

COVID-19 – Economic stimulus measures for businesses (as at 1 April 2020)

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1. Commonwealth Government incentives (excluding superannuation)

JobKeeper payment (\$1,500 per fortnight per employee wage subsidy)	
Details	<p>The JobKeeper payment is intended to provide wage subsidies to businesses that are significantly affected by COVID-19. The Government will provide \$1,500 per fortnight (before tax) per employee for up to 6 months.</p> <p>The subsidy will start on 30 March 2020, with the first payments to be received by employers in the first week of May. Payments will be made to the employer monthly in arrears by the ATO.</p> <p>If an employee receives the JobKeeper payment, this may affect their eligibility for payments from Centrelink (including the JobSeeker payment).</p>
Eligibility	<p>Employers (including non-for-profits) will be eligible for the subsidy if their business has a turnover of less than \$1 billion and their turnover has fallen by more than 30% relative to a comparable period a year ago.</p> <p>Most businesses will establish a 30% reduction in turnover by comparing their activity statement (either for the month or quarter in question, depending on their normal lodgment schedule) to the corresponding period a year earlier. Where a business has been established within the last year or where its turnover a year earlier was not representative of its usual or average turnover (e.g. because there was a large interim acquisition, the business was newly established or their turnover is typically highly variable), the Commissioner will have discretion to consider additional information that the business can provide to establish that they have been adversely affected by the impacts of COVID-19. The Commissioner will also have discretion to set out alternative tests that would establish eligibility in specific circumstances (e.g. eligibility may be established as soon as a business ceases or significantly curtails its operations). There will be some tolerance where employers, in good faith, estimate a greater than 30% fall in turnover but actually experience a slightly smaller fall.</p> <p>The subsidy will be paid for each employee who:</p> <ul style="list-style-type: none"> • is currently employed by the eligible employer (including those stood down or re-hired); • was employed by the employer at 1 March 2020; • is full-time, part-time or a long-term casual (i.e. a casual employed on a regular basis for longer than 12 months as at 1 March 2020); • is at least 16 years of age; • is an Australian citizen, the holder of a permanent visa or a Special Category (Subclass 444) Visa Holder; and • is not in receipt of a JobKeeper Payment from another employer. <p>Self-employed individuals (businesses without employees) that meet the turnover test are also eligible to apply for the JobKeeper payment.</p> <p>Participating employers will be required to ensure eligible employees will receive, at a minimum, \$1,500 per fortnight (before tax). This is the case even if the employee usually earns less than this.</p>
Application form	<p>At this stage, employers can register their interest to claim the JobKeeper payment on the ATO's website: https://www.ato.gov.au/general/gen/JobKeeper-payment/.</p>

JobKeeper payment (continued)	
Issues	Superannuation: Where the employee is still working in the business and the JobKeeper payment is subsidising their salary (i.e. the employee earns more than \$1,500 per fortnight), superannuation guarantee must be paid on the employee's total salary. However, it appears that superannuation will be optional where the JobKeeper payment is greater than the employee's ordinary salary (i.e. the employee usually earns \$1,000 per fortnight – superannuation on the additional \$500 is optional) or where the employee has been stood down (i.e. superannuation is optional on the entire payment).
Legislation	Not yet legislated. Parliament may be recalled as early as the week commencing 6 April 2020 to pass the legislation.
Links	https://www.ato.gov.au/General/New-legislation/The-Australian-Government-s-Economic-Response-to-Coronavirus/#JobseekerPayment https://treasury.gov.au/sites/default/files/2020-04/Fact_sheet_supporting_businesses.pdf https://treasury.gov.au/sites/default/files/2020-04/Fact_sheet_Info_for_Employers.pdf https://treasury.gov.au/sites/default/files/2020-03/Fact_sheet-Support_for_sole_traders_1.pdf https://treasury.gov.au/sites/default/files/2020-04/Fact_sheet_Info_for_Employees.pdf
Boosting cash flow for employers (\$20k to \$100k tax free payments based on PAYG withholding)	
Details	<p>Small and medium businesses that have employees may be eligible for tax-free payments of between \$20,000 and \$100,000 between April 2020 and October 2020. The payments will be delivered in 2 rounds.</p> <p><u>First-round payment(s)</u></p> <p>The first-round payment(s) will be calculated as:</p> <ul style="list-style-type: none"> • for small withholders (i.e. quarterly remitters) – 100% of PAYG withheld in their March and June 2020 activity statements; or • for medium or large withholders (i.e. monthly or more frequent remitters) – 300% of PAYG withheld in their March 2020 activity statement and 100% in their April to June 2020 activity statements, <p>up to a maximum of \$50,000. A \$10,000 minimum payment will apply in the first period the business is eligible (generally this will be the March 2020 activity statement) even if their withholding for that period is less than \$10,000.</p> <p>The payments are delivered as an automatic credit which will be applied against liabilities on the business' activity statement. If the credit puts the business into a refund position, the ATO will pay that refund within 14 days after the due date of the activity statement (even if the return is lodged before the due date).</p>

