

COVID-19 Key Information Guide

CORONAVIRUS SUPPORT GUIDE

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Managing employees and leave entitlements

What do I do if an employee is feeling unwell and suffering flu like symptoms?

According to the WHO website the most common symptoms of COVID-19 are fever, tiredness, and dry cough. Some patients may have aches and pains, nasal congestion, runny nose, sore throat or diarrhoea. These symptoms are usually mild and begin gradually. If an employee presents with these symptoms they should be directed to follow advice from the Australian Government and seek urgent medical attention if they suspect they have contracted the COVID-19 virus.

The health and safety of staff and those they come into contact with must be an employer's top priority. This should dictate the approach any employer takes to responding to employees that may have come into contact with the COVID-19 virus.

An employee can (of course) avail themselves of their accrued sick leave if they take time off work due to being ill with the COVID-19 virus.

Under the Fair Work Act, national system employees (other than those engaged on a casual basis), are entitled to 10 days each year paid sick leave (personal) for each year of service. This entitlement accrues on a progressive basis during each year of service and many employees will have an accrual in excess of 10 days.

There is no limit on the number of days of accrued leave that can be taken as personal leave.

Employer Obligations

What do I do if an employee has recently returned from overseas (from 11:59pm Sunday 15 March 2020)?

The Australian Government has imposed a universal precautionary self-isolation requirement on all international arrivals in Australia (effective as at 11:59pm Sunday 15 March 2020). This means that all employees - whether they be citizens, residents or visitors - will be required to self-isolate for 14 days upon arrival in Australia because of their possible or actual exposure to the COVID-19 virus.

Self-isolation means staying in your home, hotel room or provided accommodation and not leaving for the period of time that you are required to isolate for (currently 14 days). Only people who usually live in the household should be in the home. No visitors should be allowed.

The Department of Health has issued isolation guidance which can be accessed [here](#).

Technically an employee is not entitled to take sick/carer's (personal) leave under the Fair Work Act unless they are absent from work due to either a personal injury or illness, a need to care for a member of their immediate family or household who is sick or injured or due to a family emergency.

This means that an employee returning from travel who is required by government to self-isolate, but is not yet sick themselves cannot avail themselves of sick (personal) leave. This is because, to qualify for personal leave, an employee must be “not fit for work” because of an illness or injury affecting them. It is unlikely that this pre-requisite will be met by persons who are not yet diagnosed as ill but merely require isolation.

On a practical level, however, it may make sense for employers to look to utilise practical solutions during the employee’s absence due to government imposed quarantine, so that employees do not suffer from a loss of pay during the isolation period where possible, such as:

- allowing the employee to work from home (where feasible), during the quarantine period;
- allowing employees to avail themselves of other leave available to an employee (such as annual leave, long service leave or any other leave available under an award, enterprise agreement or contract of employment); or
- any other paid or unpaid leave by agreement between the employee and the employer (e.g. personal leave or discretionary paid leave).

Note: Employers should be aware they may attract the risk of breaching the National Employment Standards in the Fair Work Act if they allow an employee to use personal leave where the employee is not in fact ill, even where the employee agrees to this approach. Always be sure to also check any applicable modern awards, enterprise agreements, employment contract terms and company policies – as they may contain additional rules or entitlements which may apply to your workplace and employees.

What do I do if an employee has been in contact with someone who has or may have COVID-19 or has returned from overseas prior to 11:59pm Sunday 22 March 2020?

If an employee has recently return from overseas (prior to 11:59pm Sunday 22 March 2020) or has been “in contact with” someone who has or may have COVID-19 they may also be required to self-quarantine because of their possible or actual exposure to the virus.

Similar to the position stated earlier employees in these circumstances who need to quarantine but are not yet sick themselves cannot avail themselves of sick (personal) leave. This is because, to qualify for personal leave, an employee must be “not fit for work” because of an illness or injury affecting them. It is unlikely that this pre-requisite will be met by persons who are not yet diagnosed as ill but merely require isolation.

Again however we suggest discussing the matter with your employees and trying to utilize the practical solutions set out above, so that employees do not suffer from a loss of pay during the isolation period where possible.

What happens if an employee’s immediate family member contracts the COVID-19 virus or their children’s school is closed?

An employee may use paid personal leave to take time off to care for an immediate family member or household member who is sick or injured or to help during a family emergency.

Previous case law around the meaning of a “family emergency” suggests that it is likely to include providing care to a child whose school has been forced to close with little or no notice as a result of COVID-19. Therefore an employee in this circumstance will likely also be able to access their personal leave for this purpose even if their child is not ill or injured.

The amount of accrued paid carer’s leave that can be taken is not capped, subject to the employee’s accrued balance of personal leave at the time.

If an employee exhausts their accrued paid personal leave they may also access up to two days’ unpaid carer’s leave (or a longer period with the agreement of their employer) in order to care for a family member with a personal illness or injury or to help during a family emergency.

What if an employee may have contracted COVID-19 but they still wish to attend work?

If an employee maintains that they are able to work (but are not sick and not able to work from home) then employers face a difficult scenario: the employee says they are fit to work, but the employer has concerns that the employee is not fit to work (perhaps because they may have been exposed to COVID-19 through travel or close contact with someone who has tested positive) without posing unacceptable safety risks to the workforce. Remembering that employers have a duty to provide and maintain, so far as is reasonably practicable, a working environment that is safe and without risks to the health of employees. As well as workers having a duty to take reasonable care for their own and others’ health and safety

“In contact with” is defined as requiring:

- Greater than 15 minutes face-to-face contact in any setting with a person who has tested positive for COVID-19 in the period extending from 24 hours before onset of symptoms in the confirmed case; or
- Sharing a closed space for 2 hours or more with a person who has tested positive for COVID-19, in the period extending from 24 hours before onset of symptoms in the confirmed case.

The best means of resolving this impasse is to first discuss the issue with the employee and then if necessary direct the relevant employee to undergo testing if testing is available.

Employees can be directed to obtain medical clearance, which may include being tested for coronavirus, provided this is reasonable and based on factual information about health and safety risks.

Once the test is undertaken, if the employee is cleared, they are able to return to work (best practice would dictate the employer pays the employee for the relevant period). If the employee tests positive, then they can be permitted to take personal leave for the duration of their absence.

