

Strategic Wealth Management

Summary of Federal and State Government Economic Measures as at 30TH March 2020

The Government is acting decisively in the national interest to support households and businesses and address the significant economic consequences of the Coronavirus.

While the full economic effects from the virus remain uncertain, the outlook has deteriorated since the Government's initial Economic Response announced on 12 March 2020. **The second package announced on 22nd March 2020 and today's announcements bring the Federal Government support total to a staggering \$320bn.**

Please find below a summary of the economic measures being offered on a Federal and State level as of 30TH March 2020.

Please note we do not have details yet as to how some of these measures will operate as the details have not been released at the time of writing. We will provide information as it comes to hand.

Federal Measures as at Monday 30th March 2020

1. JobKeeper Payment

- *It is worth up to \$1500 a fortnight, per employee*
- *Sole traders are eligible*
- *To be eligible, the turnover of a business will need to have fallen by 30% or more, or in the case of a business with an annual turnover of more than \$1 billion, by 50% or more. This is to be measured over a MINIMUM one-month period to comparable period a year ago*
- *If an employee earns less than the \$1,500, the government will effectively be subsidising their entire wage*
- *If an employee earns over that, the employer can choose to top it up.*
- *Employee has to have been employed on March 1 to be eligible (even if stood down since that time)*
- *The government will backdate payments to today (30th March 2020) – payments to be released from early May*
- *New Zealanders on the 444 visa will be included*
- *All other temporary visa holders will not, although conversations are “under way”*
- *It does not include superannuation*
- *It will be delivered through existing systems at the ATO – you can apply here - <https://www.ato.gov.au/general/gen/JobKeeper-payment/>*
- *It will cost \$130bn over six months.*

Government Fact sheet Link

 [JobKeeper Payment - Information for Employers](#)

 [JobKeeper Payment - Overview](#)

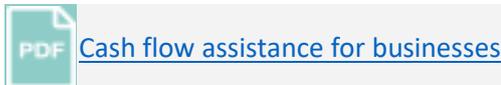


2. Boosting cash flow for employers

Key Points:

- *Eligibility – Small & Medium Size Business with aggregated turnover of less than \$50M per annum*
- *Enhances the 12 March 2020 measures – i.e. not additional but an enhancement*
- *Employers to receive a payment equal to 100% of their PAYG Withholding between now and June 2020 up to a maximum of \$50,000*
- *Additionally – minimum payment is increased from \$2,000 to \$10,000*
- *PLUS – in the July – October 2020 period eligible entities will receive a ‘Boosting Cash Flow’ payment equal to what they received in the March – June 2020 payment*
- *This means that eligible entities will receive at least \$20,000 up to a total of \$100,000 under both payments*
- *Payments to be tax free and administered via the BAS system*
- ***So, to summarise - the cash back is now calculated on 100% of PAYGW of your wages, paid in 2 separate calculation periods:***
 - ***1 Jan 2020 - 30 June 2020 – 100% of PAYGW – Min of \$10,000, Maximum of \$50,000***
 - ***1 July 2020 – 31 October 2020 – 100% of PAYGW – Min of \$10,000, Maximum of \$50,000***

Government Fact sheet Link

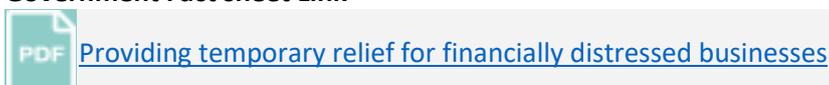


3. Temporary relief for financially distressed businesses – Bankruptcy Measures

Key Points:

- *Safety net introduced to lessen the threat of actions that could unnecessarily push businesses into insolvency and force the winding up of the business.*
- *The threshold at which creditors can commence insolvency proceedings to increase from \$2,000 to \$20,000*
- *Temporary relief for directors from any personal liability for trading while insolvent and providing temporary flexibility in the Corporations Act 2001 to provide temporary and targeted relief from provisions of the Act to deal with unforeseen events that arise as a result of the Coronavirus health crisis.*
- *The ATO will tailor solutions for owners or directors of business that are currently struggling due to the Coronavirus, including temporary reduction of payments or deferrals, or withholding enforcement actions including Director Penalty Notices and wind-ups.*

Government Fact sheet Link



4. Increasing the instant asset write-off

Key Points:

- Instant asset write-off threshold increased from \$30,000 to \$150,000
- Access expanded to include businesses with aggregated turnover of less than \$500M
- Available until 30 June 2020