Boosting cash flow for employers (Continued)	
Details (continued)	<p><u>Second-round payments</u></p> <p>The second-round payments will be for an amount equal to the total of the business' first-round payment(s). That is, if an employer received the maximum \$50,000 payment in the first-round, they would receive another \$50,000 in the second round, making the total payments received \$100,000. If an employer received the minimum \$10,000 in the first-round, they would receive another \$10,000 in the second round, making their total payments received \$20,000.</p> <p>The second-round payments will be delivered as equal credits which will be applied against liabilities on the business' activity statements between June to September 2020 (i.e. 2 equal credits for quarterly remitters and 4 equal credits for monthly remitters).</p> <p>The second-round payments are not linked to PAYG withholding in the July to September activity statements.</p>
Eligibility	<p>Businesses must satisfy all the following:</p> <ul style="list-style-type: none"> • carry on a business; • aggregated annual turnover under \$50 million (generally based on the most recent year for which there is an income tax assessment); • make certain payments (such as salary, wages or director fees) subject to PAYG withholding (even if no withholding is required); • held an ABN on 12 March 2020 and either: <ul style="list-style-type: none"> ○ earned assessable business income in FY 2019; or ○ made a taxable, GST-free or input-taxed supply (assuming you were registered for GST if you weren't) in a tax period that started on or after 1 July 2018 and ended before 12 March 2020, and the Commissioner was notified of this (e.g. by lodging a return or activity statement) prior to 12 March 2020 (or such further time as he allows);¹ and • did not enter into a scheme for the sole or dominant purpose of becoming eligible for the payment (or increasing the amount of the payment). <p>It is possible for multiple entities within a group to all benefit from the cash flow boost.</p> <p>The cash flow boost will be applied as an automatic credit in the activity statement system. No new registrations or forms are required. Businesses just need to lodge their activity statements.</p>
Issues	<p>\$50 million turnover test: The test is based on a modified 'small business entity' definition for the <i>most recent income year for which there is an income tax assessment</i>. The test can also be met if the Commissioner is satisfied the test would be satisfied in the <i>current income year</i>. If turnover has fluctuated above and below the threshold in recent years, further analysis is required to determine if the turnover test is satisfied.</p> <p>Label W2: Not all amounts reported at label W2 will be eligible for the cash flow boost. Only amounts withheld under Subdivisions 12-B, 12-C or 12-D in Schedule 1 to the TAA 1953 qualify.</p> <p>Contractors: Payments to contractors are only included if they are subject to a voluntary withholding agreement.</p>

¹ This requirement does not apply to ACNC-registered charities

Boosting cash flow for employers (Continued)

