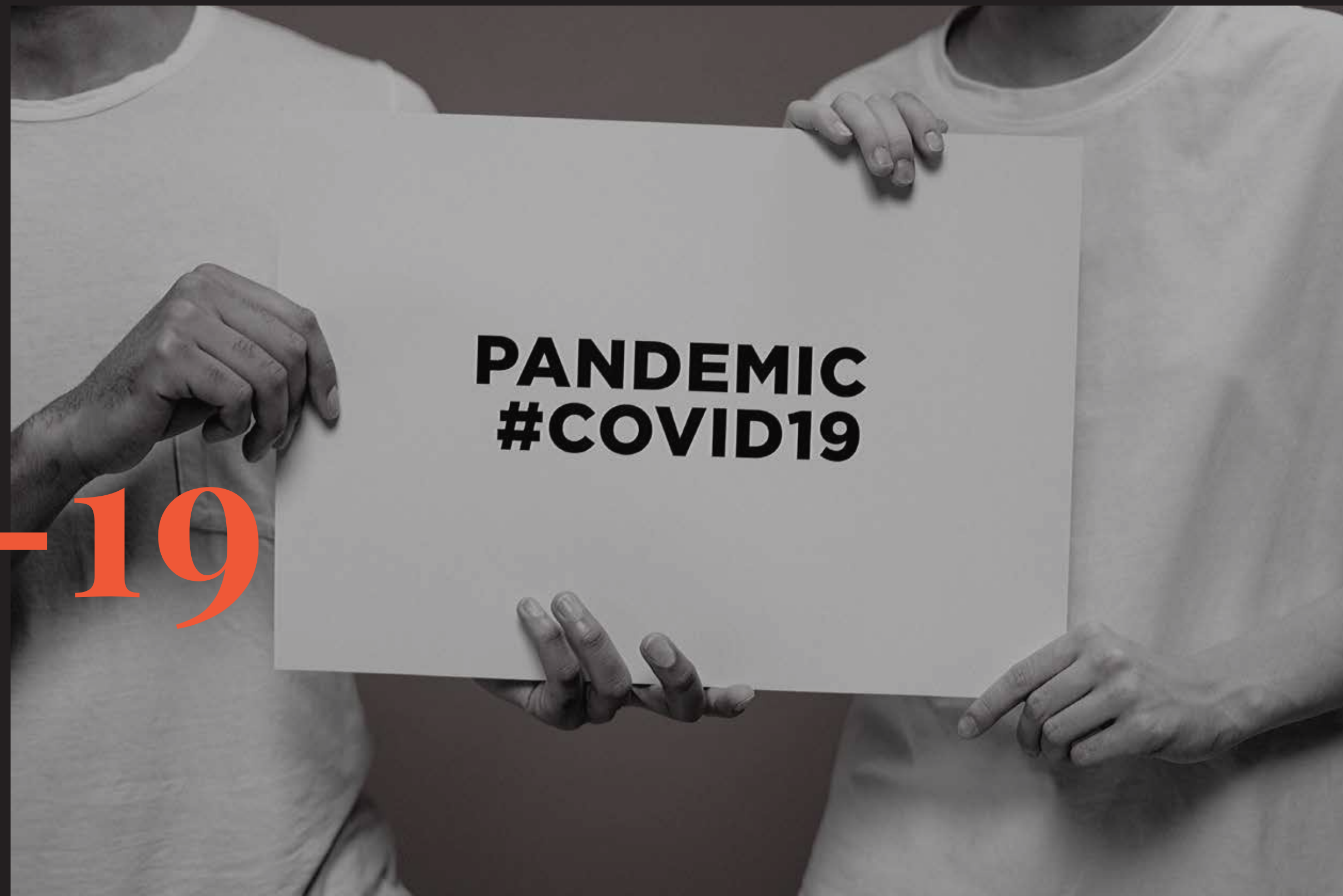


# COVID-19

STIMULUS PACKAGE

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Presented by  
KARTIK GUPTA (PROFITLINE CONSULTANT)



# DISCLAIMER

The information provided in this PPT is general in nature only and does not constitute personal financial advice. The information has been prepared without taking into account your personal objectives, financial situation or needs. Before acting on any information on this presentation you should consider the appropriateness of the information having regard to your objectives, financial situation and needs.

