



FPA COVID-19 Summary document

Support for business

Grants for small and medium-sized businesses

Small and medium-sized businesses with a turnover of up to \$50 million will be eligible for grants of between \$20,000 and \$100,000 to assist with the cost of maintaining staff. To be eligible, businesses must have employed staff between 1 January 2020 and 30 June 2020.

The first round of payments will be equal to 100 percent of the PAYG tax withheld on employee salary with a minimum of \$10,000 and to a maximum of \$50,000. Grants will be issued automatically based on business activity statements or installment activity statements from 28 April 2020.

The second round of payments will occur for the period July to October, these being equal to the total payments received under the first round.

Treasury has released a factsheet on these grants available [here](#).

SME loan guarantee and funding measures

Banks will offer unsecured three-year loans of up to \$250,000 to businesses with a turnover of less than \$50 million. Fifty percent of the loan value will be underwritten by the Federal Government. Loans will be interest-free for the first six months, interest-only for the next six months and principle and interest for the remaining two years.

Loans will be available through the banks' normal business lending channels. For example:

[Commonwealth Bank](#)

[NAB](#)

[Westpac](#)

[ANZ](#)

The RBA has provided a \$90 billion term funding facility for banks to reduce the cost of finance for small and medium-sized businesses. The facility is expected to result in a significant reduction in the interest rate charged in business loans - as little as 4.5 percent per annum. A \$15 billion funding facility for non-bank lenders has also been deployed.



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Small and medium business helpline expanded

Operations at the business.gov.au 13 28 46 Contact Centre will increase from five days per week to seven days per week, and provide additional hours of support outside standard operating hours for the first month, answering calls from 7am to 11pm AEST.

ATO support

The ATO has announced a range of measures to assist affected businesses with their tax obligations, including PAYG payment deferrals and changes to reporting frequency for GST. More details are available on the [ATO website](#).

Instant asset write-off

The Government has increased the instant asset write-off threshold from \$30,000 to \$150,000. It is now available to all businesses with a turnover of up to \$500 million until 30 June 2020.

The Government is also offering an accelerated depreciation schedule for some other assets that do not qualify for an instant write-off.

Treasury has released a factsheet on these measures available [here](#).

Government information

The Government has released additional information to support businesses facing uncertainty due to the coronavirus:

- Small or medium business with reduced cash flow?
[Here's what we're doing to boost your cash flow.](#)
- Is your business financially distressed?
[This is what we're doing to support you.](#)
- Assisting the economic recovery
[Here's how we'll support you to grow.](#)
- Employ an apprentice or trainee?
[This support is for you.](#)
- Are you a sole trader that has lost business?
[This is what we're doing to support you and your business.](#)

For more information on Coronavirus and the Government's response, please visit:
www.treasury.gov.au/coronavirus or www.australia.gov.au



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Regulatory changes

Insolvency laws

The Government will provide relief from insolvency laws, including by increasing the threshold for a creditor to issue a statutory demand from \$2,000 to \$20,000 and the threshold for a creditor to initiate bankruptcy proceedings from \$5,000 to \$20,000. Companies will now have up to six months to respond to a claim. There will also be a six-month reprieve for Directors personal duty to prevent insolvent trading.

Treasury has released a factsheet on these changes available [here](#).

FASEA CPD

FASEA recognises the challenges presented by COVID-19. Importantly FASEA understands that delivery of face to face CPD offerings may be difficult.

FASEA encourages Licensees to take a supportive approach to compliance in these extraordinary circumstances.

Licensee CPD policies are required to include potential relief provisions to assist the needs of advisers affected by extenuating circumstances (including medical). Advisers affected in this way should consider contacting their Licensee to determine the most appropriate approach to their individual position.

Read FASEA media release [here](#)

FASEA April Exam

FASEA advises that the April 2020 face to face sittings of its Adviser Exam are canceled due to these challenges. The Exam Provider ACER, will make the April exam available to registered candidates as a remote online option – irrespective of the distance to an exam centre. An option to defer until June or a later sitting is also available to candidates. ACER requests candidates to ensure their email addresses are up to date in the registration system.

Read FASEA's announcement [here](#)



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ASIC priorities

Until at least 30 September 2020, the other matters that ASIC will afford priority are where there is the risk of significant consumer harm, serious breaches of the law, risks to market integrity and time-critical matters.

ASIC has immediately suspended a number of near-term activities that are not time-critical. These include consultation, regulatory reports, and reviews, such as the ASIC report on executive remuneration, updated internal dispute resolution guidance and a consultation paper on managed discretionary accounts. Stakeholders will shortly be notified of deferred consultation and publications relevant to them.

Where warranted, relief or waivers from regulatory requirements will also be provided. ASIC will maintain its enforcement activities and continue to investigate and take action where the public interest warrants us to do so against any person or entity that breaks the law. However, it will focus on action necessary to prevent immediate consumer harm, egregious illegal conduct, and other time-critical matters.

