

# For Business

## \$1,500 JobKeeper subsidy to keep staff employed

<b>Date</b>	<ul style="list-style-type: none"><li>• From 30 March 2020 for six months</li><li>• For employees employed at and from 1 March 2020</li><li>• First payments in <b>first week of May 2020</b></li></ul>
<b>Applies to</b>	Based on comparable periods: <ul style="list-style-type: none"><li>• Employers &lt;\$1 bn that have experienced a downturn of more than 30%</li><li>• Employers ≥\$1bn that have experienced a downturn of more than 50%</li></ul>

A subsidy of \$1,500 per fortnight per employee, administered by the ATO, will be paid to businesses that have experienced a downturn of more than 30% (50% for businesses over \$1bn).

To be a part of the subsidy, employers will need to ensure that their employees receive at least \$1,500 per fortnight (before tax). *See the example below.*

### Eligibility

There are two levels of eligibility; for employers and employees.

**Eligible employers** are those with:

- Turnover below \$1bn that have experienced a **reduction in turnover of more than 30%** relative to a comparable period 12 months ago (of at least a month); or
- Turnover of \$1bn or more that have experienced a reduction in turnover of more than 50% relative to a comparable period 12 months ago (of at least a month); and
- Are not subject to the Major Bank Levy.

**Sole traders** and the self-employed with an ABN, and not-for-profits (including charities) that meet the turnover tests are eligible for the JobKeeper payment.

To establish that a business has faced a reduction in turnover of more than 30% (or 50%), most businesses will be expected to establish that their turnover has fallen in the relevant month or three month period compared with the same period from the previous year. Where a business was not in operation a year earlier, or where turnover a year earlier was not representative of the usual or average turnover, it is expected that the ATO will have some discretion to consider additional information that the business can provide to establish that it has been adversely affected by the impacts of COVID-19. The ATO will also have discretion to set out alternative tests that would establish eligibility in specific circumstances.

**Eligible employees** are those who:

- Were employed by the relevant employer at 1 March 2020; and

- Are currently employed by the employer (including those who have been stood down or re-hired); and
- Are full time, part-time, or long term casuals (a casual employee employed on a regular basis for 12 months as at 1 March); and
- Are at least 16 years of age; and
- Are an Australian citizen, hold a permanent visa, are a Protected Special Category Visa Holder, a non-protected Special Category Visa Holder who has been residing continually in Australia for 10 years or more, or a Special Category (Subclass 444) Visa Holder; and
- Are not in receipt of a JobKeeper Payment from another employer.

While it appears that businesses without employees can potentially qualify for JobKeeper Payments, it is not clear at this stage what conditions will need to be satisfied.

### How the support is calculated

The ATO will administer this program and will make the \$1,500 payments based on payroll information. The payments will be made monthly in arrears, so it is essential that you ensure your business and your employees continually meet the eligibility criteria.

The business will continue to receive the payments for eligible employees while they are eligible for the payments. While the program is expected to run for 6 months, payments will stop if the employee is no longer employed by the relevant employer.

### How the support is provided

To access the JobKeeper subsidy, you should talk to your accountant or adviser to assist you with the registration process and calculations.

If you want to manage the process yourself, you must:

- **Register**
  - Applications are not yet open. However, you should **register your intent** to apply for the JobKeeper subsidy with the ATO ([here](#)). The ATO will provide you with regular updates and advise you when you can lodge your application
- **Assess turnover**
  - Ensure you have an accurate record of your revenue for the 2018-19 income year and for the 2019-20 year to date
  - Ensure you keep an accurate record of revenue from March 2020 onwards
  - Compare your revenue for the month or quarter ended 31 March 2019 with revenue for the month or quarter ended 31 March 2020 to make a high level assessment of whether this measure is likely to be available.
  - Measure the % decline in your revenue and ensure it has declined by more than 30%
  - If you are not eligible in March, you may become eligible in another month
- **Identify eligible employees**

- Nominate the employees eligible for the JobKeeper payments – you will need to provide this information to the ATO and keep that information up to date each month. The ATO will use Single Touch Payroll to prepopulate the information in most cases.
- Notify all eligible employees that they are receiving a JobKeeper payment. Employees can only be registered with one employer.
- Pay eligible employees at least \$1,500 per fortnight (before tax). If an employee normally receives \$1,500 or more per fortnight before tax the employee should continue to receive their regular income. Note: It is unclear at this stage if the employer must continue to pay their employee the same salary if it was more than the subsidy amount.
- Pay superannuation guarantee on normal salary and wages amounts paid to employees. If the employee normally receives less than \$1,500 per fortnight before tax, the employer can decide whether to pay superannuation on the additional amount that is paid as a result of the JobKeeper program.

Sole traders and the self-employed can register their interest in applying for the JobKeeper payment with the ATO. These businesses will need to provide an ABN for the business, nominate an individual to receive the payment, provide the individual's TFN and declare their continued eligibility for the payments. Payments will be monthly to the individual's bank account.

