

## **CORONAVIRUS (COVID-19)**

### **GUIDE FOR BUSINESS OWNERS TO LEGAL ISSUES IN AUSTRALIA**

**3 April 2020**

With the Coronavirus (COVID-19) declared a pandemic and the subsequent government mandated shut-downs, many businesses are experiencing turbulent and uncertain times.

To help guide you through these uncertain times, we've put together this brief guide summarising the:

- Federal Incentives & Concessions introduced for Australian businesses; and
- Employment Law Issues that arise.

We are here to assist you in this time of need.



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# FAQ: Incentives & Concessions

Commencement Date	Type of Incentives & Concessions	Features of Incentives & Concessions
12 March 2020 to 30 June 2020	<b>Instant Asset Write Off</b>	<ol style="list-style-type: none"> <li>1. Instant asset write-off threshold increased from \$30,000 to \$150,000.</li> <li>2. Eligible for businesses increased from less than \$50 million in aggregated annual turnovers to aggregated annual turnovers of less than \$500 million (small, medium and large businesses).</li> <li>3. Instant assets write off applies to new and second-hand assets within prescribed periods.</li> </ol>
12 March 2020 to 30 June 2020	<b>Accelerated Depreciation for Eligible Assets</b>	<ol style="list-style-type: none"> <li>1. Deduction of 50% of the cost for eligible assets.</li> <li>2. Existing depreciation rules apply to the balance of the asset's costs.</li> <li>3. Eligible for businesses with aggregated annual turnovers of less than \$500 million.</li> </ol>
22 March 2020	<b>Insolvency &amp; Bankruptcy</b>	<ol style="list-style-type: none"> <li>1. Monetary threshold for statutory demand and bankruptcy debt increased to \$20,000.</li> <li>2. Directors may not be liable for debts incurred whilst trading insolvent by the company for a minimum of six months (or longer, if prescribed by regulations).</li> </ol>
28 April 2020	<b>Cash Flow</b>	<ol style="list-style-type: none"> <li>1. Employers that withhold PAYG tax may receive credits equal to the PAYG tax withheld, up to a maximum of \$100,000.</li> <li>2. Eligible for businesses with aggregated annual turnovers of less than \$50 million.</li> </ol>
1 January 2020 to 30 September 2020	<b>Apprentices and Trainees</b>	<ol style="list-style-type: none"> <li>1. Employers may apply for wage subsidy of 50% of an apprentice's or trainee's wage for nine months from 1 January 2020 to 30 September 2020.</li> <li>2. Eligible for small businesses employing less than 20 full time employees who have an apprentice or trainee.</li> <li>3. Apprentice or trainee must have been training with that employer as at 1 March 2020.</li> </ol>

## FAQ: Tax Concessions in VIC



AUSTRALIA MAP

### Victoria

#### Payroll Tax

- Businesses with taxable wages up to \$3.0 million will be entitled for payroll tax to be waived for the 2019-2020 financial year, including refund of existing payments made.

#### Liquor Licence Fees

- Businesses will receive a waiver for the renewal and application of liquor licences for 2020.
- Any businesses that have already paid for liquor licence for 2020 may be reimbursed.

#### Land Tax Deferral

- Land owners that will be required to pay land tax for 2020 that have at least one non-residential property and total taxable landholdings below \$1 million, may defer their payments until after 1 January 2021.
- Non-residential property includes: commercial property, industrial property and vacant land (excluding residential vacant land).

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## FAQ: Employment

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### 1. Can I stand down employees without pay?

The *Fair Work Act 2009* (Cth) allows employers to stand down employees without pay if the employee cannot be usefully employed because of a *stoppage* of work for which the employer cannot reasonably be held responsible.

Generally, a reduction in business does not constitute a 'stoppage', as the business is still able to operate and provide goods and services. There are simply less customers.

If a business experiences a 'stoppage' due to factors outside of its control (for e.g, a government mandated shut down of a café), then the employer may be able to stand down employees.

If the business is suffering a slow down in business but is still otherwise able to function (albeit at a limited capacity), employers may need to consider making some employees redundant instead.

It is critically important that employers contact us first before declaring a 'stoppage' and standing down employees.

***Generally, a reduction in business does not constitute a 'stoppage', as the business is still able to operate and provide goods and services. There are simply less customers...***

### 2. What if an employee becomes infected with Coronavirus?

The employee is not fit for work and should be absent from work.

The circumstances of their infection should be investigated to determine whether other employees may have been exposed.

The employee should be directed to provide medical clearance before returning to the workplace.

### **3. What general instructions should I give employees?**

Employees should be directed to comply with federal and state government guidelines regarding travel, self-isolation/self-quarantine, and social distancing.

- If unwell, employees should be directed to stay home until such time as they receive medical clearance declaring them well enough to return to work.
- If possible, consider directing employees to work from home.
- Employees should be directed to practice safe hygiene and to notify their employer should they believe they've encountered someone infected with Coronavirus.

***If unwell, employees should be directed to stay home until such time as they receive medical clearance declaring them well enough to return to work....***

***Ready, willing, and able to perform...***

### **4. Are employees entitled to be paid if they are self-isolating or if they are sick with Coronavirus?**

If the employee is complying with a government directive to self-isolate (for e.g, an employee recently returns from overseas), then the employee is not ready, willing, and able to perform work.

Therefore, the employee is not entitled to be paid.

If the employee is not subject to a self-isolate directive but is otherwise unwell, then the employee is entitled to personal leave pay.

If the unwell employee's personal leave pay balance is zero, the employee is not entitled to personal leave pay.

In such circumstances, the employer may instead reach an agreement with the employee to allow them to access their annual leave or long service leave balances.



**Practice Areas**

Commercial

Corporate

Litigation

Dispute Resolution

Insolvency

Property

Family

Employment

Wills & Estates

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**Thank you for taking the opportunity to read  
DSA Law's Guide for Business Owners to Legal Issues in Australia: Coronavirus (COVID-19)**

For more information, get in touch at [www.dsalaw.com.au](http://www.dsalaw.com.au), contact us on 1300 060 510, or visit our offices:

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