What about casual employees?

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Casual employees are entitled to not attend work when they are unwell or injured. However, they are not entitled to any additional payment of sick leave for any shifts they do not work as they have already been paid an additional loading in lieu of other entitlements including sick leave. This means that a casual employee who is diagnosed with COVID-19 may be required to refrain from presenting to work without a legal entitlement to additional payments.

Furthermore, where shifts to casual employees are reduced either on account of business downturn or because the employee has been required to isolate (due to contact or recent travel), the employees will not be entitled to payment during this period.

Casual employees are entitled to 2 days unpaid carer's leave to take time off to care for an immediate family member or household member who is sick or injured or to help during a family emergency.

Employee directions

Can you send an employee home if you observe COVID-19 virus symptoms?

Employers have a legal responsibility to ensure the health and safety of those in the workplace, including visitors. Where an employer holds a reasonable belief that an employee is posing a health risk – such as showing symptoms of the COVID-19 virus – it would not be unreasonable to send the employee home on sick (personal) leave on the basis that they are unfit to work safely and without risk to the health of others in the workplace.

Employers should ask the employee to seek medical advice / testing and a clearance before returning to work.

If the employee maintains they are able to work, consider whether it is practical for the employee to work from home for part or all of the period prior to obtaining the test results.

Once the test is undertaken, an employee may return to work if they are cleared. If the employee tests positive, see above regarding any pay and leave obligations and entitlements that may apply.

During the COVID-19 outbreak, it may also be prudent to remind employees of their obligation to take reasonable care not to adversely affect the health and safety of other persons, and ask that they notify their employer immediately if they are suffering flu-like symptoms.

What if you wish to direct an employee to not attend work but the employee is not showing signs of COVID-19 and is not required to isolate themselves under Australian government direction (and not subject to a stand down)?

If an employer directs an employee not to attend work, despite them being fit and able to do so (and not subject to any government isolation requirements) then we suggest best practice is for that employee to continue to get paid.

In this situation, it is also important to check and consider whether you can simply issue this direction (e.g. pursuant to the employee's contract or as a reasonable and lawful direction based on factual information about health and safety risks) – or whether you need employee

agreement. Again, also check any applicable industrial instruments (such as enterprise agreements, awards), contract terms and company policies – and seek specific advice.

Work related travel

Employers should make sure that travel policies clearly address where an employee can travel to, the reasons for travel and permission required.

Employers need to be constantly assessing the risks of requiring employees to travel, particularly overseas, even for critical meetings.

Employees should be informed that travel policies are constantly under review and may be subject to regular change.

Employers should also carefully check any insurance cover for work-related travel.

Can you give directions about non-work related employee travel?

Employers must be mindful not to give directions to employees that might extend to or impact the personal or private activities of the employee and which would not otherwise affect their work. Only in exceptional circumstances would it be regarded as reasonable for an employer to direct an employee how to conduct themselves outside the workplace and have the right to extend its supervision over the private lives of employees. In considering this issue, a court will look at whether there is a significant connection between the outside activity and the employee's employment.

It is possible that the current COVID-19 circumstances may give rise to such a sufficient connection, given subsequent quarantine at the government's direction that the employee will be subject to, meaning an employer may be in a position to potentially direct staff to abide by the travel advisories of the Australian government (smartraveller.gov.au).

At a minimum employers should inform employees that when making travel plans they should understand the risks they are taking by reference to the government travel advisories and alert them to the fact that they will be subject to government quarantine measures when they return.

Visitors to workplaces

Taking extra precautions in allowing visitors to enter the workplace is important for employers in limiting exposure to COVID-19 in the workplace.

Employers have the right to ask visitors to provide information in advance as to whether they have flu-like symptoms, have been in contact with anyone infected with COVID-19, or travelled to a high-risk area.

If a visitor answers affirmatively to any of these questions, employers should strongly consider their work health and safety obligations and should request the visitor not come to the workplace until they have been asymptomatic for 14 days or can provide a clearance letter from a physician.

Key take outs

- ➔ If your employee is sick, recommend that they take their personal leave
- ➔ If your employee is not sick, recommend that they take their accrued leave otherwise this will be unpaid
- ➔ This is a stressful time for everyone, work with your employees to amicably come to an agreement which will be mutually beneficial

Changing or scaling down operations

The following section addresses the worst-case scenarios and suggests some contingency strategies that business may be considering to limit the impact of COVID-19.

Varying hours or rosters

As a result of the spread of COVID-19 some employers may be considering varying operations, for example to reduce the risk of exposure for employees by altering start and finishing times or to address changes in demand patterns of consumers.

An employer's ability to vary hours and/or rosters will largely depend upon the applicable industrial instrument (e.g. enterprise agreement or award) or contract that applies to their employees.

For example some employers whose workforces are covered by an award or enterprise agreement may be restricted from altering work arrangements without first consulting with employees (and potentially also union/s).

We therefore strongly recommend if you are considering making certain variations to your operations that you get advice on your specific options and obligations prior to making any changes.

Reducing operations

As a result of the potential further spread of COVID-19 some employers may be forced to consider scaling down operations. For example by:

- placing a freeze on new hires;
- reducing any supplementary labour such as contractors or labour hire workers;
- reducing employee hours; or
- providing annual or long service leave in advance or at half pay.

An employer's ability to make such changes will largely depend upon the applicable industrial instrument (e.g. enterprise agreement or award) or contract that applies to their employees.

We therefore strongly recommend if you are considering scaling down your operations that you seek advice on your specific options and obligations prior to making any changes.

Redundancies

Some employers may eventually decide that things have gotten so financially stringent that they are compelled to reduce the size of their workforce and as a result need to make some staff redundant.

Before making any employees redundant it is important to first consider:

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- whether there are any options for redeployment within the business or associated entities; and

Most employees (who have at least one year of service with the employer) will be entitled to receive a minimum redundancy payment in accordance with the Fair Work Act (a general exception applies to employers with fewer than 15 employees in most (but not all) industries).

The amount of redundancy pay employees are entitled to will be based upon their continuous service, as well as any terms in any applicable enterprise agreement or award.