# KEY THINGS TO REMEMBER:

- Self Isolation /Follow the Rules
- Flatten the Curve
- Time to Pause / Reflect & Focus on What Matters the Most
- If you are in a Business & directly impacted ,Understand the Stimulus Package & Utilise what you are eligible for to your best advantage
- Keep the Jobs & retain your Employees ,Negotiate the Rents & Generate Revenues for your business
- Identify Fixed , Variable Costs & Semi Variable Costs for your business . Focus on how Fixed Costs could be lowered Variable & Semi Variable Costs should drop significantly automatically
- Add Value - Learn / Adapt & Implement. Identify Opportunities of Value Add Now & How to Generate Revenue
- Be Creative - Adapt to Changing Times & Implement STRATEGIES you have been procrastinating
- Govt is your Friend & Trying their best to take care of everyone . Support them support you
- We all are in Hibernation & these times shall pass . Covid-19 shall pass & there will be a brighter side



# SELF ISOLATION/ FOLLOW THE RULES

- Self Isolation is Important to Stop & Slow down the rate of growth of Virus
- More we Isolate & stay Physically away from each other , better the chances are for the situation to normalise in short period of time.  
Period Expected to Last for 3-6 Months
- It also helps in reduction of Exponential increase in new cases & flatten the curve
- In general, no more than two people can be in public together, unless they are part of the same household
- Follow Common Sense Rules & Go out only when it's Unavoidable Take care of Elderly & Most Vulnerable in your community. Offer them help & Try to ensure that they aren't exposed to unnecessary risk
- If we Follow The Rules & Listen to Authorities we shall have less pressure on health system , less loss of lives & sooner economic recovery



## STAGE 3 RULES APPLY IN VICTORIA- GO OUT FOR ONLY THESE 4 REASONS

- Buy Essentials /Groceries
- Seeing a Doctor where Telehealth Services can't be accessed
- Going to Work or Education Purposes
- Exercise

# BUSINESSES IMPACT SNAPSHOT

## BANNED OR CLOSED

- Registered and licensed clubs, licensed premises in hotels and pubs, casinos and night clubs
- Cinemas and entertainment venues
- Auctions and open house inspections
- Personal services such as beauty therapy, tanning, massage and tattoo parlours (but not physiotherapy)
- Outdoor and indoor markets
- Amusement parks and arcades, and indoor and outdoor play centres.
- Galleries, museums, libraries and swimming pools
- Gyms, boot camps and indoor sport venues
- Public playgrounds, outside gyms and skateparks

## RESTRICTED

- Hairdressers and barbers can continue but must strictly manage social distancing with at least four square meters per person. Originally a 30-minute time limit per customer was also imposed, but this rule was lifted on the 26 March
- Restaurants , Cafes & Food courts can offer delivery and takeaway only
- Airlines - Restricted Flights , International Travel Banned
- Real Estate Transactions - Open For Inspections Cancelled
- Travel & Tourism Companies.

## BUSINESSES BOOMING

- Groceries & Essential Supplies.
- Pharmacies & Health Supplies
- Medical Centers.
- Toy Stores / Gym Equipment Stores
- E - Commerce Businesses & Consulting Businesses ( e-commerce & consulting)

# VICTORIAN – STIMULUS PACKAGE

## LAND TAX DEFERRAL

Land Owners that have at least one non- residential property and total taxable landholdings below \$1 million have the option of defeating their 2020 lan tax payment until after 31 December 2020.

The State Revenue Office will contact all tax payers who are eligible for this deferral.

