



AFTA Member Webinar – Friday 20 March

COVID-19 Economic Stimulus Package - Cash Flow assistance for business

To view the webinar recording click [here](#).

Member Questions Answered

In relation to Independent Business Owners such as myself with a team of Sub-Contractors the current stimulus package offer of \$25,000 doesn't work as we don't have / use PAYG, nor do we have employees. In addition, I have read the submission posted yesterday and the criteria is that the business must earn max TTV \$8Million dollars, and a nett "wage/ earnings" of 200K which then a \$50,000 loan would be offered with a payback term to be paid within 12 months. Again, this doesn't work when a business is like mine is over 10M and earnings.... along with, not sure how the Government could think that you could pay a loan of approx. \$4,500 per month. Is there any other offer to assist business like mine and others out there in the same boat?

At this stage, the Government has announced measures to support sole traders, including expanding eligibility to income support payments and establishing a new, time-limited Coronavirus supplement to be paid at a rate of \$550 per fortnight, early access to superannuation, and relief for some tax obligations through the ATO.

Visit business.gov.au to access your options and eligibility.

Are ATAS travel agents covered against consumer chargebacks as a result of COVID-19?

AFTA is aware that this is a major issue right now, and is currently working with both the Federal Treasury and RBA around a solution to this problem in our industry. We expect to be able to provide members with an update very soon.



Suite 3, Level 31, 31 Market Street, Sydney NSW 2000.
Tel +61 2 9287 9900
www.afta.com.au www.atas.com.au
AFTA LTD ABN: 72 001 444 275



As I understand it - we have to bring our BAS and Annual Returns up to date before we can lodge or complete any claim for assistance?

The stimulus package is available for the March 2020 and onwards quarters. Any Business Activity Statements prior to these will need to be lodged and paid as per normal.

What about if we have a current PAYG liability in FEB over \$5000. Do we pay anything now or does the credit get applied to that?

You will still need to pay your February PAYGW by the due date. However, we would suggest speaking to the ATO and requesting a payment extension, which could coincide with the due date of your March PAYGW to help facilitate an offset. This will be at the discretion of the ATO, however they have indicated a number of relief measures, including payment extensions, for businesses that have been impacted by COVID-19.

What cash stimulus benefits are there for agencies who only employ contractors on commission only basis?

The Government has also announced measures for businesses that do not have employees and pay salaries and wages.

The Government is temporarily expanding eligibility to income support payments and establishing a new, time-limited Coronavirus supplement to be paid at a rate of \$550 per fortnight.

In addition, sole traders can access up to \$10,000 of your superannuation in 2019-20 and a further \$10,000 in 2020-21. Early release of superannuation will be available from mid-April 2020.

Visit business.gov.au to access your options and eligibility.



I have seen conflicted terms for PAYG assistance. Is it the 4months Mar, Apr, May-Jun OR 3 months Apr-Jun20 quarter only?

The Boosting Cash Flow for Employers payment will be applied to a limited number of activity statement lodgments.

Quarterly lodgers will be eligible to receive the payment for the quarters ending March 2020 and June 2020.

Monthly lodgers will be eligible to receive the payment for the March 2020, April 2020, May 2020 and June 2020 lodgments.

The figures in example one were 150% of the PAYG figure it seemed - is that right? E.g. I have \$1000pw in PAYG for my business across my staff, so \$12000 per BAS. Do I get a \$6000 credit? or \$18000?

To provide a similar treatment to both monthly and quarterly lodgers, the payment for monthly lodgers will be calculated at three times the rate (150%) in the March 2020 statement.

We lodge our PAYGW monthly (not via BAS) - I have lodged for February this week. Do I still need to pay that amount in full or will it be offset?

You will still need to pay your February PAYGW by the due date. However, we would suggest speaking to the ATO and requesting a payment extension, which could coincide with the due date of your March PAYGW to help facilitate an offset. This will be at the discretion of the ATO, however they have indicated a number of relief measures, including payment extensions, for businesses that have been impacted by COVID-19.

Is the supporting apprentices and trainees package only available to travel industry businesses or all small businesses?

No, this package is available to all small businesses employing fewer than 20 full-time employees, who retain an apprentice or trainee.



Does a Travel Agent have to be an ATAS member to be eligible for the capped \$25K?

No, you do not have to be an ATAS member. This package is available to all SMEs with an aggregated turnover of under \$50 million, that employs workers.

Is "aggregated annual turnover" the gross sales for a travel agency or the total income (commission only) which is taken over to the tax return of that business?

Upon advice AFTA has received, your turnover will be determined by the Australian Taxation Office from your prior year tax return, and previous Business Activity Statements.

Will small businesses be penalised by reducing staff hours and hence less income for staff?

If you have any specific employment questions, we would suggest speaking with the Business Chamber's Workplace Advice Line, where you can talk to a qualified lawyer. All ATAS participants have free access to this, which provides advice on issues such as employment (contracts, hours, etc.) leave (personal, unpaid, etc.), and termination of employment (redundancies, etc.). Call **13 29 59** and quote your ATAS number.

Does the bank loan repayments also include credit cards?

No, AFTA understands that it will not be applicable to credit cards.

How can I exit out of my commercial lease?

We suggest you speak with a lawyer in relation to exiting from any contract. If at all you are able to negotiate for a rent reduction with your landlord, then we would suggest speaking with your landlord about what options are available. Your landlord has a vested interest in keeping you in business and retaining you as a tenant in order to prevent a situation where you are forced to vacate, the space sits vacant for an extended amount of time, and then has to be re-leased at a heavily discounted rent. Put everything on the table and see what they will offer you.





Will AFTA be reviewing AFTA Membership renewal requirements and providing any window of time for delaying payments?

Yes, we feel that it is in the best interests of the members if we suspend all application of criteria until July 31, 2020. This would mean that we would be in a monitor and support mode and not enforcement mode. AFTA will postpone ATAS renewal notifications for one month, meaning renewal notices will go out in May, however we will advise members that we remain in place to support.

Membership fees will not be levied to all existing members who are financial members as at the 31st March 2020 for their 2020/21 renewal.

Is there an estimated response time from the Government in response to AFTA's recent submission?

AFTA has now submitted to the Coronavirus Business Liaison Unit (BLU) within Treasury two submissions, and is currently in the process of preparing a third. The Government has also announced plans to deliver a third economic stimulus package.

While no specific response time has been provided by Government, it is pleasing to see that a number of measures AFTA proposed to the BLU have been implemented to date. AFTA will continue to lobby hard for further measures to urgently assist the travel industry.