## Example

Adam owns a real estate business with two employees. The business is still operating at this stage but Adam expects that turnover will decline by more than 30% in the coming months. The employees are:

Employee	Employment type	Salary per fortnight (before tax)
Anne	Full-time	\$3,000
Nick	Part-time	\$1,000

Both Anne and Nick are still working in the business.

Adam registers his interest in the JobKeeper scheme (from 30 March 2020), then applies to the ATO providing details of his eligible employees. Adam also advises Anne and Nick that he has nominated them as eligible employees to receive the payment. Adam will provide information to the ATO on a monthly basis and receive the payment monthly in arrears.

Adam's business is eligible to receive the JobKeeper Payment for each employee.

For Anne, the business will:

- Continue to pay Anne her full-time salary of \$3,000 per fortnight before tax,
- Receive \$1,500 per fortnight from the JobKeeper Payment
- Pay superannuation guarantee on Anne's salary

For Nick, the business will:

- Continue to pay Nick \$1,000 per fortnight before tax salary
- Pay Nick an additional \$500 per fortnight before tax (totalling \$1,500)
- Receive \$1,500 per fortnight from the JobKeeper Payment
- Pay superannuation guarantee on Nick's wage of \$1,000 per fortnight (but can choose to pay SG on the full \$1,500)

Adapted from Treasury fact sheet: *JobKeeper payment — information for employers*

## Tax-free payments up to \$100,000 for employers

Date	<ul style="list-style-type: none"><li>• March 2020 – June 2020</li><li>• July 2020 – September 2020</li></ul>
Applies to	<ul style="list-style-type: none"><li>• Businesses with aggregated turnover less than \$50m in the previous financial year; or</li><li>• Not-for-profits, including charities, with aggregated turnover less than \$50m</li><li>• And, make payments to staff between 1 January 2020 – 30 June 2020</li></ul>

**The cashflow boost is triggered when eligible businesses lodge their Activity Statement – no separate application form needs to be submitted.** The boost will generally reduce any liability on your activity statement (meaning you pay less to the ATO). Where the cashflow boost exceeds the liabilities owed to the ATO, you should generally receive a refund of the excess within 14 days.

### Eligibility

Cash flow support is available to businesses (including not-for-profits and charities) with:

- Aggregated turnover less than \$50 million in the previous financial year, that
- Employ staff and make payments to them between 1 January 2020 – 30 June 2020.

In order for a business to qualify for this support it must have held an ABN on 12 March 2020. It must also have derived some business income in the 2018-19 income year and lodged the 2019 tax return by 12 March 2020 or made a supply of goods or services connected with Australia at some point from 1 July 2018 but before 12 March 2020 and lodged a relevant activity statement by 12 March 2020. The Commissioner has some limited discretion to extend the deadline for lodging a 2019 tax return or activity statement in connection with this measure.

For charities and NFPs, the rules are more flexible as the Government recognises that new charities might be established in response to the pandemic. These groups must be a not-for-profit body and have aggregated turnover of less than \$50m in the previous financial year or the Commissioner must be reasonably satisfied that turnover for the current year would be less than \$50m.

The legislation includes integrity rules to prevent artificial or contrived arrangements or schemes being used to access the funding.

### How the support is calculated

The support will be provided in two tranches.

Under the first tranche the support is calculated based on the amounts actually withheld from payments to employees, directors and certain contractors. If the entity is a quarterly lodger then the support is equal to 100% of the amounts withheld from payments to staff during the March 2020 and June 2020

quarters. If the entity is a monthly lodger then the support is equal to 300% of the amounts withheld from payments to staff in March 2020 plus 100% of the amounts withheld from payments in April 2020, May 2020 and June 2020.

The first tranche support amounts are subject to a cap of \$50,000. However, a minimum amount of \$10,000 will apply to all eligible entities and this will be provided in the first period they are eligible. This could be relevant to entities that have employees, but the withholding amount is nil or a relatively low amount.

Under the second tranche, entities that were eligible to support amounts in the first tranche will receive the same total amount again even if their circumstances have changed. However, the support payments will be spread out. Quarterly lodgers will receive 50% of the first tranche amount for each of the June 2020 and September 2020 quarters. Monthly lodgers will receive 25% of the first tranche amount for each of the June 2020, July 2020, August 2020 and September 2020 periods.

Here's how the cash flow stimulus looks for quarterly and monthly lodgements.