It is possible for employers to ask the Fair Work Commission to reduce an amount that would otherwise be payable on redundancy if:

- the employer finds other acceptable employment for the employee; or
- the employer cannot afford the full redundancy amount.

If as an employer you are considering redundancy of 15 or more staff, you must also give written notice to the Department of Human Services of the proposed dismissals.

Before taking steps to make an employee redundant we strongly suggest getting advice on your specific circumstances as any redundancies are likely to be highly scrutinised, can be disputed and should be considered as a last resort.

The course of the COVID-19 outbreak remains very uncertain. However, it is highly foreseeable that the negative effects of a further spread of the virus both in Australia and globally will test the resilience of businesses generally.

Under the Biosecurity Act 2015 the government has a range of powers that could affect employers. The Attorney General has already suggested that these powers may be used widely if the situation in Australia deteriorates further. Relevantly for employers, **under the Act, the Health Minister may direct a “person who is in a position to close premises, or prevent access to premises, to do so”. Meaning that the government could direct employers to close their workplaces or may restrict movement of people more generally which may force the closure of workplaces.**

Breaching such a direction is an offence punishable by imprisonment for five years. As a result some businesses may be forced to close due to a government directive if COVID-19 takes a worsening course.

Business may also be forced to close due to a lack of stock or customers (if the community decide not to go to restaurants or shops, or are discouraged from unnecessary public gatherings or contact). This may include situations in which businesses are unable to trade due to essential supplies or stock becoming unavailable (for example medical and allied businesses that may require masks to safely work), due to particular risks or because stock and supplies have run out.

While the following section outlines the steps that may be taken under the Fair Work Act to implement a stand down, such a step is not without risk, so we strongly recommend prior to any decision by an

employer to stand down (which is not as a result of a government direction) first consulting with staff to see if alternative arrangements can be made (e.g. a reduction in hours or days of work).

Stand down

Under the Fair Work Act employers have the right to temporarily stand down employees without pay during a period in which the employees cannot be “usefully employed” because of a stoppage of work for any cause for which the employer cannot reasonably be held responsible.¹ (The other circumstances are industrial action and breakdown of machinery or equipment).

Business shut down

“Usefully employed” means that the employment will result in a net benefit to the employer’s business by reason of the performance of the particular work done by the employee.

While the regulator, the Fair Work Ombudsman, states on its website that employers cannot stand down an employee “just because the business is quiet or there isn’t enough work”, (in our view) the COVID-19 outbreak could result in a situation that meets the requirements for stand down under the Act, for example where an entire department, office or operation is required to close due to quarantining of the workforce or the business’ customers or where directed to close by the government.

Employers may also be able to consider standing down employees where a business has been so severely impacted by import/export restrictions resulting from COVID-19, that there is no work at all available to employees.

There will be no right to stand down if there is useful work available for the employee to do which is within the terms of the employee’s contract of employment. It need not be work the employee normally carries out.

It is an essential part of stand down that the decision is a unilateral one of an employer to withhold work and payment even when employees are prepared to perform all duties.

Employees can be stood down for the period of time while the business is dealing with the issue AND employees cannot be usefully employed.

Situations where stand down does NOT apply:

- Where an employer refuses to pay an employee in response to the employee’s refusal to work (e.g. for safety reasons) in accordance with the contract of employment.
- If an enterprise agreement or contract of employment (rare) makes provision for stand down. In these circumstances the provisions in the agreement or contract will apply as opposed to the Fair Work Act. They may have different or extra rules about when an employer can stand down an employee without pay.

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- An employee is taking authorised leave (paid or unpaid) or is otherwise authorised to be absent from their employment.
 - If there is work available for some employees you cannot stand down all employees. Only those employees who cannot be usefully employed may be stood down.
- In the event of a valid stand down under the Fair Work Act, an employer does not need to pay wages to stood down employees, but an employee accrues leave in the usual way (as though they have worked). Continuity is also not broken.

SUPPORT AVAILABLE as at 23/3/20 BOOSTING CASH FLOW FOR EMPLOYERS

Summary

The Boosting Cash Flow for Employers measure will provide up to \$25,000 back to business, with a minimum payment of \$2,000 for eligible businesses. The payment will provide temporary cash flow support to small and medium businesses that employ staff. The payment will be tax free.

Eligibility

Small and medium business entities with aggregated annual turnover under \$50 million and that employ workers will be eligible. Eligibility will generally be based on prior year turnover.

- The payment will be delivered by the Australian Taxation Office (ATO) as a credit in the activity statement system from 28 April 2020 upon businesses lodging eligible upcoming activity statements.
- Eligible businesses that withhold tax to the ATO on their employees' salary and wages will receive a payment equal to 50 per cent of the amount withheld, up to a maximum payment of \$25,000.
- Eligible businesses that pay salary and wages will receive a minimum payment of \$2,000, even if they are not required to withhold tax.

This measure will benefit around 690,000 businesses employing around 7.8 million people.

Timing

The Boosting Cash Flow for Employers measure will be applied for a limited number of activity statement Lodgements. The ATO will deliver the payment as a credit to the business upon Lodgement of their activity statements. Where this places the business in a refund position, the ATO will deliver the refund within 14 days. Quarterly lodgers will be eligible to receive the payment for the quarters ending March 2020 and June 2020. Monthly lodgers will be eligible to receive the payment for the March 2020, April 2020, May 2020 and June 2020 Lodgements. To provide a similar treatment to quarterly lodgers, the payment for monthly lodgers will be calculated at three times the rate (150 per cent) in the March 2020 activity statement.

The minimum payment will be applied to the business' first Lodgement.

Example

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).

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

- A payment of \$22,512 for the March period, equal to 150 per cent of her total withholding.
- A payment of \$2,488 for the April period, before she reaches the \$25,000 cap.
- No payment for the May period, as she has now reached the \$25,000 cap.
- No payment for the June period, as she has now reached the \$25,000 cap.

Sean's Hairdresser Salon

Sean owns a hairdresser's salon on the Gold Coast. He employs one apprentice who earns \$37,970 per year and two stylists who both earn \$44,260 per year. In the March and June 2020 quarterly BAS, Sean reports withholding of \$4,570 for his employees.

Under the Government's changes, Sean will be eligible to receive the payment on Lodgement of his BAS.

