

# BUSINESS MATTERS

Strategies for managing your business



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## New Support Payments For Workers Affected By Covid-19 Lockdowns

*As a result of the current COVID-19 situation affecting multiple states, many state governments are implementing new support payments to help ease the burden on businesses and individuals.*

### COVID-19 Disaster Payment

The COVID-19 Disaster Payment is an emergency relief payment, available to eligible casual workers in Sydney who cannot attend work or who have lost income because of a lockdown, and don't have access to paid leave entitlements (such as jobseeker or youth allowance).

You are able to apply from the 8th day of a lockdown period for the payment through myGov and Centrelink.

Workers who have lost between 8 and 20 hours of work can receive a payment of \$375, and if 20 hours or more of work have been lost, a payment of \$600. These payments will be made automatically every week.

Those who lost work because of the COVID-19 lockdowns in Victoria will also be able to apply from Friday 23 July. The same rule will apply for those in Adelaide (declared a hotspot on Tuesday 20 July), meaning that individuals will be able to apply from Wednesday 28 July.

### Pandemic Leave Disaster Payment

The Pandemic Leave Disaster payment is an emergency relief payment for those who have been advised by a health authority to self-isolate or quarantine because you have been diagnosed with COVID-19 or are a close contact of someone diagnosed with COVID-19.

Each payment is \$1,500 for each 14 day period that you are advised to self-isolate or quarantine. Both members of a couple can claim this payment if they meet the eligibility criteria.

Support For Businesses

In NSW, three grants for businesses are available and can be applied for through Service NSW.

The 2021 COVID-19 business grant is a one-off payment of between \$7,500 to \$15,000, depending on the percentage of lost revenue. A decline in turnover of 30% or more is necessary with an annual turnover of above \$75,000. Applications have been open since 18 July.

"Jobsaver" is jointly funded by the NSW government and the Commonwealth government, and is a fortnightly payment of \$1,500 to \$10,000 a week for entities with an annual turnover between \$75,000 and \$50m who can demonstrate a 30% decline in turnover. To be eligible, entities must maintain their current staffing level as of 13 July 2021. For non-employed businesses such as sole traders, the amount will be set at \$1,000 per week. Applications open on the 26 July.

A micro-business Covid-19 support grant will also be available if you're a small business or sole trader with an annual turnover of more than \$30,000 and less than \$75,000, with a 30% decline in turnover. The \$1,500 fortnightly payment begins from 26 July.

In Victoria, financial assistance is available through Business Victoria. Through the business cost assistance program, an automatic top up of \$2,800 will be made to businesses, increasing the total grant to \$4,800. Micro-businesses not registered for GST will also be eligible for the COVID-19 disaster payment, depending on how many hours were lost.

In South Australia, new business support packages will assist an estimated 50,000 eligible businesses. The grants will apply to businesses with a payroll of less than \$10m, with an annual turnover of \$75,000 or more and whose turnover has been reduced by at least 30% over the seven days from 20 July 2021 as a result of the lockdown. Small and medium businesses can apply for a \$3,000 grant and sole traders can apply for a \$1,000 cash grant.



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## Does Your Business Need These Job Roles?

*Job roles that may not have existed ten years ago are cropping up more and more as technologies advance and change the way in which you may perform your roles.*

If you are trying to adapt your business into a more technologically-driven environment, where the adoption of automation and artificial intelligence is driving a need for a more diverse skillset, you may want to consider implementing some of the following roles to ensure that things run smoothly.

### Decision Scientists

Decision scientists are responsible for putting artificial intelligence to work in making decisions for customers, and ensuring that the automation of the AI runs smoothly and effectively while processing the millions (if not billions of data points). Decision Scientists look at data analysis from the lens of decision-making. They are devoted to finding different ways of analysing data to solve the specific business challenges of clients/customers. For Decision Scientists, the business aspect of the problem comes first.

### Continuous Improvement Manager

Continuous improvement managers act as internal consultants to a business. The processes, goals and problems of a business are analysed by their teams, work out what can be improved and how that result can be delivered. It requires a strategic and analytical mind, as well as empathy and the ability to quickly build a rapport with key stakeholders. The position does not require a technical background, but appropriate soft skills and an understanding of the operating model of your business can assist in solving situational issues that may crop up.

### Journey Expert

In a journey expert position, you are expected to take an end-to-end view on the user experience to better design and deliver products and services. They may design and develop programs to attract specific target audiences within a field, for example.

These niche positions could potentially assist your business in addressing specific issues, difficulties or challenges. It's always important to consider what exactly your business requires before triangulating into a specific approach. What may work for some businesses may not work for yours after all, but if it's something that your business could employ and reap benefit from, then it's a risk you may want to take.

## Managing Employees Working From Home

*The past year has seen managers, employers and business owners adapt to the significant challenges presented by border closures, lockdowns and business setbacks. Working from home has allowed businesses that may otherwise have had to suspend operations to continue to work without delays (where possible).*

Remote working and working from home are not without their challenges. As an employer, it is your responsibility to ensure that your employees can perform at their optimal best in this situation that many in the workforce are finding themselves in. Equipping yourself with guidance will allow you to put into practice the best approaches for helping your employees during this time.

