

# BUSINESS UPDATE

JULY 2020 edited

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## JobKeeper Extended to 28 March 2021

Prime Minister Scott Morrison has announced the government will extend support to businesses and not-for-profits that continue to be significantly impacted by the Coronavirus for another 6 months.

### Key Points (edited 8 August)

- » From 28 September 2020, the employers are required to re-assess their eligibility with reference to the actual GST turnover; rather than the projected GST turnover.
- » To be eligible for the payments between 28 September 2020 to 3 January 2021, businesses and not-for-profits are required to demonstrate that their actual GST turnover has significantly declined only in the September 2020 quarter (previously in both June 2020 and September 2020 quarters) compared to the September 2019 quarter.
- » To be eligible for the payments between 4 January 2021 to 28 March 2021, businesses and not-for-profits are required to demonstrate their actual GST turnover has significantly declined in December 2020 quarter (previously in June 2020, September 2020 and December 2020 quarters) compared to the December 2019 quarter.

### Continuing eligibility rules

To be eligible for JobKeeper Payments under the extension, businesses and not-for-profits will still need to demonstrate that they have experienced a decline in turnover of:

- » 50 per cent for those with an aggregated turnover of more than \$1 billion;
- » 30 per cent for those with an aggregated turnover of \$1 billion or less; or
- » 15 per cent for Australian Charities and Not for profits Commission-registered charities (excluding schools and universities).

The Commissioner of Taxation will have the discretion to set out alternative tests that would establish eligibility in the circumstances that it is not appropriate to compare actual turnover in a quarter in 2020 with actual turnover in a quarter in 2019, in line with the Commissioner's existing discretion. We expect more information on the alternative tests to be released by the ATO.

### Changes to who is an eligible employee

Previously, an eligible employee must have been employed on 1 March 2020 to be eligible for JobKeeper payments.

In the extension period (from 28 September), this is now

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proposed to be 1 July 2020, so new staff would be able to receive the payments if the business suffers. Employees are eligible for Jobkeeper in the extension period if they are:

- » Currently employed by an eligible employer;
- » A full time, part-time, fixed term, or long term casual employee (and not a permanent employee of any other employer) of that employer at 1 July 2020;
- » Aged 18 years or older at 1 July 2020 (if 16 or 17 can also qualify if independent and not undertaking full-time study); and
- » An Australian resident, not in receipt of government parental leave or Dad and partner pay, or payment in accordance with workers compensation for total incapacity for work.

## Support Package for Victorian businesses

On 10 July 2020, the Victorian Government announced a further \$534 million Business Support Package for businesses impacted by the coronavirus lockdown.

Note some of the measures remain pending, and more information is to be provided by the Victorian Government to apply.

### Payroll Tax Deferral

Businesses in Victoria will benefit from an extended and expanded payroll tax deferral. If you are eligible businesses (i.e. with payrolls up to \$10 million), you can defer your payroll tax liabilities for the first half of the 2020-21 financial year.

### Business Support

The Expanded Business Support Fund will provide more than 80,000 eligible businesses with a new \$5,000 grant to support them through the renewed restrictions. This grant was previously made available to the 12 postcodes linked to outbreaks. It will now apply to all areas under Stage 3 restrictions.

If you are eligible businesses, you can register your interest and apply for the \$5,000 grant [here](#).

Applications for the program close on 19 August 2020.

### Regional Tourism Businesses

Eligible operators will be able to claim up to \$225 per night for up to 5 nights for each and every room cancelled due to the return of Stage 3 restrictions, provided they refund the booking in full.

Applications are open from 13 July 2020 until the end of the current Stay at Home restrictions or when funds are exhausted.

Use this link to [apply](#).

### CBD Small Hospitality Business Grant

Eligible businesses will be provided with a one-off grant of either \$5,000 (for businesses with a food service seating capacity in the CBD of 11 to 100 seats) or \$15,000 (for businesses with a food service seating capacity in the CBD of 101 or more seats) to help with the continued operation of their business.

To be eligible for a grant under this program, businesses must:

- » Be a recipient of a Business Support Fund – Expansion grant and may have received an invitation to apply for a CBD Small Business Hospitality Grant.
- » Operate a business with an address located in the Melbourne CBD, including the postcodes 3000 (Melbourne), 3005 (World Trade Centre), 3006 (Southbank) and 3008 (Docklands)
- » Operate a restaurant, cafe, pub, bar, club, reception centre, coffee and dessert outlet or takeaway food venue with food service seating capacity of 11 seats or more.
- » Hold a Class 2 or 3 Service Sector Certificate of Registration under the Food Act 1984 (Vic).
- » Not have received funding assistance through the Night-time Economy Business Support Initiative or the Victorian Live Music Venues Program.