Sean's business will receive:

- A payment of \$2,285 for the March quarter, equal to 50 per cent of his total withholding.
- A payment of \$2,285 for the June quarter, equal to 50 per cent of his total withholding.

Sean's business will receive a total payment of \$4,570.

Sean may also benefit from the assistance for existing apprentices and trainees measure.

Tim's Courier Run

Tim owns and runs a small paper delivery business in Melbourne, and employs two casual employees who each earn \$10,000 per year. In the March and June 2020 quarterly BAS, Tim reports withholding of \$0 for his employees as they are under the tax-free threshold.

Under the Government's changes, Tim will be eligible to receive the payment on Lodgement of his BAS.

Tim's business will receive:

- A payment of \$2,000 for the March quarter, as he pays salary and wages but is not required to withhold tax.
- No payment for the June quarter, as he has already received the minimum payment and he has no withholding obligation.

If Tim begins withholding tax for the June quarter, he would need to withhold more than \$4,000 before he receives any additional payment.

SUPPORTING APPRENTICES AND TRAINEES

Summary

The Government is supporting small business to retain their apprentices and trainees. Eligible employers can apply for a wage subsidy of 50 per cent of the apprentice's or trainee's wage paid during the 9 months from 1 January 2020 to 30 September 2020. Where a small business is not able to retain an apprentice, the subsidy will be available to a new employer.

Employers will be reimbursed up to a maximum of \$21,000 per eligible apprentice or trainee (\$7,000 per quarter).

Support will also be provided to the National Apprentice Employment Network, the peak national body representing Group Training Organisations, to co-ordinate the re-employment of displaced apprentices and trainees throughout their network of host employers across Australia.

Eligibility

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The subsidy will be available to small businesses employing fewer than 20 full-time employees who retain an apprentice or trainee. The apprentice or trainee must have been in training with a small business as at 1 March 2020.

Employers of any size and Group Training Organisations that re-engage an eligible out-of-trade apprentice or trainee will be eligible for the subsidy.

Employers will be able to access the subsidy after an eligibility assessment is undertaken by an Australian Apprenticeship Support Network (AASN) provider.

This measure will support up to 70,000 small businesses, employing around 117,000 apprentices.

Timing

Employers can register for the subsidy from early-April 2020. Final claims for payment must be lodged by 31 December 2020.

Further information is available at:

- The Department of Education, Skills and Employment website at: www.dese.gov.au
- Australian Apprenticeships website at: www.australianapprenticeships.gov.au

For further information on how to apply for the subsidy, including information on eligibility, contact an Australian Apprenticeship Support Network (AASN) provider.

Example

David's Plumbing is a small business that employs 10 people, including two full-time Australian Apprentices.

Taylor is a first year Australian Apprentice, aged 20, undertaking a Certificate III qualification. She commenced her apprenticeship with David's Plumbing on 6 February 2020. Taylor receives a weekly wage of \$532.89.

Lisa is a third year Australian Apprentice, aged 29, undertaking a Certificate IV qualification. She commenced her apprenticeship with David's Plumbing on 18 November 2017. She receives a weekly wage of \$772.71.

David's Plumbing are eligible for Supporting Apprentices and Trainees which pays 50 per cent of the apprentices' wages that have been paid by David's Plumbing since 1 January 2020.

David's Plumbing will receive:

- \$9,059 subsidy for employing Taylor for 6 February 2020 to 30 September 2020; and
- \$15,068 subsidy for employing Lisa for 1 January 2020 to 30 September 2020.

BOOSTING CASH FLOW FOR EMPLOYERS

Summary

The Government is 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. These payments will help businesses' and not-for-profits' cash flow so they can keep operating, pay their rent, electricity and other bills and retain staff.

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. Not-for-profit entities (NFPs), including charities, with aggregated annual turnover under \$50 million and that employ workers will now also be eligible. This will support employment activities at a time where NFPs are facing increasing demand for services.

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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.

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.

Eligibility - *Boosting Cash Flow for Employers* payments

Small and medium sized business entities and NFPs with aggregated annual turnover under \$50 million and that employ workers will be eligible. Eligibility will generally be based on prior year turnover.

- The payment will be delivered by the ATO as an automatic credit in the activity statement system from 28 April 2020 upon employers lodging eligible upcoming activity statements.
- Eligible employers that withhold tax to the ATO on their employees' salary and wages will receive a payment equal to 100 per cent of the amount withheld, up to a maximum payment of \$50,000.
- Eligible employers that pay salary and wages will receive a minimum payment of \$10,000, even if they are not required to withhold tax.
- The payments will only be available to active eligible employers established prior to 12 March 2020.

However, charities which are registered with the Australian Charities and Not-for-profits Commission will be eligible regardless of when they were registered, subject to meeting other eligibility requirements. This recognises that new charities may be established in response to the Coronavirus pandemic.

Eligibility - Additional payment

To qualify for the additional payment, the entity must continue to be active.

For monthly activity statement lodgers, the additional payments will be delivered as an automatic credit in the activity statement system. This will be equal to a quarter of their total initial *Boosting Cash Flow for Employers* payment following the Lodgement of their June 2020, July 2020, August 2020 and September 2020 activity statements (up to a total of \$50,000).

For quarterly activity statement lodgers the additional payments will be delivered as an automatic credit in the activity statement system. This will be equal to half of their total initial *Boosting Cash Flow for Employers* payment following the Lodgement of their June 2020 and September 2020 activity statements (up to a total of \$50,000).

This measure will benefit around 690,000 businesses employing around 7.8 million people, and around 30,000 NFPs (including charities).

Timing - *Boosting Cash Flow for Employers* payments

The *Boosting Cash Flow for Employers* payment will be applied to a limited number of activity statement Lodgements. The ATO will deliver the payment as a credit to the entity upon Lodgement of their activity statements. Where this places the entity in a refund position, the ATO will deliver the refund within 14 days.

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| Type of lodger | Eligible period | Lodgement due date |
|------------------|--|--------------------|
| Quarterly | Quarter 3 (January, February and March 2020) | 28 April 2020 |
| | Quarter 4 (April, May and June 2020) | 28 July 2020 |
| Monthly | March 2020 | 21 April 2020 |
| | April 2020 | 21 May 2020 |
| | May 2020 | 22 June 2020 |
| | June 2020 | 21 July 2020 |

Quarterly lodgers will be eligible to receive the payment for the quarters ending March 2020 and June 2020.