As a manager or employer, it's important to be on the lookout for signs of distress in your employees, particularly as you will be without that face to face contact and visibility in the working day while they are remote. You should use both direct conversations and indirect observations to gain visibility into employees' challenges and concerns and make it clear to the employees that you support and care for them.

Equip yourself with guidance on how best

to broach sensitive subjects arising from the COVID-19 pandemic. You can also create opportunities for two-way dialogues that focus on a realistic picture of both the positive and negative implications of the current COVID-19 outbreak.

To ensure that your employees are able to be successful in what they may set out to do in a workday, they need to have the technology to be able to perform their best remotely. They should also be able to use that technology appropriately, and additional guidance may need to be given to those that are a little more technologically challenged. Virtual communications between you and your employers will be different but should remain professional and respectful.

It may be tempting to hover over the shoulders of your employees during remote work, especially with the lack of visibility to their output, but refrain from micromanaging. That distrust will only disengage and fatigue already stressed employees, and you should instead focus more on what they should be accomplishing. As a manager, it's important to enable your employees to complete their work in ways that are easiest and most productive for them.

## Superannuation Guarantee Rate Increase Scheduled For 1 July 2021

*The Superannuation Guarantee Rate for your employees is set to increase from 9.5% to 10% of their wage or salary on 1 July 2021. This rate of change has remained at 9.5% since 2014 and had previously increased twice in 2013 and 2014 from 9% to 9.5%.*

The superannuation guarantee, or SG, dictates the minimum percentage of your earnings that you need to pay into your employee's super fund. This percentage is controlled and legislated by the Australian Government.

If you are using payroll software, this change should happen automatically. However, you should still confirm with your software provider (either directly or through someone like us) that this will happen to ensure that you remain compliant with the increase without needing further action.

For most employees, this will mean an extra 0.5% added to their current salary plus super. But where an employee is on a contract where their salary is superannuation inclusive it could be that they will receive a corresponding reduction in their salary to offset the extra superannuation. Employers and employees will

need to have a discussion about this so that everyone knows the situation they will be in for the new financial year.

The proposed increase to 12% is still scheduled to happen in 0.5% increments each financial year until the 2025-26 year when the Superannuation Guarantee Rate will peak at 12%.

The rates applicable to each financial year are proposed to be:

- 1 July 2021 to 30 June 2022 10%
- 1 July 2022 to 30 June 2023 10.5%
- 1 July 2023 to 30 June 2024 11%
- 1 July 2024 to 30 June 2025 11.5%
- 1 July 2025 onwards 12%

If the government decides to delay the increases to the super guarantee (as it has done in the past) you will be kept informed regarding that information. You can also speak with us if you are uncertain about what this could mean for your business, or need to make changes to current super payments.

## Creating QR Codes For Your Business

*QR (“Quick Response”) codes are now a common sight around the country - chances are that if you’ve dined out, or gone shopping recently, you’ll have noticed a sign or two asking to ‘check in’ by scanning the code. This is to assist in contact tracing for COVID-19 outbreaks, as it leaves a record of who has visited a venue, and has made it simpler to get important information.*

It has changed the way that businesses conduct themselves with regard to their customers. Some state governments have made QR codes check-ins mandatory for venues within certain fields (such as hospitality) while others use them just in case.

Though QR codes are prevalent in many venues, your business can use them in addition to the mandatory contact tracing barcode. A QR code can link to a website, a document, content or more,

and can be a digitally savvy way of giving your customers additional information. As an example, if you are a hospitality venue, you can put a QR code on your menu, that might link to a website that asks for feedback from your customers about the food.

You may already have a QR code in your business that accomplishes this. However, if you would like to create your own QR codes for your business, be it for menus, feedback or ordering, it can be done with a QR code generator or through your smartphone.

There are plenty of guides online to help you through the process of generating your QR code and can be done by even the least tech-savvy person.

Using QR codes in a business can be an effective way to reach out to your customers, and have many uses beyond mandatory contact tracing. Examine your business and ask yourself, what could you use a QR code for to facilitate better communication or processes, or experiment directly in the business.



## Worker Shortage To Drive Potential Wage Increase



*Are you an employer who has been struggling to find capable staff or qualified workers this year?*

An ABS study shows that you’re not alone in that regard, with more than 25% of businesses stating that they are struggling to find qualified workers for open positions that they may have in their business or lack the staffing numbers that they need to meet current demand.

The industries currently having the most difficulty in finding suitable staff include accommodation and hospitality, utility services, hairdressers, manufacturing, repair, maintenance and construction.

Skills shortages are quoted as one of the reasons why businesses are struggling to

find staff, while a lack of applicants to job positions was another. Some businesses are struggling to afford adding on extra staff to ease the burden of current demand.