Issues (continued)	<p>‘Active business’ requirement: As well as holding an ABN on 12 March 2020, the business must have notified the Commissioner of the assessable income or supply requirement prior to 12 March 2020. This will generally be through lodging their 2019 income tax return or an activity statement for a tax period that started on or after 1 July 2018 and ended before 12 March 2020. Businesses that have not yet lodged their 2019 income tax return may not be able to satisfy this requirement if they:</p> <ol style="list-style-type: none"> 1. are not registered for GST; 2. are registered for GST but lodge annual GST returns; 3. have not lodge an activity statement for a period from 1 July 2018 (late lodgers); or 4. are a new business established after 1 January 2020. <p>The Commissioner has a discretion to provide the entity with more time to provide him with notice that the ‘active business’ requirement has been satisfied. This is likely to be granted for items 1 and 2 above (entities not registered for GST or annual lodgers). Late lodgers (item 3) are unlikely to be provided with further time and it may not be possible (even with extra time) for new businesses established after 1 January 2020 (item 4) to satisfy the requirement.</p> <p>Integrity rule: If a business is considering starting to pay a salary to a controller of a family-run business after the announcement of this measure (e.g. to a controller who had previously taken dividends or trust distributions) or is considering moving employees between related entities with the effect of making the entity eligible for the cash flow boost (or increasing its entitlement), the integrity rule might apply and professional advice should be sought.</p> <p>Sole traders and partners: Sole traders and partners will not be eligible in respect of their own drawings from the business. However, they will be eligible if they pay employees.</p> <p>PSI attribution: PSI income that is attributed to a taxpayer will not qualify for the cash flow boost. However, if an actual salary or wage is paid, the withholding on the salary or wage will qualify.</p> <p>Tax-free payments: As the payments will be tax-free, there may not be sufficient franking credits if these funds are paid out of a company as a dividend, or CGT event E4 may apply to units trusts if the funds are paid out as a distribution. If the funds are retained within the company or trust, this will not cause an immediate problem.</p> <p>Downward PAYG withholding variations: Employers are disadvantaged if employees have a downward PAYG withholding variation in place (as is common where employees have negatively geared property).</p>
Legislation	<p><i>Boosting Cash Flow for Employers (Coronavirus Economic Response Package) Act 2020 (Cth)</i></p> <ul style="list-style-type: none"> • Act: https://www.legislation.gov.au/Details/C2020A00023/323de104-bf69-4007-a87c-b7888918221e • EM: https://www.legislation.gov.au/Details/C2020B00035/7dda92d3-08d5-4093-bda2-5a09055225d8 <p><i>Coronavirus Economic Response Package Omnibus Act 2020 (Cth)</i></p> <ul style="list-style-type: none"> • Act: https://www.legislation.gov.au/Details/C2020A00022/80665638-cc9c-4a50-9dcc-ed27662032ba • EM: https://www.legislation.gov.au/Details/C2020B00036/ac4e2541-9da4-4f72-909c-5cf894bb0d47
Links	<p>ATO: https://www.ato.gov.au/Business/Business-activity-statements-(BAS)/In-detail/Boosting-cash-flow-for-employers/</p> <p>Treasury: https://treasury.gov.au/sites/default/files/2020-03/Fact_sheet-Cash_flow_assistance_for_businesses_1.pdf</p>

Instant asset write-off	
Details	<p>The Instant asset write-off has been enhanced to provide businesses with an aggregated annual turnover less than \$500 million (previously \$50 million) an immediate deduction for the acquisition of a depreciating asset (or improvement) with a GST exclusive cost of less than \$150,000 (previously \$30,00).</p> <p>Small business entities (turnover of less than \$10 million) that use the simplified depreciation rules in Division 328 of the ITAA 1997, can claim an immediate deduction for the balance of the 'General Small Business Pool' if the pool balance is less than \$150,000 at 30 June 2020.</p> <p>The maximum cost that can be depreciated for a car remains at \$57,581 (for 2019-20). This has not been changed by the amendments to the instant asset write-off.</p>
Eligibility	<p>Businesses with an aggregated annual turnover less than \$500 million (previously \$50 million).</p> <p>The asset must be first used or installed ready for use between 12 March 2020 and 30 June 2020.</p>
Legislation	<p><i>Coronavirus Economic Response Package Omnibus Act 2020</i> (Cth)</p> <ul style="list-style-type: none"> Act: https://www.legislation.gov.au/Details/C2020A00022/80665638-cc9c-4a50-9dcc-ed27662032ba EM: https://www.legislation.gov.au/Details/C2020B00036/ac4e2541-9da4-4f72-909c-5cf894bb0d47
Links	<p>ATO: https://www.ato.gov.au/Business/Depreciation-and-capital-expenses-and-allowances/Simpler-depreciation-for-small-business/Instant-asset-write-off/</p> <p>Treasury: https://treasury.gov.au/sites/default/files/2020-03/Fact_Sheet-Delivering_support_for_business_investment.pdf</p>
Accelerated depreciation	
Details	<p>Accelerated depreciation for new depreciating assets. 50% of the cost is immediately deductible. The remaining 50% balance is depreciated under the ordinary depreciation rules (commencing from when the asset was first used or installed ready for use). For example, small business entities (turnover of less than \$10 million) that use the simplified depreciation rules in Division 328 of the ITAA 1997, can deduct 57.5% of the cost in the first year).</p> <p>Unlike the instant asset write-off there is no cost limit (i.e. it applies to assets that cost more than \$150,000) and it applies until 30 June 2021 (the instant asset write-off is set to revert back to \$1,000 and only be available for small business entities from 1 July 2020).</p>
Eligibility	<p>Businesses with an aggregated annual turnover less than \$500m.</p> <p>The asset must be first used or installed ready for use between 12 March 2020 and 30 June 2021.</p> <p>Does not apply to second-hand assets, or buildings and other capital works depreciable under Division 43 of the ITAA 1997.</p>
Legislation	<p><i>Coronavirus Economic Response Package Omnibus Act 2020</i> (Cth)</p> <ul style="list-style-type: none"> Act: https://www.legislation.gov.au/Details/C2020A00022/80665638-cc9c-4a50-9dcc-ed27662032ba EM: https://www.legislation.gov.au/Details/C2020B00036/ac4e2541-9da4-4f72-909c-5cf894bb0d47
Links	<p>ATO: https://www.ato.gov.au/Business/Depreciation-and-capital-expenses-and-allowances/Backing-business-investment---accelerated-depreciation/</p> <p>Treasury: https://treasury.gov.au/sites/default/files/2020-03/Fact_Sheet-Delivering_support_for_business_investment.pdf</p>

