



**AUSTRALIAN AUTOMOTIVE  
AFTERMARKET ASSOCIATION**

## **COVID-19 Government Assistance**

**LESLEY YATES**

Director - Government Relations & Advocacy

# Summary – Business COVID-19

Stimulus	Investment	30% Downturn	Distressed
Boosting Cash Flow	Instant Asset Write off	JobKeeper	Insolvency and Bankruptcy
Apprentices	Accelerated Depreciation	State Government Grants	Loan interest payment deferment
Payroll Tax Refunds (state by state basis)	Government Guaranteed Loans	Commercial Tenancy code of conduct & state govt land tax reduction	ATO Relief Measures
Small State Government Grants		Bank Credit & Loans SME	

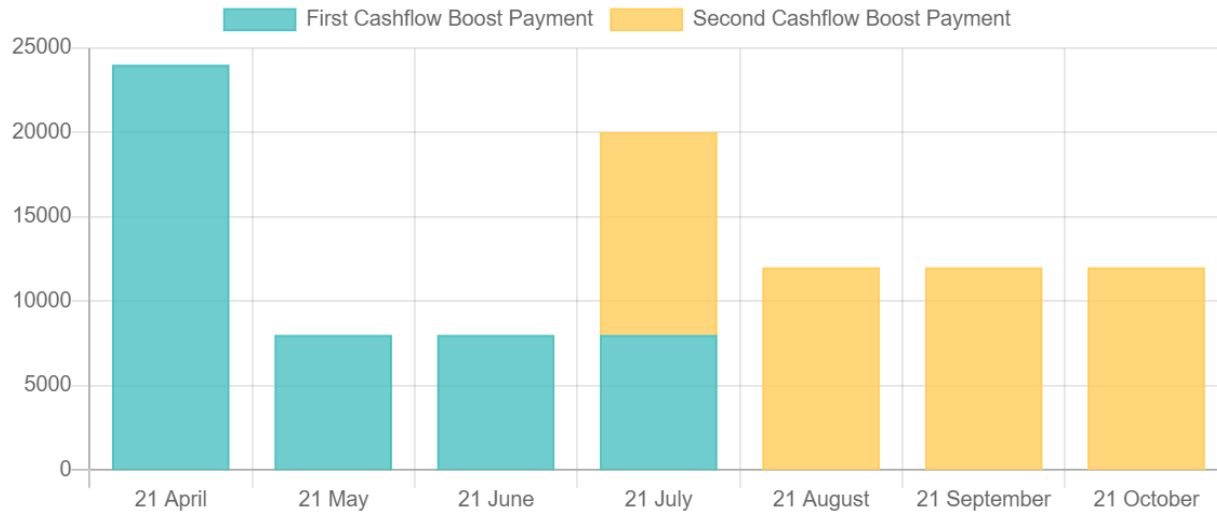
# Apprentices and Trainees

- Have less than 20 full-time employees & currently employ an apprentice or trainee (as at 1 March 2020).
- A wage subsidy of 50 per cent of the apprentice's or trainee's wage paid during the 9 months from 1 January 2020 to 30 September 2020. Up to \$21,000 per eligible apprentice or trainee – or \$7000 per quarter.
- Register for the subsidy from April 2, 2020. Final claims 31 December 2020.
- Employers will be able to access the subsidy after an eligibility assessment is undertaken by an Australian Apprenticeship Support Network (AASN) provider.

# Boosting Cash Flow

Small to medium business under \$50 Million aggregated annual turnover (eligibility is based on prior financial year turnover)

- Delivered as a tax credit and it is calculated on the withholding tax. The amount that an employer withholds from employees' wages and pays directly to the government.
- Eligible businesses that pay salary and wages will receive a payment equal to 100% of their PAYG tax for salary and wages withheld up to a maximum of \$100,000.
- Benefit is in two phases – maximum under each phase is \$50,000
- If the business is in a refund position, the ATO will deliver the refund within 14 days.