## WORKING FOR VICTORIA FUND

Under the \$500 million Working for Victoria Fund, displaced workers will be eligible to apply for different types of work. This provides opportunities for paid work and an opportunity to contribute to Victoria's ability to manage this event and support the community.

Some displaced workers will have skills that can be readily transferred to new roles. The Government can also assist skills development or help people in obtaining immediate accreditation to commence work.

The Government will work accross the public sector, local government, the not-for-profit sector and key private sector employers to facilitate job matching.

## FAST TRACKING OUTSTANDING SUPPLIER INVOICES

The Government will pay all outstanding supplier invoices within five business days - releasing up to \$750 million into the economy earlier. The Private is urged to do the same where possible

## RENT RELIEF FOR COMMERCIAL TENANTS IN GOVERNMENT BUILDINGS

The Government will work directly with commercial tenants in government buildings who can apply for rent relief. Private landlords are also being encouraged to provide rent relief or holidays to help businesses.

## LIQUOR LICENCE FEES WAIVED

Renewable liquor licence fees for 2020 will be waived. Businesses that have already paid will be reimbursed. The State Revenue Office will administer the reimbursement, regardless of whether the licence fee was paid to it or the Victorian Commission for Gaming and Liquor Regulation.

# VICTORIA- STIMULUS PACKAGE

## BUSINESS SUPPORT FUND -

The \$500 million Business Support Fund will support the hardest hit sectors, including hospitality, tourism, accommodation, arts and entertainment, and retail.

The Government will work with the Victorian Chamber, Australian Hotels Association and Australian Industry Group to deliver the Fund, which will help these businesses - which may not be eligible for payroll tax refunds due to their size - survive and keep people in work.

Assistance for Victorian small businesses impacted by coronavirus (COVID-19). The Victorian Government has launched the \$500 million Business Support Fund to help small businesses survive the impacts of the coronavirus (COVID-19) pandemic and keep people in work.

The Fund is part of the Victorian Government's \$1.7 billion Economics Survival Package

## POTENTIAL VALUE OF GRANT -

Funding of \$10,000 per business is available and will be allocated through a grant process.

