

24 March 2020

The below outline provides a high-level summary of recommended actions and available Government support (Federal and State). Further details around specific government stimulus and Safe Harbour/Director responsibilities can be accessed on the website via links below.

ACTIONS TO CONSIDER/IMPLEMENT

1. Understand the Starting Position

Establish the current financial position (including tax lodgements, liabilities etc);

2. Estimate the Costs to Continue

Make a realistic estimation of the monthly costs to continue the business through the virus period ("the Forecast") including potential Govt assistance.

3. Consider Priority Funding

Consider funding options & ability to prioritise Directors/Shareholders funding or increase bank facility, new equity or new finance facilities.

4. Safe Harbour Review of the Forecast or Options

Consider Safe Harbour review to test the approach and the options available. Although Insolvent Trading provisions have been suspended for 6 months, Directors still have other responsibilities and potential exposure.

5. Consider Options & Monitor

Explore alternatives like Voluntary Administration with a Holding DOCA approach if arrangements with creditors are not possible to be reached.

[Further Details](#)

STATE GOVERNMENT TAX STIMULUS - NSW

Payroll tax waived for the June 2020 quarter for businesses with payroll to \$10m.

2021 payroll tax threshold to be increased to \$1m.

Waiver of some charges and licencing fees for small businesses including bars, cafes, restaurants and tradespeople

[Further Details](#)

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FEDERAL GOVERNMENT TAX STIMULUS

- \$10,000 to \$50,000 as a rebate of 100% of PAYG withholding from 1 January to 30 June 2020;
- \$10,000 to \$50,000, equal to the credit above, to be made in July to 30 September 2020.
- Increased instant asset write off to businesses with \$500m turnover to \$150,000 (applies from 12 March to 30 June 2020) and additional 50% tax depreciation to 30 June 2021; and
- Wage assistance for each apprentice paid from 1 January to 30 September 2020.

Individuals (incl. employees)

- Two one-off payments of \$750 to certain welfare recipients, additional payment of \$550 per fortnight to income support recipients;
- Expanded access to income support and early access to up to \$20,000 of superannuation.

[Further Details](#)

ALTERNATIVE FUNDING STIMULUS

- The Government will guarantee 50% of new loans issued by eligible lenders by 30 September 2020 to small and medium businesses.
- Loan terms to be: unsecured, up to \$250,000, 3-year term and no repayments for the first 6 months.
- Temporary relief for business directors for trading while insolvent;
- \$715 million support for the aviation industry.

[Further Details](#)

CONTACT

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CLIENT CHOICE AWARDS WINNER 2020

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