

# COVID-19 Small business – Government initiatives fact sheet

Updated: 31 March 2020

## Has your business been forced to shut down or seen a significant decrease in revenue? Here are a few options available to small business owners:

Many small business owners have or are soon to make the devastating decision to either close their business permanently or ‘hibernate’ in the hope they can reopen their business after the COVID-19 risk has passed. The government is encouraging business owners to hibernate for the next 3-6 months (estimate), and most of their incentives are for those businesses who remain ‘active’.

If your business had a healthy turnover prior to COVID-19, it’s worth exploring the options available to you now, so that you can reopen when the time comes.

### Government initiative: ‘JobKeeper’ payment

The government has announced \$130B towards a wage subsidy of \$1,500 per fortnight for 6 months for full time, part time, sole traders and casual employees where the business revenue has dropped by at least 30%. Employers can continue to pay their staff their full wages (if feasible) with the first \$1,500 per fortnight paid by the government. Payments will be distributed via the Single Touch Payroll system.

The JobKeeper payment is intended to provide wage subsidies to businesses that are significantly affected by COVID-19. The Government has announced its intention to pass additional legislation to introduce this new measure.

[Click here for more information](#)

### Government initiative: Boosting cash flow for employers payments

The Government is now providing up to **\$100,000 to eligible small and medium sized businesses**, and not-for-profits (including charities) that employ people, with a minimum payment of \$20,000.

An additional payment is also being introduced in the July to October 2020 period. Eligible entities will receive an additional payment equal to the total of all of the Boosting Cash Flow for Employers payments they have received.

This means that eligible entities will receive at least \$20,000 up to a total of \$100,000 under both payments.

To qualify for the additional payment, your business must continue to be active.

As this payment is distributed through the ATO as a credit in the activity statement system, you will need to continue to submit your BAS and activity statements to get the payments. This money will take significant pressure off your PAYG commitments.

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### Government initiative: Wage subsidy for 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% of the apprentice’s or trainee’s wage** paid during the 9 months from 1 January 2020 to 30 September 2020.

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### Government initiative: Instant asset write off

The **instant asset write-off threshold has been 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). This applies from 12 March 2020 until 30 June 2020, for new or second-hand assets first used or installed ready for use in this timeframe.

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### Worried about trading insolvent?

There is a temporary increase to the threshold at which creditors can issue a statutory demand on a company and the time companies have to respond to statutory demands they receive. **This includes temporary relief for directors from any personal liability for trading while insolvent**, and providing temporary flexibility in the Corporations Act 2001 to provide temporary and targeted relief from provisions of the Act.

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