## ELIGIBILITY REQUIREMENTS -

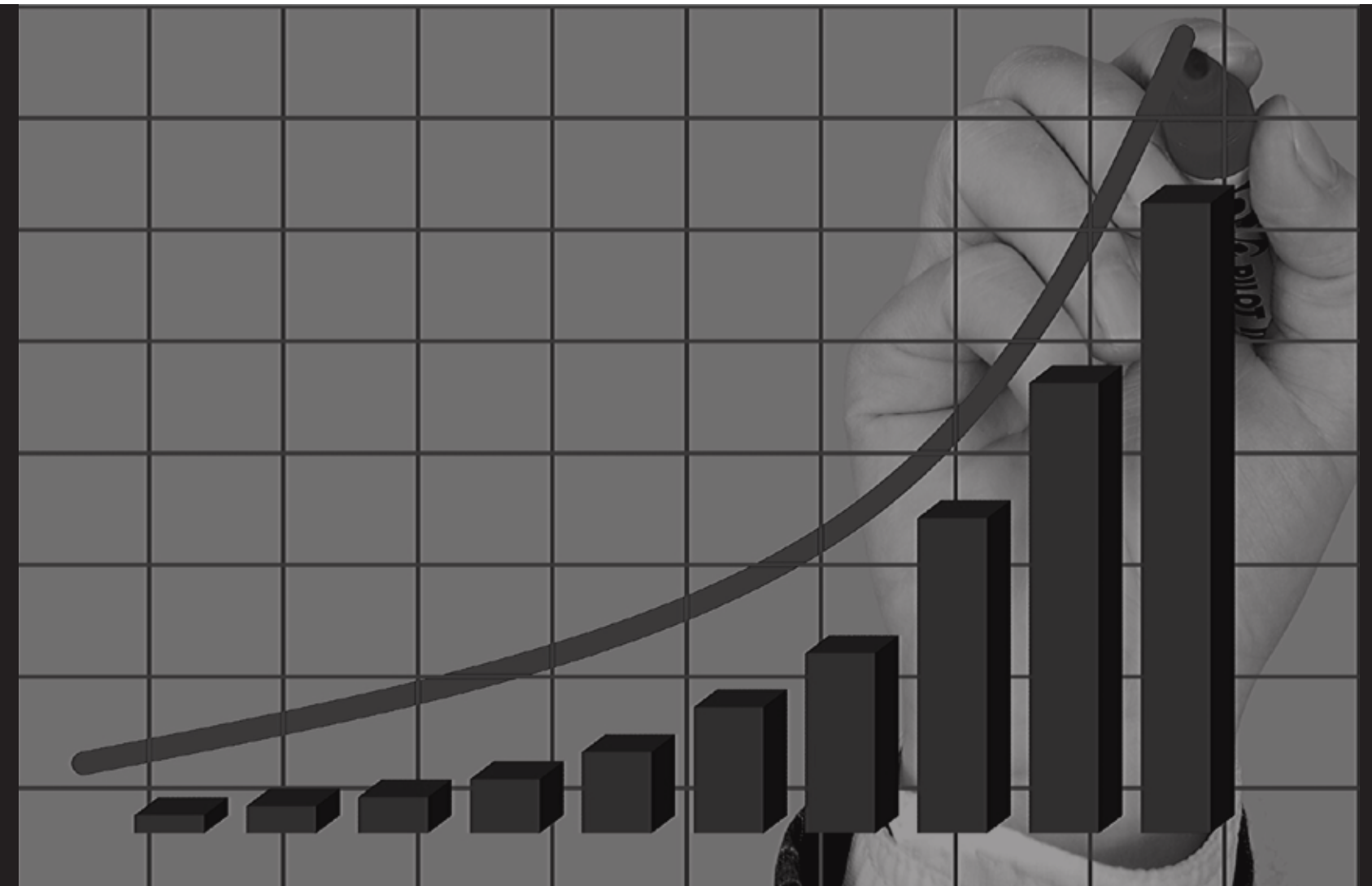
Businesses are eligible to apply for a grant through the Fund if they meet the following criteria:

- Have been subject to closure or highly impacted by Non-Essential Activity Directions issued by the Deputy, Chief Health Officer
- Employ people
- Have a turnover of more than \$75,000
- Have payroll of less than \$650,000
- Hold on Australian Business Number (ABN) and held that ABN at 16 March 2020 when the State of Emergency was declared
- Have been engaged in carrying out the operation of the business in the Australian State of Victoria on 16 March 2020

# VICTORIA- STIMULUS PACKAGE

## HIGHLIGHTS -

- Applicants must certify in writing that they meet the eligibility criteria
- Applicants will be subject to audit by the Victorian Government or its representatives and will be required to produce evidence, such as payroll reports to demonstrate impact, at the request of the Victorian Government for a period of four years after the grant has been approved
- If any information in the application is found to be false or misleading, or grants are not applied for the purposes stated in the terms of funding and application, the grant will be repayable on demand



## REQUIREMENTS -

- How Business is impacted: DRAFT by business owner
- Last BAS lodged showing PAYG withheld
- ABN
- ACN
- Total employees on salary FTE
- Total Salary processed monthly
- Bank Details



# COMMONWEALTH - STIMULUS PACKAGE

## COMMONWEALTH GOVERNMENT

The Commonwealth Government has also announced its economic response to the COVID-19 pandemic.

