

Extracts from Media Releases from

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Senator for Western Australia**

24 September 2020

INSOLVENCY REFORMS TO SUPPORT SMALL BUSINESS RECOVERY

Today, the Morrison Government announced the most significant reforms to Australia's insolvency framework in 30 years.

The Government is making changes to our insolvency framework as part of our economic recovery plan to keep businesses in business and Australians in jobs.

The changes will introduce new processes suitable for small businesses **from 1 January 2021**, reducing complexity, time and costs for small businesses.

The reforms will help more small businesses restructure and survive the economic impact of COVID-19. As the economy continues to recover, it will be critical that businesses who are distressed have the necessary flexibility to either restructure or to wind down their operations in an orderly manner.

The key elements of the reforms include;

- The introduction of a new debt restructuring process for incorporated businesses with liabilities of less than \$1 million, drawing on some key features of the Chapter 11 bankruptcy model in the United States;
- Moving from a rigid one-size-fits-all “creditor in possession” model to a more flexible “debtor in possession” model. This will allow eligible small businesses to restructure their existing debts while remaining in control of their business;
- A rapid 20 business day period for the development of a restructuring plan by a Small Business Restructuring Practitioner, followed by 15 business days for creditors to vote on the plan;
- A new, simplified liquidation pathway for small businesses to allow faster and lower cost liquidation; and
- Complementary measures to ensure the insolvency sector can respond effectively both in the short and long term to increased demand and to meet the needs of small business.

The reforms will cover around 76 per cent of businesses subject to insolvencies today, 98 per cent of whom who have less than 20 employees.

Together, these measures will reposition our insolvency system to reduce costs for small businesses, reduce the time they spend during the insolvency process, ensure greater

economic dynamism, and ultimately help more small businesses get to the other side of the crisis.

For more information on the Treasurer's media release and fact sheet, click [here](#).

25 September 2020

SIMPLIFYING ACCESS TO CREDIT FOR CONSUMERS AND SMALL BUSINESS

The Morrison Government has today announced that we are simplifying Australia's credit framework to ensure consumers and small businesses can get timely access to credit.

Now more than ever as we recover from COVID-19, it is critical that unnecessary barriers to accessing credit are removed so that consumers can continue to spend and businesses can invest and create jobs.

Through a suite of changes to Australian credit laws, the Morrison Government will enable the more efficient flow of credit to consumers and small businesses while maintaining strong consumer protections.

Improving the flow of credit is a key element of the Morrison Government's JobMaker plan, supporting business investment and creating jobs to build a stronger, more resilient and more competitive economy.

Key elements of the reforms include:

- Allowing lenders to rely on the information provided by borrowers, replacing the current practice of 'lender beware' with a 'borrower responsibility' principle
- Protecting consumers from the predatory practices of debt management firms by requiring them to hold an Australian Credit Licence when they are paid to represent consumers in disputes with financial institutions
- Removing the excessive responsible lending obligations from the National Consumer Credit Protection Act 2009, with the exception of small amount credit contracts and consumer leases where heightened obligations will be introduced;
- Ensuring that authorised deposit-taking institutions (ADIs) will continue to comply with APRA's lending standards requiring sound credit assessment and approval criteria
- Adopting key elements of APRA's ADI lending standards and applying them to non-ADIs
- Removing the ambiguity regarding the application of consumer lending laws to small business lending.

These changes will make it easier for the majority of Australians and small businesses to access credit, reduce red tape, improve competition, and ensure that the strongest consumer protections are targeted at the most vulnerable Australians.

2 October 2020

EXPANDING ACCESS TO SMALL BUSINESS TAX CONCESSIONS TO SUPPORT JOBS

The Morrison Government is continuing to support small businesses in the recovery from COVID-19. The Government is providing \$105 million in tax concessions to attract and retain workers and reduce red tape.

For the first time, businesses with an aggregated annual turnover between \$10 million and \$50 million will have access to up to ten small business tax concessions. The changes are estimated to support an additional 20,000 businesses and their employees.