Monthly lodgers will be eligible to receive the payment for the March 2020, April 2020, May 2020 and June 2020 Lodgements. To provide a similar treatment to quarterly lodgers, the payment for monthly lodgers will be calculated at three times the rate (300 per cent) in the March 2020 activity statement.

The minimum payment will be applied to the entities' first Lodgement.

Timing - Additional payment

The additional payment will be applied to a limited number of activity statement Lodgements. The ATO will deliver the payment as a credit to the entity upon Lodgement of their activity statements. Where this places the entity in a refund position, the ATO will deliver the refund within 14 days.

| Type of lodger | Eligible period | Lodgement due date |
|------------------|---|---------------------------------|
| Quarterly | Quarter 4 (April, May and June 2020) | 28 July 2020 28 October 2020 |
| | Quarter 1 (July, August and September 2020) | |
| Monthly | June 2020 | 21 July 2020 |
| | July 2020 | 21 August 2020 |
| | August 2020 | 21 September 2020 |
| | September 2020 | 21 October 2020 |

Quarterly lodgers will be eligible to receive the additional payment for the quarters ending June 2020 and September 2020. Each additional payment will be equal to half of their total initial Boosting Cash Flow for Employers payment (up to a total of \$50,000).

Monthly lodgers will be eligible to receive the additional payment for the June 2020, July 2020, August 2020 and September 2020 Lodgements. Each additional payment will be equal to a quarter of their total initial Boosting Cash Flow for Employers payment (up to a total of \$50,000).

Examples: 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. Sarah reports withholding of \$15,008 for her employees on each of her monthly Business Activity Statements (BAS).

Under the Government's changes, Sarah will be eligible to receive the payment on Lodgement 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.

Sean's Hairdresser Salon

Sean owns a hairdresser's salon on the Gold Coast. He employs 12 hairdressers, with average salary of \$50,000 per year. Sean reports withholding of \$8,788 for his employees in each of his monthly BAS. Under the Government's changes, Sean will be eligible to receive the payments on Lodgement of his relevant BAS.

Sean's business will receive:

- A credit of \$26,364 for the March period, equal to 300 per cent of his total withholding.
- A credit of \$8,788 for the April period.
- A credit of \$8,788 for the May period.
- A credit of \$6,060 for the June period, before he reaches the \$50,000 cap. Sean will also receive an additional payment of \$12,500 for the June period, equal to 25 per cent of his total Boosting Cash Flow for Employers payments.
- An additional payment of \$12,500 for the July period, equal to 25 per cent of his total Boosting Cash Flow for Employers payments.
- An additional payment of \$12,500 for the August period, equal to 25 per cent of his total Boosting Cash Flow for Employers payments.
- An additional payment of \$12,500 for the September period, equal to 25 per cent of his total Boosting Cash Flow for Employers payments.

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

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Under the Government's enhanced Boosting Cash Flow for Employers measure, Sean's business will receive \$100,000. This is an additional \$75,000 to support his business.

Tim's Courier Run

Tim owns and runs a small paper delivery business in Melbourne, and employs two casual employees who each earn \$10,000 per year. In his quarterly BAS, Tim reports withholding of \$0 for his employees as they are under the tax-free threshold.

Under the Government's changes, Tim will be eligible to receive the payment on Lodgement of his BAS.

Tim's business will receive:

- A credit of \$10,000 for the March quarter, as he pays salary and wages but is not required to withhold tax.
- An additional payment of \$5,000 for the June quarter, equal to 50 per cent of his total Boosting Cash Flow for Employers payments.
- An additional payment of \$5,000 for the September quarter, equal to 50 per cent of his total Boosting Cash Flow for Employers payments.

If Tim begins with holding tax for the June quarter, he would need to withhold more than \$10,000 before he receives any additional payment.

Under the previously announced Boosting Cash Flow for Employers measure, Tim's business would have received a total payment of \$2,000.

Under the Government's enhanced Boosting Cash Flow for Employers measure, Tim's business will receive \$20,000. This is an additional \$18,000 to support his business.

Help for the Homeless Op-Shop

Help for the Homeless, a registered charity, runs an op-shop to support its programs and employs 5 part-time workers with average income of \$30,000 per year. It reports total withholding of \$3,510 for its employees for each quarterly BAS.

Under the Government's changes, Help for the Homeless will be eligible to receive the payment on Lodgement of its BAS as it is a charity. Help for the Homeless receives:

- A credit of \$10,000 for the March quarter, the minimum payment.
- An additional payment of \$5,000 for the June quarter, equal to 50 per cent of its total Boosting Cash Flow for Employers payments.
- An additional payment of \$5,000 for the September quarter, equal to 50 per cent of its total Boosting Cash Flow for Employers payments.

Under the Government's enhanced Boosting Cash Flow for Employers measure, Help for the Homeless will receive \$20,000. Under the previously announced Boosting Cash Flow for Employers measure, NFPs were not eligible for the support.

SUPPORTING APPRENTICES AND TRAINEES

Summary

The Government is supporting small business to retain their apprentices and trainees. Eligible employers can apply for a wage subsidy of 50 per cent of the apprentice's or trainee's wage paid during the 9 months from 1

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January 2020 to 30 September 2020. Where a small business is not able to retain an apprentice, the subsidy will be available to a new employer.

Employers will be reimbursed up to a maximum of \$21,000 per eligible apprentice or trainee (\$7,000 per quarter).

Support will also be provided to the National Apprentice Employment Network, the peak national body representing Group Training Organisations, to co-ordinate the re-employment of displaced apprentices and trainees throughout their network of host employers across Australia.

Eligibility

The subsidy will be available to small businesses employing fewer than 20 full-time employees who retain an apprentice or trainee. The apprentice or trainee must have been in training with a small business as at 1 March 2020.

Employers of any size and Group Training Organisations that re-engage an eligible out-of-trade apprentice or trainee will be eligible for the subsidy.

Employers will be able to access the subsidy after an eligibility assessment is undertaken by an Australian Apprenticeship Support Network (AASN) provider.

This measure will support up to 70,000 small businesses, employing around 117,000 apprentices.