Wage subsidies for apprentices and trainees	
Details	A 50% wage subsidiary for employers of apprentices and trainees for 9 months (1 January 2020 to 30 September 2020) up to a maximum of \$21,000 (\$7,000 per quarter) per eligible apprentice or trainee.
Eligibility	<p>Employers must have less than 20 full time employees. Employers must retain the apprentice or trainee. The apprentice or trainee must have been in training as at 1 March 2020.</p> <p>Employers of any size that re-engage an eligible apprentice or trainee, who could not be retained by a small employer, are also eligible for the subsidy.</p> <p>Employers can register for the subsidy from early April 2020.</p>
Issues	Interaction with the JobKeeper payment.
Legislation	<p>Coronavirus Economic Response Package Omnibus Act 2020 (Cth)</p> <ul style="list-style-type: none"> Act: https://www.legislation.gov.au/Details/C2020A00022/80665638-cc9c-4a50-9dcc-ed27662032ba EM: https://www.legislation.gov.au/Details/C2020B00036/ac4e2541-9da4-4f72-909c-5cf894bb0d47
Link	https://treasury.gov.au/sites/default/files/2020-03/Fact_sheet-Cash_flow_assistance_for_businesses_0.pdf

2. Superannuation measures

Temporary early release of superannuation	
Details	<p>Eligible individuals will be able to apply online through myGov to access up to \$10,000 of their superannuation before 1 July 2020.</p> <p>They will also be able to access up to a further \$10,000 from 1 July 2020 until 24 September 2020.</p> <p>The amounts withdrawn will be tax free.</p>
Eligibility	<p>To apply for early release you must satisfy any one or more of the following requirements:</p> <ul style="list-style-type: none"> • you are unemployed; or • you are eligible to receive a job seeker payment, youth allowance for jobseekers, parenting payment (which includes the single and partnered payments), special benefit or farm household allowance; or • on or after 1 January 2020: <ul style="list-style-type: none"> ○ you were made redundant; ○ your working hours were reduced by 20 per cent or more; or ○ if you are a sole trader — your business was suspended or there was a reduction in your turnover of 20% or more. <p>Apply to the ATO through MyGov (https://www.my.gov.au/) from 2 April 2020.</p>
Legislation	<p>Coronavirus Economic Response Package Omnibus Act 2020 (Cth)</p> <ul style="list-style-type: none"> • Act: https://www.legislation.gov.au/Details/C2020A00022/80665638-cc9c-4a50-9dcc-ed27662032ba • EM: https://www.legislation.gov.au/Details/C2020B00036/ac4e2541-9da4-4f72-909c-5cf894bb0d47
Links	<p>ATO: https://www.ato.gov.au/individuals/super/withdrawing-and-using-your-super/early-access-to-your-super/</p> <p>ATO: https://www.ato.gov.au/Super/APRA-regulated-funds/in-detail/News/CRT-Alerts/2020/CRT-Alert-004/2020---COVID-19-economic-response-package---early-release-of-super/</p> <p>Treasury: https://treasury.gov.au/sites/default/files/2020-03/Fact_sheet-Early_Access_to_Super_2.pdf</p>

