flow boost before this date.

Eligible businesses, including not-for-profit organisations, must have held an Australian Business Number on 12 March 2020 and lodge their activity statement to receive the credit. Charities registered with the Australian Charities and Not-for-profits Commission are eligible, regardless of when they were registered, if they meet the other eligibility requirements.

More information: <https://treasury.gov.au/coronavirus/businesses/cash-flow-pay-bills>

Coronavirus SME Guarantee scheme

The Government, Reserve Bank of Australia and the Australian Prudential Regulation Authority have taken coordinated action to support the flow of credit in the Australian economy, in particular for small and medium enterprises (SMEs).

Under the Scheme, the Government will provide a guarantee of 50 per cent to small and medium enterprise (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.

The Government will provide eligible lenders with a guarantee for loans with the following terms:

- Maximum total size of loans of \$250,000 per borrower.
- The loans will be up to 3 years, with an initial 6 month repayment holiday.
- The loans will be in the form of unsecured finance, meaning that borrowers will not have to provide an asset as security for the loan.

More information: <https://www.business.gov.au/Risk-management/Emergency-management/Coronavirus-information-and-support-for-business/Supporting-the-flow-of-credit>

Export Capital Facility

The Australian Government has established a \$500 million COVID-19 Export Capital Facility to assist previously profitable Australian exporters whose businesses have been impacted by COVID-19.

Exporters will be able to access loans from \$250,000 to \$50 million under the Facility. The Facility will complement other measures announced by the Government which enable banks to support new and existing clients.

Eligibility: Australian businesses who are exporters or operating in an export supply chain who:

- Have been trading for at least two years.
- Have had profitable operations in either of the two financial years prior to markets being impacted by COVID-19.
- Are unable to secure finance from the private market because of COVID-19.
- Have an annual turnover of at least \$250,000.

More information: www.exportfinance.gov.au/covid19?iesrc=ctr & www.trademinister.gov.au/sites/default/files/2020-04/export-finance-australia-covid-19-facility-factsheet.pdf

Overseas marketing costs

Export Market Development Grants (EMDG) reimburse exporters and tourism businesses for some of the costs of marketing their products and services around the world.

Recognising the pressure that COVID-19 is placing on exporters and tourism businesses, the Government recently increased funding for the EMDG scheme.

More information: www.austrade.gov.au/Australian/Export/Export-Grants

Indigenous Business Relief Package

Indigenous Business Australia has a new Indigenous Business Relief Package for all Indigenous businesses who have been impacted by the crisis, including non-IBA customers. This new relief package has been designed in collaboration with the National Indigenous Australians Agency (NIAA) to respond to the immediate challenges Indigenous businesses are facing. This package includes:

- **Business Impact Analysis:** Access to specialist advice to navigate the COVID-19 crisis, including a rapid assessment of your business positioning, cashflow management and

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assistance to access available stimulus measures from Federal, State/Territories, such as the Job Keeper Payment or the Boosting Cash Flow measures.

- **Working capital assistance:** You can apply for working capital assistance of up to \$100,000 via a loan/grant package (assessed on a needs basis), which will consist of:
 - A grant of up to 50% of the package amount
 - For the loan component, a loan term of up to 36 months, with zero repayments for the first 12 months, and preferential interest rates
 - Please note, those customers who are not eligible for any other government stimulus packages will be prioritised for working capital stimulus assistance.

More information: <https://www.iba.gov.au/indigenous-business-australia-covid19-support/business-support-during-covid-19/>

Increased instant asset write-off

Under normal circumstances, individual assets less than \$30,000 are eligible for the instant asset write off. The Government has lifted this threshold to \$150,000 for assets that are either installed or ready for first use by 30 June 2020.

Eligibility to use instant asset write-off depends on:

- your aggregated turnover (the total ordinary income of your business and that of any associated businesses)
- the date you purchased the asset and it was first used or installed ready for use
- the cost of each asset being less than the **threshold**.

The criteria have changed over time so make sure you check whether your business is eligible.

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.

Businesses with a turnover of \$500 million or more are not eligible to use instant asset write-off.

More information: www.business.gov.au/Risk-management/Emergency-management/Coronavirus-information-and-support-for-business/Increasing-the-Instant-Asset-Write-Off

Backing Business Investment - Accelerated depreciation deduction

A time limited 15 month investment incentive (through to 30 June 2021) to support business investment and economic growth over the short term, by accelerating depreciation deductions.

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Businesses with a turnover of less than \$500 million will be able to deduct 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.

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

- be new and not previously held by another entity (other than as trading stock);
- 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.

