
COVID-19 - Small Business - What support is available to you?

The Australian Government has announced measures to support businesses impacted by the coronavirus (COVID-19). If you're a sole trader or you employ people, there is support available to you.

For a well-informed breakdown of support available to Sole Traders and Employers, please read about it [here](#).

Boosting cash flow for employers

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.

On 12 March 2020, the Government announced the *Boosting Cash Flow for Employers* measure. The measure initially provided up to \$25,000 to business, with a minimum payment of \$2,000 for eligible businesses. Small and medium sized business entities with aggregated annual turnover under \$50 million and that employ workers are eligible.

The Government has enhanced this measure as part of the second economic response package. An additional payment is also being introduced in the July – 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. This additional payment continues cash flow support over a longer period, increasing confidence, helping employers to retain staff and helping entities to keep operating.

The cash flow boost provides a tax free payment to employers and is automatically calculated by the Australian Taxation Office (ATO). There are no new forms required.

Example of how this payment can help your business

Sarah's Construction Business

Sarah owns and runs a building business in South Australia and employs 8 construction workers on average full-time weekly earnings who each earn \$89,730 per year. In the months of March, April and June for the 2019-20 income year, Sarah reports withholding of \$15,008 for her employees on each business activity statement (BAS).

Under the Government's changes, Sarah will be eligible to receive the Boost on lodgement of each of her BAS. Sarah's business receives:

- A credit of \$45,024 for the March period, equal to 300 per cent of her total withholding.
- A credit of \$4,976 for the April period, before she reaches the \$50,000 cap.
- No payment for the May period, as she has now reached the \$50,000 cap.
- An additional payment of \$12,500 for the June period, equal to 25 per cent of her total Boosting Cash Flow for Employers payments.
- An additional payment of \$12,500 for the July period, equal to 25 per cent of her total Boosting Cash Flow for Employers payments.
- An additional payment of \$12,500 for the August period, equal to 25 per cent of her total Boosting Cash Flow for Employers payments.
- An additional payment of \$12,500 for the September period, equal to 25 per cent of her total Boosting Cash Flow for Employers payments.

Under the previously announced Boosting Cash Flow for Employers measure, Sarah's business would have received a maximum payment of \$25,000.

Under the Government's enhanced Boosting Cash Flow for Employers measure, Sarah's business will receive \$100,000. This is an additional \$75,000 to support her business and help her retain her staff.

For more information, support and resources for businesses, visit business.gov.au.

We are here to assist our members, please contact us if you require assistance with any of the Government support packages on (03) 6210 2000 or at headoffice@mbatas.org.au.