Government Fact sheet Link

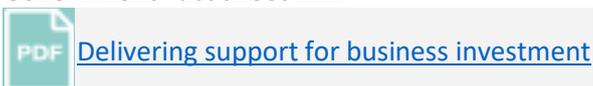


5. Backing business investment

Key Points:

- A time-limited 15-month investment incentive (through to 30 June 2021) which will operate to accelerate certain depreciation deductions.
- This measure will also be available to businesses with a turnover of less than \$500 million, which will be able to immediately deduct 50% of the cost of an eligible asset on installation, with existing depreciation rules applying to the balance of the asset's cost.
- As announced, this measure is proposed to only apply to **new** depreciating assets first used, or installed ready for use, by 30 June 2021.

Government Fact sheet Link

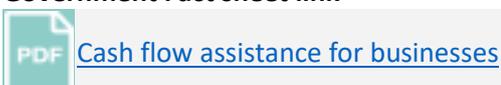


6. Supporting apprentices and trainees

Key Points:

- **Wage subsidies to support the retention of apprentices and trainees** – Employers with less than 20 full-time employees may be entitled to apply for Government funded wage subsidies amounting to 50% of an apprentice's or trainee's wage for up to nine months from 1 January 2020 to 30 September 2020. The maximum subsidy for each apprentice/trainee is \$21,000.
- Importantly, where an employer is not able to retain an apprentice, the subsidy will be available to a **new employer** that employs that apprentice.
- It is proposed that employers will be able to register for the subsidy from early-April 2020.

Government Fact sheet link



7. JobKeeper Payment for Employees

Key Points:

- *The JobKeeper payment helps businesses significantly impacted by the Coronavirus cover the costs of their employees' wages, so more Australians can retain their jobs and continue to earn an income.*
- *Your employer will notify you if they intend to claim the fortnightly payment of \$1,500 on your behalf.*

Government Fact sheet link



8. Income support for individuals

Key Points:

- *Time-limited supplement of \$550 per fortnight to be paid to both existing and new recipients of JobSeeker Payment, Youth Allowance Jobseeker, Parenting Payment, Farm Household Allowance and Special Benefit*

Government Fact sheet link



9. Payments to support households

Key Points:

- *Two separate \$750 payments to social security, veteran and other income support recipients and eligible concession card holders.*
- *The first payment will be made from 31 March 2020 and the second payment will be made from 13 July 2020.*
- *Around half of those that benefit are pensioner*

Government Fact sheet link



10. Temporary early release of superannuation

Key Points:

- *Aimed at Sole Traders*
- *Individuals affected by the Coronavirus to access up to \$10,000 of their superannuation in 2019-20 and a further \$10,000 in 2020-21.*
- *Individuals will not need to pay tax on amounts released*

Government Fact sheet link



11. Temporarily reducing superannuation minimum drawdown rates

Key Points

- *Temporarily reducing superannuation minimum drawdown requirements for account-based pensions and similar products by 50 per cent for 2019-20 and 2020-21*

Government Fact sheet link



12. Supporting the Flow of Credit

The Government, the Reserve Bank of Australia and the Australian Prudential Regulation Authority have taken coordinated action to ensure the flow of credit in the Australian economy. Timely access to credit is vital for businesses to manage the impacts of the Coronavirus.

i. Support for immediate cash flow needs for SMEs

- *The Government will provide a guarantee of 50 per cent to SME lenders to support new short-term unsecured loans to SMEs*
- *The Scheme will guarantee up to \$40 billion of new lending – need to apply with your bank*

Government Fact sheet link



ii. Quick and efficient access to credit for small business

- *Temporary exemption from responsible lending obligations for lenders providing credit to existing small business customers.*

Government Fact sheet link



ATO DEFERRAL MEASURES

Link - <https://bit.ly/ATODeferral>

- Businesses can call the ATO's Emergency Support Infoline (1800 806 218) to discuss relief options based on their needs and circumstances.
- Individuals and businesses can request deferral of some payments (by up to 4 months) and vary instalments – this applies to BAS Payments (including PAYG Instalments), Income Tax, Fringe Benefits Tax and excises taxes.
- Businesses (under \$20 million turnover) can elect to report and pay their GST monthly instead of quarterly to accelerate access to GST refunds, but only from 1 April 2020, and must remain monthly for 12 months.
- Quarterly payers can vary their PAYG instalments for the March 2020 quarter and claim a refund of instalments paid for the Sep and Dec 2019 quarters.
- Businesses can request remittance of interest and penalties applied to tax liabilities incurred after 23 January 2020.
- Businesses can request a low interest payment plan.