Quarterly activity statement lodgement		
Tranche 1	March 2020	100% of PAYG withholding up to a maximum of \$50,000
	June 2020	Where the March quarter did not reach the \$50,000 maximum, any remaining amount up to 100% of the PAYG withholding amount
Tranche 2	June 2020	100% of the Tranche 1 amount (i.e., up to a maximum of \$50,000) provided in two equal amounts
	September 2020	

Monthly activity statement lodgement		
Tranche 1	March 2020	300% of PAYG withholding up to a maximum of \$50,000
	April 2020	Where March 2020 did not reach the \$50,000 maximum, any remaining amount up to 100% of the PAYG withholding amount
	May 2020	
	June 2020	
Tranche 2	June 2020	100% of the Tranche 1 amount (i.e., up to a maximum of \$50,000) provided in four equal amounts
	July 2020	
	August 2020	
	September 2020	

## How the support is provided

The business or non-profit entity will generally need to lodge its activity statement for the relevant period to trigger the cash flow support. Special rules are in place for large withholders that pay amounts twice weekly. In these circumstances, payments are due at the time the entity pays or is paid their GST net amount for the tax period most closely corresponding to the period for which payment is made.

As a starting point, all eligible entities will receive between \$10,000 and \$50,000 following the lodgement of the March activity statement.

The Commissioner has some discretion on how the cash flow support is provided to eligible entities. For example, the ATO could decide to allocate the support amount to the entity's running balance account or could decide to apply it against other tax debts. In practice it is expected that the support amounts will generally be applied against liabilities arising from the same activity statement, reducing the net amount that needs to be paid to the ATO for that month or quarter.

Where the support amount exceeds any tax liabilities that are owed by the entity, then the excess amount will be paid as a cash refund. The Commissioner also has the discretion to provide cash refunds to entities rather than applying the amounts against tax liabilities.

### **Example - Sarah's Construction Business**

Sarah owns and runs a building business in South Australia and employs eight full time construction workers who each earn \$89,730 per year. Sarah reports withholding of \$15,008 for her employees on each of her monthly Business Activity Statements (BAS).

Sarah will be eligible to receive the cash flow assistance payment on lodgment of her BAS. The business receives:

<b>Activity statement period</b>	<b>Credit amount</b>	
March	\$45,024	300% of total withholding
April	\$4,976	Remainder up to \$50,000 cap
May	\$0	
June	\$12,500	25% of Tranche 1 amount
July	\$12,500	25% of Tranche 1 amount
August	\$12,500	25% of Tranche 1 amount
September	\$12,500	25% of Tranche 1 amount

The business will receive a total of \$100,000 under this measure.

*Adapted from fact sheet: Cash flow assistance for businesses*

## Increase and extension of the instant asset write-off

Date	Assets acquired after the applicable date and first used or installed ready for use for a taxable purpose between 12 March 2020 and 30 June 2020
Applies to	Businesses with aggregated turnover less than \$500m

### Eligibility

To access the new instant asset write-off threshold of \$150,000 your business needs to:

- **Be a trading business** (the entity buying the assets needs to carry on a business in its own right), and
- **Have an aggregated turnover under \$500 million.** Aggregated turnover is the annual turnover of the business plus the annual turnover of any “affiliates” or “connected entities”. The aggregation rules are there to prevent businesses splitting their activities to access the concessions. Another entity is connected with you if:
  - You control or are controlled by that entity; or
  - Both you and that entity are controlled by the same third entity.

In order for a small business with aggregated turnover of less than \$10 million to access the \$150,000 threshold the asset needs to have been acquired after 7.30pm (AEST) on 12 May 2015 and it needs to have been first used or installed ready for use for a taxable purpose by 30 June 2020.

If the business has aggregated turnover of \$10 million or more, then the \$150,000 threshold only applies if the asset was acquired after 7.30pm (AEDT) on 2 April 2019 and it needs to have been first used or installed ready for use for a taxable purpose by 30 June 2020.

**The write-off only applies to certain assets you buy.** The instant asset write-off only applies to certain **depreciable assets** such as a concrete tank for a builder, a tractor for a farming business, and a truck for a delivery business. There are some assets that don't qualify although the restrictions are slightly different depending on whether the business has aggregated annual turnover of less than \$10 million or not. For example, small business entities cannot apply these rules to assets such as horticultural plants or assets leased to another party on a depreciating asset lease, etc. The rules cannot apply to capital works (building construction costs etc.) regardless of the turnover level of the business.

You will also need to ensure that there is a relationship between the asset purchased by the business and how the business generates income. You can't for example claim deductions for television sets if they have no relevance to your business.

### How is the support calculated?

The instant asset write-off enables your business to claim an upfront deduction for the full cost of depreciating assets in the year the asset was first used or installed ready for use for a taxable purpose.

For example, if your company's turnover is under \$50m and you purchase an eligible asset for \$140,000 (GST-exclusive) on 1 June 2020 (and install it ready for use by 30 June 2020), then a deduction of



\$140,000 can be claimed. If the company is subject to a tax rate of 27.5% then this should reduce the tax payable by the company for the 2020 income year by \$38,500.

If your business is likely to make a tax loss for the year, then the instant asset write-off is unlikely to provide a direct short-term benefit to you. However, if this measure is likely to reduce the taxable income of the business for the year then it may be possible to vary upcoming PAYG instalments to improve cash flow.

