



Coronavirus (COVID-19) Federal Government Stimulus Package TWO

27 March 2020

- **Economic stimulus package two**
- **Support for Employers**
- **Support for Sole Traders**
- **Business Helpline**
- **Q&A**



SECOND ECONOMIC SUPPORT PACKAGE

The Commonwealth Government released on Sunday the second stage of its economic plan worth \$66.1 billion

Total stimulus of \$189 billion announced to date

9.7 per cent of GDP



SUPPORT FOR EMPLOYERS

First Package

- Employers to receive a payment equal to 50 per cent of their salary and wages withheld
- Maximum payment of \$25,000
- Minimum payment of \$2,000



Second (enhanced) Package

- Employers to receive a payment equal to 100 per cent of their salary and wages withheld
- Maximum payment of \$100,000
- Minimum payment of \$20,000
- Additional payment being made from for the Jul-Oct period

- **The payments are tax free**
- **No new forms to complete**
- **Payments to flow automatically through the ATO**

SUPPORT FOR EMPLOYERS

Government to establish the Coronavirus SME Guarantee Scheme

Support SMEs to get access to working capital

Government to guarantee 50 per cent of new loans issued by eligible lenders to SMEs

Terms will include:

- Maximum total size of loans of \$250,000 per borrower
- The loans will be up to 3 years, with an initial 6 month repayment holiday
- The loans will be in the form of unsecured finance

**AFTA is currently in discussions with the BIG 4 BANKS
to further unpack this for our members...**

SUPPORT FOR SOLE TRADERS

If you are a sole trader and do not employ staff you are eligible for:

- The increased instant asset write off
- Backing Business Investment (BBI)
- Increased and accelerated income support ←
- SME Guarantee Scheme
- Early access to superannuation ←
- Tax support ←



SUPPORT FOR SOLE TRADERS – ACCELERATED INCOME SUPPORT

Expansion of eligibility

Establishment of a new, time-limited Coronavirus Supplement - **\$550 per fortnight**

Six months to commence from 27 April, payments are NOT income tested

SUPPORT FOR SOLE TRADERS – ACCELERATED INCOME SUPPORT

Example...

Chris is a sole trader. Chris' business has been successful over the years, and he has been able to build up a reasonable amount of assets during his career, to a level that would ordinarily make him ineligible for an income support payment.

The economic downturn due to Coronavirus has adversely affected Chris' business, and his income has been reduced to zero.

Chris will be able to apply for the new Jobseeker / Coronavirus supplement and will not have his assets included as part of the eligibility assessment for the payment. He will also not be required to serve a Liquid Asset test Waiting Period, as that has been waived.

Chris is eligible for the Jobseeker payment and, as he is married, will receive:

1. Jobseeker Payment partnered rate of \$510.80 per fortnight; **plus**
2. Coronavirus supplement of \$550 per fortnight

This brings Chris' total fortnightly income support payment to \$1,060.80.



SUPPORT FOR SOLE TRADERS – EARLY ACCESS TO SUPERANNUATION

- **Sole traders – business has been suspended or there was a reduction in your turnover of 20% or more, on or after 1 January 2020**
- **Access to up to \$10,000 before 1 July 2020**
- **Access to a further \$10,000 from 1 July 2020 for approximately 3 months**
- **You will be able to apply for early release of your superannuation from mid-April 2020**
- **Access through myGov**

SUPPORT FOR SOLE TRADERS – EARLY ACCESS TO SUPERANNUATION

For example...

Rachel is a sole trader with a travel agency business. At the end of July 2020, Rachel seeks to apply for an early release from her superannuation for the 2020-21 financial year.

Due to the economic effects of the coronavirus, Rachel's turnover for July is \$5,000 compared to \$10,000 on average per month for the second half of 2019.

Rachel therefore determines that her turnover has reduced by more than 20 per cent compared to her average turnover over the last six months of 2019.

Rachel self-certifies that she is eligible for early release and applies to have \$10,000 released from her superannuation.



AUSTRALIAN TAXATION OFFICE (ATO) SUPPORT

ATO 'one stop shop' for info on COVID-19 stimulus package

ato.gov.au/coronavirus

- Early access to superannuation for individuals
- Cash flow assistance for employers
- PAYG variations
- Deferral of payments through BAS
- Payment plans



ATAS
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CHARGEBACK SCHEME
A C S

BUSINESS HELPLINE

Federal Government Business Hotline

13 28 46

business.gov.au

Increased support and targeted assistance by specialist advisors to provide support to businesses looking to access the various stimulus measures.



REMEMBER...

Speak to your accountant about what you may be eligible for. Your accountant will be able to provide you with the right advice based on your individual circumstances.

NEGOTIATE! Speak with your landlord about rent reduction

Ensure you are signed up to receive our Member EDM's.

Visit the AFTA website

- All webinar recordings and presentation slides are uploaded
- There is a dedicated page on the various stimulus packages from the states and territories



Questions?

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