

**24th March 2020**

Everyone is aware we are going through unprecedented times, which will likely have a severe effect on household and business finances. In response to both the Federal and State/Territory governments have released stimulus packages to assist.

While only recently passing parliament, and there are still further details, and possibly further stimulus packages, to come, I will try to summarise and put into layman's terms as best I can. I have also provided hyperlinks throughout that may provide further information.

I note everyone's circumstances are different and some people may not be eligible for any of the concessions unfortunately. I have not summarised all of the concessions available, more the ones that are most relevant to our client base. Full list is available here.

<https://treasury.gov.au/coronavirus>

If you have any questions or require further explanations, feel free to contact the office.

## **Federal Government Business Assistance**

### **'Boosting Cash Flow for Business'**

[https://treasury.gov.au/sites/default/files/2020-03/Fact\\_sheet-Cash\\_flow\\_assistance\\_for\\_businesses\\_0.pdf](https://treasury.gov.au/sites/default/files/2020-03/Fact_sheet-Cash_flow_assistance_for_businesses_0.pdf)

This is effectively a rebate/credit for PAYG Withholding (tax withheld from wages). Please note it refers to businesses being 'active employers' as of 12<sup>th</sup> March 2020. I would assume this means that wages were being paid on or prior to the 12<sup>th</sup> March, and continue to be paid after this (noting information will have been provided via Single Touch Payroll).

Applies to any business or not for profit with gross turnover less than \$50m per financial year.

Further details included:

- Is equivalent to 100% of your PAYG Withholding from 1<sup>st</sup> January 2020
- **Minimum** payment/rebate is \$10,000 from 1<sup>st</sup> January 2020 to 30<sup>th</sup> June 2020 with an additional \$10,000 from 1<sup>st</sup> July 2020 – 30<sup>th</sup> September 2020 (I would assume if your PAYG Withholding is under \$10,000 but, **you do employ staff and report through single tax payroll**, for the 6 month period, you would qualify for the minimum payment.
- **Maximum** payment/rebate is \$50,000 from 1<sup>st</sup> January to 30<sup>th</sup> June 2020 with an additional \$50,000 available from 1<sup>st</sup> July 2020 – 30<sup>th</sup> September 2020.
- Payments/rebates to be paid from 28<sup>th</sup> April 2020

- **Appears will be paid as a credit on your integrated client account/BAS**
- Monthly lodgers will receive 3 months of credit in the March 2020 BAS meaning could very well lead to refunds or at minimum largely offset any GST liability
- **Payment/rebate is tax free**
- **Registration not required – will effectively be automatic**
- The above link (pages 3 & 4) includes some worked examples as to how it will work which are very informative

### **‘Supporting Apprentices and Trainees’**

[https://treasury.gov.au/sites/default/files/2020-03/Fact\\_sheet-Cash\\_flow\\_assistance\\_for\\_businesses\\_0.pdf](https://treasury.gov.au/sites/default/files/2020-03/Fact_sheet-Cash_flow_assistance_for_businesses_0.pdf)

Available to businesses with under 20 employees who employ apprentices and trainees. A subsidy of 50% of the apprentice/trainees wages up to a maximum of \$21,000 (\$7,000 per quarter) for the period 1<sup>st</sup> January 2020 – 30<sup>th</sup> September 2020.

Registration available from early April 2020. In order to register the advice is to contact an ‘Australian Apprenticeship Support Network’ provider.

### **‘Delivering Support for Business Investment’**

[https://treasury.gov.au/sites/default/files/2020-03/Fact\\_Sheet-Delivering\\_support\\_for\\_business\\_investment.pdf](https://treasury.gov.au/sites/default/files/2020-03/Fact_Sheet-Delivering_support_for_business_investment.pdf)

This is a measure effectively accelerating depreciation for acquisition of assets.

From 12<sup>th</sup> March 2020 to 30<sup>th</sup> June 2020, businesses with gross annual turnover of less than \$500 million, can claim a 100% tax deduction for assets purchased of less than \$150,000 (currently \$30,000).

In practical terms, this means that an asset under \$150,000, rather than being depreciated over a period of years, can be claimed as a one off tax deduction in the 2020 financial year.

From 1<sup>st</sup> July 2020 to 30<sup>th</sup> June 2021, there will be a deduction available of 50% of the cost of the depreciating asset, regardless of total cost price, on top of the normal depreciation that would be claim (eg 15%). **This only applies to new assets, not secondhand.**

Business equipment does include vehicles.

**Please be aware this is not a cash rebate/refund from the ATO as such, is to do with bringing forward depreciation deductions. As a firm, we will calculate the deduction when preparing your income tax returns**

### **Banking & Finance**

Banks in certain circumstances are:

- Deferring principal (and possibly interest) for up to 6 months for **business and home loans**
- Providing unsecured overdrafts partly backed by the government

I would suggest you contact your bank should you believe any of these measures may assist you.