### THE SUPPORT FOR BUSINESS INCLUDES:

- Boosting cash flow for employers
- Increasing the Instant Asset Write-off
- Backing business investment
- Supporting apprentices and trainees
- Temporary relief for financially distressed businesses
- Supporting access to credit



# BOOSTING CASH FLOW FOR EMPLOYERS

The Government is providing temporary cash flow support to small and medium businesses and not for profit (NFP) organisations that employ staff during the economic downturn associated with COVID-19 (novel coronavirus). This will be done through two sets of cash flow boosts delivered from 28 April 2020 to support employers to retain employees.

The Government will provide tax-free cash flow boosts of between \$20,000 and \$100,000 to eligible businesses, delivered through credits in the activity statement system, when eligible businesses lodge their activity statements.

Small and medium-sized business entities with aggregated annual turnover under \$50 million and that employ workers are eligible. NFPs, including charities, with aggregated annual turnover under \$50 million and that employ workers are also eligible. This will support employment at a time where NFPs are facing increasing demand for services.

Eligible businesses will receive initial payments in the March to July 2020 period. These payments will be equal to 100 per cent of their employees' salary and wages withheld. The minimum initial payment is \$10,000 and the maximum initial payment is \$50,000.

Businesses who received initial cash flow boosts will receive additional cash flow boosts for the periods June to September 2020, equal to the total amount of initial cash flow boosts received. This means that eligible businesses that employ people will receive at least \$20,000 up to a total of \$100,000 under both payments. This additional payment continues cash flow support over a longer period, increasing confidence, helping employers to retain staff and helping businesses to keep operating.

Please see the Cash flow assistance for businesses fact sheet for more information on this measure.

# INCREASING THE INSTANT ASSET WRITE-OFF

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

In 2017-18 there were more than 360,000 businesses that benefited from the current instant asset write-off, claiming deductions to the value of over \$4 billion. This measure will support over 3.5 million businesses (over 99 per cent of businesses) employing more than 9.7 million employees.



## BACKING BUSINESS INVESTMENT

The Government is introducing a time-limited 15 month investment incentive (through to 30 June 2021) to support business investment and economic growth over the short term, by **accelerating depreciation deductions**.

Businesses with a turnover of less than \$500 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**.

This measure will support business investment and is estimated to lower taxes paid by Australian businesses by \$6.7 billion over the next two years. This measure will support over 3.5 million businesses (over 99 per cent of businesses) employing more than 9.7 million employees.



# SUPPORTING APPRENTICES AND TRAINEES

The Government is supporting small business to **retain their apprentices and trainees. Eligible employers can apply for a wage subsidy of 50 per cent of the apprentice's or trainee's wage** for 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 available to a new employer that employs that apprentice. Employers will be reimbursed up to a **maximum of \$21,000 per eligible apprentice or trainee (\$7,000 per quarter)**.

Support will also be provided to the National Apprentice Employment Network, the peak national body representing Group Training Organisations, to co-ordinate the re-employment of displaced apprentices and trainees throughout their network of host employers across Australia.

This measure will support up to 70,000 small businesses, employing around 117,000 apprentices.

# TEMPORARY RELIEF FOR FINANCIALLY DISTRESSED BUSINESSES

The economic impacts of the Coronavirus and health measures to prevent its spread will see many otherwise profitable and viable businesses temporarily face financial distress. It is important that these businesses have a safety net to make sure that when the crisis has passed they can resume normal business operations. One element of that safety net is to lessen the threat of actions that could unnecessarily push them into insolvency and force the winding up of the business.

The Government is **temporarily increasing the threshold at which creditors can issue a statutory demand on a company and to initiate bankrupt proceedings against an individual as well as temporarily increasing the time companies and individuals have to respond to statutory demands they receive. The package also includes temporary relief for directors from any personal liability for trading while insolvent,** and providing temporary flexibility in the Corporations Act 2001 to provide targeted relief from provisions of the Act to deal with unforeseen events that arise as a result of the Coronavirus health crisis.

The ATO will tailor solutions for owners or directors of business that are currently struggling due to the Coronavirus, including temporary reduction of payments or deferrals, or withholding enforcement actions including Director Penalty Notices and wind-ups.

