

# GOVERNMENT ECONOMIC RESPONSE TO COVID-19

\$216 Billion in Federal and State Gov support for business



## Wage subsidies (\$131 B)

JobSeeker, JobKeeper & support for apprentices/trainees.

## Cash flow support (\$32M)

Tax free cash flow support of up to \$100K for eligible SMEs.



## Instant asset write-offs (\$700M)

Asset write-offs up to \$150K

## Loan Guarantees (\$20B)

Gov guaranteed 3 year loans for SMEs.



## Support for regions (\$1B)

Support for regions most significantly impacted by COVID.

## Tax relief (\$950M)

Payroll tax relief for SMEs



## Job support loans (\$500M)

Interest free loans of up to \$250,000 for businesses impacted by COVID-19

## Worker retraining (\$500M)

Providing support to workers who have lost their job.



## Electricity relief (\$500M)

Automatic \$500 rebates on SMEs power bills.

## Industry support package (\$1B)

Assisting large business to service community after COVID-19.



## AUSTRALIAN GOVERNMENT – CASH FLOW ASSISTANCE FOR SMALL BUSINESSES

Providing **\$213 million** to support business to manage cash flow challenges, retain employees and support business investment during the COVID-19 pandemic.

### JOBKEEPER PAYMENT

Businesses with a turnover reduced by more than 30 percent due to COVID-19 are able to claim a fortnightly payment of \$1,500 per eligible employee from 30 March to 27 September 2020. Sole traders and self-employed people are also eligible to receive the payment if their turnover has reduced.

### JOBSEEKER PAYMENT (EXPANDED)

Eligible sole traders may access the JobSeeker payment, including an additional supplement of \$550 per fortnight to 27 September 2020. Recipients may earn up to \$1,075 per fortnight before payments are impacted. Standard waiting period have been waived and the partner income test threshold increased.

### CASH FLOW SUPPORT FOR SMALL TO MEDIUM BUSINESSES

Provision of temporary, tax-free, cash flow support of up to \$100,000 to eligible small and medium-sized businesses, and not-for-profits. The boost aims to allow businesses to maintain operations; continue to pay rent, electricity and other bills; and retain staff. The payment is automatically calculated upon the submission of activity statements.

### RELIEF FOR FINANCIALLY DISTRESSED BUSINESSES

The threshold at which a creditor can take action against a small business has increased from \$2,000 to \$20,000. The mandatory response time has also increased from 21 days to 6 months. Company directors have also been temporarily relieved of their duty to prevent insolvent trading for a period of 6 months.

### INSTANT ASSET WRITE-OFFS

The instant asset write-off threshold has increased from \$30,000 to \$150,000 and expanded access to include businesses with aggregated annual turnover of less than \$500 million (up from \$50 million) until 30 June 2020.

### SUPPORTING BUSINESS INVESTMENTS

Time limited 15 month investment incentive (to 30/06/2021) to support investment by accelerating depreciation deductions. Businesses with a turnover of less than \$500 million are able to deduct 50 per cent of the cost of an eligible asset on installation, with existing depreciation rules applying to the balance of cost.



**SUPPORT FOR APPRENTICES AND TRAINEES**

Eligible business may apply for a wage subsidy of up to 50 percent of the apprentice and trainee wages from 1 January to 30 September 2020, with a maximum reimbursement of \$21,000 per eligible apprentice or trainee.

**SUPPORT FOR CORONAVIRUS-AFFECTED REGIONS**

Providing \$1 billion to regions and communities most significantly impacted by COVID-19, including industries heavily reliant on industries such as tourism, agriculture and education. The fund will also be used to help businesses identify alternative export markets or disrupted supply chains.

**COVID-19 SME GUARANTEE SCHEME**

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. SMEs with a turnover of up to \$50 million are eligible to apply for 3 year loans of up to \$250,000 per borrower.

**QUEENSLAND GOVERNMENT – SUPPORT FOR BUSINESS IMPACTED BY COVID-19**

Providing **\$3 billion** through a range of initiatives aimed at supporting businesses of all sizes to withstand the impacts of COVID-19.

**PAYROLL TAX RELIEF**

For small and medium businesses (annual payroll \$1.3mill – \$6.5 mill):

- 2 month refund on payroll tax
- 3 month payroll tax holiday
- Deferral on all payroll tax payments for remainder 2020.

Larger business (payroll \$6.6 mill +)

- 2 month refund on payroll tax
- Deferral on all payroll tax payments for remainder 2020.

**COVID-19 JOB SUPPORT LOANS**

An interest free loan facility totalling \$500 million is being created to support Queensland employers impacted by COVID-19 to retain employees and maintain operations. The facility will provide low-interest loans to eligible businesses of up to \$250,000 for carry on finance with an initial 12 month interest free period.