Timing

Employers can register for the subsidy from early April 2020. Final claims for payment must be lodged by 31 December 2020.

Further information is available at:

- The Department of Education, Skills and Employment website at: www.dese.gov.au
- Australian Apprenticeships website at: www.australianapprenticeships.gov.au

For further information on how to apply for the subsidy, including information on eligibility, contact an Australian Apprenticeship Support Network (AASN) provider.

SUPPORTING THE FLOW OF CREDIT CORONAVIRUS SME GUARANTEE SCHEME

Across the economy, many otherwise viable small and medium sized businesses are facing significant challenges due to disrupted cash flow. At the same time, businesses retain fixed obligations including rent, utilities, and employee expenses.

The Coronavirus SME Guarantee Scheme will provide support for these businesses. Under the Scheme, the Government will provide a guarantee of 50 per cent to SME lenders for new unsecured loans to be used for working capital. This will enhance these lenders' willingness and ability to provide credit, which will result in SMEs being able to access additional funding to help support them through the upcoming months.

SMEs with a turnover of up to \$50 million will be eligible to receive these loans.

The Government will provide eligible lenders with a guarantee for loans with the following terms:

- Maximum total size of loans of \$250,000 per borrower.
- The loans will be up to three years, with an initial six month repayment holiday.
- The loans will be in the form of unsecured finance, meaning that borrowers will not have to provide an asset as security for the loan.

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Loans will be subject to lenders' credit assessment processes with the expectation that lenders will look through the cycle to sensibly take into account the uncertainty of the current economic conditions. As part of the loan products available, the Government will encourage lenders to provide facilities to SMEs that only have to be drawn if needed by the SME. This will mean that the SME will only incur interest on the amount they draw down. If they do not draw down any funds from the facility, no interest will be charged, but they will retain the flexibility to draw down in the future should they need to. The Scheme will commence by early April 2020 and be available for new loans made by participating lenders until 30 September 2020.

QUICK AND EFFICIENT ACCESS TO CREDIT FOR SMALL BUSINESSES

The Government is providing an exemption from responsible lending obligations for lenders providing credit to existing small business customers. This exemption is for six months, and applies to any credit for business purposes, including new credit, credit limit increases and credit variations and restructures. Responsible lending obligations do not currently apply to lending which is predominantly for a business purpose, but it can take time and effort for lenders to be satisfied that the money borrowed meets this test. By providing a temporary exemption from responsible lending obligations, this reform will help small businesses get access to credit quickly and efficiently.

SUPPORTING THE FLOW AND REDUCING THE COST OF CREDIT – RESERVE BANK OF AUSTRALIA

The Reserve Bank of Australia (RBA) announced a package on 19 March 2020 that will put downward pressure on borrowing costs for households and businesses. This will help mitigate the adverse consequences of the Coronavirus on businesses and support their day-to-day trading operations. The RBA is supporting small businesses as a particular priority.

The RBA has announced a term funding facility for the banking system. Banks will have access to at least \$90 billion in funding at a fixed interest rate of 0.25 per cent. This will reinforce the benefits of a low cash rate by reducing funding costs for banks, which in turn will help reduce interest rates for borrowers. To encourage lending to businesses, the facility offers additional low-cost funding to banks if they expand their business lending, with particular incentives applying to new loans to SMEs.

In addition, the RBA announced a further easing in monetary policy by reducing the cash rate to 0.25 per cent. It is also extending and complementing the interest rate cut by taking active steps to target a 0.25 per cent yield on 3-year Australian Government Securities.

SUPPORTING NON-ADI AND SMALLER ADI LENDERS IN THE SECURITISATION MARKET

The Government is providing the Australian Office of Financial Management (AOFM) with \$15 billion to invest in structured finance markets used by smaller lenders, including non-Authorised Deposit-Taking Institutions (Non-ADI) and smaller Authorised Deposit-Taking Institutions (ADI). This support will be provided by making direct investments in primary market securitisations by these lenders and in warehouse facilities. AOFM's investment will not be limited to residential mortgage backed securities. AOFM will also be purchasing assets that support small business (unsecured and secured loans) and consumer lending (including credit cards, automobiles and personal loans).

This program will assist smaller lenders, who will not benefit from the RBA's term funding facility, to maintain access to funding and support competition in the lending market. This in turn will help keep mortgages and other borrowing costs for businesses low.

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ENSURING BANKS ARE WELL PLACED TO LEND – AUSTRALIAN PRUDENTIAL REGULATION AUTHORITY

The Australian Prudential Regulation Authority (APRA) has announced temporary changes to its expectations regarding bank capital ratios. The changes will support banks' lending to customers, particularly if they wish to take advantage of the new facility being offered by the RBA.

FOR MORE INFORMATION

For more information on the Australian Government's Economic Response to the Coronavirus visit treasury.gov.au/coronavirus.

Businesses can visit business.gov.au to find out more about how the Economic Response complements the range of support available to small and medium businesses.

For more information on the Reserve Bank of Australia's announcement visit: <https://www.rba.gov.au/mkt-operations/announcements/term-funding-facility-to-support-lending-to-australian-businesses.html> and <https://www.rba.gov.au/mkt-operations/announcements/rba-purchases-of-government-securities.html>.

For more information on Australia Prudential Regulation Authority's announcement visit: <https://www.apra.gov.au/news-and-publications/apra-adjusts-bank-capital-expectations>.

LATEST UPDATE AS AT 24/3/2020

OVERVIEW OF AVAILABLE SUPPORT

The government's first stimulus package, released on March 12, introduced grants of up to \$25,000 for eligible small and medium businesses that have employees.

The latest (23/3) stimulus package has increased the upper limit of those grants to \$50,000. Businesses will now also receive the grants twice, meaning businesses could be eligible to receive up to \$100,000.

This booster will be available to businesses with an aggregated annual turnover of less than \$50 million, and that have employees. It is also available to not-for-profits and charities.

The size of the grant is based on tax withheld on employees' wages, and calculated automatically from businesses' business accounts statements.

Previously, businesses would have been able to reclaim 50% of tax withheld. That has now been increased to 100%, to a maximum of \$50,000 per payment.

The minimum payment has also increased from \$2,000 to \$10,000 per payment.