If the asset is a luxury car then the deduction will be limited to the luxury car limit. The business use percentage of the asset also needs to be taken into account in calculating the deduction. For example, if a sole trader acquires an asset for \$40,000 but only expects to use it 80% in the business then the immediate deduction would be \$32,000.

The increase to the instant asset write-off threshold in the stimulus package is the fourth increase or extension and businesses will need to be wary of what they are claiming and when:

<b>Instant asset write-off thresholds</b>	<b>Small Business*</b>	<b>Medium business**</b>	<b>Large business***</b>
1 July 2018 - 28 January 2019	\$20,000	-	-
29 January 2019 - 2 April 2019	\$25,000	-	-
2 April 2019 - 12 March 2020	\$30,000	\$30,000	-
<b>12 March 2020 - 30 June 2020</b>	<b>\$150,000</b>	<b>\$150,000</b>	<b>\$150,000</b>

\* aggregated turnover under \$10 million

\*\* aggregated turnover under \$50 million

\*\*\* aggregated turnover under \$500 million

At this stage it is expected that the instant asset write-off threshold will reduce back to \$1,000 from 1 July 2020.

## How is the support provided?

The instant asset write-off is a tax deduction that reduces the tax liability of your business. It is triggered when you lodge the business's 2019-20 tax return.

**Example**

Samantha owns a company, Sam's Specialty Roasters Pty Ltd, a large food processing business in Brisbane. Sam's Specialty Roasters Pty Ltd has an aggregated annual turnover of \$150 million for the 2019-20 income year.

On 1 May 2020, Samantha purchases five new conveyor belts for her production facility for \$40,000 each, exclusive of GST, for use in her business.

Under the \$150,000 instant asset write-off, Sam's Specialty Roasters Pty Ltd can claim an immediate deduction of \$200,000 for the purchase of the conveyor belts (i.e., \$40,000 for each conveyor) in the 2019-20 income year (\$195,544 more than under the previous rules). At the company tax rate of 30%, this will reduce the tax payable by Sam's Specialty Roasters by \$60,000 (assuming the company is in a tax payable position for the year).

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If the business has paid PAYG instalments and these exceed the tax payable for the year, then the excess should be refunded to the company or applied against other tax debts owed to the ATO.

If this additional deduction pushes the company into a tax loss position then this will be carried forward to future income years, subject to some loss recoupment tests.

*Adapted from Treasury Fact sheet: Delivering support for business investment*

## Low general pool balances for small business entities

The changes also ensure that a \$150,000 threshold applies in determining whether the balance of a small business entity general pool is deducted in full in the year ending 30 June 2020.

That is, the rules ensure that the entire pool balance is written off if the business has a SBE pool and the result of the formula below is less than \$150,000 as at 30 June 2020:

- Start with the opening balance of the pool for the year;
- Add the business use percentage of any assets added to the pool for the year;
- Less the business use percentage of any assets disposed of during the year.

If the result of the formula above is less than \$150,000 then the business claims a deduction for that amount in the 2020 tax return and the pool balance becomes nil. Note that the formula above does not take into account the current year depreciation deduction amount for the pool.

## Accelerated depreciation deductions

<b>Date</b>	New assets acquired from 12 March 2020 and first used or installed ready for use for a taxable purpose by 30 June 2021
<b>Applies to</b>	Businesses with aggregated turnover less than \$500m

### Eligibility

Businesses with a turnover of less than \$500 million can access accelerated depreciation deductions for assets that don't qualify for an immediate deduction.

This incentive is only available in relation to:

- New depreciable assets
- Acquired on or after 12 March 2020 that are first used or installed ready for use for a taxable purpose by 30 June 2021.

It does not apply to second-hand assets or buildings and other capital works expenditure. The rules also won't apply if the business entered into a contract to acquire the asset before 12 March 2020.

## How is the support calculated?

Businesses will be able to deduct 50% of the cost of a new asset in the year of purchase. They can then also claim a further deduction in that year by applying the normal depreciation rules to the balance of the cost of the asset.

Accelerated depreciation deductions will apply from 12 March 2020 until 30 June 2021. This will bring forward deductions that would otherwise be claimed in later years.

For example, let's assume that a business purchases a new truck for \$250,000 (exclusive of GST) in July 2020. In the 2020-21 tax return the business would claim an upfront deduction of \$125,000. The business would also claim a further deduction for the depreciation on the balance of the cost. If the business is a small business entity and using the simplified depreciation rules, this would mean an additional deduction of \$18,750 (i.e., 15% x \$125,000). The total deduction in the 2020-21 tax return would be \$143,750. Without the introduction of accelerated depreciation the business would have claimed a deduction of \$37,500 (i.e., 15% x \$250,000).

## How is the support provided?

The accelerated depreciation rules provide a tax deduction, which reduces taxable income and the tax liability of the business. It is triggered when you lodge the business's 2019-20 or 2020-21 tax return. The initial deduction is claimed in the tax return for the year in which the asset is first used or installed ready for use for a taxable purpose.