STILL NEED TO LODGE BAS ETC

Employers still need to meet their SG obligations. The ATO has no discretion under the SGC rules to vary the due date or waive the SGC where contributions are late/unpaid.

State Measures as at Monday 30th March 2020

1. **Victoria** – Link - <https://bit.ly/VictGovtCovid>
 - **Fact Sheet Link** - <https://bit.ly/VicGovtFacts>
 - **As part of a \$1.7 billion economic survival package, the Victorian Government has announced \$500 million to establish a Business Support Fund to assist small to medium businesses most impacted by the COVID-19 outbreak - [Register your interest](#)**
 - **Payroll Tax Refunds** - \$550 million allocated to small and medium-sized enterprises with a payroll of less than \$3 million as a payroll tax refund. Refunds to start next week. **YOU MUST APPLY FOR THEIR REFUND VIA THE SRO**
 - **Land Tax Deferral** - Landowners that have at least one non-residential property and total taxable landholdings below \$1 million have the option of deferring their 2020 land tax payment until after 31 December 2020. The State Revenue Office will contact all taxpayers who are eligible for this deferral
 - **Liquor Licence Fees Waived** - Renewable liquor licence fees for 2020 will be waived. Businesses that have already paid will be reimbursed.
 - **Business Support Fund** - \$500 million fund will support the hardest hit sectors, including hospitality, tourism, accommodation, arts and entertainment, and retail.
 - **Working for Victoria Fund** - Under the \$500 million Fund displaced workers will be eligible to apply for different types of work. This presents opportunities for paid work and an opportunity to contribute to Victoria's ability to manage this event and support the community.
 - **Fast tracking outstanding supplier Invoices** - The Government will pay all outstanding supplier invoices within five business days – releasing up to \$750 million into the economy earlier.

- **Rent relief for commercial tenants in government buildings** - The Government will work directly with commercial tenants in government buildings who can apply for rent relief. Private landlords are also being encouraged to provide rent relief or holidays to help businesses.

2. NSW – Link - <https://bit.ly/NSWGovtCovid>

- \$2.3 billion health boost and economic stimulus
- \$700 million extra funding for NSW Health. This will assist in doubling ICU capacity
- \$450 million for the waiver of payroll tax for businesses with payrolls of up to \$10 million for three months (the rest of 2019-20). This means these businesses will save a quarter of their annual payroll tax bill in 2019-20
- \$56 million to bring forward the next round of payroll tax cuts by raising the threshold limit to \$1 million in 2020-21
- \$80 million to waive a range of fees and charges for small businesses including bars, cafes, restaurants and tradies
- \$250 million to employ additional cleaners of public infrastructure such as transport assets, schools and other public buildings
- More than \$250 million to bring forward maintenance on public assets including social housing and crown land fencing
- \$500 million to bring forward capital works and maintenance.

3. Western Australia – Link - <https://bit.ly/WAGovCovid>

- \$114 million in measures to support small business during the coronavirus (COVID-19) pandemic.
- The three measures announced for small business include:
 - \$17,500 grants for small businesses with a payroll between \$1 million and \$4 million.
 - The \$1 million payroll tax threshold (announced in October 2019) will be brought forward by six months to 1 July 2020.
 - Businesses impacted by COVID-19 can [apply now to defer payment](#) of their 2019-20 payroll tax until 21 July 2020.
- **Household fees and charges will be frozen** until the next financial year — June 30, 2021.