So, for example, if a business pays \$2,000 in PAYG tax on employee wages, it will receive a grant of \$10,000 twice, for a total of \$20,000.

If the business pays \$50,000 or more in PAYG, it will receive the maximum grant of \$50,000 for the current period, and again in October, for a total of \$100,000.

The measure is intended to allow them to keep staff, and also continue to pay rent and bills.

As part of the first stimulus package, the government expanded the instant asset write-off scheme. This included increasing the threshold from \$30,000 to \$150,000. This measure still stands and has not been updated.

The government is also accelerating depreciation deductions for new assets purchased, effective immediately.

For the next 15 months, until June 30, 2021, businesses will be able to deduct 50% of the cost of an eligible asset on installation. Existing depreciation rules will apply to the full cost of the asset.

Bankruptcy protection

The federal government has temporarily raised the threshold for creditors to issue a statutory demand on a company from \$2,000 to \$20,000, for six months.

It has also increased the time allowed for a company to respond to statutory demands from 21 days to six months. This also applies for six months.

For individuals, the threshold for initiating bankruptcy proceedings has increased from \$5,000 to \$20,000, and the time allowed for an individual to respond has increased from 21 days to six months. Again, this applies for six months.

The government is also offering temporary relief for directors from personal liability for trading while insolvent, for six months.

Tax relief

The ATO has said it will offer tax relief to small businesses affected by the outbreak.

Last week, commissioner of taxation Chris Jordan called on businesses to contact the ATO, in order to access a tailored support plan.

Options include deferrals of payments, income tax assessments, temporary reduction of payments, and withholding of enforcement actions such as director penalty notices and wind-ups.

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Apprentices and trainees

The government has pledged to help small businesses retain apprentices and trainees, offering a wage subsidy of 50% of their wages for the nine months from January 1 to September 30, 2020.

Eligible businesses will be able to claim up to a maximum of \$21,000 per apprentice, or \$7,000 per quarter.

This measure was announced in the first stimulus package, and has not been updated.

Income support

Individual cash payments

Finally, the government has implemented a number of income support measures in a bid to get money into people's pockets and encourage consumers to keep spending.

Notably, Treasurer Josh Frydenberg suggested these measures will apply to sole traders and casual workers who earn under a certain amount, fortnightly. However, it is currently unclear what the eligibility threshold is.

For six months from April 27, the government will expand eligibility for income support payments.

It is also issuing a new temporary coronavirus supplement to existing and new recipients of various jobseeker payments and other allowances. This will be paid at \$550 per fortnight, for the next six months.

Recipients of social security, veteran support and income support, and various other concession card holders, will also receive a one-off cash payment of \$750 each. Payments will start being made from March 31.

A second payment will also be made to these recipients, starting from July 13. However, the second payment will not be available to those eligible for the \$550 coronavirus supplement.

Superannuation

Individuals affected by the coronavirus will be able to access up to \$10,000 of their superannuation before the end of the financial year, and another \$10,000 in the coming financial year.

Money withdrawn will not be taxed, and can be in addition to Centrelink or Veterans' Affairs payments.

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Applications for early withdrawals are expected to open in mid-April.

The businesses required to shut down as at 23/3

pubs,

registered and licenced clubs (excluding bottle shops attached to these venues),

hotels (excluding accommodation);

gyms and indoor sporting venues;

Cinemas, entertainment venues, casinos, and night clubs;

Religious gatherings, places of worship or funerals (other than small groups with social distancing);

Restaurants and cafes (restricted to takeaway and/or home delivery).

In a series of additional measures designed to alleviate the financial pressures now facing Victorian businesses, the state government also said:

It will allow commercial tenants in government buildings to apply for rent relief;

Eligible businesses will have their 2020 land tax payments deferred;

The government will pay all outstanding supplier invoices within five business days;

And Liquor licensing fees will be waived for 2020 for affected businesses.

Businesses in the hospitality, tourism, accommodation, arts, entertainment and retail sectors may also receive additional assistance through a new business support fund to be established by the Victorian government.

While details are yet to be released about what kinds of financial support will be made possible through this fund, the government said it will be administered in partnership with the Australian Industry Group, the Victorian Chamber of Commerce and Industry and the Australian Hotels Association. The government said the fund will support businesses that may not be eligible for payroll tax refunds because their payrolls exceed \$3 million.

Businesses can register their interest in the fund by filling out [this online form](#).

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TIPS for SMALL BUSINESS DURING COVID-19 CRISIS

The coronavirus or COVID-19 presents a significant threat not only to human health but also to business. For many businesses, likely moves by governments to contain the public health risk may result in a sudden fall in demand for your products or services, labour shortages and supply disruptions.

Businesses must assume that health authorities will ask people to stay home to contain the spread of COVID-19, or that large numbers of your local population will voluntarily stay home. This will result in people consuming less and purchasing in different ways. It will also impact staff availability, especially for businesses where employees cannot work from home.

It is also likely that your operations will be impacted by supply disruptions as your suppliers' grapple with the same issues.

1. LIST POSSIBLE IMPACTS ON YOUR BUSINESS, ESTIMATE THE FINANCIAL IMPACT AND DEVELOP MITIGATION STRATEGIES

Discuss with your staff, key suppliers and key customers what the likely impact of COVID-19 will be on your business. The impacts on a business will likely be most significant in the following area:

- **Sales** – particularly if you have little to no online presence.
- **Staff availability** – with people likely to be subject to restrictions on their movement, their ability to work will be curtailed, particularly if there is limited scope for them to work from home.
- **Supply chain** – particularly if you rely on suppliers from badly impacted parts of the world.
- **Finance** – particularly if your cash reserves are low.

If your business is already impacted, start by listing what those impacts are. If you are not impacted yet, you should still be able to make some informed projections. In listing those possible impacts, attempt to quantify what those impacts will have on your business and identify possible strategies to mitigate those impacts.

See example worksheet – List of Potential Implications of COVID-19 on your Business (PDF)

2. PERFORM A FINANCIAL HEALTH CHECK ON YOUR BUSINESS

Knowledge of the financial health of your business is fundamental to assisting you decide what you can and should do now to place your business in the best possible position to navigate through the crisis.

A significant amount of information on the financial health and performance of your business can be gained by analysing your financial statements through financial ratios.