# ACCESS TO CREDIT : SUPPORT FOR IMMEDIATE CASH FLOW NEED FOR SMEs

Under the Coronavirus SME Guarantee Scheme, the Government will provide a guarantee of 50 percent to SME lenders to support new short-term unsecured loans to SMEs. The Scheme will guarantee up to \$40 billion of new lending. This will provide businesses with funding to meet cash flow needs, by further enhancing lenders' willingness and ability to provide credit. This will assist otherwise viable businesses across the economy who are facing significant challenges due to disrupted cash flow to meet existing obligations.



## QUICK AND EFFICIENT ACCESS TO CREDIT FOR SMALL BUSINESS

The Government is cutting red tape by providing a temporary exemption from responsible lending obligations for lenders providing credit to existing small business customers. This reform will help small businesses get access to credit quickly and efficiently.

## RESERVE BANK OF AUSTRALIA — SUPPORTING THE FLOW AND REDUCING THE COST OF CREDIT

The Reserve Bank of Australia (RBA) announced a package on 19 March 2020 that will put downward pressure on borrowing costs for households and businesses. This will help mitigate the adverse consequences of the Coronavirus on businesses and support their day-to-day trading operations. The RBA is supporting small businesses as a particular priority.

The RBA announced a term funding facility for the banking system. Banks will have access to at least \$90 billion in funding at a fixed interest rate of 0.25 percent. This will reinforce the benefits of a lower cash rate by reducing funding costs for banks, which in turn will help reduce interest rates for borrowers. To encourage lending to businesses, the facility offers additional low-cost funding to banks if they expand their business lending, with particular incentives applying to new loans to SMEs.

# ACCESS TO CREDIT, BANKING INITIATIVES –

HOW WE'RE SUPPORTING OUR BUSINESS CUSTOMERS AND COMMUNITY GROUPS:

## DEFER YOUR BUSINESS LOAN UNDER \$5 MILLION

We will automatically waive Merchant fees for eligible business customers with an EFTPOS device or eCommerce facility, in March, April and May 2020.

## TAKE A NEW LOAN

We're offering an unsecured loan of up to \$250,000\* (lending criteria applies) with no establishment or account fees, and no repayments required for six months for business and community groups with less than \$50 million annual turnover. For the first 6 months, interest will be deferred and capitalised at a reduced variable rate of 5.5p.a., reducing to 4.5%p.a. on the 3rd April 2020. From 6 months, principal and interest repayments will be required.

## DEFER YOUR BUSINESS LOAN BETWEEN \$5-10 MILLION

Eligible business customers with total lending limits between \$5-10 million can choose to defer Better Business Loan principal and interest repayments for up to six months from April 2020, in line with the ABA loan deferral arrangements.

## WAIVE YOUR MERCHANT FEES

We will automatically waive Merchant fees for eligible business customers with an EFTPOS device or eCommerce facility, in March, April and May 2020.

Other Merchant customers requiring financial assistance during this time will also be able to arrange to waive their fees for 90 days.

## DEFER YOUR HOME LOAN

Home loan customers requesting financial assistance during this time will be able to defer their repayments for 6 months, with interest and fees added to their home loan and loan term extended.

## ACCESS YOUR BANKING ANYWHERE, ANYTIME

Many of the tools and technology you already use make it possible for you to manage your business or community group remotely, so you can keep things running as smoothly and simply as possible even as things change.