4. Queensland – Link - <https://bit.ly/QLDGovCovid>

- **Fact Sheet Link** - <https://bit.ly/QLDFacts>
- **Queensland COVID-19 jobs support loans**
 - You may be eligible for a loan to retain employees and maintain your operations.
 - The \$500 million 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.
 - **Payroll tax relief package**
 - If your business has been affected by the coronavirus (COVID-19), you can defer paying payroll tax returns until 31 July 2020.
 - Immediate payroll tax refunds will be provided to eligible businesses
 - Read more about [deferring payroll tax returns due to coronavirus](#).
 - **Industry support**
 - [Market diversification and resilience grants](#) are available for Queensland agriculture, food and fishing exporters and their critical supply chain partners, as well as industry organisations working with exporters.
 - \$500 million worker retraining and assistance package – this will be spent to assist workers who lose their job or income with retraining, job-matching and other help to transition into jobs in the industries that are vital to get Queensland through this crisis
 - **\$1 billion Industry Support Package** - The Industry Support Package will assist large businesses through this period to ensure they will be able to scale up and service the community when economic activity improves.
 - **\$100 million electricity bill relief for small and medium businesses** - 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.
 - Other measures as per Fact Sheet – link - <https://bit.ly/QLDFacts>
5. **South Australia** – Link - <https://bit.ly/SAGovtCovid>
- South Australian Government’s stimulus package will inject \$1 billion into the economy.
 - **\$300 million Business and Jobs Support Fund** - A fund to support individual businesses and industry sectors directly affected by coronavirus.
 - **Payroll tax relief** - A 6-month waiver for all businesses with an annual payroll up to \$4 million. Employers with grouped annual wages above \$4m able to defer for 6 months
 - **Land tax relief** - From July, the Govt’s historic land tax reforms will kick in, delivering \$189m in land tax cuts over 3 years. Those with outstanding quarterly bills for 2019-20 will be able to defer payments for 6 months. For 2020-21 Land Tax Transition Fund relief will be increased from 50% to 100%.
 - **Access to accrued leave for public sector workforce** - If a public servant has a family member who has lost their job and moved onto Commonwealth benefits, they will be able to receive their accrued leave down to a limit of 2 retained weeks.
 - **\$250 million Community and Jobs Fund** - Supporting sporting, arts, recreational bodies, non-profit organisations and some other industry sectors facing potential collapse and the loss of jobs.

- **Cost of living concessions** - A once-off boost of \$500 and bringing forward the 2020-21 'Cost of Living Concession' for households who are receiving the Centrelink JobSeeker Payment assisting those who are unemployed or lose their jobs as a result of the coronavirus restrictions.
- **Fees and charges waived** - Waiver of liquor licence fees for those businesses forced to close as a result of social distancing

6. ACT – Link - <https://bit.ly/ACTGovCovid>

- Licenced venues will receive a 12-month waiver of their food business registration and on-licence liquor licencing fees from 1 April 2020 and outdoor dining fees for 2020-2021 will be waived.
- An additional payment of \$1.5 million will be made, as well as the existing \$1.8 million in the Clubs Diversification Fund freed up to support clubs to keep staff employed at the award rate.
- Small business owners with electricity usage below 100 megawatts per year will see rebates of \$750 **automatically applied to their next electricity bill in around June or July 2020.**
- The Rideshare vehicle licence fee will be waived for 12 months for rideshare operators from 1 April 2020 as part of the normal licencing processes.
- Hospitality (cafes, pubs, hotels, clubs and restaurants), creative arts and entertainment industries will receive a one-off, six-month waiver of payroll tax from April to September 2020.
 - Businesses will need to complete a simple online application form to confirm their eligibility by visiting the ACT Revenue Office website (available soon) at: www.revenue.act.gov.au
- All ACT businesses with Group Australia-wide wages of up to \$10 million can defer their 2020-21 payroll tax, interest free until 1 July 2022. Businesses will need to complete a simple online application form (which will be available soon on the ACT Revenue Office website at: www.revenue.act.gov.au) to confirm their eligibility.
- Commercial property owners with an Average Unimproved Value below \$2 million on their property are eligible for a rebate on their commercial rates fixed charge.
 - Commercial rate payers will receive a credit of \$2,622 (equivalent to the annual fixed charge) to their 2019-20 general rates, in quarter four. **This will be applied automatically.**

7. Tasmania – Link - <https://bit.ly/TasGovCovid>

- Small Business Measures - <https://bit.ly/TasFactSheetBusiness>
 - \$20 million in interest free loans to small businesses in the hospitality, tourism, seafood production, and exports sectors. The loans will be available to businesses with a turnover of less than \$5 million to purchase equipment or restructuring business operations and will be interest free, for three years.
 - Payroll tax liabilities will be waived for hospitality, tourism and seafood industry businesses for the last four months of 2019-20.