### Example

J Construction Solutions Pty Ltd has an aggregated annual turnover of \$200 million for the 2020-21 income year.

On 1 July 2020, J Construction Solutions Pty Ltd installs a \$1 million truck mounted concrete pump for use in the business. Under the new rules, J Construction Solutions Pty Ltd can claim a depreciation deduction of \$650,000 in the 2020-21 income year. This consists of 50% of the concrete pump's value (\$500,000) plus 30% of the remaining \$500,000 under existing depreciation rules (\$150,000). This is \$350,000 more than under the previous rules.

At the 30% company tax rate, this deduction will reduce the tax liability of J Construction Solutions Pty Ltd by \$195,000 for the 2020-21 income year, assuming it is in a tax payable position.

If the business has paid PAYG instalments and these exceed the tax payable for the year, then the excess should be refunded to the company or applied against other tax debts owed to the ATO.

If this additional deduction pushes the company into a tax loss position then this will be carried forward to future income years, subject to some loss recoupment tests.

*Adapted from Treasury Fact sheet: Delivering support for business investment*

## Wage subsidy of up to 50% of an apprentice or trainee wage

<b>Date</b>	Apprentice/trainee wages from 1 January 2020 – 30 September 2020 For apprentices employed at 1 March 2020
<b>Applies to</b>	Apprentices employed by small business (<20 full time employees) at 1 March 2020 Larger organisations employing apprentices/trainees let go by a small business after 1 March 2020

### Eligibility

Eligibility for the apprenticeship incentive depends on who the apprentice was employed by and when.

The apprenticeship incentive is available to:

- Small businesses (including those using Group Training Organisations) employing fewer than 20 full-time employees; and
- Other businesses or Group Training Organisations employing apprentices who have been displaced by small business employers.

The small business employer must have employed the apprentice at 1 March 2020 and will need to provide evidence of wages paid to the apprentice. If the small business subsequently is unable to retain the apprentice, another business can access the incentive if they then employ and pay wages to the apprentice.

### How is the support calculated?

Employers will be reimbursed 50% of an eligible apprentice's wage up to a maximum of \$21,000 per apprentice (\$7,000 per quarter).

### How is the support provided?

Employers can register for the subsidy from 2 April 2020 (final claims by 31 December 2020). The [Australian Apprenticeship Support Network](#) will assess the eligibility of claims.

#### Example

David's Plumbing is a small business employing 10 people, including two full-time Australian Apprentices.

Taylor is a first year Australian Apprentice, aged 20, undertaking a Certificate III qualification. She commenced her apprenticeship with David's Plumbing on 6 February 2020. Taylor receives a weekly wage of \$532.89.

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Lisa is a third year Australian Apprentice, aged 29, undertaking a Certificate IV qualification. She commenced her apprenticeship with David's Plumbing on 18 November 2017. She receives a weekly wage of \$772.71.

David's Plumbing is eligible for apprenticeship incentive of 50% of the apprentices' wages been paid by David's Plumbing since 1 January 2020.

Assuming David keeps both apprentices working at their same rates between 1 March 2020 and 30 September 2020, David's Plumbing will receive:

Apprentice	Total reimbursement	Employment period
Taylor	\$9,059	6 February 2020 to 30 September 2020
Lisa	\$15,068	1 January 2020 to 30 September 2020

*Adapted from Treasury Fact sheet: Cash flow assistance for business*

### More Information

[Australian Apprenticeships](#)

[Australian Apprenticeship Support Network providers](#)

## ATO assistance and support

It's important that you continue to meet your compliance obligations - lodging returns and activity statements, single touch payroll, and superannuation guarantee payments – even if that tax payment has been deferred or waived.

It's also important that amounts you declare to access various stimulus package initiatives match what you have declared to the ATO.

If you need assistance to defer tax payments, manage reporting, or manage tax debt, you or your adviser will need to contact the ATO.

Support from the ATO includes:

- **Ability to vary PAYG instalment amounts to zero for 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.**
- Up to 6 month deferral for the payment of business activity statements (including PAYG instalments), income tax assessments, fringe benefits tax assessments and excise duty

- Businesses on a quarterly reporting cycle able to opt into monthly GST reporting for faster access to GST refunds where applicable
- Remitting any interest and penalties, incurred on or after 23 January 2020, applied to tax liabilities
- Low interest payment plans for tax debt

If you have an outstanding tax debt, tax relief might be available in serious and exceptional circumstances, such as where you cannot pay for food or accommodation.

The ATO will also be involved in administering certain aspects of the Government’s stimulus measures. Certain aspects of the rules are subject to the ATO’s discretion and you or your adviser can contact the ATO to discuss this further.

## Access to financial support

### Underwriting small business loans

<b>Date</b>	Early April 2020
<b>Applies to</b>	Small business

Despite record low interest rates, getting a loan can be difficult, particularly in this environment.

