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Dear Member,

Many SCA (NSW) members are small business owners, and we want to provide succinct communication about the recent stimulus package announcements made by the Federal and State Governments.

Both the Federal and State Government are backing businesses to invest to help the economy withstand and recover from the economic impact of Coronavirus. Several business investment measures have been announced across Federal and State specific packages, which are designed to assist Australian and New South Wales businesses and economic growth in the short-term, and encourage a stronger economic recovery following the Coronavirus outbreak.

These measures will support over a million of businesses with individual aggregated annual turnover of less than \$50 million.

Federal Stimulus Package:

The Federal Government has announced a \$17.6 billion economic stimulus package outlining several measures in support of Australian businesses.

The Economic Stimulus Package includes:

- Supporting business investment
- Cash flow assistance to help small and medium sized business to stay in business and keep their employees in jobs
- Targeted support for the most severely affected sectors, regions and communities

Support for business investment

The Government is backing businesses to invest to help the economy withstand and recover from the economic impact of the Coronavirus.

- **Increasing the instant asset write-off:** The Government is increasing the instant asset write-off (IAWO) threshold from \$30,000 to \$150,000 and expanding access to include all businesses with aggregated annual turnover of less than \$500 million (up from \$50 million) until 30 June 2020.
- **Accelerating depreciation deductions:** Businesses with a turnover of less than \$50 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 until 30 June 2020.

Cash flow assistance for businesses

Two measures will be introduced to support small and medium businesses:

- **Boosting Cash Flow for Employers:** Small and medium-sized businesses will receive between \$2,000 and \$25,000 paid by the Australian Taxation Office based on tax withheld. About 690,000 businesses employing around 7.8 million people are expected to be eligible for this payment.
- **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 up to 9 months from 1 January 2020 to 30 September 2020. Where a small business is not able to retain an apprentice, the subsidy will be made available to a new employer that employs that apprentice.

Stimulus payments to households to support growth

Welfare recipients, such as those on Newstart, carers allowance, youth allowance, family tax benefits and aged pensioners, will receive a one-off cash payment of \$750.

Assistance for severely affected regions

The Government has set aside \$1 billion to support regions and communities that have been disproportionately affected by the economic impacts of the Coronavirus, including those heavily reliant on industries such as tourism, agriculture and education.

New South Wales Stimulus Package:

coronavirus crisis, including boosting intensive care units, buying critical equipment such as ventilators and setting up respiratory clinics.

The package aims to work together with the federal government. It will provide more resources to help slow the spread of this virus and boost treatment for those people in our community who need it most.

The package also includes \$450 million to waive payroll tax for the next three months for businesses with payrolls of up to \$10 million.

There will also be \$80 million to axe a range of fees and charges for small businesses including bars, cafes, restaurants and tradespeople and \$250 million to employ extra cleaners of public infrastructure such as transport assets, schools and other public buildings.

More than \$250 million will be spent to fast-track maintenance on public assets including social housing and crown land fencing and \$500 million to bring forward capital works and maintenance.

If you would like to find out if your business is eligible for the Federal or State Government Stimulus Package, the team at Kelly & Partners provide free advice that you can obtain and answer any questions you might have.

The Australia Taxation Office (ATO) have implemented a series of administrative measures to assist Australians experiencing financial difficulty as a result of the COVID-19 outbreaks. A link has been provided for your reference.

[Click here to read the full ATO release.](#)

Options available to assist businesses impacted by COVID-19 include:

- Deferring by up to four months the payment date of amounts due through the business activity statement (including PAYG instalments), income tax assessments, fringe benefits tax assessments and excise
- Allow businesses on a quarterly reporting cycle to opt into monthly GST reporting in order to get quicker access to GST refunds they may be entitled to
- Allowing businesses to vary Pay As You Go (PAYG) instalment amounts to zero for the March 2020 quarter. Businesses that vary their PAYG

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- Remitting any interest and penalties, incurred on or after 23 January 2020, that have been applied to tax liabilities
- Working with affected businesses to help them pay their existing and ongoing tax liabilities by allowing them to enter into low interest payment plans.

Note that these will not be automatically applied. You will need to contact the ATO for assistance. Anyone impacted by COVID-19 is advised to contact the ATO to request assistance on the Emergency Support Infoline 1800 806 218, when they are ready, to discuss their situation.

Banking Relations

Where you may be suffering financial hardships for your business, your bank may have practical ways to help. We've also included a link to a fact sheet from Australian Banking Association: [How your bank can help](#).

FOR MORE INFORMATION

For more information on your eligibility for the Australian Government's Economic Response to Coronavirus visit: treasury.gov.au/coronavirus.

Yours sincerely



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