

## **DESTINATION PORT STEPHENS WEBINAR – Friday, 27 March 2020**

### **Guest Speaker: Carl Baker, Haddad Baker on Government Stimulus Packages**

We know that for many small businesses, the uncertain and testing circumstances surrounding COVID-19 have and will continue to have a huge impact on your financial situation. We want you to know that we are here to help in any way we possibly can.

Last week the government passed both stages in their economic stimulus packages in a bid to help small businesses and other vulnerable entities to stay afloat.

#### **Highlights of the Stimulus Package – As at 27 March 2020**

- Wage subsidy - Businesses with turnovers up to \$50 million will be eligible for tax-free payments equal to 100 per cent of PAYG withheld from salaries and wages, with a minimum of \$20,000 and a maximum of \$100,000 over six months. The ATO will deliver the payment as a credit to the business upon lodgement of their activity statements, from 28 April 2020.
- Loan scheme - Small & Medium Businesses can access new loan guarantee scheme to support their working capital requirements. The government will guarantee 50% of the loan up to \$250,000 and can be unsecured, there are no repayments for 6 months, and this can be accessed in the 6 months between 1 April and 30 September 2020.
- Centrelink support - Casuals and sole traders will be eligible for enhanced Jobseeker payments of \$550 a fortnight, which applies if you are out of work or are still working in some capacity but have had hours reduced. Asset test and waiting period has been waived.
- Super withdrawal - Individuals can access up to \$10,000 from their super fund now and a further \$10,000 after 1 July 2020 if they pass certain eligibility criteria.
- ATO related - Deferral of payment due dates up to four months, vary pay-as you-go (PAYG) instalment amounts to zero for the April 2020 quarter, remission of interest and penalties incurred on or after 23 January 2020 and deferral of all current and future tax debts.
- Asset write-offs - The threshold will be increased from \$30,000 to \$150,000. The higher threshold is in place from 12 March until 30 June 2020 and applies to new or second-hand assets installed in businesses during these dates.
- The NSW State Government has announced a reduction in Payroll Tax Requirements. Previously, the Payroll Tax Threshold was \$900,000 for the year 1/7/2019 to 30/6/2020. This has been increased to \$10 million. This increase will eliminate the requirement for many employers to pay Payroll Tax in NSW this year. The Government will also refund any Payroll Tax that has already been paid for this period. They have also increased the threshold for the 2021 year to \$1 million.

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### What should you do now if this health crisis has affected you?

1. Contact your bank to ask whether you are eligible for a deferral on the repayments of your business and personal loans and/or waiver of fees and charges
2. Contact the ATO to receive a deferral of all tax debts
3. Contact your landlord to discuss whether an arrangement to waiver your rent is possible
4. Confirm whether there is a way to pivot your business in order to stay operating. *E.g. delivery, take away, online sales, zoom/skype meetings*
5. Contact Centrelink to confirm your eligibility and how to receive benefits
6. Contact your advisor or super fund to check eligibility and necessity of making a withdrawal
7. Keep communication flowing between yourself and your employees.

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### Our Firm

Until there are further developments regarding the closing of businesses around the area, Haddad Baker will still be operating in our office, however we will be putting measures in place to ensure social distancing is adhered to and alternative workings days are utilised.

Please don't hesitate to contact us if we can provide any advice or to discuss how we can get you the greatest possible outcome during the health crisis.

We are here to help.

Kind regards,



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