The Federal Government has underwritten up to \$40 billion in SME loans. The Coronavirus SME Guarantee scheme is aimed at small businesses that would be viable except for the pandemic. Under the scheme, the Government will provide a guarantee of 50% to SME lenders for new unsecured loans to be used for working capital. The loans will be:

- A maximum size of \$250,000;
- Have a loan term of up to three years, with an initial six month repayment holiday; and
- Will be in the form of unsecured finance (so you don’t have to put your house on the line).

The loans are subject to the lender’s credit assessment although the Government expects that *“lenders will look through the cycle to sensibly take into account the uncertainty of the current economic conditions.”*

You should expect to see products from the financial institutions coming through in April. The products are expected to provide facilities that only have to be drawn if needed. This will mean that you will only incur interest on the amount you draw down. If you do not draw down any funds from the facility, no interest will be charged, but you will have the flexibility to draw down in the future.

Lenders will also be exempt from responsible lending obligations for existing small business clients.

Outside of the big banks, the Government has provided \$15 billion in funding through the Australian Office of Financial Management to invest in structured finance markets used by non-banks to support lending for residential mortgages, small business lending, and consumer lending (credit cards, cars and personal loans).

## Support from your bank

Australian banks will defer loan repayments for six months for businesses including sole traders who need assistance because of COVID-19. The support is available for those with total business loan facilities of up to \$10 million.

Note that your loan will still accrue interest even if you have deferred payments.

The banks are also offering loans, including overdrafts, with no repayments for the first six months, at very low interest rates, supported by the Government through an SME Loan guarantee.

Other assistance can include fees waived, loans restructured, and further credit offered to get through the pandemic.

To access this support, you need to stay in contact with your bank and talk to them about the support you need. Assistance is not automatic.

[ANZ](#)

[AMP](#)

[Bankwest](#)

[Bank of Queensland](#)

[Bendigo Bank](#)

[Commonwealth Bank](#)

[Macquarie](#)

[National Australia Bank](#)

[Suncorp](#)

[Westpac](#)





# Support from State & Territory Governments

## Australian Capital Territory

### Payroll tax waivers and deferrals

All businesses whose operations are directly affected by the '[prohibited activities list](#)' will receive a six-month waiver of payroll tax from April to September 2020. Businesses need to [apply](#) to the ACT Revenue Office to receive the waiver.

- For those who lodge their payroll tax assessment monthly, the first waiver will be applied to their April payroll tax return, which is usually payable by 7 May.
- For those who lodge their payroll tax assessment annually, the waiver will be applied to their account when the return is received at the end of the 2019-20 financial year.

All ACT businesses with grouped Australia wide wages of up to \$10 million, can apply to defer their 2020-21 payroll tax, interest free until 1 July 2022.

### Food and liquor licensing fee waiver

Licensed venues and off licensed venues with gross liquor purchase value of below \$3 million per annum will receive a 12-month waiver of their food business registration and liquor licencing fees from 1 April 2020 and outdoor dining fees for 2020-2021 will be waived.

There are no refunds for those who have prepaid. Instead, an additional 12 months will be added to the license.

### Electricity rebates for small business

Small business owners with electricity usage below 100 megawatts per year will see rebates of \$750 automatically applied to their next electricity bill in June or July 2020. The rebate is automatic.

### Rideshare and taxi plate fees

Rideshare vehicle licence fees will be waived for 12 months for rideshare operators from 1 April 2020 as part of the normal licencing processes. No refunds will be paid to those that have paid. Instead, an additional 12 months credit will be added to the license at the next due date.

For government leased taxi plate fees (including wheelchair accessible taxis), all taxi plate fees have been waived. One off payments of up to \$5,000 are also being made to taxi drivers who lease their taxi plates from private owners. Taxi drivers who lease their plates from a private owner will need to email Access Canberra at [taxiservices@act.gov.au](mailto:taxiservices@act.gov.au) for these payments to be progressed.

## Commercial general rates

Commercial property owners with an Average Unimproved Value of \$2m or less will be eligible for a rebate. Commercial rate payers will receive a credit of \$2,622 to their 2019-20 general rates in quarter four.

## Tenants in Government owned property

A deferral of rent for up to six months is available on a case by case basis for commercial tenants of ACT Government properties.

## New South Wales

### Payroll Tax refunds and deferrals

For all NSW employers, on 1 July 2020, the tax-free threshold will increase from \$900,00 to \$1 million.

If your business has grouped Australian wages of **\$10m or less in 2019-20**, then:

- Your annual liability will be reduced by 25% when you lodge your annual reconciliation (due 28 July). Any refunds owing will be paid at that time.
- For monthly payers, no payment will be required for March 2020, April 2020, or May 2020, and you have an option to defer for an additional 3 months (as long as your total grouped payroll remains under \$10m).

For businesses with grouped Australian wages **above \$10m in 2019-20**, you have the option to defer the liability for up to 6 months. There is no need to make payment for March 2020 (normally due 7 April).