## Individual & Household Assistance

### ‘Income Support for Individuals’

[https://treasury.gov.au/sites/default/files/2020-03/Fact\\_sheet-Income\\_Support\\_for\\_Individuals.pdf](https://treasury.gov.au/sites/default/files/2020-03/Fact_sheet-Income_Support_for_Individuals.pdf)

Additional payment of \$550 per fortnight (‘Coronavirus Supplement’) to people currently receiving a range of Centrelink Benefits (eg Newstart Allowance, Parenting payment). **See link for full list.**

Liquid asset waiting period (eg eligibility based on cash in the bank etc) to be waived for new applicants. Apparently streamlined application.

**Also available to self employed people who have had their business close, or income significantly reduced**

Initial point of contact Centrelink/MyGov

### ‘Payments to Support Households’

[https://treasury.gov.au/sites/default/files/2020-03/Fact\\_sheet-Payments\\_to\\_support\\_households.pdf](https://treasury.gov.au/sites/default/files/2020-03/Fact_sheet-Payments_to_support_households.pdf)

2 times \$750 payments to individuals receiving **certain Centrelink benefits** paid from:

- 31st March 2020
- 13<sup>th</sup> July 2020

**Please see link for eligibility.**

### ‘Early Access to Superannuation’

[https://treasury.gov.au/sites/default/files/2020-03/Fact\\_sheet-Early\\_Access\\_to\\_Super\\_1.pdf](https://treasury.gov.au/sites/default/files/2020-03/Fact_sheet-Early_Access_to_Super_1.pdf)

People meeting certain criteria eg. Unemployed, centrelink benefits, significant reductions in income (including sole traders) or working hours, are able to access up to \$10,000 of their superannuation for the period to 30<sup>th</sup> June, and then a further \$10,000 from 1<sup>st</sup> July. Payment will be tax free.

Applications to be made through ‘My Gov’.

### ‘Reducing Social Security Deeming Rates’

[https://treasury.gov.au/sites/default/files/2020-03/Fact\\_sheet-Providing\\_support\\_for\\_retirees\\_to\\_manage\\_market\\_volatility.pdf](https://treasury.gov.au/sites/default/files/2020-03/Fact_sheet-Providing_support_for_retirees_to_manage_market_volatility.pdf)

This can mean people how either do not qualify, or only qualify for reduced social security benefits (eg the aged pension), due to the ‘income test’ should reassess their circumstances and see if they qualify for further benefits.

Initial applicants to either contact Centrelink or their financial advisor.

### ‘Reduced Minimum Pension Drawdowns’

[https://treasury.gov.au/sites/default/files/2020-03/Fact\\_sheet-Providing\\_support\\_for\\_retirees\\_to\\_manage\\_market\\_volatility.pdf](https://treasury.gov.au/sites/default/files/2020-03/Fact_sheet-Providing_support_for_retirees_to_manage_market_volatility.pdf)

People drawing account based pensions to have minimum drawdowns halved.

Initial discussions to be had with either your superannuation provider or financial advisor.

### **Tax Office Support**

While not necessarily detailed as part of the stimulus package, we are noticing extended flexibility in lodgement and payment extensions, as well as additional flexibility with payment arrangements.

## **NT Government**

<https://business.nt.gov.au/support-for-business/recovery>

These are largely to do with driving construction works. Solar PV is **excluded** from the programs. Please note there appears to be a budget limit on each of these packages so I would suggest any applicants apply as soon as they open.

Tradesman that which to register for the works can register from **30<sup>th</sup> March 2020**.

### **'Home Improvement Scheme'**

<https://business.nt.gov.au/support-for-business/recovery/home-improvement-scheme>

Applications open **6<sup>th</sup> April**. For works around either your own house or your investment property Limited to works on one property per person.

NT Government will contribute:

- \$4,000 if you spend \$1,000 of your own money
- \$6,000 if you spend \$2,000 of you own money

### **'Business Improvement Grant'**

<https://business.nt.gov.au/support-for-business/recovery/business-improvement-grant>

Applications open **13<sup>th</sup> April**. For works to your business premises (whether owned or leased). **There has been talk about the community about this applying to business equipment, but it appears will only apply to building and construction works (ie 'permanent physical improvements).**

NT Government will contribute:

- \$10,000 if you spend \$0 (zero) of your own money
- \$20,000 if you spend \$10,000 of you own money

### **'Immediate Works Grant'**

<https://business.nt.gov.au/support-for-business/recovery/immediate-work-grant>

Applications open **20<sup>th</sup> April**. Available for not for profit and community organisations to do repairs, renovations and upgrades to their property and facilities.

NT Government will contribute:

- \$50,000 if you spend \$0 (zero) of your own money
- A dollar for dollar contribution for any amount over \$50,000 up to a maximum of \$100,000 (eg contribute \$50,000 of your own money to receive \$100,000)

### **Payroll Tax Part Exemptions**

[https://treasury.nt.gov.au/data/assets/pdf\\_file/0004/501988/CG-PRT-008.pdf](https://treasury.nt.gov.au/data/assets/pdf_file/0004/501988/CG-PRT-008.pdf)

A payroll tax exemption up to 30<sup>th</sup> June 2021 for:

- A territory resident who, when employed, increases the number of territory residents employed in your business
- An existing employee of relocates from interstate to the Northern Territory
- A Territory resident hired to replace an employee from interstate.