Temporary reduction in minimum draw down requirements	
Details	The Government is temporarily reducing superannuation minimum drawdown requirements for account-based pensions and similar products by 50% for the 2019-20 and 2020-21 income years. This will reduce the need to sell investment assets in a depressed market to fund the minimum drawdown amount.
Eligibility	All taxpayers receiving an account-based pension or similar products.
Legislation	Coronavirus Economic Response Package Omnibus Act 2020 (Cth) <ul style="list-style-type: none"> Act: https://www.legislation.gov.au/Details/C2020A00022/80665638-cc9c-4a50-9dcc-ed27662032ba EM: https://www.legislation.gov.au/Details/C2020B00036/ac4e2541-9da4-4f72-909c-5cf894bb0d47
Links	ATO: https://www.ato.gov.au/Rates/Key-superannuation-rates-and-thresholds/?anchor=Minimumannualpaymentsforsuperincomestrea Treasury: https://treasury.gov.au/sites/default/files/2020-03/factsheet6providingsupportforretireestomanagemarketvolatility-25march2.pdf
SMSFs – Issues and ATO guidance	
Details	<p><u>Temporarily reducing rent</u></p> <p>The ATO has stated that it will not take compliance action for the 2019-20 and 2020-21 financial years if a SMSF which owns real property gives a related party tenant a reduction in rent because of the financial impacts of the COVID-19.</p> <p>Notwithstanding this, the rent reduction should be commercially justifiable (i.e. consistent with the approach taken by arm's-length landlords) and you should keep evidence of the tenant's inability to pay (which should be reviewed regularly). The Trustee's decision to reduce the rent should be properly documented (e.g. in a trustee minute) and the lease should be formally amended.</p> <p>The ATO website does not provide any express relief for an SMSF that owns property via an interposed unit trust.</p> <p><u>In-house asset restrictions</u></p> <p>If an SMSF exceeds the 5% in-house asset threshold as at 30 June 2020 (e.g. because of falls in asset values), a plan must be prepared and implemented on or before 30 June 2021. However, the ATO will not undertake compliance activity if the rectification plan was unable to be executed because the market has not recovered, or it was unnecessary to implement the plan as the market had recovered.</p> <p><u>Investment strategies</u></p> <p>Trustees should review their investment strategy and consider whether it needs to be updated in light of the COVID-19 situation. The ATO does not consider that short term variations to your articulated investment approach, including to specified asset allocations whilst you adjust your investments, constitutes a variation from your investment strategy.</p>
Eligibility	All SMSFs.
Link	https://www.ato.gov.au/Individuals/Dealing-with-disasters/In-detail/Specific-disasters/COVID-19/?anchor=Selfmanagedsuperfunds#Selfmanagedsuperfunds

3. WA Government incentives and relief

Payroll tax – Waiver / deferral	
Details	<p>Payroll tax will be waived from March to June 2020 for employers, or groups of employers, whose Australian taxable wages are less than \$7.5 million at 30 June 2020.</p> <p>(This measure was initially announced on 16 March 2020 as a <i>deferral</i> of payroll tax.)</p>
Eligibility	<p>Employers with Australian taxable wages less than \$5 million at 29 February 2020 will have their payroll tax for March to June 2020 automatically waved.</p> <p>Employers with Australian taxable wages of \$5 million or more at 29 February 2020, or new employers from 1 March, but who expect their wages will be less than \$7.5 million at 30 June 2020, must apply for a lodgment and payment deferral until 21 July 2020. If 2019-20 annual Australian taxable wages end up being:</p> <ul style="list-style-type: none"> less than \$7.5 million – no tax will be payable for March to June 2020; or \$7.5 million or more – employers will need to pay tax for the months that were deferred. <p>The Treasurer encourages eligible businesses not negatively affected by COVID-19 to keep paying tax as normal so the funds allocated to this initiative can be used to assist other businesses that are not so fortunate.</p>
Application form	https://www.wa.gov.au/government/publications/application-defer-payroll-tax-covid-19
Link	https://www.wa.gov.au/government/multi-step-guides/payroll-tax-employer-guide/covid-19-relief-payroll-tax-employer-guide
Payroll tax – Grant payment	
Details	A one-off grant of \$17,500. Grants will automatically be paid by cheque from July.
Eligibility	<p>Employers, or groups of employers, whose annual Australian taxable wages are more than \$1m and up to \$4m.</p> <p>For a group of employers, a single grant will be payable to the designated group employer.</p>
Link	https://www.wa.gov.au/government/multi-step-guides/payroll-tax-employer-guide/covid-19-relief-payroll-tax-employer-guide

