



IRON BARK INDUSTRIES bookkeeping

Coronavirus Economic Stimulus Measures

It is important to note the Stimulus measures announced by the Federal Government were passed by parliament earlier this week and were only granted Royal Assent today 26th March 2020.

Instant Asset Write Off

Business with a turnover last year of less than \$500m –

For Assets –

- Purchased after 12 March 2020, and
- Installed, ready for use before 30 June 2020, and
- Costing less than \$150,000 (GST exclusive)
- New or Second Hand items

50% Instant Depreciation

Business with a turnover last year of less than \$500m –

For Assets –

- Purchased after 12 March 2020, and
- Installed, ready for use before 30 June 2020, and
- Classified as Division 40 assets (normally available for Depreciation),
- Unlimited Value
- NOT second hand items
- There is a 15 month period for allowing an instant 50% depreciation claim, in addition to the normal depreciation claim for acquisitions ready for use before 30 June 2021

Small and Medium Enterprises (SME) Guarantee Scheme

The Government will guarantee 50% of new loans* issued by eligible lenders until 30 September 2020. These will have a low interest rate.

The Loans will have the following terms –

- SMEs including sole traders with a turnover of up to \$50 million
- Maximum total size of loans of \$250,000 per borrower
- Loans will be up to three (3) years, with an initial six month repayment holiday**

- Unsecured Finance

These loans will be available from lenders from April 2020

*** Usual Bank lending criteria may still apply.**

**** Interest will still accrue during the six months and will be added to the repayment figure.**

ATO Business Support

ATO have applied the following concessions to businesses

- Apply for up to 6 month deferral on payments – payment in full will be required after this 6 month period and future obligations are to be met
- Convert to Monthly BAS to help with cashflow
- PAYG Instalments (Income Tax) can be varied to Nil – This may result in not enough tax being paid and an payment being required after your personal tax has been lodged.

NOTE – Superannuation payments MUST be paid as per normal

Cashflow Boosts for Employers

This is an unfortunate choice of name. This is essentially a rebate credited to your ATO account for PAYG Withholding payments in the Jan-Mar 2020 Quarter. A minimum rebate of \$10,000 will be applied up to \$50,000.

This will happen automatically once your BAS is lodged FROM 28th April 2020. If you lodge early, you will still not receive the rebate until this date.

Assistance for Apprentices and Trainees

- Wage subsidy of 50% of the wage paid during the 9 months from 1 Jan – 30 Sept 2020.
- Employers will be reimbursed up to a maximum of \$21,000 per eligible apprentice or trainee (\$7,000 per quarter)
- Eligibility Requirements –
 - Small Businesses employing fewer than 20 full time employees who retain an apprentice or trainee;
 - The apprentice or trainee must have been in training with a small business as at 1 March 2020
- You can Register for the subsidy from early April 2020
- Final claims for payment must be lodged by 31 December 2020

More Information

Department of Education, Skills and Employment – www.dese.gov.au

Australian Apprenticeships – www.australianapprenticeships.gov.au

Support for Individuals

This includes for Sole Traders/Self Employed.

- If you have lost your job or income has reduced by 20% due to COVID-19 and you are:
 - 21 or younger – claim Youth Allowance for job seekers
 - Between 22 and Pension – you may be able to claim JobSeeker payment
 - A young child's main carer you may be able to claim Parenting Payment.
- You need to register your Intention to Claim a Centrelink payment – once registered, you can then complete the relevant forms. Payment will be backdated to the date you registered your Intent.
- Partners Income – If your partner is still working, and earns more than \$1850 a fortnight (\$48,100pa) you will not be eligible for the Jobseeker payment.
- Things are changing rapidly and there are calls for this to be changed.
- Assets – Centrelink will waive asset testing from 27 April for six months.
- You cannot access Centrelink payments at the same time as receiving annual leave, sick leave or income protection insurance.
- Apply for Work – To continue to receive JobSeeker Payment you must meet the mutual obligation requirements.
- From 27 April for 6 months, sole traders and self-employed people who now earn less than \$1075/fn will meet their mutual obligation requirements just by continuing to operate their business.

Coronavirus Supplement

- Centrelink will pay a temporary fortnightly \$550 Coronavirus Supplement from 27 April 2020 for up to 6 months.
- Extend eligibility for the first \$750 Economic Support Payment to pay it from 31 March 2020 if you're getting an eligible payment on any day from 12 March to 13 April 2020.
- Pay a second \$750 Economic Support Payment from 13 July 2020 if you're getting an eligible payment or have an eligible concession card on 10 July 2020.

Early Release of Superannuation

- Access up to \$10,000 of Superannuation in the 2019-20 Financial Year and a further \$10,000 in 2020-21 Financial Year
- Individuals will not need to pay tax on amounts released and the money they withdraw will not affect Centrelink or Veterans Affairs payments
- From Mid-April eligible individuals will be able to apply online through myGov to access their superannuation.
- Conditions may apply for to this