A solution that has been proposed to address this current shortage (especially while international borders remain closed) is in a projected wage growth of up to 2.7% to entice workers into industries and vacant positions.

The next 12 months will again be a challenge, as businesses will need to confront volatile demand, potential COVID-related closures and general uncertainty.

Concerned about your business’s future? Now is the best time to plan out your business’s trajectory. Come speak with us today.

## Are You In The Right Business Structure?

*When setting up your business, a particular business structure would have been chosen for you to build the business up with.*

*There are a couple of ways in which you can choose your business structure. It all depends on what you believe is the most appropriate way to do so for your business.*

You can choose based on what is the cheapest and simplest at the time. As your business grows and the value of your business starts to increase, you may realise that the structure that you have chosen is no longer appropriate. In situations like this, it is important to come to your business planning adviser to look at the consequences (both positive and negative) of moving your business to a more appropriate structure.

Among all of the things that you may have to consider when choosing the right structure for your business, the cost of setting up that structure can be very minimal in these considerations. This may be especially so if you are planning on one day selling the business.

You need protection for your assets. You will want to ensure that if a creditor takes action against your business, they will not get access to any of your personal assets that are outside of the business.

Flexibility needs to be examined. What if you want to bring in outside investors for part of the business? What structure do we need to put in place if that is what you intend or may intend to do? Do you want the kids to take over the business and hand it over to them?

Making sure that you are in the most tax-effective structure is a large part of business structure consideration. Tax can also include Capital Gains Tax though, and often that is the biggest gain that a small business may make. You will want to ensure that there are no hidden surprises if you choose to sell the business.

If a business owner like you brings in outside parties, you may still wish to retain control. If this is important it needs to be factored in when deciding on the best structure for your business.

How the business is passed on (by sale to an external

party, to staff or passed onto children) will be examined as well, in terms of what the most tax and administratively effective way to do that is.

We understand that your situation changes over time and therefore your optimal structure will also change.

You need to look at your business structure regularly as part of your tax planning. In many instances, it is beneficial to regularly value your business just as you value all your other assets. This year, consider undertaking a full review of your business goals and the appropriate structure for your business.

### Tax Dates

#### 21 JULY

- Lodge and pay quarter 4, 2020–21 PAYG instalment activity statement for head companies of consolidated groups.
- Lodge and pay June 2021 monthly business activity statement.

#### 28 JULY

- Lodge and pay quarter 4, 2020–21 activity statement if electing to receive and lodge by paper and not an active STP reporter.
- Pay quarter 4, 2020–21 instalment notice (form R, S or T). Lodge the notice only if you vary the instalment amount.
- Make super guarantee contributions for quarter 4, 2020–21 to funds by this date.

#### 14 AUGUST

- Lodge PAYG withholding payment summary annual report for:
  - » large withholders whose annual withholding is greater than \$1 million.
  - » payers who have no tax agent or BAS agent involved in preparing the report.

#### 21 AUGUST

- Lodge and pay July 2021 monthly business activity statement

#### 25 AUGUST

- Lodge and pay quarter 4, 2020–21 activity statement if you lodge electronically.

#### 28 AUGUST

- Lodge and pay quarter 4, 2020–21 Superannuation guarantee charge statement - quarterly if the employer did not pay enough contributions on time

## Succession Planning And Your Family's Business

*Family-run businesses form an essential part of the economy. Tradition, success and history along with their unique dynamic can create a thriving business that many may wish to see continue.*

However, as with any business, the conversation about succession and how to continue the business into the future needs to be had.

With only 1 in 4 family-operated businesses considering their approach to succession formally, succession in a family business is one of the greatest viability risks to the actual business and needs to be addressed accordingly.

Every family and family-run business is unique, and every transfer or succession of a family business will also be executed differently. If you are thinking about what your family business's plan is for succession, you may want to consider keeping these critical factors in mind:

- Where is your business going? What do you want for your family and business? **What are your goals and your time frames for achieving those goals?**
- **Is the vision you have for your business shared by your family?**
- You need to be able to **understand the different perspectives and motivations of each individual that the succession impacts.** Ongoing communication is vital to gaining this understanding, but an advisor can be employed to unbiasedly look at the situation independently and take the emotion out of a

conversation.

- **Create a plan to plot out the path of the business's future**, and the challenges that the business may face along the way as well as what it is currently facing.
- It's important to remember that a **family business does not have to be succeeded by a family** (though it's an outcome you may want). Always consider what the members of your family wish to do, and consider alternatives if none wish to take over the business.

A succession plan for a family business needs to be created to move forward and should detail all of the actions you intend to take (including the steps involved with both management and ownership succession).

It needs to be flexible, adaptable and ready to evolve, as businesses (as well as families), change over time. Your succession planning process should be transparent and understand and align with the goals you have set out for the business's further development across the generations.

The most effective succession plans:

- Preserve and generate family wealth
- Minimise disharmony and disruption
- Minimise the impact of tax
- Encourage personal growth of family members
- Fund the retirement and family lifestyle
- Bring clarity to where the business and the family are heading.