The expanded concessions, as part of the 2020-21 Budget will apply in three phases:

- From 1 July 2020, eligible businesses will be able to immediately deduct certain start-up expenses and certain prepaid expenditure.
- From 1 April 2021, eligible businesses will be exempt from the 47 per cent fringe benefits tax on car parking and multiple work-related portable electronic devices, such as phones or laptops, provided to employees.
- From 1 July 2021, eligible businesses will be able to access the simplified trading stock rules, remit pay as you go (PAYG) instalments based on GDP adjusted notional tax, and settle excise duty and excise-equivalent customs duty monthly on eligible goods. Eligible businesses will also have a two-year amendment period apply to income tax assessments for income years starting from 1 July 2021.

In addition, from 1 July 2021, the Commissioner of Taxation's power to create a simplified accounting method determination for GST purposes will be expanded to apply to businesses below the \$50 million aggregated annual turnover threshold.

This announcement builds on the extensive support provided for small and medium-sized businesses during the COVID-19 crisis that has included JobKeeper, extending the Instant Asset Write Off, providing a Cash Flow Boost of up to \$100,000 for employing small businesses, and boosting access to capital through our COVID-19 SME loan Guarantee Scheme.

Small business is the backbone of our economy. The Morrison Government will continue to support our small and medium-sized businesses as part of our economic recovery plan.

2 October 2020

FBT EXEMPTION FOR EMPLOYER-PROVIDED RETRAINING AND RESKILLING

I am pleased to advise that the Government will provide an exemption from Fringe Benefits Tax (FBT) for employer-provided retraining and reskilling, for employees who are redeployed to a different role in the business. The exemption will apply from 2 October 2020.

Removing costly barriers to training as the economy rebuilds is essential to ensure Australian employees have the opportunity to reskill or retrain for the jobs that will come back as the economy reopens.

Currently, FBT is payable if an employer provides training to its employees that is not sufficiently connected to their current employment. For example, a business that retrains their sales assistant in web design to redeploy them to an online marketing role in the business can get hit with FBT. By removing FBT, employers will be encouraged to help workers transition to new employment opportunities within or outside their business.

The exemption will not extend to retraining acquired by way of a salary packaging arrangement or training provided through Commonwealth supported places at universities, which already receive a benefit.

In addition, the Government will consult on potential changes to the current arrangements for workers that undertake training at their own expense. The current rules, which limit deductions to training related to current employment, may act as a disincentive for Australians to retrain and reskill to support their future employment needs.

These changes will provide further support for training, building on our \$1 billion JobTrainer program which will provide up to an additional 340,700 training places across the country for school leavers as well as provide opportunities for job seekers to upskill and reskill and get back to work as quickly as possible.

The Government will continue to help businesses and their employees to successfully adapt so that they can bounce back on the other side of this crisis.

5 October 2020

100,000 NEW APPRENTICESHIP POSITIONS TO LEAD COVID-19 ECONOMIC RECOVERY

Yesterday, I announced that as part of the Morrison Government's COVID-19 economic recovery plan we will invest an additional \$1.2 billion to support Australian businesses to employ 100,000 new apprentices or trainees.

Starting today, 5 October 2020, businesses who take on a new Australian apprentice will be eligible for a 50 per cent wage subsidy, regardless of geographic location, occupation, industry or business size.

As a Government, we understand that apprenticeships are an important pathway to get young people into jobs and to ensure there is a skills pipeline to meet the future needs of employers.

During COVID-19 we have been focused on supporting and creating jobs as well as identifying the skills we need in the economic rebuild.

The subsidy will be available to employers of any size or industry, Australia-wide who engage an Australian apprentice or trainee from today, 5 October 2020 until the 100,000 cap is reached.

Under the new measure, employers will be eligible for 50 per cent of the wages for a new or recommencing apprentice or trainee for the period up to 30 September 2021, up to \$7,000 per quarter.

This measure builds on the existing \$2.8 billion Supporting Apprentices and Trainees wage subsidy that is helping employers to retain their apprentices and trainees.

More information on the measure is available at: <https://www.employment.gov.au/boosting-apprenticeship-commencements>