



# COVID-19

Government Assistance  
Packages



# FEDERAL GOVERNMENT SUPPORT

## ➤ **Boosting cash flow for employers – payments of up to \$25,000**

- Employers with a turnover of less than \$50m that make payments to employees will be eligible for a tax-free payment of between \$2,000 and \$25,000, based on their PAYG withholding reported on the activity statements from March 2020 to June 2020. The full benefit of \$25,000 is realised once an employer has withheld at least \$50,000 from employee payments during the period to 30 June 2020.
- Quarterly payers will receive a credit of up to 50% of the PAYG withholding in their March and June 2020 activity statements, up to the maximum credit of \$25,000.
- Monthly payers will receive a credit of up to 150% of their PAYG withholding in the March activity statement and up to 50% of each of their April to June 2020 activity statements, up to the maximum credit of \$25,000.
- Where this results in a refund position, the ATO will deliver the refund within 14 days.
- While the quantum of any assistance payment may be debated, we consider this to be a user friendly and clever way to provide the assistance: all business owners have to do is continue to lodge their activity statements, no separate application process applies nor are there any complex qualifying criteria to consider.

# FEDERAL GOVERNMENT SUPPORT

## ➤ Instant Asset Write-Off

- The instant asset write-off threshold has been increased to \$150,000 for assets (new or second hand) purchased between 12 March 2020 to 30 June 2020. The instant asset write-off is available to all businesses with an aggregated turnover of less than \$500 million.
- Small business taxpayers (those with an aggregated turnover of less than \$10 million) must elect to start using, or continue use, the simplified depreciation rules (including the small business pool) to qualify for the instant asset write-off. The instant asset write-off applies to both new and second hand depreciating assets.
- Unless further extensions are announced, the instant asset write-off threshold reverts to \$1,000 for small business entities from 1 July 2020.

# FEDERAL GOVERNMENT SUPPORT

## ➤ Business Investment

- Businesses with a turnover of less than \$500 million will be eligible for an upfront 50% deduction for the cost of new depreciating assets purchased between 12 March 2020 and 30 June 2021, with the balance of the cost subject to the existing depreciation rules. This would equate to a deduction of 57.5% for small business taxpayers in the year of purchase.
- Assets costing less than \$150,000 purchased prior to 30 June 2020 will be immediately deductible under the instant asset write-off. For all businesses that turnover less than \$500 million, this measure thus has an immediate benefit for higher value asset purchases made up to 30 June 2020 (i.e., those greater than \$150,000) and, under current law, for all assets purchased with a value greater than \$1,000 during the year ended 30 June 2021.

# FEDERAL GOVERNMENT SUPPORT

## ➤ **Apprentice and Trainee Support**

- Eligible employers can apply for a wage subsidy of 50 per cent of their apprentice's or trainee's wage paid during the 9 months from 1 January 2020 to 30 September 2020, up to a maximum of \$7,000 per eligible apprentice or trainee per quarter.
- The subsidy will be available to small businesses employing fewer than 20 full-time employees who retain an apprentice or trainee that was employed by the business as at 1 March 2020.

# QUEENSLAND GOVERNMENT SUPPORT

- The Queensland Government has announced \$500m in loans to support workers in businesses affected by COVID-19
- The \$500 million concessional loan facility would comprise loans of up to \$250,000 with an initial 12-month interest free period for businesses to retain staff.
- Information on the concessional loans will be available at [QRIDA](#) from the end of this week.

# QUEENSLAND GOVERNMENT SUPPORT

- A relief package is also available to all businesses, which means they don't need to lodge or pay payroll tax returns before 31 July 2020.

Return period	Normal due date	Deferred due date
February	9 March 2020	3 August 2020
March	7 April 2020	3 August 2020
January-March quarter	7 April 2020	3 August 2020
April	7 May 2020	3 August 2020
May	8 June 2020	3 August 2020
2019-20 annual	21 July 2020	3 August 2020

# ATO MEASURES

- The ATO has also announced a series of administrative concessions to assist businesses impacted by COVID-19. They include:
  - Deferring by up to 4 months the payment of tax amounts due through the BAS (including PAYG instalments), income tax assessments, FBT assessments and excise by affected businesses;
  - Allowing affected businesses on a quarterly reporting cycle to opt into monthly GST reporting to get quicker access to any GST refunds;
  - Allowing affected businesses to vary PAYG instalment amounts to zero for the April 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 by affected businesses on or after 23 January 2020, that have been applied to tax liabilities; and
  - Allowing affected businesses to enter into low-interest payment plans for their existing and ongoing tax liabilities.



# BIG 4 BANKING MEASURES

➤ Banks have all made announcements regarding assistance packages and borrowing relief:

BANK	MEASURE
ANZ	<ul style="list-style-type: none"><li>• Early access to term deposits without break fees</li><li>• Access to additional credit (subject to approval)</li><li>• A 0.25% p.a. decrease in variable interest business loan rates across a range of products</li></ul>
COMMONWEALTH	<ul style="list-style-type: none"><li>• Deferring repayments and fee waivers for various products (including repayments on business loans and overdrafts for 90 days)</li><li>• Waiving merchant terminal fees for 90 days</li><li>• Deferring repayments on vehicle and equipment finance loans, and tailoring restructuring options</li><li>• Waiving early redraw fees on business term deposit accounts (including Farm Management Deposit accounts)</li><li>• Waiving establishment fees and excess interest on temporary excess products</li></ul>
NAB	<ul style="list-style-type: none"><li>• Deferral of business loan repayments and extension of business loan terms (both up to 3 months), based on individual circumstances</li><li>• Support to restructure existing business loans, including equipment finance</li><li>• Business credit card deferred repayments.</li></ul>
WESTPAC	<ul style="list-style-type: none"><li>• Fee-free redraws on loans</li><li>• Business loan deferred repayments by up to 3 months</li><li>• Options to extend business loan terms by up to 3 months</li><li>• Restructuring and consolidating loans</li><li>• Access to term deposit funds without reduction in interest rates</li><li>• Deferred payments for business credit cards</li><li>• Access to business finance counselling</li></ul>



P A R T N E R S

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ACCOUNTANTS AND ADVISORS