

## **Ministerial Statement B**



**Senator the Hon Michaelia Cash** **Minister for Employment, Skills,  
Small and Family Business** **Senator for Western Australia**

**22 March 2020**

### **FURTHER UPDATE ON ASSISTANCE AVAILABLE TO BUSINESSES**

Please find below a further update on the assistance for businesses as a result of the impacts of COVID-19.

#### **Summary**

The Government will today announce a second stage of measures to keep businesses in business and to keep workers in jobs.

This stage of measures is squarely focused on getting businesses and their workers through to the other side of this crisis.

The measures include:

- A wage subsidy for small and medium businesses to save jobs; and
- A guarantee on loans to small and medium businesses so they can keep in business.

#### **1.Support to Keep Australians in Jobs**

We are giving businesses a cash payment of up to \$100,000 for the period March 2020 to September 2020.

That payment will be worth 100% of the tax those small and medium businesses, with a turnover less than \$50 million, are withholding from their employees salary and wages.

The payment will be tax free. It will now also be available to eligible charities or other not-for-profit entities.

#### **How the Payment Works**

Eligible businesses that withhold tax to the ATO on their employees' salary and wages – they report it each month or quarter anyway - will receive a payment equal to 100 per cent of the amount withheld, up to a maximum payment of \$100,000.

Eligible businesses that pay salary and wages will receive a minimum payment of \$20,000, even if they are not required to withhold tax.

In our first package we announced the cash payment would be 50% of tax withheld worth up to \$25,000 in payments or a minimum of \$2,000.

This announcement builds on the cash flow boost from the first package worth \$6.7 billion. This new measure is worth \$25.2 billion so in total it's worth \$31.9 billion.

The Government expects it will benefit around 690,000 businesses employing around 7.8 million people and 30,000 not-for-profits.

#### **2. Supporting Small Business to Get to the Other Side With Loans**

We are announcing a new Coronavirus SME Guarantee Scheme to support small and medium business with a turnover less than \$50 million.

This measure complements the \$8 billion worth of measures the banks announced this week to defer repayments for 6 months for small and medium businesses battling the impacts of coronavirus.

The Coronavirus SME Guarantee Scheme will be able to be accessed by eligible banks and non-bank lenders.

### **Details**

Under the Scheme, the Commonwealth will guarantee 50%, through the participating banks, of an eligible loan to small and medium enterprise customers that have been impacted by the coronavirus.

The Scheme will have the capacity to support lending of \$40 billion to small and medium businesses.

Loans will be used for working capital purposes and be unsecured and it will be for loans granted within 6 months starting 1 April 2020.

The Scheme will apply to new or existing customers of banks and non-bank lenders.

Lenders will not be charged a fee for accessing the Scheme.

It will be repayment free for 6 months.

The maximum loan will be \$250,000 for a term up to 3 years.

It will not apply to re-financing of existing customers. Those already have existing loans that will benefit from the ABA announcement.

Through this measure, the Government is offering to guarantee \$20 billion.

The Australian banking sector announced on 19 March 2020 significant measures – that many individual banks went further than – to support existing loans. [Click here for more info](#).

Today's announcement also follows the announcement by the Government on 19 March 2020, together with the Reserve Bank, to inject more than \$100 billion into the Australia's financial system. Please click [here for the Government's release](#) and [here for the Reserve Bank's release](#).

As further information becomes available I will update you.

Regards



**Senator the Hon Michaelia Cash**<sup>[1]</sup><sub>[SEP]</sub> Minister for Employment, Skills, Small and Family Business<sup>[1]</sup><sub>[SEP]</sub> Senator for Western Australia