See [Revenue NSW](#)

### Flexible long service leave arrangements

From 24 March 2020 for six months, employees and employers can agree:

- For the employee to take long service leave without the normal one month's notice period.
- For the employee to take long service leave in smaller blocks (rather than blocks of a month). The legislation is vague about what this means but gives the example of an employee taking long service leave for one or two days a week.

### Deferral of gaming tax for 6 months

Venues can apply to pay their gaming machine tax in three equal monthly instalments each quarter (e.g., September quarter tax assessment could be debited in three equal instalments on 21 October, 21 November and 21 December).

Venues are eligible to apply for the tax deferral where they have a revenue loss of 15% or more over the 12 months to the end of the current quarter in comparison to:

- The 12 months to the end of June 2007 for hotels, or
- The 12 months to the end of May 2007 for clubs.

A request for tax deferral assistance can be made each quarter.

See [Liquor and gaming NSW](#)

## Parking space levy deferral for six months

Parking space levy payments will be deferred until 30 September 2020.

## Lotteries and Keno

Lotteries and Keno payments will be deferred from 1 April 2020 to 30 September 2020.

## Government owned property – deferral of commercial rents

For commercial tenants with less than 20 employees, rent in Government owned property will be deferred for six months.

## Northern Territory

### Business survival fund

The survival fund is a lump sum payment that provides:

- An immediate survival payment and
- A rapid adaption payment

to businesses impacted by the social distance restrictions.

To access the fund, businesses must demonstrate significant impact, in particular in relation to turnover, staffing levels and fixed and operational costs.

The immediate survival payment amounts are:

- \$2,000 for sole traders
- \$5,000 for businesses with 2 to 5 employees (FTEs)
- \$20,000 for businesses with 6 to 19 employees (FTEs)
- \$50,000 for businesses with more than 20 employees (FTEs).

The rapid adaptation payment provides:

- Up to \$2,000 for businesses with one employee (FTE) and

- Up to \$5,000 for other eligible businesses to offset costs incurred in adapting their current business model to suit restrictions.

For details, see [Small Business Survival Fund](#)

### **Business improvement grants**

Business improvement grants of up to \$10,000 for shopfront businesses to purchase goods and services to make permanent physical improvements to a business (land and/or building) that help its operations and customer experience.

For details, see [Business Improvement Grants](#)

## **Queensland**

### **Payroll Tax**

If your business is an employer that pays \$6.5 million or less in Australian taxable wages:

- 2 months of your payroll tax will be refunded. The QLD Office of State Revenue will contact eligible employers directly to issue the refund, and
- No payroll tax needs to be paid for 3 months.

In addition, you can apply for a deferral of payroll tax for the 2020 calendar year.

Employers (or part of a group of employers) that pay more than \$6.5 million in Australian taxable wages that have been negatively affected by coronavirus, can apply (by 31 May 2020) for a:

- Deferral of payroll tax for the 2020 calendar year (If you have already applied for a deferral, you do not need to reapply) ([apply here](#)), and
- 2 month payroll tax refund ([apply here](#)).

Payroll tax returns will still need to be lodged.

See [Coronavirus payroll tax relief](#)

### **Rent relief for Government premises**

The Government will provide 6 months relief for businesses who rent premises from the state government.

### **Electricity bill rebate**

Sole traders, small and medium businesses will get a \$500 rebate on their power bill. Any business consuming less than 100,000 kilowatt hours will receive the rebate, which will be automatically applied on business electricity bills.

## Concession loans of up to \$250k with an initial interest free period

A loan facility of at least \$500 million, interest free for the first 12 months, is being created to help business retain employees and maintain operations.

The concessional loan facility comprises 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. Any eligible business will be able to apply for a loan.

## South Australia

### Payroll tax waiver and relief

Payroll tax between April and September has been waived for businesses with an annual grouped payroll up to \$4 million.

Employers with annual grouped payroll above \$4 million can defer payroll tax payments for 6 months if they demonstrate “significant impacts on cash flow” because of the coronavirus.

### Land tax relief

Individuals and businesses with outstanding quarterly land tax bills for 2019-20 will be able to defer payments for 6 months.

### Liquor license fees waived for forced close downs

Liquor license fees for 2020-21 will be waived for hotels, restaurants, cafes and clubs forced to close as a result of social distancing restrictions.

## Tasmania

### Payroll tax waivers and rebates

Payroll tax waivers or rebates are in place for employers with Australian group wages of up to \$5 million, for key industry sectors, and for those with employees under 24 years of age. Your annual adjustment return still needs to be lodged by 21 July 2020 even if payroll tax is waived.

