

COVID-19 Financial Summary

This is a brief summary of the Australian government's stimulus / support packages, and Australian Tax Office administrative concessions, as at 26th March 2020.

AACMA recommends seeking individual financial advice from your financial advisor, business manager or accountant on how these measures may support you during the coming months. We also recommend that you check for updated information on both Federal and State government websites. You may find support from your local council in some areas.

A more detailed summary of the Federal Governments Financial Support Packages can be found [here](#). This was completed by Nexia Australia and was current as of Tuesday 24th March 2020.

Support for Sole Traders / Self Employed / Contractors

The Government is temporarily expanding eligibility to income support payments and establishing a new, time-limited Coronavirus supplement to be paid at a rate of \$550 per fortnight.

The Coronavirus supplement:

- will be paid for the next 6 months to those unable to work
- is in addition to the pre-existing JobSeeker payment, bringing the total maximum payment to \$1,115 per fortnight
- is available to new and existing recipients of government income assistance payments
- is not income or asset-tested
- the asset test for JobSeeker payments will be waived for the next 6 months
- more information is available [here](#).

Cash Flow Assistance for Small Businesses

Intended to support businesses to manage cash flow challenges, help businesses retain employees, and improve business confidence:

- Tax-free payments of between \$10,000 and \$50,000 for eligible small and medium-sized businesses:
 - with a turnover of less than \$50 million
 - that employ staff between 1 January 2020 and 30 June 2020
 - businesses that pay income tax on behalf of employees are likely to be eligible for a payment equal to 100% of employees' salary withheld
 - businesses that pay salary and wages but are not required to withhold tax will receive a minimum payment of \$2,000.
 - payments are in this financial year and next financial year (up to \$100,000 total across the two years).
 - see the government factsheet [here](#).

Support for Business Investment

- The instant asset write off threshold has been expanded from \$30,000 to \$150,000, and businesses with aggregated annual turnover of less than \$500 million (up from \$50 million) will now be eligible:
 - this is a 'per asset' incentive, meaning multiple assets under the \$150,000 limit can be purchased, and applies to new or second-hand assets
 - this incentive is available until 30 June 2020, after which the threshold reduces.
- For assets over this threshold, or purchased after 30 June 2020, businesses with a turnover of less than \$500 million will be able to deduct 50% of the cost of an eligible asset on installation:
 - existing depreciation rules apply to the balance of the asset's cost

- the accelerated depreciation deductions apply for 15 months up to 30 June 2021.
- Payments for cash flow assistance will be issued automatically as a credit through the tax system, based on business activity statements or instalment activity statements from March to June 2020. Funds will be paid within 14 days, triggered by businesses sending their employees' withholdings to the tax office.

ATO Administrative Concessions

The Australian Tax Office (ATO) will also consider relief for eligible businesses, these include:

- deferring by up to four months the payment date of amounts due through the business activity statement (including PAYG instalments), income tax assessments, fringe benefits tax assessments and excise allowing businesses on a quarterly reporting cycle to opt into monthly GST reporting in order to get quicker access to GST refunds they may be entitled to
- allowing businesses to vary Pay As You Go (PAYG) instalment amounts to zero for the March 2020 quarter. Businesses that vary their PAYG instalment to zero can also claim a refund for any instalments made for the September 2019 and December 2019 quarters
- remitting any interest and penalties, incurred on or after 23 January 2020, that have been applied to tax liabilities
- working with affected businesses to help them pay their existing and ongoing tax liabilities by allowing them to enter into low interest payment plans.

If disruption to your business operations causes you to fall behind with your tax and super obligations, contact the ATO on 1800 806 218 or speak to your tax professional so that they can work with you to find a solution.

Further information is available [here](#).

Loan Deferrals

Australian Banking Association (ABA) has announced that all small businesses hit by the coronavirus pandemic will be able to access a six-month deferral of loan repayments.

Contact your bank to discuss your options.

Loan Guarantees

The Government will guarantee 50% of unsecured loans taken out by small businesses in the six months starting from 1 April 2020 with banks who join the scheme. This will make it easier for small businesses to access credit quickly, with less red tape.

Loans can be taken over a three-year term to a maximum amount of \$250,000. In addition, loans will not have any repayment requirements for the first six months, but will not apply to existing customers refinancing.

State-based Assistance Packages

The following States and Territories have announced packages to provide relief for those affected by the coronavirus.

This list will be regularly updated.

Western Australia

- Small businesses which pay less than \$7.5 million in taxable wages each year can apply to defer their payroll tax payment to July 21, 2020.
- Small to medium businesses with a payroll of between \$1 million and \$4 million will receive a one-off grant of \$17,500.
- changes to the payroll tax exemption threshold are being brought forward; The threshold will increase to \$1 million on July 1, 2020, 6 months earlier than planned.

New South Wales

- waive payroll tax for businesses with payrolls up to \$10 million for three months (the rest of 2019-20).
- bring forward the next round of payroll tax cuts by raising the threshold limit to \$1 million in 2020-21

Australian Capital Territory

- interest free deferrals of payroll tax commencing 1 July 2020 for all businesses up to a payroll threshold of \$10 million
- rebate on the fixed charge for 2019-20 on commercial rates for properties with an AUV below \$2 million
- freeze on government fees and charges

Victoria

- full payroll tax refunds for the 2019-20 financial year to small and medium-sized businesses with payroll of less than \$3 million.
 - payments will start immediately and are a refund, not a loan
 - these businesses will also be able to defer any payroll tax for the first three months of the 2020/21 financial year until 1 January 2021
 - 2020 land tax payments will be deferred for eligible small businesses
- businesses can access information on dealing with COVID-19 by calling the Business Victoria hotline on 13 22 15
 - the hotline will provide the latest information on the response to COVID-19 and how this affects businesses, including how to access financial support available through the national stimulus package.
 - information is also available at [Business Victoria](#).

Queensland

- Small and medium businesses impacted by COVID-19 will be refunded two months' worth of payroll tax.
- Small and medium business will have a 3-month payroll tax holiday, and a further 6 month payroll tax deferral
- Employers can also apply (before 31 May 2020) for a deferral of payroll tax for the 2020 calendar year.
- More information on how to apply is available [here](#).
- Small and medium businesses will receive a \$500 rebate on their power bill
- Small businesses may be eligible for a loan to retain employees and maintain operations.
 - A new [concessional loan facility](#) will include low interest loans of up to \$250,000 for carry on finance with an initial 12-month interest free period for businesses to retain staff.
 - [Register your interest](#) through the Queensland Rural and Industry Development Authority or phone 1800 623 946.

South Australia

- Increased funding for the state's [Economic and Business Growth Fund](#)
- Projects to be funded under the Government's economic stimulus package must meet certain criteria, including the ability to start works within a short period of time, they must

be labour-intensive and/or require significant local purchasing of materials, services and supplies.

Northern Territory

- Under the Business Improvement Scheme, all eligible businesses will receive \$10,000 and can receive a further \$10,000 if they spend \$10,000 of their own cash, on business upgrades. This creates a total \$30,000 to be spent on improvements, with purchases to be from another Territory business.
- Electricity prices for small and medium businesses (paying regulated tariffs) will be frozen from 1 July 2020 to 1 July 2021.

Tasmania

- \$2 million for additional support for primary health care providers
- businesses with payrolls of up to \$5 million will be able to apply, based on the impact of virus, to have their payroll tax waived for April to June 2020.
 - For more information on the payroll tax waiver please contact the State Revenue Office on (03) 6166 4400 or taxhelp@treasury.tas.gov.au or visit [Payroll Tax](#).