Payroll tax – Threshold increase	
Details	The payroll tax threshold will be raised from \$950k to \$1m from 1 July 2020 (six months earlier than planned).
Eligibility	All employers.
Link	https://www.wa.gov.au/government/multi-step-guides/payroll-tax-employer-guide/covid-19-relief-payroll-tax-employer-guide
Interest-free payment arrangements and late penalty tax remission	
Details	<p>From 23 March 2020, taxpayers whose financial circumstances are directly or indirectly impacted by COVID-19 can apply for:</p> <ul style="list-style-type: none"> • an interest-free payment arrangement; and • late payment penalty tax to be remitted, <p>for payroll tax, transfer duty, landholder duty, vehicle licence duty and land tax.</p>
Eligibility	Businesses impacted by COVID-19.
Links	https://www.wa.gov.au/government/publications/covid-19-relief-penalty-tax-and-payment-arrangements https://www.mediastatements.wa.gov.au/Pages/McGowan/2020/03/\$1-billion-COVID-19-economic-and-health-relief-package-unveiled.aspx
Electricity bill relief	
Details	<p>A one-off \$2,500 credit will be allocated from 1 May 2020 to reduce current and future electricity bills.</p> <p>In addition, small businesses facing financial difficulty due to COVID-19 will not have their power or water disconnected due to late payments, and no interest will be charged on deferred bill payments.</p>
Eligibility	<p>Small businesses that consume less than 50 megawatt hours (MWh) per annum and who were current customers of Synergy or Horizon as of 31 March 2020.</p> <p>Groups on community service and charitable accommodation electricity tariffs are also eligible for the credit.</p>
Link	https://www.mediastatements.wa.gov.au/Pages/McGowan/2020/03/\$1-billion-COVID-19-economic-and-health-relief-package-unveiled.aspx

Waiver of license fees

Details	<p>Licences for the following will be waived for small and medium-sized businesses in COVID-19 impacted industries for the next 12 months:</p> <ul style="list-style-type: none"> • building services; • plumbers and electricians; • tourism businesses operating in national and marine parks; • boat registration and mooring fees for tourism operators and commercial fishers; • commercial fisheries licences; • taxi booking service authorisation fees; • settlement agent licence fees; and • other statutory planning fees. <p>Liquor licence renewal fees for 2020 will be waived and refunds provided for businesses that have already paid.</p>
Eligibility	Small and medium-sized businesses in COVID-19 impacted industries.
Link	https://www.mediastatements.wa.gov.au/Pages/McGowan/2020/03/\$1-billion-COVID-19-economic-and-health-relief-package-unveiled-.aspx

Rent relief for tenants in Government-owned buildings

Details	Rental payments for small businesses and not-for-profit groups in Government-owned buildings will be waived for 6 months.
Eligibility	<p>Small businesses and not-for-profit groups in Government-owned buildings.</p> <p>Small businesses include those owned and operated by an individual, partnership or proprietary company with a relatively small market share and are not a subsidiary of a larger business, as defined by the <i>Small Business Development Corporation Act 1983</i> (WA). Not-for-profits include all charities and associations defined by the <i>Associations Incorporation Act 2015</i> (WA).</p>
Link	https://www.mediastatements.wa.gov.au/Pages/McGowan/2020/03/Rent-relief-for-small-businesses-and-not-for-profits.aspx