# OTHER COMMONWEALTH INITIATIVES:

HOW WE'RE SUPPORTING OUR BUSINESS CUSTOMERS AND COMMUNITY GROUPS:

## SUPPORTING BUSINESSES THROUGH THE CORONAVIRUS

SMALL BUSINESS CASH  
PAYMENTS UPTO \$100,000

## JOBKEEPER PAYMENT

NEW PAYMENT TO SUPPORT  
BUSINESSES AND TO KEEP  
AUSTRALIANS IN JOBS

\$1,500 PER FORTNIGHT  
PER ELIGIBLE EMPLOYEE

## ECONOMIC RESPONSE TO THE CORONAVIRUS

NEW CORONAVIRUS PAYMENT  
OF \$550 A FORTNIGHT FOR  
ELIGIBLE AUSTRALIANS

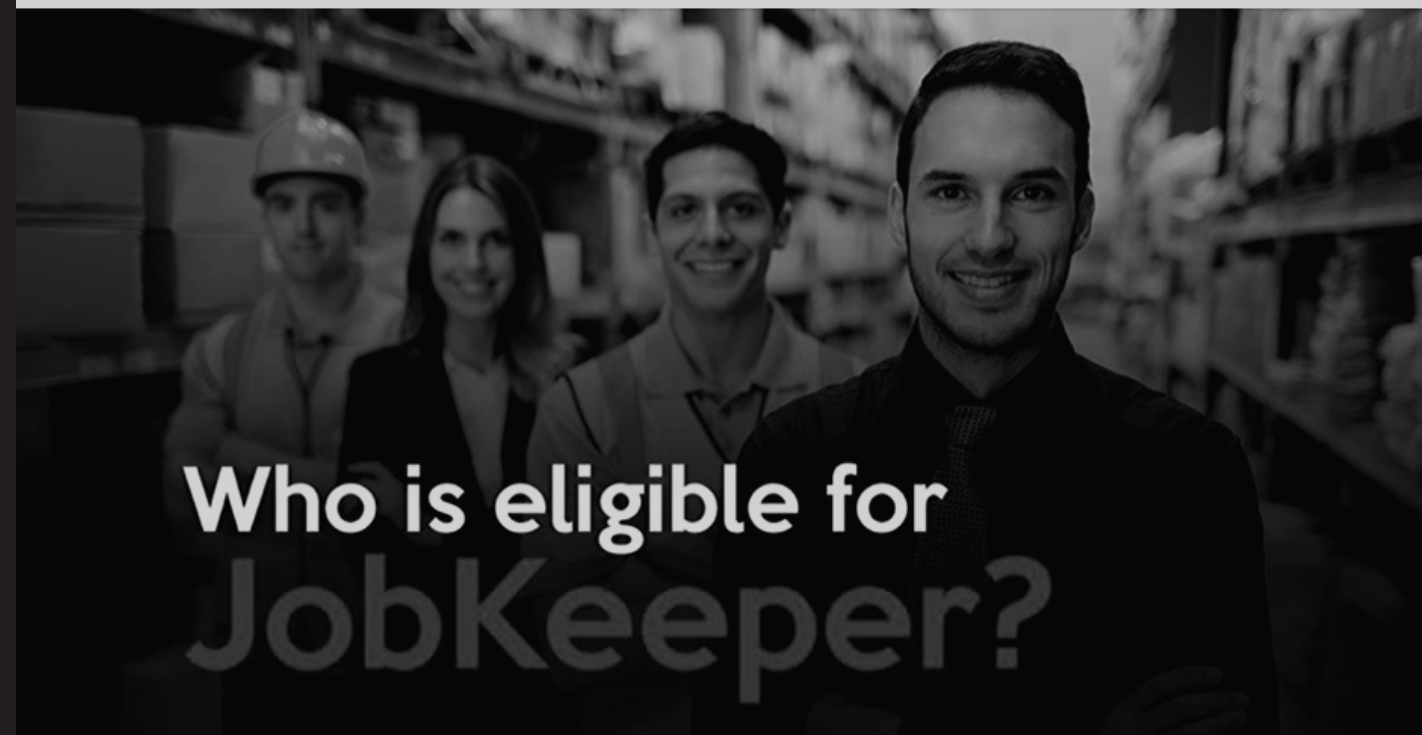
## ECONOMIC RESPONSE TO THE CORONAVIRUS

A FURTHER \$750 SUPPORT  
PAYMENT TO MORE THAN  
5 MILLION ELIGIBLE AUSTRALIANS

## ECONOMIC RESPONSE TO THE CORONAVIRUS

DOUBLING THE SAFETY NET  
FOR ELIGIBLE AUSTRALIANS  
TO MORE THAN \$1100

Eligible Employers can register with ATO now,  
<https://www.ato.gov.au/Job-keeper-payment/...>