**\$96,000** in total benefits

## Key assumptions

- **100% of the PAYG withholdings** credited to your Integrated Client Account
- **300% of the March PAYG** to normalise for the Jan-Mar quarter
- a **minimum of \$10,000** credited on first lodgement
- a **maximum of \$50,000** for the first cash flow boost payment
- if the amount to be credited is below the initial \$10,000 minimum, no further amounts will be paid until what the entity is entitled to be paid exceeds the \$10,000 minimum
- **25% of the total paid in the first cash flow boost payment [\$48,000.00]** credited each month for June to September as part of the second cash flow boost payment
- amounts credited on the later of the due date, or the lodgement date
- the entity is active through the reporting periods

## PAYG Cashflow Boost Calculator for Australian Small Business Employers

Digit Business

# JobKeeper

- Employers can apply to receive fortnightly JobKeeper payments of \$1,500 per eligible employee. Payment will be available from 30 March 2020 until 27 September 2020.
- Businesses under \$1 billion turnover with 30% or more downturn in the relevant month or three months when compared to the previous year.
- Business must have paid their employees (minimum of \$1,500 per fortnight) before they are entitled to receive the payment (it's a reimbursement)
- First payment will be made by the ATO to employers in May. Payments will be monthly in arrears.

# JobKeeper – Eligible Employees

- 1 March 2020 (including those stood down after);and
- Full time, part time; or
- Casual for a regular and systemic basis for at least the previous 12 months.
- Only one employer can claim for each employee.
- Employees must be notified (forms available on the ATO web site).

# JobKeeper – What do I need to do

- Register <https://www.ato.gov.au/general/jobkeeper-payment/employers/enrol-and-apply-for-the-jobkeeper-payment/>
- Notify your eligible employees that you are intending to claim the JobKeeper payment on their behalf and check they aren't claiming JobKeeper payment through another employer.
- Send the JobKeeper employee nomination notice to your nominated employees to complete and return to you by the end of April if you plan to claim JobKeeper payment for April.
- From 20 April 2020, you can enrol for the JobKeeper payment using the Business Portal and authenticate with myGovID. Do this by the end of April to claim JobKeeper payments for April.



# Examples

**Example 1: Employee who (in the absence of jobkeeper) earned \$nil in a relevant fortnight due to being stood down**

Payment, attributable to jobkeeper	\$1,500
PAYG Withholding (claiming tax free threshold)	\$ 192
Net amount paid to employee	\$1,308
Superannuation contribution	\$nil

**Example 2: Employee who (in the absence of jobkeeper) earned \$1,200 in the fortnight from employer and receives \$300 'top up' as a result of jobkeeper**

Employer payment	\$1,200
Top up, attributable to jobkeeper	\$300
Total gross	\$1,500
PAYG Withholding (claiming tax free threshold)	\$ 192
Net amount paid to employee	\$1,308
Superannuation contribution	\$114

# Case Study:

Queensland Based: Revenue less than \$50 million/Less than 20 employees/under \$6.5 million in taxable wages.

30% Reduction in GST in March 2020

Program	Funds	Authority	Details
Boosting Cash Flow	\$20,000 - \$50,000 Twice	Federal (ATO)	ATO Administered provides two phases of \$50,000 - maximum is \$100,000 total.
Apprentices and Trainees	\$7,000 per quarter for three quarters	Federal (Apprenticeship Network Provider)	Maximum of \$21,000
JobKeeper	\$1,500 per fortnight	Federal (ATO)	\$1,500 for each eligible employee for 6 months
Payroll Tax Refund	Refund of payroll tax for January and February 2020	Queensland State Government (Remainder of 2020 can be deferred)	Applications for the payroll tax refund/holiday must be made before 31 May 2020

# Case Study: Part Two

- Instant asset write-offs (Federal)
- Accelerated depreciation (Federal)
- Temporary relief for financially distressed businesses (Federal)
  - Trading while insolvent
  - Bankruptcy
- ATO deferral BAS, Vary PAYG Company tax instalments, opt into monthly GST, ATO will remit interest and penalties incurred on or after 23 January
- Supporting the flow of credit (Federal)
  - 50% guarantee on new loans (maximum of \$250,000). Up to three years, with an initial 6-month repayment holiday
- Support from the banking sector (Federal)
  - deferral of principal and interest repayments for 6 months (interest will be capitalised)
- Low interest loans (QLD)
  - Low interest loans of up to \$250,000, with an initial 12-month interest free period

# State Government Support

- Refunds of Payroll tax
- Payroll tax holiday
- Deferral of paying payroll tax
- Low interest loans
- Power bill relief, business rent relief for government owned properties
- Grants for equipment purchases (selected industries)
- Land tax rebates for landowners who provide rent relief
- Small Business Grants
- Jobs funds