4. ATO administrative relief

Payment deferrals and low interest payment plans	
Details	<p>The ATO has options available to support businesses having difficulty paying their tax. These include deferring tax payments that were due after 23 January 2020 by up to 6 months (this does not include super guarantee obligations), stopping interest accruing and low interest payment plans (for debts due both before and after 23 January 2020).</p> <p>Lodgment deadlines have not been deferred.</p>
Eligibility	Businesses impacted by COVID-19.
Links	<p>https://www.ato.gov.au/Individuals/Dealing-with-disasters/In-detail/Specific-disasters/COVID-19/?anchor=COVID19supportavailable#Paymentdeferrals</p> <p>https://www.ato.gov.au/Individuals/Dealing-with-disasters/In-detail/Specific-disasters/COVID-19/?anchor=COVID19supportavailable#Lowinterestpaymentplans</p> <p>https://www.ato.gov.au/individuals/dealing-with-disasters/in-detail/specific-disasters/covid-19/?page=6#Payments_to_us</p> <p>https://www.ato.gov.au/individuals/dealing-with-disasters/in-detail/specific-disasters/covid-19/?page=8#Interest_and_penalties</p> <p>https://www.ato.gov.au/Media-centre/Media-releases/ATO-releases--one-stop-shop--for-essential-tax-and-super-info-on-COVID-19-stimulus-measures/</p>
Varying PAYG instalments to nil	
Details	Businesses can vary their PAYG installment amount to zero for the March 2020 quarter. They can also claim a refund for any instalments paid in the September 2019 and December 2019 quarters. The ATO has confirmed that interest and penalties will not be imposed on the varied PAYG Instalments.
Eligibility	All small and medium businesses.
Issues	For corporate entities, consider the impact of the variation on the company's franking account balance and whether this could leave the company in a deficit as at 30 June 2020.
Links	<p>https://www.ato.gov.au/Individuals/Dealing-with-disasters/In-detail/Specific-disasters/COVID-19/?anchor=COVID19supportavailable#Varypayasyougoinstalments</p> <p>https://www.ato.gov.au/Media-centre/Media-releases/ATO-releases--one-stop-shop--for-essential-tax-and-super-info-on-COVID-19-stimulus-measures/</p>

Moving from quarterly to monthly GST reporting to access refunds sooner

Details	<p>Businesses on a quarterly reporting cycle can opt into monthly GST reporting in order to get quicker access to GST refunds they are entitled to.</p> <p>The change must take effect from the start of a quarter, so a change now will take effect from 1 April 2020.</p>
Eligibility	All businesses with quarterly reporting obligations.
Link	https://www.ato.gov.au/Individuals/Dealing-with-disasters/In-detail/Specific-disasters/COVID-19/?anchor=COVID19supportavailable#ChangingyourGSTreportingcycle

Interest and penalty remission

Details	The ATO will consider remitting interest and penalties incurred on and after 23 January 2020.
Eligibility	Businesses impacted by COVID-19.
Links	<p>https://www.ato.gov.au/Individuals/Dealing-with-disasters/In-detail/Specific-disasters/COVID-19/?anchor=COVID19supportavailable#Remittinginterestandpenalties</p> <p>https://www.ato.gov.au/Individuals/Dealing-with-disasters/In-detail/Specific-disasters/COVID-19/?page=8#Interest_and_penalties</p>

Corporate residency

Details	The ATO has stated that if the only reason for holding board meetings in Australia or directors attending board meetings from Australia is because of impacts of COVID-19, then it will not apply compliance resources to determine if central management and control is in Australia.
Eligibility	All businesses.
Link	https://www.ato.gov.au/Individuals/Dealing-with-disasters/In-detail/Specific-disasters/COVID-19/?page=10#International_business

5. Financing measures

SME guarantee scheme	
Details	<p>The Government will provide a guarantee of 50% to participating lenders for new unsecured loans to small and medium enterprises to be used for working capital. Loans will be made on the following terms:</p> <ul style="list-style-type: none"> • maximum total size of loans of \$250k per borrower; • the loans will be up to 3 years, with an initial 6-month repayment holiday; and • the loans will be unsecured (i.e. borrowers will not have to provide an asset as security for the loan). <p>As part of the loan products available, the Government will encourage lenders to provide facilities to SMEs that only have to be drawn if needed by the SME. This will mean that the SME will only incur interest on the amount they draw down. If they do not draw down any funds from the facility, no interest will be charged, but they will retain the flexibility to draw down in the future should they need to.</p> <p>The Scheme will commence by early April 2020 and be available for new loans made by participating lenders until 30 September 2020.</p>
Eligibility	<p>Small and medium enterprises with a turnover of up to \$50m.</p> <p>Loans will be subject to lenders' credit assessment processes with the expectation that lenders will look through the cycle to sensibly take into account the uncertainty of the current economic conditions.</p>
Link	https://treasury.gov.au/sites/default/files/2020-03/Fact_sheet-Supporting_the_flow_of_credit_1.pdf
Bank relief	
Details	<p>Most lenders are offering some or all of the following relief to business customers:</p> <ul style="list-style-type: none"> • loan repayment deferrals for up to 6 months; • reduced interest rates on new and existing loans; • merchant terminal fee relief; • increased term deposit rates; and • not enforcing non-financial breaches of the loan contract (such as changes in valuations).
Eligibility	Varies by bank.
Links	<p>ANZ: https://www.anz.com.au/promo/covid-19/ CBA: https://www.commbank.com.au/latest/coronavirus/business-support.html NAB: https://www.nab.com.au/personal/customer-support/covid19-help/business-support Westpac: https://www.westpac.com.au/business-banking/small-business-relief/ Australian Banking Association: https://www.ausbanking.org.au/covid-19-relief-faqs/</p>