- Other 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.
- \$50 million allocated to fast track maintenance on public buildings over the next 12 months.
- To assist with small business cash flow, the Tasmanian Government will:
 - Pay bills sooner.
- The targeted Small Business Grants Program provides a \$5,000 grant for businesses that hire an apprentice or trainee in the tourism, hospitality, building and construction, and manufacturing industries.
- Youth Employment Scheme - the Scheme provides a payroll tax rebate for one year, to businesses that employ a young person aged 24 and under, between April and December 2020.
- Household Measures - <https://bit.ly/TasFactSheetHouse>
 - Emergency Relief Package - \$1 million over the next three months will be provided to organisations such as the Salvation Army, Red Cross and Rural Business Tasmania to support vulnerable Tasmanians who are self-isolated and help support households and workers impacted by the virus.
 - Emergency Relief Payments for those in isolation- One-off payments of \$250 for individuals or up to \$1,000 for families, for those who are required by Public Health to self-isolate as a result of the coronavirus. Eligibility includes those with a Health Care Card or a Pensioners Concession Card and those on low incomes who can demonstrate a need for financial support, including casual workers.
 - Accommodation Support - \$1 million emergency accommodation support will be available for individuals and families who have been placed on home quarantine but who are unable to return to their regular place of residence. This will provide additional support for our communities at this difficult time

8. Northern Territory – Link - <https://bit.ly/NTGovtCovid>

- \$120 million Jobs Rescue and Recovery plan
 - **Home Improvement Scheme - \$30 million** - The scheme will help fast track around 5,000 screwdriver-ready projects in Territory homes. Read more on the [Home Improvement Scheme](#).
 - **Business Improvement Grant - \$20 million** - All Territory businesses will be able to access a \$10,000 grant, followed by an additional \$10,000 grant if they contribute \$10,000 of their own. Read more on the [Business Improvement Grant](#).
 - **Immediate Work Grant - \$5 million** - Grants of up to \$100,000 will be given to not-for-profit and community organisations to engage local businesses to do repairs, renovations and upgrades to their property and facilities. Read more on the [Immediate Work Grant](#).
 - **Small Business Survival Fund** - The new \$50 million Small Business Survival Fund will help local Territory businesses survive the unprecedented economic impacts of coronavirus (COVID-19). This fund is specifically

targeted at supporting industries such as retail, hospitality, tourism and entertainment businesses.

- **Structural adjustment package - \$5 million** - This program will provide direct support for cafes, restaurants and other venues who serve the public. The program will help businesses to install partitioning to meet the new requirements for gatherings of less than 100 people indoors, and to help develop online ways of doing business. Read more on the [Business Structural Adjustment Package](#).
- **Handbrake on government fees and charge** - All regular increases to government fees and charges, including electricity costs, will be put on hold. This means that fees and charges which are normally increased annually or regularly will not be.
- **Payroll tax exemption** - The payroll tax exemption for hiring Territory employees has been extended to 30 June 2021. For more information on eligibility for employers, go to the [Department of Treasury and Finance website](#).

BANK ASSISTANCE

Specific COVID-19 concessions have been announced by the following banks:

CBA

- Deferring repayments on a variety of business loan and overdraft products, for 6-months.
- Reducing commercial interest rates by 0.25
- Waiving merchant terminal fees for impacted customers with CBA payment terminals, for 90 days.
- Waiving early redraw fees on business term deposit accounts (including Farm Management Deposit accounts).
- Waiving establishment fees and excess interest on Temporary Excess products.
- Deferring repayments on vehicle and equipment finance loans and providing tailored restructuring options that meet individual customer needs.
- CBA Link - <https://bit.ly/2QwCkV9>

ANZ

- Suspending interest repayments
- Deferral of business loan repayments for up to 6 months, assessed on a case-by-case basis
- Providing early access to term deposits without incurring break fees
- Providing access to additional credit subject to approval
- ANZ Link - <https://bit.ly/3bii2GI>

NAB

- Deferral of business loan repayments for up to 6 months, assessed on a case-by-case basis
- Extension of a business loan term by a period of up to three months, where individual circumstances warrant
- Support to restructure existing business loans, including equipment finance
- Business credit card deferred repayments.
- NAB Link - <https://nab.co/33DkiFX>

Westpac

- Continuing its hardship assistance program
- Deferral of business loan repayments for up to 6 months, assessed on a case-by-case basis
- Westpac Link - <https://bit.ly/2vJDmpC>

Bendigo

- Home Loan and Business Loan customers can apply for relief on loans for up to three months
- Waiver of fees for the restructuring or consolidation of loans
- Credit card customers can apply for an emergency credit card limit increase
- Discounted interest rates on new personal loans taken out by existing Bendigo Bank customers
- Waiver of interest rate reduction for early withdrawals on term deposits prior to maturity
- Deferral of payments and extensions for Equipment Finance on a case by case basis
- Bendigo Bank Link - <https://bit.ly/399pYbV>