Tasmanian employer eligibility	Support
<ul style="list-style-type: none"><li>Australian group wages &lt;\$5m</li><li>Demonstrate operations impacted by COVID-19</li></ul>	<ul style="list-style-type: none"><li>2019-20 payroll tax waived for 2019-20 financial year</li><li>Monthly returns for March, April and May not required</li></ul>
<ul style="list-style-type: none"><li>Hospitality, Tourism, and Seafood industries</li></ul>	
<ul style="list-style-type: none"><li>New employees aged 24 and under employed between 1 April and December 2020</li></ul>	<ul style="list-style-type: none"><li>12 month payroll tax rebate</li></ul>

## Grants and loans

### **\$2,500 emergency cash payments**

\$2,500 cash payment emergency grants for small business in the following industries (and suppliers who derive the majority of their income from these industries):

- Seafood
- Tourism and accommodation
- Hospitality
- Retail (including beauty and hairdressers, any business with a shop front)
- Arts and entertainment
- Fitness (includes personal trainers, gyms, yoga)

And, exporters who derived the majority of their 2018-19 income from international exports.

The grants are available to majority owned and operated Tasmanian businesses that are employers with under 20 full time equivalent employees on or before 31 January 2020, or sole traders, non-employing businesses and owner operator businesses (see the [guidelines](#)).

The Government has flagged further grants of \$15,000 to small business in identified sectors that are experiencing severe financial hardship. Businesses should first apply for the \$2,500 emergency grants to access the second round support.

### **Business Support Loan Scheme**

The Business Support Loan Scheme provides interest free loans of between \$20,000 and \$250,000 to assist with business continuity such as the purchase of plant and equipment, moving to online sales and distribution, etc. Loans are available to those in the hospitality, tourism and seafood export sectors, as well as related supply chain businesses and those that can demonstrate they have been significantly impacted by the outbreak (see [the guidelines](#)). [Apply here](#).

## Waivers and capping of Government licensing, fees and charges

### **Liquor licensing reductions and waivers**

50% discount on liquor licensing fees and waivers of all application fees for the 2020 calendar year (backdated to 1 January 2020).

### **Taxi license fees**

Taxi license fees have been waived for the 2020 calendar year.

### **Energy and water**

Water and electricity bills will be waived for the first quarterly bill received after 1 April 2020 for small business customers on Tariff 22, 94, 82 or 75, including those small businesses on market contracts.

Energy prices will also be capped and water prices frozen in 2020-21.

### **Fisheries license fees waived**

12 month waiver of the annual fees for rock lobster, giant crab, fin fishers, and for abalone divers.

### **Land tax waived for impacted businesses**

2020-21 land tax will be waived for commercial property owners financially impacted by COVID-19 where the land tax is paid by the business owner.

### **Vehicle registration**

The roads component of motor tax and vehicle registration will be waived where the business is significantly impacted by measures relating to COVID-19. Small businesses that suspend activity can apply to freeze vehicle registrations for light and heavy vehicles for up to 12 months.

### **Government fees and charges**

The Government will freeze all fees and charges subject to the *Government Fee Units Act 1997*.

## **Victoria**

### **Payroll tax waivers and deferrals**

If your business has annual taxable wages of up to \$3m:

- 2019-20 Payroll tax is waived. State Revenue is contacting eligible businesses and refunding them directly (from 27 March 2020).
  - Returns still need to be lodged but no further payments need to be made.
- 2020-21 Payroll tax can be deferred for July – September (first quarter). You will need to apply for the deferral.

The \$3m eligibility threshold applies to each employer. Any member of a group that pays Victorian taxable wages of up to \$3m per annum will be eligible for the relief.

### **Land tax deferrals**

Landowners can defer their 2020 land tax payment if they have at least one non-residential property and total taxable landholdings below \$1 million.

- Non-residential property includes; commercial property, industrial property, and vacant land (excluding residential vacant land).



## Grants of up to \$10k

Businesses can apply for grants of up to \$10,000 for costs such as utilities, rent and salaries, and activities to support business continuity planning. To be eligible, businesses must:

- Employ staff
- Been subject to closure or are highly impacted by Victoria's Non-Essential Activity Directions issued by the [Deputy Chief Health Officer to-date](#)
- Have a turnover of more than \$75,000
- Have payroll of less than \$650,000

## 2020 Liquor licence renewals waived

2020 renewable liquor licence fees have been waived for coronavirus affected venues and small businesses. For those that have paid the licensing fee, refunds will be issued. If the license fee has not yet been paid, it will be waived.

See [Victorian Commission for Gambling and Liquor Regulation](#)

## Western Australia

### Payroll tax grants and deferrals

For all Western Australian employers, on 1 July 2020, the tax-free threshold will increase from to \$1 million.

If your business is directly impacted by the coronavirus, you can [apply to defer](#) payment of your 2019-20 payroll tax until 21 July 2020. The deferral applies to:

- A non-grouped business with annual Australian taxable wages not exceeding \$7.5 million
- A grouped business with the group's annual Australian taxable wages not exceeding \$7.5 million.

Payroll tax paying businesses with a payroll between \$1 million and \$4 million will receive a one-off grant of \$17,500.

### Government owned property rent relief

The Government will waive rental payments for small businesses and not-for-profit groups in State Government-owned buildings for six months.