6. Other measures

Temporary relief for financially distressed businesses	
Details	<p>The following temporary changes will apply for 6 months to assist financially distressed businesses to trade through the COVID-19 crisis:</p> <ul style="list-style-type: none"> an increase in the threshold at which creditors can issue a statutory demand on a company (from \$2,000 to \$20,000) and the time companies have to respond to statutory demands they receive (from 21 days to 6 months); an increase in the threshold for a creditor to initiate bankruptcy proceedings (from \$5,000 to \$20,000), an increase in the time period for debtors to respond to a bankruptcy notice (from 21 days to 6 months), and extending the period of protection a debtor receives after making a declaration of intention to present a debtor's petition (from 21 days to 6 months); and relief for directors from any personal liability for trading while insolvent. <p>For owners or directors of a business that are currently struggling due to COVID-19, the ATO will tailor solutions for their circumstances, including temporary reduction of payments or deferrals, or withholding enforcement actions including Director Penalty Notices and wind-ups.</p>
Legislation	<p>Coronavirus Economic Response Package Omnibus Act 2020 (Cth)</p> <ul style="list-style-type: none"> Act: https://www.legislation.gov.au/Details/C2020A00022/80665638-cc9c-4a50-9dcc-ed27662032ba EM: https://www.legislation.gov.au/Details/C2020B00036/ac4e2541-9da4-4f72-909c-5cf894bb0d47
Link	https://treasury.gov.au/sites/default/files/2020-03/Fact_sheet-Providing_temporary_relief_for_financially_distressed_businesses.pdf
Temporary changes to the foreign investment framework	
Details	<p>From 29 March 2020, all proposed foreign investments into Australia that are subject to the <i>Foreign Acquisitions and Takeovers Act 1975</i> (Cth) will require approval, regardless of value or the nature of the foreign investor. This temporary change will be achieved by reducing the monetary screening threshold to \$0 for all foreign investments. This will ensure the Australian Government has appropriate oversight over all proposed foreign investment</p> <p>To ensure sufficient time for screening applications, the Foreign Investment Review Board (FIRB) will work with existing and new applicants to extend timeframes for reviewing applications from 30 days to up to six months. In doing so, the Government will prioritise urgent applications for investments that directly protect and support Australian businesses and jobs.</p> <p>The Treasurer will continue to review foreign investment proposals against the national interest on a case-by-case basis. Where appropriate, conditions will be applied proportionately to address identified risks on a non-discriminatory basis.</p>
Link	https://treasury.gov.au/sites/default/files/2020-03/Fact_sheet-Foreign_Investment_Screening_0.pdf

6-month moratorium on evictions of commercial and residential tenants

Details	<p>There will be a 6-month moratorium on evictions of commercial and residential tenants who are unable to meet their commitments due to the impact of COVID-19.</p> <p>Commercial tenants, landlords and financial institutions are encouraged to sit down together to find a way through to ensure that businesses can survive and be there on the other side.</p> <p>A set of principles has been agreed by the National Cabinet to underpin and govern intervention to aid commercial tenancies as follows:</p> <ul style="list-style-type: none"> • a temporary 6-month moratorium on eviction for non-payment of rent to be applied across commercial tenancies impacted by severe rental distress due to COVID-19; • tenants and landlords are encouraged to agree on rent relief or temporary amendments to the lease; • the reduction or waiver of rental payment for a defined period for impacted tenants; • the ability for tenants to terminate leases and/or seek mediation or conciliation on the grounds of financial distress; • commercial property owners should ensure that any benefits received in respect of their properties should also benefit their tenants in proportion to the economic impact caused by COVID-19; • landlords and tenants not significantly affected by COVID-19 are expected to honour their lease and rental agreements; and • cost-sharing or deferral of losses between landlords and tenants, with Commonwealth, state and territory governments, local government and financial institutions to consider mechanisms to provide assistance.
Link	https://www.pm.gov.au/media/national-cabinet-statement