

Hi there,

As we all come to terms with the coronavirus pandemic, our focus is clear, to continue to support you and your business.

Rest assured that our business is still open and we'll do it remotely through online applications and communications. We survived the Global Financial crisis and we will continue to push through these difficult times.

Here, we try to explain The Australian Government's economic response to coronavirus in a practical way on how to access these stimulus packages.

### **Support for Business**

- **Boosting cash flow for employers estimated to cost \$31.9 billion**
  - The Government is providing payment from minimum \$20,000 up to \$100,000 maximum to eligible small and medium sized businesses, and not-for-profits/charities to employ people.
  - Eligible employers are those established employers prior to 12 March 2020 except charities with no such restriction.
  - There are **two** tax free employers payments:
    - A) **The first payment** will be delivered by the ATO as an automatic credit in activity statement system from 28 April 2020 upon the BAS lodgement as well as 28 July 2020, but only apply to the first lodgement.
      - A1) Eligible employers that pay salary and wages will receive a minimum payment of \$10,000 even if they are not required to withhold tax.
      - A2) Eligible employer that withhold tax to ATO on their employees' salary and wages will receive a payment equal to 100 per cent of the amount withheld, up to a maximum payment of \$50,000.
    - B) **The additional payment** will be delivered upon the entity must continue to be active.
      - B1) Eligible employer will receive the additional payment for quarters ending June 2020 and September 2020, each additional payment will be equal to half of their total payments ranging from \$5,000 up to 25,000
      - B2) ATO will deliver the refund within 14 days upon lodgement.
- **Temporary relief for financially distressed businesses**
  - The Government is temporarily increasing threshold at which creditors can issue a statutory demand on a company and the time companies have to respond to statutory demands they receive.
  - Temporary relief for directors from any personal liability for trading while insolvent
- **Increasing the instant asset write-off**
  - The instant asset write-off threshold from \$30,000 to \$150,000 and expanding access to businesses with aggregated annual turnover of less than \$500 million until 30 June 2020.

- **Supporting apprentices and trainees**
- Eligible employers can apply for a wage subsidy of 50 per cent of the apprentice's or trainee's wage for 9 months from 1 January to 30 September 2020.

### **Support for individuals and Households**

- **Income support for individuals expected to cost \$14.1 billion.**
- The Government is temporarily providing Coronavirus supplement of \$550 per fortnight for the next six months to the eligible categories: Jobseeker Payment, Youth Allowance Jobseeker, Parenting Payment, Farm Household Allowance, Special Benefit recipients
- Jobseeker Payment and Youth Allowance Jobseeker criteria will provide payment access for permanent employees who are stood down or lose their employment; sole traders, the self-employed, casual workers and contract workers who meet the income tests as a result of the economic downturn due to Coronavirus, if they can declare that they are not accessing employer entitlements or income protection insurance while receiving the Jobseeker payment.
- Faster claim process: New applicants can claim online through MyGov account or through phone from April 2020 on.
- Timing: will commence from 27 April 2020.
- **Payments to support households expected to cost \$8.8 billion.**
- The Government is providing two separate \$750 tax exempted payment to social security, veteran and other income support recipients and eligible concession cardholders.
- The first payment will be available from 12 March 2020 to 13 April 2020 inclusive to holders of Age Pension, parenting payment, Austudy, Youth Allowance, JobSeeker Payment, Family Tax Benefit, Senior Health card card, etc.
- The second payment will be from 13 July 2020 to the above holders, excluding JobSeeker Payment as they have received \$550 per fortnight Coronavirus supplement payment.
- **Temporary early release of superannuation**
- The Government is allowing individuals affected by the Coronavirus to access up to \$10,000 of their superannuation in 2019-20 and a further \$10,000 in 2020-21
- There is no tax on the amounts released and the amount withdrew will not affect Centrelink or Veterans' Affairs payments.
- **Temporarily reducing superannuation minimum drawdown rates**
- The Government is reducing the pension minimum drawdown rates by 50% for 2019-20 and 2020-21.

Age of beneficiary	Temporary percentage factor (2019/2020 and 2020/2021)	Normal percentage factor (2013/2014 to 2018/2019)
65 to 74	2.50%	5%
75 to 79	3%	6%
80 to 84	3.50%	7%
85 to 89	4.50%	9%

- **Reducing social security deeming rates**
- On 12 March, the Government reduced 0.5% in both the upper and lower social security deeming rates.
- The Government will now reduce these rates by another 0.25% points with upper deeming rate at 2.25% and the lower deeming rate at 0.25%.
- Age Pensioners will, on average receive around \$105 more of the Age Pension in the first full year the reduced rates apply.

**Also, The Victorian Government announces \$1.7 billion rescue package for businesses hit by coronavirus pandemic which includes:**

- Payroll tax refund for the first three quarters of this financial year, earliest this Friday 27 March 2020.
- The second package of \$500 million is for hardship payment, small grants in consultation with industry chamber, hotel Association, etc.
- The third package of \$600 million is for waiving \$30 million worth of liquor licence fees, and the balance is for supporting people losing jobs after

Final, we would like to recommend you the 9 steps to practical positivity from <https://goproposal.com/podcast/practical-positivity/>

1. Meltdown – If you need to have a meltdown, do it. Negative emotion will never go away, only fester.
2. Establish a better version of the future. – Start to envision what life could look like when we get through this difficult time.
3. Scenario Plan – Produce a cash flow forecast for the next 3 months. Imagine the worst scenario in terms of sales, then plan for it. This will be a dip. It won't last forever.
4. Cut Back – Cut on any costs that are excessive, but need to be careful on cutting too.
5. Step up as a leader – This is your time, keep everyone positive, show up.
6. Galvanise your team – Communicate your better vision of the future.
7. Build back into the Foundations – This is where we look at things you may have been neglecting, work on the foundations.
8. Explore opportunities – What value do you have now to give to your clients? Digitisation or new products, new markets, etc.
9. Start Relational marketing – Be there for your community and clients.

**Please take good care of yourself, your family and your business! We're here to support by phone, email or online contact. Best wishes!**