More information: www.business.gov.au/Risk-management/Emergency-management/Coronavirus-information-and-support-for-business/Backing-Business-Investment

Tax support

The Australian Tax Office (ATO) is providing relief for some tax obligations for businesses affected by the outbreak, on a case-by-case basis. Contact the ATO's Emergency Support Infoline for businesses on **1800 806 218** for more information or to request this help.

More information: www.ato.gov.au/General/COVID-19/Additional-support-during-COVID-19/

Support for commercial and aeromedical aircraft operators

The Government will provide commercial and aeromedical aircraft operators with relief from aviation fuel tax (excise and equivalent customs duty) from 1 February 2020 for a period of 8 months. Currently, aviation fuel excise (and the equivalent customs duty) of 3.556 cents per litre is applied to all aviation fuel consumed for domestic aviation operations.

The Government will provide our domestic aviation industry with relief from Airservices Australia charges from 1 February 2020 for a period of 8 months.

More information: https://treasury.gov.au/sites/default/files/2020-03/Fact_sheet-Assistance_for_severely_affected_regions_and_sectors.pdf

Relief for commercial tenants

The Government has announced a range of measures to help renters. This includes a temporary hold on evictions and a mandatory code of conduct for commercial tenancies to support small and medium sized enterprises (SMEs) affected by coronavirus.

Evictions will be put on hold over the next 6 months for commercial and residential tenants in financial distress, who are unable to meet their commitments due to the impact of the coronavirus.

More information: <https://business.gov.au/risk-management/emergency-management/coronavirus-information-and-support-for-business/relief-for-commercial-tenancies>

Temporary relief for financially distressed businesses

There is a temporary increase to the threshold at which creditors can issue a statutory demand on a company and the time companies have to respond to statutory demands they receive. This includes temporary relief for directors from any personal liability for trading while insolvent, and providing temporary flexibility in the Corporations Act 2001 to provide temporary and targeted relief from provisions of the Act.

The threshold for the minimum amount of debt required for a creditor to initiate bankruptcy proceedings against a debtor will temporarily increase from its current level of \$5,000 to \$20,000. This will apply for 6 months.

More information: <https://business.gov.au/Risk-management/Emergency-management/Coronavirus-information-and-support-for-business/Temporary-relief-for-financially-distressed-businesses>

Grants for defence industry

The Centre for Defence Industry Capability (CDIC) provides a range of grants to support defence industry businesses. These grants help small to medium Australian businesses grow their capacity to meet Defence capability needs and join global defence industry supply chains.

- **Capability Improvement Grant:** If the Centre for Defence Industry Capability (CDIC) recommends improvements for your business, you can apply for a grant of up to \$150,000 to help make the improvements.

DEFENCE COVID-19 TASK FORCE - INDUSTRY SUPPORT CELL

- **Sovereign Industrial Capability Priority Grant:** Funding of up to \$1 million for Australian businesses to build industrial capabilities that fit with Defence's Sovereign Industrial Capability Priorities.
- **Defence Global Competitiveness Grant:** A grant of up to \$150,000 to help your business invest in projects that address barriers to exporting and build your defence export capability.
- **New Air Combat Capability - Industry Support Program:** Up to \$1 million for Australian businesses and research organisations to help them win work in the Joint Strike Fighter (JSF) Program.
- **US-Australia International Multidisciplinary University Research Initiative (AUSMURI):** Up to \$1m per year over three years are available to Australian universities involved in a successful submission to the US Multidisciplinary University Research Initiative (MURI) program.

More information: <https://www.business.gov.au/cdic/grants-for-defence-industry>

State and territory information, grants and assistance

Along with the **assistance the Australian Government** has announced, you may be eligible for assistance from your State or Territory Government.

Each Australian state and territory has different financial help, restrictions and assistance for businesses affected by the coronavirus, so it's important to stay up-to-date with new announcements.

- Australian Capital Territory: www.covid19.act.gov.au/business-hub/economic-survival-package/supporting-local-businesses-and-the-economy
- New South Wales: www.service.nsw.gov.au/campaign/covid-19-help-small-businesses
- Northern Territory: <https://businessrecovery.nt.gov.au/businesses>
- Queensland: www.business.qld.gov.au/
- South Australia: www.treasury.sa.gov.au/Growing-South-Australia/stimulus-measures-to-support-businesses-and-the-community-impacted-by-covid-19
- Tasmania: www.business.tas.gov.au/covid-19_business_support_packages
- Victoria: www.business.vic.gov.au/support-for-your-business/grants-and-assistance/business-support-fund
- Western Australia: www.smallbusiness.wa.gov.au/coronavirus