Read ASIC's media release [here](#).

Further resources from ASIC can be found [here](#)



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Support for individuals and households

Superannuation - early superannuation access

People experiencing financial distress will be able to withdraw up to \$10,000 from their superannuation accounts in 2019-20 and another \$10,000 in 2020-21. Withdrawals will be tax free. Applications can be made through myGov at <https://my.gov.au/>

Treasury has released a [fact sheet](#) on early access to superannuation.

Superannuation - minimum drawdown rates

The minimum drawdown requirements for superannuation will be temporarily reduced by 50 percent for 2019-20 and 2020-21. For example, the minimum rate for under-65s will reduce from four percent to two percent.

Treasury has released a [fact sheet](#) on minimum drawdown rates.

Deeming rates

The Government has announced a further reduction of 0.25 percent to the social security deeming rates, following the 0.5 percent reduction announced in early March. From 1 May 2020, the upper deeming rate will be 2.25 percent and the lower deeming rate will be 0.25 percent.

Treasury has released a [fact sheet](#) on reducing deeming rates.

Increased and accelerated income support

The Government is introducing a number of income support measures for Australians already receiving certain payments, and new recipients. Eligibility for each of the new support payments differs and is explained on the [Services Australia](#) website. The Government is expanding eligibility for some payments and making them easier to claim.

First \$750 Economic Support Payment

The first \$750 Economic Support Payment is a one-off payment to those already receiving [certain payments](#), including the Age Pension and those on the Commonwealth Seniors Health Card between 12 March 2020 and 13 April 2020.



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Coronavirus Supplement

A temporary fortnightly \$550 Coronavirus Supplement on top of the normal payment, will automatically be paid to [eligible income support payment recipients](#) from 27 April for up to six months. New applicants claiming one of the eligible payments who have their claim approved, will also receive the supplement.

The income support payment categories eligible to receive the Coronavirus Supplement are:

- Jobseeker Payment (and all payments progressively transitioning to the Jobseeker Payment; those currently receiving Partner Allowance, Widow Allowance, Sickness Allowance and Wife Pension)
- Youth Allowance Jobseeker
- Parenting Payment (Partnered and Single)
- Farm Household Allowance
- Special Benefit recipients
- Youth allowance for students
- Austudy for students
- ABSTUDY for students

Asset testing for these payments will be waived from 27 April for 6 months, except for Farm Household Allowance and Special Benefit. Income testing will still apply.

Eligibility criteria for the Jobseeker Payment and Youth Allowance Jobseeker payments will be expanded to provide access to the Coronavirus Supplement to:

- permanent employees who are stood down or lose their employment;
- sole traders;
- the self-employed;
- casual workers; and
- contract workers

This could also include a person required to care for someone who is affected by the Coronavirus.

Second \$750 Economic Support Payment

Those who are not eligible for the Coronavirus Supplement may get a second \$750 Economic Support Payment, payable from 13 July 2020.



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[Crisis Payment](#)

A [Crisis Payment](#) is available to certain recipients if they need to self-isolate.

[Claiming payments](#)

Australians can claim online through [myGov](#) using a Centrelink online account, or contact [Services Australia](#).

Treasury has released a [fact sheet](#) on income support..

[Pension Loans Scheme](#)

The Pension Loans Scheme is a voluntary reverse equity mortgage that can offer support for war veterans a fortnightly income stream to supplement their retirement income. The payments may be made for a short period of time while your income and assets are being rearranged or may be made for an indefinite period.

Find out more information and how to apply [here](#).

[Government information](#)

The Government has released additional information to support households facing uncertainty due to the coronavirus:

- Household finances hit by reduced work?
[Here's what we're doing to help support your family budget.](#)
- [Payments to support households.](#)

For more information on Coronavirus and the Government's response, please visit:
www.treasury.gov.au/coronavirus or www.australia.gov.au



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Timing of assistances

Date	Support
Immediately, with deductions to be included in 2019-20 tax returns	Increased instant asset write off
Immediately	Temporarily reduced minimum drawdown rates for superannuation
Immediately, with deductions to be included in 2019-20 tax returns	Backing business investment — accelerated depreciation
As soon as practicable	Support for Coronavirus-affected regions and communities
From 31 March 2020	First round of \$750 payments to support households
Applications from early-April	Assistance for existing apprentices and trainees
Applications from mid-April 2020	Temporary early release of superannuation
From 27 April 2020	Income support and a Coronavirus supplement
From 28 April 2020	First phase of Boosting Cash Flow for Employers
From 1 May 2020	Increased transfer payments from reduced deeming rates
From 13 July 2020	Second round of \$750 payments to support households
From 21 July 2020	Second phase of Boosting Cash Flow for Employers

Source: Treasury, [Overview-Economic Response to the Coronavirus](#)