Use this link to [apply](#).

## Hospitality Business Grant Program

Funding will be allocated through a grant process. Applicants apply for:

- » a grant of \$25,000 (excluding GST)
- » an extra \$5,000 for each additional premises located within Victoria (capped at \$20,000)
- » an extra \$20,000 for businesses operating premises in the CBD. (postcodes 3000 (Melbourne), 3005 (World Trade Centre), 3006 (Southbank) and 3008 (Docklands).)

To be eligible for a grant, your business must:

- » Operate a business with premises located in Victoria;
- » Operate a restaurant, cafe, pub, bar, club, reception centre, coffee and dessert outlet or takeaway food venue that serves patrons and hold a Class 2 or 3 Service Sector – Certificate of Registration under the Food Act 1984 (Vic);
- » Have an annual payroll of greater than \$3 million and lower than \$10 million in 2019-20;
- » Be registered for Goods and Services Tax (GST) on 30 June 2020;
- » Hold an Australian Business Number (ABN) and have held that ABN at 30 June 2020; and
- » Be registered with the responsible Federal or State regulator.

Use this link to [apply](#).

## Business Mentoring Program

The Government will also establish a \$10 million Business Mentoring Program to pair small business owners with experienced professionals who can help them navigate their way through the crisis.

## Mental Health Support

A \$26 million Mental Health Support will ensure Victorians dealing with the compounding challenges of running a small business.

## JobTrainer skills package

As part of the JobTrainer skills package, the Supporting Apprentices and Trainees wage subsidy will be expanded to include medium-sized businesses with 199 employees or fewer who had an apprentice in place on 1 July 2020. The wage subsidy will also be extended to March 2021.

## Coronavirus SME Guarantee Scheme

The Coronavirus Small and Medium Enterprises (SME) Guarantee Scheme was introduced to encourage lenders to provide support to SMEs suffering from the impacts of the Coronavirus. The Government is guaranteeing 50% of the new loans issued by eligible lenders to SMEs and have announced further increases to the loan size and available term. Eligible lenders are offering these guaranteed loans under the following terms:

### Until 30 September 2020

- » Available to SMEs, including sole traders and not-for-profits, with a turnover of up to \$50 million;
- » Maximum total size of loans of \$250,000 per borrower;
- » Loans will be for up to 3 years, with an initial six month repayment holiday;
- » Unsecured finance, meaning that borrowers will not have to provide an asset as security for the loan.

### From 1 October 2020

- » Loans can be used for a broader range of business purposes, including to support investment in a period of economic recovery;
- » The maximum loan size will be increased to \$1 million per borrower;
- » Loans can be up to 5 years rather than 3 years and whether there will be a six month repayment holiday will be at the discretion of the lender;
- » A loan can be either unsecured or secured (excluding commercial or residential property).

The decision on whether to extend credit, and management of the loan, will remain with the lender and be subject to their credit assessment processes. We suggest you contact us or your lender if you wish to pursue this funding.

## COVID-19 Manufacturer Response Register

Business to business connection is available via Advanced Manufacturing Growth Centre (AMGC) COVID-19 Manufacturer Response Register. Read about how to become a manufacturer and supplier to meet today's supply chain demands [here](#).

## Are you currently a company director or planning to become one?

Recently enacted amendments to the Corporations Act have created a new "super registrar" and will require all current directors and persons who are to be appointed directors to obtain a Director Identification Number (DIN) and to comply with new DIN requirements.

Under the new legislation, all registry functions will be transferred to a single Commonwealth Business Registrar (Registrar) to be administered by the Australian Tax Office (ATO). Thirty-one business registers maintained by the Australian Securities and Investments Commission (ASIC) (including the Companies Register) and the Australian Business Register will be combined onto one information technology platform to be administered by the Registrar.

Read more on how this will work in our recent article [Director Identification Numbers set to provide traceability of director relationships across companies](#).

Your team at Hall Chadwick is pleased to support you and discuss these requirements with you.

**Let's stay connected.** We can't be in the office but we continue to be here for you. Our team are working safely and securely in their virtual office locations. Please email your service team member or call us on **+61 3 9820 6400** for assistance and advice with regards to JobKeeper and other ways to manage your business through this challenging period.

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