Information on such ratio analysis can be found in CPA Australia's Small Business Disaster Recovery Toolkit.

3. RE-DO YOUR BUDGETS WITH NEW ASSUMPTIONS

The assumptions you may have used to produce your budget are most likely no longer relevant because of the crisis. Working with your accountant, take the list of possible impacts of COVID-19 you have developed and re-do your budgets. Include a range of possible previously unthinkable scenarios, such as a 50 to 80 per cent decline in sales over three to six months, or a supplier being unable to supply you a key item for six weeks.

Carefully consider how each of those scenarios impacts your cash flow.

4. ACT NOW TO IMPROVE CASH FLOW

After re-doing your budgets and determining the financial health of your business, including your cash reserves, you are likely to find your business will struggle with cash flow in the near future. You must therefore act now to improve cash flows.

The first step to improving cash flow is to prepare a cash flow forecast, and updating that forecast throughout the crisis, possibly weekly. This will give you forewarning of any cash flow problems so you can act early to address them.

The following tips to improve your cash flow may appear unorthodox and extreme. Some of them we would not recommend in a normal situation, however you may soon be operating in an environment you have never experienced:

STOCK MANAGEMENT

- Take steps to increase sales, especially of stock that may not last three to six months.
- Focus your promotions towards these stock items.
- Reduce stock orders, particularly stock you assume will be in low demand during the crisis.
- Increase purchases of stock you think will be in high demand during the crisis.
- Promote the selling of excess, slow moving and/or obsolete stock.

DEBTORS MANAGEMENT

- Contact your debtors and ask them to pay you, even if before the due date.
- If your debtors are experiencing cash flow difficulties themselves, negotiate periodic payments and make sure they stick to their side of the deal.
- Invoice as soon as the product or service is delivered ... don't delay .
- Produce aged debtor reports and follow up with aged debtors.
- Reduce debtors by encouraging customers to pay at the point of purchase or to pay early.
- Only pay commission to sales staff when payment is received on their sales.

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- Review your sales contracts to determine under what circumstances customers can cancel orders. If necessary, update those contracts to limit the ability of customers to cancel orders.

CREDITORS MANAGEMENT

- Seek payment extensions, even temporarily to your credit terms with suppliers.
- Check your supply contracts to determine under what circumstances you can cancel orders if necessary, or at least delay delivery.
- Negotiate instalment plans with the tax authorities.

SPENDING

- Cut spending you believe unnecessary in a crisis, such as advertising.
- Delay unnecessary capital expenditure.
- Look to reduce staff costs by reviewing staffing arrangements. This could include reducing employee or contractor numbers, reduced working hours or implementing a recruitment freeze. You may need to seek advice as to how to do this.
- Reduce your drawings from the business.

SEEK FINANCE TO FILL CASH SHORTFALLS

- Speak to your lender about introducing or increasing your overdraft facility. Demonstrate that you are on top of your business and understand your cash flow.
- Determine your own personal cash position to see if you can inject cash into your business.
- Seek out other investors to see if they can inject cash into the business.

CHANGE YOUR BUSINESS MODEL

- Increase your investment in selling online. If you are not selling online, you should seriously consider doing so.
- Look at different ways to deliver your product or service to your customers.

ASSET MANAGEMENT

- Sell or lease out assets you don't need.

Some of these actions may be detrimental to your business in the recovery stage. Keep an eye open for changes in the environment so that you can return to normal business operations quickly.

5. INCREASE ONLINE SALES

Recent experience from markets already impacted by the virus shows that customers are likely to stay home (whether at the instructions of health authorities or by choice), and therefore, purchase more online. To remain viable, many small businesses will need to begin selling online or increase how much they sell online.

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A key part to preparing for the crisis is investigating different online platforms to see which one is best to sell your products to reduce your reliance on your shop front. You should also review how best to deliver your products to the customer. Your accountant may be able to assist you with these important considerations.

Suppliers of services should investigate digital solutions to the delivery of services to reduce the need for face to face contact. Consequently, you may choose to close some of your physical locations.

6. PUT IN PLACE A CONTINGENCY PLAN

See example checklist – [COVID-19 contingency plan \(PDF\)](#)

7. TALK TO KEY SUPPLIERS

Talk to your key suppliers about their ability to delivery reliably during the crisis. Consider not only their ability to produce the inputs you need, but also the transportation of the products to you and keep to the agreed costs/prices. For example, if your supplier (or their key suppliers) are based in a location hard hit by COVID-19, production may slow or stopped, and/or their ability to get those supplies to you is restricted. Consequently, those key supplies take longer to arrive. If authorities impose import restrictions based on the product origins, then more time will be spent at customs clearance points before you are able to utilise the goods.

In such a scenario, you should consider setting up alternative suppliers, including local suppliers even if more expensive. Source them now and start price negotiations early.

8. IDENTIFY EMPLOYEES WITH CRITICAL SKILLS FOR YOUR BUSINESS

Consider which of your employees are not easily replaced as well as which business functions need to keep operating regardless. Look for others who can learn the task. Outsourcing may be an alternative solution.

Where such employees can work from home, make sure they take the equipment (such as a laptop) they need to work from home, with them every night in case you have to close your premises at short notice.

Consider developing a special roster so that critical staff are always available to keep essential business systems and processes running.

9. MEASURE, MEASURE, MEASURE

There are a number of key indicators which will quickly tell you how your business is tracking. They could be as simple as the value of daily sales, or the cash balance or the debtors' balance, or the value of orders and bookings.

Create a graph showing these key indicators and update it daily or at least weekly. It will quickly show you any trends as they emerge.

10. DO A REALITY CHECK ON YOUR BUSINESS

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Use the crisis as an opportunity to reflect on your business, how it was being run, how you would like it to run post crisis and whether it is still right for you. Questions to ask yourself include:

- Were you happy running your business before the crisis?
- Were you making the profit you wanted?
- Do you like being your own boss?
- Was there adequate cashflow in the business prior to the crisis?
- Are you achieving the return on investment you want from your business?
- Are you prepared for the potential extra demands that recovering your business will place on you, both personally and financially?
- Can you afford to continue to run the business while your business is recovering?

Can you foresee any possible emerging opportunities for your business following the crisis?