

# CORONAVIRUS NEWSLETTER

Most businesses will be affected to some degree by the current and future measures taken to get the spread of Coronavirus under control. For some, it has already meant shutting down their business and working out how best to survive until they can re-open again. The following are some ideas and links to further information that may assist you. Please feel free to contact us if you wish to discuss any aspect of the below and how it applies to your business.

1. You need to take action as soon as possible to protect your business and employees. The link below provides a response checklist which may be of assistance to you.  
<https://bcg01.egnyte.com/dl/YQDBDVO1Ca/>

2. The Federal government has announced a range businesses assistance measures which can be found at <https://treasury.gov.au/coronavirus/businesses>.

Key parts of this include:

- o Boosting cashflow for employers, which is a refund of PAYG withholding up to \$50,000 up to 30 June;
- o An additional bonus post June equal to whatever you receive in the period to June (so this means all employers should receive at least \$20,000 to a maximum of \$100,000);
- o Increasing the instant asset write off from 12 March to 30 June to \$150,000 (from \$30,000);
- o Introducing from July an extra accelerated depreciation rate of 50% of the cost of an asset;
- o For employers with less than 20 employees, there is a 50% wage subsidy on apprentices' or trainees' wages, available at \$7,000 per quarter up to \$21,000 in total per eligible person.

3. The tax office has announced some assistance at:

<https://www.ato.gov.au/Individuals/Dealing-with-disasters/In-detail/Specific-disasters/COVID-19/>. The

key parts of this include:

- o Tax payments can be deferred up to 6 months;
- o March PAYG income tax payments for the 2019/20 year can be varied downwards (any shortfall of tax will then be payable no earlier than March 2021, and no penalties or interest will be charged by the tax office).

4. The Queensland government has announced some measures for business assistance mainly around payroll tax refunds, waivers and deferrals, and low interest rate loans to protect jobs.

<https://www.qld.gov.au/about/industry-recovery/business-and-industry-support>

Payroll tax refund

<https://www.business.qld.gov.au/running-business/employing/payroll-tax/lodging/coronavirus-tax-relief>

5. The Rockhampton Regional Council has made an announcement in relation to business assistance

<https://www.rockhamptonregion.qld.gov.au/AboutCouncil/News-and-announcements/COVID19-Community-Information/Announcements>

6. If your business revenue and profitability is affected, or you are forced to shut down your business, there are some immediate steps you need to take.

Some of these may include:

- Preparing cashflow forecasts to consider best and worst case scenarios, to provide financial information to assist you making decisions.
- Moving your workforce to working from home as much as possible.
- Consider industrial law and leave policies (some information can be found at: <https://www.fairwork.gov.au/about-us/news-and-media-releases/website-news/coronavirus-and-australian-workplace-laws>)
- Immediately reducing, deferring, or stopping expense payments
- The Australian banking association has announced that Australian banks will defer loan payments for 6 months for small businesses. You should contact your bank ask how you can take advantage of this. The announcement is at: <https://www.ausbanking.org.au/banks-small-business-relief-package/>
- Many suppliers may be willing to negotiate deferral arrangements of payments. This may include landlords and large corporates. You may have to share your cashflow projections with these suppliers as well as part of negotiations. Some banks are even waiving eftpos machine fees.
- Negotiating with employees to take leave, working reduced working hours, or temporary salary reductions
- Putting off staff (making redundant or standing down)
- Defer paying GST and PAYG withholding to the tax office under payment plans (but you must keep lodging all tax obligations like BAS's and income tax)

7. Fair work does allow you to stand down employees, without paying any redundancies. You may still have to pay leave to employees. We suggest you consult with your HR department or consultant regarding this.

<https://www.fwc.gov.au/industrial-action-benchbook/payments-relating-industrial-action/standing-down-employees>

[www.fairwork.com.au](http://www.fairwork.com.au)

<https://hradvance.com.au/resources/the-hr-explainer/stand-down>

A local expert we recommend contacting in relation to HR and safety advice is Simon Lever on 0418 311 930 or <https://crossapac.com>

8. Keep employees safe through safe work practices. Some useful resources are:

<https://www.health.nsw.gov.au/Infectious/diseases/Documents/coronavirus-business-checklist.pdf>

<https://www.worksafe.qld.gov.au/news/2020/coronavirus-covid-19-workplace-risk-management>

<https://www.safeworkaustralia.gov.au/doc/coronavirus-covid-19-advice-employers>

9. The Federal government is also trying to free up bank credit, by providing 50% security to banks of unsecured lending to small businesses, and removing red tape. The maximum loan amount that the government will guarantee is \$250,000, for up to a 3 year term with a 6 month repayment holiday, and interest is paid only on what you draw down. The purpose for these loans is working capital to help survive the business downturn that is being experienced. This scheme is hoped to start early April. Of course with any lending, you need to ensure you will have plans to repay this loan. Of course you may not have any choice but to borrow for working capital and see what transpires down the track.

More details can be found at <https://treasury.gov.au/coronavirus/business-investment>

## FOR EMPLOYEES

10. For employees stood down or made redundant, they may be eligible for job seeker payments and may have exemptions on normal job seeker requirements. We recommend you refer employees no longer working for you to contact Centrelink or visit the following website (applications for assistance can now be made without visiting the Centrelink office)

<https://www.servicessaustralia.gov.au/individuals/subjects/affected-coronavirus-covid-19/people-who-dont-get-payment-from-us-coronavirus-covid-19>.

Contact Centrelink - <https://www.servicessaustralia.gov.au/individuals/contact-us>

11. There are also measures to assist individuals with more information at:  
<https://treasury.gov.au/coronavirus/households>

Key parts of this include:

- o A Coronavirus supplement of \$550 per fortnight to all existing and new recipients of Job seeker and some other Centrelink payments.  
[https://treasury.gov.au/sites/default/files/2020-03/Fact\\_sheet-Income\\_Support\\_for\\_Individuals.pdf](https://treasury.gov.au/sites/default/files/2020-03/Fact_sheet-Income_Support_for_Individuals.pdf)
- o Temporary early release of superannuation of up to \$10,000 a year over 2 years
- o Temporary 50% reduction of minimum superannuation pension drawdowns.

12. Legal Obligations

<https://www.cgw.com.au/covid-19-resource-hub/>

<https://www.marsdens.net.au/about-us/latest-news/coronavirus-factsheet-faq-for-employers/>

## FOR MORE INFORMATION Contact



**Darren Smith**  
*Partner / Director*

*Chartered Accountant and  
Business Improvement Specialist*  
07 4924 9100  
darrensmith@kennas.com



**Peter Shonhan**  
*Partner / Director*

*Chartered Accountant and  
Business Improvement Specialist*  
07 4924 9100  
petershonhan@kennas.com



**Naeema McDonald**  
*Partner / Director*

*Chartered Accountant  
and SMSF Specialist*  
07 4924 9100  
naeemamcdonald@kennas.com