



# Memorandum

<b>Date:</b>	25 March 2020		
<b>Subject</b>	COVID-19: Small Business Support		
<b>To</b>	All Clubs	<b>From</b>	Surf Life Saving WA
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## Federal Government Support for Businesses

### **Boosting cash flow for employers**

The Government is enhancing the *Boosting Cash Flow for Employers* measure it announced on 12 March 2020. The Government is providing up to \$100,000 to eligible small and medium-sized businesses, and not for-profits (NFPs) that employ people, with a minimum payment of \$20,000. Small and medium-sized business entities with aggregated annual turnover under \$50 million and that employ workers are eligible.

Under the enhanced scheme, employers will receive a payment equal to 100 per cent of their salary and wages withheld (up from 50 per cent), with the maximum payment being increased from \$25,000 to \$50,000. In addition, the minimum payment is being increased from \$2,000 to \$10,000.

### **Temporary relief for financially distressed businesses**

The ATO will tailor solutions for owners or directors of businesses 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.

### **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.

### **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.

### **Support for immediate cash flow needs for SMEs**

Under the Coronavirus SME Guarantee Scheme, the Government will provide a guarantee of 50 per cent to SME lenders to support new short-term unsecured loans to SMEs.

### **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. *Refer to the supporting the flow of credit fact sheet for more information.*



## **WA Government Support for Small Businesses**

### **One-off grants of \$17,500 to small and medium businesses**

- Small and medium businesses whose annual Australian Taxable Wages are between \$1 million and \$4 million will receive a one-off grant of \$17,500 to assist them to manage the impacts of COVID-19.
- No applications are required. Grants will automatically be paid from July, but there may be delays for taxpayers whose tax status changed during the 2018-19 assessment period or who commenced as new employers in 2018-19 and 2019-20.
- It is expected 6,200 WA businesses will benefit from the grant.

## **ABA Support**

On 20 March 2020, the Australian Banking Association (ABA) also announced that Australian banks will defer loan repayments for small businesses affected by COVID-19 for six months.

## **Bank Support**

For Club's in financial distress it may be worth contacting their banks directly and confirming any loan relief or fee reductions on offer.

## **AGM requirements**

In accordance with the *Incorporated Associations Incorporations Act 2015*, a Club's AGM must be held within 6 months after the end of the Club's financial year. Depending on timing this may become a practical difficulty for Clubs in the coming months. One option for Clubs to carry out their AGM obligations is to do this electronically. We have attached a guidance document prepared by SLSA with some tips and ideas for conducting an electronic AGM. In the event that Clubs cannot or choose not to hold an electronic AGM there is the option of making an application to the Commissioner for an extension of time to hold the AGM. The quickest way to do this is by completing the Form 3 Application for Extension of Time through Associations Online. Alternatively, the Department of Mines Industry Regulation and Safety have advised that the Form 3 can be downloaded from their website and emailed to [associations@dmirs.wa.gov.au](mailto:associations@dmirs.wa.gov.au).

## **Small business support services**

The Small Business Development Corporation has created a COVID-19 assistance centre to provide dedicated, timely guidance on available support options, including:

- information on available stimulus packages and eligibility requirements
- advice on preparing businesses to manage impacts
- other resources

To access the service, contact 133 140 (8.30am-4.30pm weekdays) or email [info@smallbusiness.wa.gov.au](mailto:info@smallbusiness.wa.gov.au)

**END.**

### **For more information, please contact;**

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