**INDUSTRY SUPPORT PACKAGE**

\$1 billion to assist large businesses so they can scale up and service the community when economic conditions improve. Focus will be on supporting businesses which make a significant contribution to QLD, can employ Queenslanders at scale, can make key contributions to a rapid response to the economy and have been significantly impacted by COVID-19.

**ELECTRICITY BILL RELIEF FOR SMEs**

\$500 rebate for sole traders, and small and medium business on their power bill for any businesses consuming less than 100,000 kilowatt hours. Refunds will be automatically applied to the business' power bill.

**WORKER RETRAINING AND ASSISTANCE**

\$500 million has been provided to assist workers who have lost their job or income with retraining, job-matching and other assistance to support them to transition to jobs in industries which are vital in supporting Queensland through this crisis, including healthcare, agriculture, transport, cleaning and mining.

**SUPPLY CHAIN SUPPORT**

For manufacturers and businesses having difficulties accessing supplies to continue to operate, employ and meet customer needs, the Government is identifying alternative suppliers of Queensland manufactured goods and services which are vital for businesses. The government is also providing grant under the Market Diversification and Resilience Grant.

**FINANCIAL RESILIENCE COUNSELLING**

SMEs can access financial counsellors to get a better understanding of their financial position and viability and gain assistance in developing and implementing plans to improve their financial situation.

**LEVY RELATED LEGISLATIVE PROVISIONS (CURRENT)**

The *Waste Avoidance and Recycling Act 2011* provides a number of financial provision to assist waste disposal site operators under financial pressure to pay levy amounts at a later date, or in smaller instalments.

**EXTENSION OF TIME TO PAY LEVY AMOUNT (s 71G)**

The operator of a levyable waste disposal site may apply for an extension of time to a pay a waste levy amount if the operator believes they will be unable to pay the amount by its due date.

**Limitations**

1. Extension of time cannot be for more than 1 month.
2. Operators cannot request a subsequent extension for the same waste levy amount

**INSTALMENT AGREEMENTS (s 72B)**

The operator a levyable waste disposal site may apply to the department to pay the waste levy amount in instalments, rather than in full by its due date for payment. When applying the operator must explain how entering into the instalment agreement will allow them to pay the waste levy amount and all other future waste levy amounts.

**Limitations****BAD DEBT CREDITS (72K)**

Operators of levyable waste disposal sites may apply for a credit on the waste levy amount paid on waste deliver to the site if:

1. The waste was delivered by customer who paid the levy for its disposal.
2. The delivered amount was included in the relevant period's waste data return.
3. The operator paid the levy on the delivered amount.

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| <p>3. Operators may only apply twice for an extension of time to pay a waste levy amount per financial year.</p> <p>4. Operators must apply prior to the due date for the waste levy amount.</p> <p>5. Upon default, interest will accumulate from the day the invoice was due (extension date) until full payment is made.</p> <p><b>EXTENSION OF TIME BY PUBLIC NOTICE (S72I)</b></p> <p>The Chief Executive may by publication on the department's website grant an extension of time to an operator of a waste disposal site to pay a waste levy amount if he or she is satisfied that it is justified due to a significant emergency.</p> | <p>1. Only 1 instalment agreement, per operator, may be in force at any given time.</p> <p>2. Only 1 instalment agreement may be entered into per financial year</p> <p>3. The period in which instalment must be paid must be no longer than 6 months after the agreement is entered into.</p> <p>4. More onerous application process – need to provide up-to-date management and financial information to prove financial situation.</p> <p>5. Harsher consequence upon default in terms of interest.</p> <p>An operator may apply once to amend their waste levy instalment agreement to include an additional amount (not more than 10 percent total waste levy amount owing at time of application) or extend the period for repayment (max 3 month extension).</p> | <p>4. The operator invoiced the customer for the amount, distinguishing the waste levy amount payable (no greater than levy plus GST).</p> <p>5. The customer failed to pay the invoice within 30 days of the invoice's delivery and subsequently became insolvent within 12 months of the waste's delivery.</p> <p>6. The operator has taken reasonable steps and has been unable to recover the amount owed.</p> <p>7. The operator has offset the amount owed against any amounts the operator owes the customer.</p> <p>8. At the time of application the operator had submitted all waste data returns and paid all waste levy amounts owing.</p> <p><b>Limitations</b></p> <p>1. The customer must not have been a related entity</p> <p>2. At the time of delivery the customer must not have owed the operator for a previous amount for greater than 30 days.</p> <p>3. The operator must have received a bad debt credit for the waste.</p> |
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