## Who is eligible for JobKeeper?

- ✓ With a turnover of less than \$1bn that have lost 30% or more of their revenue compared to a comparable period a year ago.
- ✓ With a turnover of \$1bn or more and with at least a 50% reduction in revenue compared to a comparable period a year ago.

### Eligible employees:

- ✓ Were employed by an eligible employer at 1 March 2020
- ✓ Can be sole traders, full-time, part-time, or long-term casuals employed on a regular basis for longer than 12 months as at 1 March 2020.
- ✓ Are at least 16 years of age.
- ✓ Are an Australian citizen, the holder of a permanent visa, a protected special category visa, a non-protected special category visa who has been residing continually in Australia for 10 years or more, or a New Zealander on a special category (subclass 444) visa.

# JOBKEEPER PAYMENT (\$130 BILLION PACKAGE)

On 30 March 2020, the Government announced the JobKeeper Payment for eligible businesses, which may include sole traders, whose turnover had reduced by more than 30 per cent if they have a turnover of less than \$1 billion or by more than 50 per cent if they have a turnover of more than \$1 billion. Businesses subject to the Major Bank Levy will not be eligible. Following registration by the eligible business, the Government will provide \$1,500 per fortnight per eligible employee for a maximum of 6 months. This will support employers to maintain their connection with employees. Please see the Supporting businesses to retain jobs fact sheet for more information on this measure.

### JOBKEEPER PAYMENT

NEW PAYMENT TO SUPPORT BUSINESSES  
AND TO KEEP AUSTRALIANS IN JOBS.

\$1,500 PER FORTNIGHT PER ELIGIBLE EMPLOYEE.

\* Turnover Reduced < 30%

\*\$1,500 per fortnight per eligible employee

# OTHER STIMULUS PACKAGES -

29th March 2020 : \$1.1 billion package which boosts mental health services, domestic violence support, Medicare assistance for people at home and emergency food relief

- Medicare support at home - whole of population telehealth. \$669 million will be provided to expand Medicare-subsidised telehealth services for all Australians
- Domestic violence support - An initial \$150 million will be provided to support Australians experiencing domestic, family and sexual violence due to the fallout from coronavirus
- Mental health support - An initial \$74 million will be provided to support the mental health and wellbeing of all Australians
- Relief services for vulnerable Australians - An additional \$200 million will be provided to support charities and other community organisations which provide emergency and food relief as demand surges as a result of coronavirus



## BUSINESS VICTORIA HOTLINE

Businesses across the State can now access information on dealing with COVID-19 by calling the Business Victoria Hotline on **13 22 15**

## CORONAVIRUS (COVID-19) UPDATES

For the latest updates and advice on the Novel Coronavirus in Victoria, visit the DHHS Website

[www.dhhs.vic.gov.au/coronavirus](http://www.dhhs.vic.gov.au/coronavirus)

# KEY TAKE AWAYS -

**WHEN GOING GETS TOUGH,  
TOUGH GETS GOING.**

We are all in this Together . It will be Alright.  
Stay Safe. Be Kind to Each Other &  
Take care of Elderly & Vulnerable.

**THANK YOU**

## **CONTACT**

Kartik Gupta

## **WEBSITE**

[www.profitline.com.au](http://www.profitline.com.au)

## **EMAIL ADDRESS**

[kartik@profitline.com.au](mailto:kartik@profitline.com.au)

## **PHONE NUMBER**

0420260846